

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 30 June 1999

The Council met at half-past Two o'clock

MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE MRS RITA FAN, G.B.S., J.P.

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

THE HONOURABLE JAMES TIEN PEI-CHUN, J.P.

THE HONOURABLE DAVID CHU YU-LIN

THE HONOURABLE HO SAI-CHU, J.P.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE EDWARD HO SING-TIN, J.P.

THE HONOURABLE ALBERT HO CHUN-YAN

THE HONOURABLE MICHAEL HO MUN-KA

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

THE HONOURABLE LEE WING-TAT

THE HONOURABLE LEE CHEUK-YAN

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

THE HONOURABLE ERIC LI KA-CHEUNG, J.P.

THE HONOURABLE LEE KAI-MING, J.P.

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

THE HONOURABLE FRED LI WAH-MING

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

THE HONOURABLE NG LEUNG-SING

THE HONOURABLE MARGARET NG

THE HONOURABLE RONALD ARCULLI, J.P.

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE AMBROSE CHEUNG WING-SUM, J.P.

THE HONOURABLE HUI CHEUNG-CHING

THE HONOURABLE CHRISTINE LOH

THE HONOURABLE CHAN KWOK-KEUNG

THE HONOURABLE CHAN YUEN-HAN

THE HONOURABLE BERNARD CHAN

THE HONOURABLE CHAN WING-CHAN

THE HONOURABLE CHAN KAM-LAM

DR THE HONOURABLE LEONG CHE-HUNG, J.P.

THE HONOURABLE MRS SOPHIE LEUNG LAU YAU-FUN, J.P.

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE GARY CHENG KAI-NAM

THE HONOURABLE SIN CHUNG-KAI

DR THE HONOURABLE PHILIP WONG YU-HONG

THE HONOURABLE WONG YUNG-KAN

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

THE HONOURABLE HOWARD YOUNG, J.P.

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE YEUNG YIU-CHUNG

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH

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

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

THE HONOURABLE AMBROSE LAU HON-CHUEN, 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, J.P.

THE HONOURABLE LAW CHI-KWONG, J.P.

THE HONOURABLE TAM YIU-CHUNG, J.P.

THE HONOURABLE FUNG CHI-KIN

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

MEMBERS ABSENT:

PROF THE HONOURABLE NG CHING-FAI

THE HONOURABLE MRS SELINA CHOW LIANG SHUK-YEE, J.P.

THE HONOURABLE MA FUNG-KWOK

THE HONOURABLE ANDREW WONG WANG-FAT, J.P.

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE MRS ANSON CHAN, J.P.
THE CHIEF SECRETARY FOR ADMINISTRATION

MR RAFAEL HUI SI-YAN, G.B.S., J.P.
THE FINANCIAL SECRETARY

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

MR GORDON SIU KWING-CHUE, J.P.
SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS

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

MR DOMINIC WONG SHING-WAH, J.P.
SECRETARY FOR HOUSING

MRS KATHERINE FOK LO SHIU-CHING, J.P.
SECRETARY FOR HEALTH AND WELFARE

MR JOSEPH WONG WING-PING, G.B.S., J.P.
SECRETARY FOR EDUCATION AND MANPOWER

MR DAVID LAN HONG-TSUNG, J.P.
SECRETARY FOR HOME AFFAIRS

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

MS MARIA KWAN SIK-LING, J.P.
SECRETARY FOR ECONOMIC SERVICES

MISS YVONNE CHOI YING-PIK, J.P.
SECRETARY FOR TRADE AND INDUSTRY

MRS REBECCA LAI KO WING-YEE, J.P.
SECRETARY FOR FINANCIAL SERVICES

CLERKS IN ATTENDANCE:

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

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

MS PAULINE NG MAN-WAH, ASSISTANT SECRETARY GENERAL

PAPERS

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

Subsidiary Legislation	<i>L.N. No.</i>
Pilotage (Dues) (Amendment) Order 1999.....	160/99
Pilotage (Dues) (Amendment) (No. 2) Order 1999	161/99
Pilotage Ordinance (Amendment of Schedule 2) Notice 1999.....	162/99
Marine Fish (Marketing) (Rate of Commission) Notice.....	163/99
Assumption of Responsibility for Markets Notification 1999	164/99
Statutes of the University of Hong Kong (Amendment) Statutes 1999	165/99

Sessional Papers

- No. 132 — Report on the Administration of the Immigration Service Welfare Fund prepared by the Director of Immigration in accordance with Regulation 10 of the Immigration Service (Welfare Fund) Regulations
- No. 133 — Hong Kong Export Credit Insurance Corporation Annual Report 1998-99

Reports

Report of the Panel on Housing 1998/99

Report of the Panel on Security 1998/99

Report of the Panel on Financial Affairs 1998/99

Report of the Panel on Education 1998/99

Report of the Panel on Trade and Industry 1998/99

Report of the Panel on Environmental Affairs 1998/99

ADDRESSES

PRESIDENT (in Cantonese): Addresses. Mr LEE Wing-tat will address this Council on the Report of the Panel on Housing 1998/99.

Report of the Panel on Housing 1998/99

MR LEE WING-TAT (in Cantonese): Madam President, as Chairman of the Panel on Housing, I shall highlight some of the work of the Panel for the current legislative session.

In the past year, the Panel worked hard in supervising the various housing measures put forth by the Administration.

On encouraging home ownership, the Panel held a number of discussions with the Hong Kong Housing Society about the introduction of measures to help owners under the Sandwich Class Housing Scheme to repay their mortgages in times when the economic situation was generally weak. The Panel also supervised the operation of the various housing loan schemes and Home Ownership Scheme to ensure that the Administration put resources to effective use in assisting low- and middle-income families to own their homes.

The need for public rental housing has always been a matter of great concern to the Panel. Besides urging the Administration to honour its pledge of building 50 000 public housing units each year, members of the Panel also held discussions with the Administration on various public housing measures, which include the introduction of income and asset tests for prospective tenants of public housing units, a Hong Kong residence requirement for public housing applicants and the restriction imposed on the transference of rental right when the tenant of the public housing unit passes away. Members of the Panel also expressed their greatest displeasure at the Administration for its failing to consult the Panel before implementing major policy changes.

On the supply of single-person public housing units, members of the Panel are generally disappointed by the long waiting period, which currently averages nine years. Members of the Panel urged the Administration to increase the supply of single-person public housing units so as to resolve the need for bedspace apartments, or caged apartments as commonly known. In order to have a better understanding of the living condition of those living in bedspace apartments after the Bedspace Apartments Ordinance has been introduced, members of the Panel visited one licensed bedspace apartment and a single-person hostel that caters mainly for residents of bedspace apartments. A study was carried out to look into the problems of bedspace apartments.

Madam President, the general downturn in Hong Kong economy has a great impact on tenants of public housing units. Members of the Panel had held a series of meetings with the Administration, discussing measures to alleviate the hardship that the businesses and households at public housing estates had to bear. Besides expressing their views on the Rental Reassessment Scheme for Businesses proposed by the Housing Authority (HA), members of the Panel also urged the HA to make substantial rental reduction and to simplify the rental procedure so as to attract more interested parties to take up vacant business units.

On the issue of public housing rental, the Panel carefully analysed statistics of the median rent to income ratio in the past few years. Members request the HA to put on hold all plans for rent increase and review the rental level of public housing so that the rent of public housing is within the affordability of the tenants.

Another major concern of the Panel is the construction quality of public housing and the problem of estate management and sub-contracting of maintenance work. Given that allowing private sector to participate in the management of housing estates and in the repair and maintenance work can have far-reaching effects, members urged HA to consult public housing households and owners under the Tenants Purchase Scheme before coming to any final decision, and to be sympathetic of the worries of the staff about their future when introducing any change.

To conclude, the Panel exchanged views with the Administration on a range of housing issues. On some policy issues, the Administration accepted the suggestion of the Panel and made corresponding changes. I should like to thank Members for the efforts they had put in over the past year. Thank you, Madam President.

PRESIDENT (in Cantonese): Mr James TO will address this Council on the Report of the Panel on Security 1998/99.

Report of the Panel on Security 1998/99

MR JAMES TO (in Cantonese): Madam President, as Chairman of the Panel on Security, I now table a Report on the work of the Panel for 1998-99 at the Legislative Council and talk on a number of major issues.

The Panel understands that when the Administration enters into an arrangement with China on the transfer of fugitives, there are five guiding principles to be followed. Given that the legal system of the Hong Kong Special Administrative Region (SAR) is vastly different from that of China, members urge the Administration to model on the agreements for transfer of fugitives that the SAR have entered into with other jurisdictions when it enters into similar agreements with China, by adding a general protective clause to exclude political crimes and political persecution. As the discussion with China for such a formal arrangement will be kept confidential, the Panel urges the Administration to explore any possibility of opening up other ways to collect public opinion.

Members are very appreciative of the effort the police have put into to

transform its service culture and attitude, but are very concerned that the problem of gambling and excessive borrowing among the officers may lead to poor performance or even involvement in illegal activities. The Administration pledged to the Panel that the police management is determined to maintain an honest and loyal Police Force, and that a comprehensive strategy has been adopted to prevent police officers from owing debts, to identify those police officers that have indebtedness problems, and to deal with the problem of debts. The police management will conduct regular review to determine how effective these measures are in handling the problem of indebtedness among the police officers.

The Panel understands that the Administration has already adopted a number of strategies to combat smuggling and illegal sale of cigarettes. Given the severity of the problem, there has even been suggestion for a reduction of tobacco excise to combat smuggling of tobacco. The Administration has expressed that it would review the current law enforcement strategy; and while conducting such a review, it would take account of Hong Kong's financial and health policies. Besides taking stronger enforcement action, the Administration should, Members urge, step up its promotion and education work in this regard to stamp out the purchase of cigarettes that have not been excised.

The purpose of setting up a restricted area is to provide a buffer zone for effectively combating illegal immigration and other trans-boundary crimes. The Administration, by requiring that a pass for the restricted area will only be issued when necessary, has imposed control on entry to the restricted area. The Panel has made a number of suggestions to the Administration to improve the procedure for issuing passes to the restricted area, including flexible handling of application according to the applicant's needs, simplification of the restricted area pass system, improving the application procedure and setting up a review mechanism.

As to the resolution of the year 2000 (Y2K) digit problem by the departments and related agencies under the jurisdiction of the Security Bureau, that means, the work on the "millennium bug", Members consider that it is important for each department to draw up a contingency plan, as this will ensure that there would not be any disruption to the services provided by these departments even if there were any system disorder as a result of the Y2K digit problem. In promoting understanding of the Y2K digit problem, the Administration tells the Panel that besides making general promotion efforts in Hong Kong, it is considering giving simple guidelines to help the public to deal

with problems in our daily lives that may be affected by the Y2K digit problem.

I would like to thank the Members for the contributions they made to the work of the Panel, as well as to the Administration for the response it gave to the views expressed by the Members.

PRESIDENT (in Cantonese): Mr. Ambrose LAU will address this Council on the Report of the Panel on Financial Affairs 1998/99.

Report of the Panel on Financial Affairs 1998/99

MR AMBROSE LAU (in Cantonese): Madam President, as Chairman of the Panel on Financial Affairs, I now table a Report of the work of the Panel for 1998-99 at the Legislative Council. As the Report has already covered the major work of the Panel, I shall therefore highlight to Members a few major points here.

After the Administration had undertaken an unprecedented move in the local stock and futures markets in August 1998, the Panel asked the Administration to give a detailed report on the action taken as well as an analysis of the background that led to such a move; in addition, the Panel also invited renowned local and overseas academics and market participants to give their views on the mechanism that enabled the Administration to undertake the above operation and defend the linked exchange rate system, as well as on the measures that the Administration subsequently took to reinforce the currency board system and to enhance order and transparency to the stock and futures markets. Though members were very determined in their support for upholding the linked exchange rate, they had different views on the actions. Members generally took a reserved attitude regarding the Administration holding a large amount of stocks for a long time, as this might involve a conflict of interests and there was a need to maintain a fair competitive environment for all market participants. Later, members became aware that the Administration had already set up the Exchange Fund Investment Limited in October 1998 to manage the \$120 billion worth of stocks bought in the operation, and noted that

academics and markets participants held different views on the way and timing for those stocks to be disposed of. Nevertheless, the Panel urges the Administration to continue to show its determination to local and overseas investors that a free economy and the linked exchange rate system would be maintained so as to boost their confidence in the Hong Kong market.

Members welcome the new measures the Administration has taken to reinforce the currency board system. On the 30 measures that are meant to enhance order and transparency to the stock and futures markets, members are concerned about the effects that some of the measures may have on market development, and are closely monitoring the progress of the implementation of those measures, especially the substitution of the open bidding system by an automated transaction system for trading Hang Seng Index futures and options. The Panel urges the Administration to take great care in drawing up a schedule for the switching of systems to ensure that members of the Hong Kong Futures Exchange are thoroughly prepared for a successful transition.

The House Committee agrees that the Panel should invite the Administration to give reports to the Panel and Members of this Council on macro-economic matters. The Panel has invited Mr Donald TSANG, Financial Secretary, to speak on the overall economic development of Hong Kong, and asked the Administration to report on the result of the meeting it held with the Chief Executive's Council of international advisers. The Panel understands that the advisers had put forth views on the general strategies regarding the long term development of Hong Kong, for example, the importance of maintaining the peg of Hong Kong dollars to the US dollar, and the further enhancement of Hong Kong's efficiency and reduction of its various operating costs if it is to maintain its leading position in the region.

As to the Administration's proposal to lift the freeze on fees and charges of various government services after the freezing period expires in September 1999, the Panel opposes to the proposal mainly on the ground that it is not yet certain when the economy would revive. In response to the concerns of the members and the public on the timing of such adjustments, the Financial Secretary later announced that the Administration would suspend adjustment in fees and charges, until the per annum GDP growth is restored to a positive track.

Madam President, these are my remarks.

PRESIDENT (in Cantonese): Mr YEUNG Yiu-chung will address this Council on the Report of the Panel on Education 1998/99.

Report of the Panel on Education 1998/99

MR YEUNG YIU-CHUNG (in Cantonese): Madam President, as Chairman of the Panel on Education, I now table a Report of the work of the Panel on Education for 1998-99 at the Legislative Council.

Over the past year, the Panel has held discussions on many issues which have been the concerns of the public and the education sector. As the content of such discussions has been detailed in the Report, I shall therefore briefly put forth a few suggestions here.

In promoting the use of information technology in teaching, the Panel has urged the Administration to implement its 5-year plan as soon as possible so as to encourage the use of information technology within the education sector and the society in general and to ensure that our next generation can maintain competitiveness in the information era of the 21st century. Given that schools are generally short of space and the information equipment are changing very quickly, the Panel suggests that the Administration should make flexible arrangement in the use of resources by allowing schools to purchase advanced information facilities according to their needs. The Panel also urges the Administration to make haste in the work on computer installation at schools so that primary and secondary schools can begin teaching information technology without delay. These suggestions have been accepted by the Administration.

On enhancing the quality of teaching, the Panel has also urged the Administration to provide more resources so that the class size in primary and secondary schools can be reduced and teachers can have more time to attend to the education needs of individual students. This is especially so in the practical schools and those schools with a larger number of band 5 students, which will need additional support to lessen the workload of the teachers.

In enabling air-conditioning facilities to be installed in the special schools for the physically handicapped, the Panel set up a special committee to hold meetings with the Administration, the boards of the special schools and

rehabilitation bodies so that air-conditioners and other facilities can be provided to these special schools. The committee has since achieved remarkable results with the Administration.

On the price and weight of textbooks, the Panel proposes that the Administration should give more specific guidelines to prevent the publishers from making frequent alterations to the texts and treating donations made to schools as part of the costs of producing textbooks. The Panel requests that the weight of textbooks should be reduced so that students' physical development would not be affected because of their carrying overweight books to school.

Illegal operation of kindergarten has attracted much concern and the Panel has therefore urged the Administration to be strict in its law enforcement in this regard to prevent unregistered kindergartens from operating and from admitting more than the permitted number of students. The Administration is also urged to step up the supervision over the operation of kindergartens.

The Panel welcomes the proposal by the Education Department to conduct a general review to streamline its structure, delegate its power and improve its efficiency. The Panel also reminds the Administration that it should conduct thorough consultation with the affected parties and staff and should strengthen its partnership with education consultative bodies.

On education objectives and reform, the Panel recognizes in general that a diversified education system should be maintained so that quality education can be offered and parents are given a choice. Members are of the view that any reform in education should be done in an orderly manner. They also urge the Administration to carry out a general review of the "target oriented" curriculum. To raise the language level of the students, the Panel urges the Administration to implement as soon as possible a language standard for English language teachers, and to monitor closely and improve the level of language education.

The Panel also expresses concern about the administration and management of the regulatory bodies of the tertiary institutions, and has discussed with the various tertiary institutions on the current mechanisms and on the measures that could be adopted to enhance the transparency of the operation

of these bodies. The Panel will follow up on the matter with the relevant institutions.

Madam President, the Panel will continue to hold discussion with the Administration and the relevant parties on all major education issues, with a view to further enhancing the education quality of the next generation and to meeting the expectation of the society as well as the development in the future.

Madam President, these are my remarks. Thank you.

PRESIDENT (in Cantonese): Mr CHAN Kam-lam will address this Council on the Report of the Panel on Trade and Industry 1998/99.

Report of the Panel on Trade and Industry 1998/99

MR CHAN KAM-LAM (in Cantonese): Madam President, as Chairman of the Panel on Trade and Industry, I now submit a Report of the work of the Panel for 1998-99 and briefly highlight some of the major work contained in the Report.

One major concern of the Panel is the amount of support the Administration has given to the small and medium enterprises (SMEs), especially after the financial crisis. The Panel is supportive of the Administration's undertaking to allocate \$2.5 billion to establish a Special Loan Scheme for SMEs to help ease the problem of liquidity crunch which many SMEs are facing and to enable them to obtain bank financing, so that the needs of practicable commercial venture can be met. The Panel also put forth suggestions to improve the Scheme when a review of it was undertaken by the Administration. As the Scheme is only a short-term measure to ease any shortage of cash flow, members urge the Administration to draw up a long-term strategy to support the development of manufacturing and service industries.

Members of the Panel have asked the Administration to study the various suggestions made in relation to improving the assistance schemes for the manufacturing and service industries, for example, resources should be pooled together so that assistance can be given to various sectors more effectively, application procedure should be simplified, and more positive considerations

should be provided to encourage interested private companies to apply. The Panel also stressed that the Administration must lay down a clear standard to assess the effectiveness of these schemes, which is especially important as the Administration is about to inject \$5 billion into the Innovation and Technology Fund.

The Panel thinks that the Administration has not given enough support to SMEs in respect of use of information technology in their businesses. Members therefore urge the Administration to provide free assessment analysis on information technology to these enterprises, and to lay down clear and specific strategy to assist these enterprises to use information technology in their businesses. The Panel also asks the Administration to adopt new measures to assist SMEs to handle the Y2K compliance problem in relation to their equipment and information systems.

On the Administration's promoting public electronic trade service, members are also concerned that the cancellation of postal customs declaration may cause inconvenience to small enterprises. At the request of members of the Panel, the Trade Link has already made arrangements, to enable citizens to submit the customs documents at the service centres, or to deliver the documents in person to the collection centres or by post.

Members are deeply concerned about the piracy problem, especially when sales of pirated CDs have become so rampant. On the effective measures to be taken in stamping out such activities, the Panel is for an approach that strikes at the root of the problem, and that enforcement action needs to be stepped up to eradicate pirating at the cinemas. After the release of the consultative document "Combating Intellectual Property Rights Infringement in the Hong Kong Special Administrative Region: Possible Additional Legal Tools", the Panel has studied every case it contains, and thinks that the Administration should as soon as possible implement those proposals that are unlikely to cause any controversy, like making piracy an organized and serious crime, as well as conducting further studies into other proposals that involve more controversies.

Other highlights of the Panel are listed in the Report submitted. Madam President, these are my remarks. Thank you.

PRESIDENT (in Cantonese): Miss Christine LOH will address this Council on the Report of the Panel on Environmental Affairs 1998/99.

Report of the Panel on Environmental Affairs 1998/99

MISS CHRISTINE LOH: Madam President, with your permission, I would like to make a report on the work of the Panel on Environmental Affairs for the current legislative session. As Members have before you the report which sets out the details of the work, I have no intention of going into each and every subject matter discussed by the Panel. I would only draw Members' attention to two pollution areas which are of particular concern to the Panel.

The deteriorating air quality is bothering every sector of the community. As diesel vehicle emissions are identified as the major culprit of air pollution, the Panel welcomes the proposal of the Administration to launch the Liquefied Petroleum Gas Taxi Scheme. To ensure a smooth switch, members consider it essential to provide financial incentives to motivate taxi drivers to replace their diesel fleet. The Administration has undertaken to seriously consider members' suggestion and will make a decision shortly.

Members of this Council will probably agree that reducing local vehicular emissions is not the entire answer to the problem of air pollution. Given that pollution respects no administrative boundary, the Panel has called on the Administration to co-operate closely with its Guangdong counterparts to improve the air quality in the entire Pearl River Delta Region. The Panel supports the conduct of joint studies by the Hong Kong and the Guangdong sides on priority areas of air pollution for the purpose of formulating control strategies.

The second pollution area that I would like to mention is waste. Disposal of waste in landfills, no doubt, is the least preferred option. Our efforts should be geared towards waste reduction and recycling. To avoid the dumping of recyclable waste in landfills, the Panel has strongly urged the Administration to

introduce short-term and long-term measures to assist the shrinking waste recycling trade. One of the means suggested by the trade and endorsed by members is to provide land at a concessionary premium to the waste recycling business.

Apart from municipal waste, the way in which construction and demolition material is now managed is worrying members too. With the production of about 32 000 tonnes of construction and demolition material per day, Members of this Council would surely appreciate the extent of the problem. I must say that the Panel is disappointed with the actions, or more accurately, the inaction, on the part of the Administration in dealing with the problem. Being the controller of public works contracts, the Government should be in the best position to plan and decide how construction and demolition material should be disposed of. May I reiterate the request of the Panel to the Administration to urgently work out concrete measures to properly address this pressing problem.

Madam President, these are my short remarks on the major concerns of the Panel.

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. Question time normally does not exceed one and a half hours, with each question being allocated about 12 to 15 minutes. I would like to remind Members again that, when asking supplementaries, Members should be as concise as possible. They should not ask more than one question, and should not make statements. To do so would reduce other Members' chance of asking supplementary questions.

After a Member has asked a main question, will other Members who wish to ask supplementary questions please indicate their wish by pressing the "Request-to-speak" buttons.

If a Member wishes to follow up and seek elucidation on an answer, or

raise a point of order, please stand up to so indicate and wait for me to call before speaking.

Safety of Imported Meat

1. **MR WONG YUNG-KAN** (in Cantonese): *Madam President, it was reported that the Russian Government has banned the import of pork and beef from the Mainland after learning from the relevant mainland authorities that the pigs and cattle in three provinces in the Mainland have been infected by the foot-and-mouth disease. In this connection, will the Government inform this Council:*

- (a) *whether it knows the extent of infection among the pigs and cattle in the Mainland; if not, whether it will expeditiously acquaint itself with the situation from the relevant mainland authorities;*
- (b) *of the measures it has adopted to prevent the import of infected pigs and cattle and their meat from the Mainland to Hong Kong and to prevent local livestock from being infected by the disease; and*
- (c) *whether it will consider following the practice adopted by certain countries of imposing immediate bans on the import of the food found to be contaminated and requiring importers to return such food to their country of origin, so as to safeguard the health of the public; if not, of the reasons for that?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President,

- (a) The Agriculture and Fisheries Department (AFD) has contacted the mainland authorities, namely the State Administration for Entry-Exit Inspection and Quarantine and the Bureau of Animal Production and Health under the Ministry of Agriculture, to inquire about the situation of livestock infected by foot-and-mouth disease

in the Mainland. We learnt that the foot-and-mouth disease had broken out in Hainan, Fujian and Tibet and infected pigs and cattle there. The mainland authorities concerned had already slaughtered livestock which were infected or suspected of carrying the disease. They prohibited animals from being moved away from the infected areas and carried out vaccination of livestock to prevent further spreading of the disease.

- (b) The AFD has set up a mechanism with the State Administration for Entry-Exit Inspection and Quarantine to prevent infected livestock from entering Hong Kong from the Mainland. Under this mechanism, the AFD requires that all pigs and cattle entering Hong Kong should have a health certificate to prove that they are not infected by the foot-and-mouth disease or other infectious disease. When these animals arrive in Hong Kong, the AFD will conduct inspection and verify their health certificates. If infected livestock are found, the AFD will adopt effective measures, including slaughtering the infected livestock to prevent spreading of the disease. In addition, the AFD has also strengthened its liaison with the relevant mainland quarantine and export authorities. It is closely following the situation of infected livestock in the Mainland and monitoring the health of imported livestock.

To prevent local livestock from being infected by the disease, the AFD has all along advised pig farmers to vaccinate their pigs regularly against the foot-and-mouth disease. Through its extension service, the AFD pays visits to farms. It also organizes talks to advise pig farmers on farm cleanliness and measures to prevent the spreading of disease. Moreover, the AFD also segregates all imported livestock at slaughterhouses or cattle depots to prevent spreading of disease to local farms.

As far as imported meat is concerned, the Department of Health (DH) requires that all imported meat should bear official certificates issued by the government authority of the exporting country to certify its hygienic standard. In addition, the DH will also take into account the animal epidemic situation and the livestock health control measure in the exporting country. Upon the arrival of the imported meat in Hong Kong, the DH will verify the attached health certificate and conduct examination or sample testing as

appropriate.

- (c) To ensure food safety, the DH will take appropriate control measures if a certain kind of imported food is detected to be contaminated and may be hazardous to public health. Such measures include imposing import control, requiring importers to return the food to its country of origin, and destroying the food.

MR WONG YUNG-KAN (in Cantonese): *Madam President, in part (b) of the main answer, it was said that the Government had adopted effective measures in terms of imported meat. However, recently, there have been newspaper reports that there was clenbuterol in the refrigerated fresh pork imported from Thailand to Hong Kong. This was only found after inspections had been made. May I ask whether there are hygienic problems in that country?*

PRESIDENT (in Cantonese): Which Secretary would like to answer?

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, we have a monitoring mechanism for imported meat. Basically, meat can only be imported after the DH has inspected the health certificates issued by the exporting country. There are two main categories: first, if the exporting country belongs to the competent category, it can provide the health certificates; second, if the exporting country does not belong to the competent category, it must first make application to the DH for every batch of meat. The meat can only be imported after the DH has given its approval.

MR MICHAEL HO (in Cantonese): *Madam President, in part (a) of the main answer, it was said that the foot-and-mouth disease had broken out in Hainan, Fujian and Tibet. May I ask what concrete information the Government has on the foot-and-mouth disease and the infection of pigs and cattle in these three provinces? Has the import of pigs and cattle from these provinces been stopped or are there still some such pigs and cattle with health certificates being imported to Hong Kong?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam

President, as far as we know, a total of eight cases of the foot-and-mouth disease have been found in Fujian, Hainan and Tibet. Approximately 1 200 pigs and 70 cattle were infected. All the cattle and 1 260 pigs have been slaughtered. There is no information to show that the disease will spread. Furthermore, Madam President, we do not have imported livestock from these regions.

DR TANG SIU-TONG (in Cantonese): *Madam President, in part (b) of the main answer, it was said that imported meat must bear health certificates. May I ask how reliable these health certificates are? Over the past five years, has the Government found cases where the health certificates were not reliable?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, before the DH accords competent status to the exporting countries, there is a mechanism for trial import from those countries. Those countries have to make application. We will accord them the competent status only after considering many factors. Those factors include: whether the exporting country has legislation in place for safeguarding animal health, its animal epidemic situation and livestock health control measures; the professional standards of local veterinarians and health inspectors, the standards of livestock-raising technology and hygienic standards of farms, the professional and hygienic standards of slaughterhouses, the standards of food processing procedures, the health control system and so on.

MR FRED LI (in Cantonese): *Madam President, in part (b) of the main answer, the Government said that when the livestock arrive in Hong Kong, they will be inspected by the AFD. However, as far as I know, the AFD is not authorized by law to perform quarantine inspection. May I ask how the Government would explain this loophole and when will this loophole be plugged?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, the Public Health (Animals and Birds) Ordinance (Cap.139 of the Laws of Hong Kong) authorizes the Director and senior veterinary officers of the AFD to prevent animal disease and appoint segregation places. They can also adopt measures such as slaughtering animals which are suffering from or have been in contact with animals suffering from an infectious disease to prevent

the spread of infection. The Ordinance also allows the senior veterinary officers to lay down conditions for epidemic prevention in the import permits for animals and birds to prevent the entry of sick animals into Hong Kong. Under the Ordinance, for animals for food directly imported from mainland China to Hong Kong, no prior application for an import permit is required. However, the AFD has set up an administrative mechanism with the Mainland's State Administration for Entry-Exit Inspection and Quarantine to ensure that live livestock imported from the Mainland to Hong Kong are free of infectious diseases.

MR FRED LI (in Cantonese): *Madam President, my supplementary question was whether there is existing legislation that authorizes the AFD to perform quarantine inspection on imported livestock. I hope that the Secretary will give us an exact answer.*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, we have the right to inspect the livestock. However, animals for food imported directly from mainland China do not need an import permit.

MR AMBROSE CHEUNG (in Cantonese): *Madam President, the Government's main answer shows that its monitoring mechanisms very much rely on the health certificates issued by the exporting country. May I ask the Secretary how the testing and inspection mechanisms for a registered exporting country and a non-registered exporting country differ and whether there are great differences between the results of testing and inspection for the two categories of countries?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, just now I mentioned two categories of countries. One category is called competent and the other category is the non-competent category. The competent category does not need to make an application beforehand. The non-competent category must submit a written application first. Only after a period of trial import will we grant it the status of competent authority. For meat imported from non-competent regions, the DH will check the health certificates and conduct sample testing of the imported food in each shipment. We have the right to do the same to the meat imported by competent authorities.

However, we only do it occasionally and not necessarily for each shipment. This is the difference between the two mechanisms.

MR AMBROSE CHEUNG (in Cantonese): *The Secretary did not say whether there is a great difference between the results of the sample testing for the two categories of countries.*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, I do not have this information at hand. However, I can give Mr CHEUNG a written answer after inquiring into it. (Annex)

MR WONG YUNG-KAN (in Cantonese): *Madam President, just now the Secretary did not answer my question about recent newspaper reports that clenbuterol has been found for the second time in refrigerated fresh pork imported from Thailand earlier. May I ask how this problem is being dealt with now? Does the Government still believe in the health certificate or will it step up its sample testing?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, as far as I know, Thailand must submit an application every time before importing meat to Hong Kong. In its application, it must state whether the imported food meets the hygienic standards before we would approve of its import. It has to submit an application for every batch of meat.

PRESIDENT (in Cantonese): Mr WONG Yung-kan, which part of your supplementary question has not been answered?

MR WONG YUNG-KAN (in Cantonese): *Madam President, I wish to follow up. If the health certificate system is applied to the refrigerated fresh pork from Thailand, why is it that on-the-spot sample testing system has to be applied to*

pigs raised in Hong Kong?

PRESIDENT (in Cantonese): Mr WONG Yung-kan, fortunately, no other Member is waiting for his turn to ask questions. Therefore, you may continue to ask supplementary questions. *(Laughter)*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, the measures for handling these two kinds of meat are different. One is refrigerated fresh meat, while the other is fresh meat. That is why the DH would handle them in somewhat different ways. The meat imported from Thailand is refrigerated fresh meat, while the local pork mainly comes from freshly slaughtered pigs.

PRESIDENT (in Cantonese): Next supplementary question.

Training of Information Technology Professionals

2. **MR AMBROSE LAU** (in Cantonese): *Madam President, regarding the training of information technology (IT) professionals, will the Government inform this Council whether:*

- (a) the relevant consultancy study has been completed in mid-1999 as scheduled; if so, of its findings; if not, of the expected date of its completion; and*
- (b) it plans to hold discussions with the tertiary institutions, Vocational Training Council (VTC) and Employees Retraining Board (ERB) for providing more training courses on IT to people at work with a view to enhancing Hong Kong's productivity and competitiveness; if so, of the details of them; if not, of the reasons for that?*

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

- (a) The consultancy study was commissioned in January 1999. Its main aim is to identify the manpower and training needs and recommend a co-ordinated manpower and training strategy for the IT sector.

The study is in its final stage and is expected to be completed by the end of July this year.

- (b) The Government seeks to ensure that we have sufficient human resources to meet the changing needs of society. Under the existing arrangement, higher education institutions, the VTC, and the ERB have been providing training courses on IT for people at work.

In 1998-99, the VTC's Information Technology Training and Development Centre has organized some 500 classes for nearly 8 000 people at work. These courses cover a wide range of areas ranging from training on basic personal computer software to professional training such as network programming design, and so on.

Short courses and part-time evening courses offered by the VTC's Technology Colleges and Technology Institutes are mainly designed for working people who wish to further study or to acquire new knowledge and skills. In 1998-99, over 2 500 people received IT training from these courses.

The ERB currently provides 19 types of about 1 800 classes of computer-related courses. Over 90% of these courses are evening or half-day courses and are thus very suitable for working people who wish to enhance their competitiveness. These courses cover mainly practical application of computer software in general. A small number of the courses are tailor-made for specific job needs, and some are designed for people with disabilities. In 1998-99, about 33 000 trainees have completed these courses.

Higher education institutions are also offering quite a number of IT-related training programmes for people at work. In 1998-99, there are over 800 IT-related training programmes operated by tertiary institutions either as publicly-funded part-time programmes or self-funding continuing and professional education programmes. The total enrolment of these programmes is about 28 000 people.

Upon completion of the above-mentioned study, the Government will discuss with various organizations and consider how to take forward the recommendations made in the report.

MR AMBROSE LAU (in Cantonese): *Madam President, from the Government's main answer, we learnt that nearly 71 500 people have enrolled in the relevant courses in 1998-99, indicating that these courses are very popular. May I ask the Secretary whether, in the Government's estimation, the number of IT training courses and degree courses offered by these institutions can meet society's needs?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, one of the main purposes of our study is to examine the question raised by the Honourable Ambrose LAU. The study mainly reviews whether the quantity and quality of IT training courses offered in Hong Kong now can meet the market's needs. The market needs that we look at are the needs within these two years, in the coming five years and the coming 10 years. After the completion of the consultancy report by the end of July, we will submit the detailed information to Mr LAU and other Members for reference.

MR HUI CHEUNG-CHING (in Cantonese): *Madam President, over 90% of enterprises in Hong Kong are small and medium enterprises (SMEs). In view of this, does the Administration plan to integrate the training of IT professionals with the actual operation to meet the needs of these SMEs?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, this issue is also a part of the consultancy study. Apart from formulating more comprehensive future training strategies, the consultancy study will conduct studies and make recommendations for the Government in

respect of the many SMEs in Hong Kong. While SMEs may not need to employ specialized IT professionals, they inevitably have to make use of IT more and more. Besides, SMEs may not be able to organize courses themselves or allow their employees enrol in the relevant courses. Therefore, one of our future strategies might be for the Government to help SMEs train the relevant staff. They might not be specialized IT professionals, but staff who need to apply IT at work. We will examine how we could offer more help in this respect. As I said, after the completion of the report, we will certainly have plenty of chance to discuss in detail with Legislative Council Members, including the relevant Panel, on how to take forward the various recommendations of the report.

MISS CHOY SO-YUK (in Cantonese): *Madam President, may I ask whether the Government has any statistics on how many people within the work force who are not computer-literate? If not, will the consultancy report compile the statistics so that the Government can more accurately estimate the demand for training courses in future?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, the consultancy study concentrates on the number of IT professionals required by the market and the future demand, including the demand for professionals who have to apply IT at work. The consultancy study does not look into the number of people within the 3 million-odd work force who are not computer-literate. Rather than finding out the number of people who are not computer-literate, we feel we should concentrate on the number of computer-literate people required by the market, in order to formulate a strategy on manpower and training needs.

PRESIDENT (in Cantonese): Miss CHOY So-yuk, which part of your supplementary question has not been answered by the Secretary?

MISS CHOY SO-YUK (in Cantonese): *Madam President, if the consultancy report does not have the statistics, will the Government compile it in future?*

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

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I might have to consider this question in detail, because I will have to find out how much manpower and resources will be needed to compile the statistics and the actual use of it. Actually, in the long term, as we promote IT in the schools, there should be fewer and fewer people who are not computer-literate. Even if we compile some statistics and find out how many people are not computer-literate, this number will gradually diminish with time. Therefore, I find that we need to consider in detail whether there is a need to make this study.

MR YEUNG YIU-CHUNG (in Cantonese): *Madam President, no matter whether the IT training courses are organized by the higher education institutions, the VTC or the ERB, they are funded by public money. May I ask whether the Government will assess if there is an overabundance or overlapping of these courses, resulting in a waste of resources? Will the Government assess the cost-effectiveness of these courses?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, the various courses for people at work mentioned in the main answer are in fact paid by these people themselves. For instance, many courses offered by the higher education institutions are run on a self-funding basis. Of course, the VTC is funded by public money, but trainees of many courses have to shoulder quite a large part of the fees. Besides, the ERB provides retraining for people at work, and the greater part of the fees is paid by the people at work. Therefore, under these circumstances, I do not think it would constitute a waste of public money.

MR SIN CHUNG-KAI (in Cantonese): *Madam President, the Government has conducted a study on this question and will submit the report to us later. May I ask whether the Government will study the offer of IT courses by private companies? The Government offers courses through the VTC. However, if the Government provides funds for more courses, it will be competing with the private sector. Some IT companies might have a smaller chance of survival due to the Government's involvement and funding. Will the Government assess the participation of the private sector in this area and is there any way to avoid*

undermining the competitiveness of the private sector due to the Government's participation?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, perhaps I will answer this supplementary question in two parts. First, in the course of the study, the consultants will visit many private companies to find out if they provide training for their own employees or whether there are private companies that provide training for other people. Therefore, we have information in this respect. Second, as I said when answering Mr YEUNG Yiu-chung's supplementary question, many of the courses that I mentioned in the main answer are offered to people at work and therefore all or the greater part of the fees is paid by the trainees. Thus, the market is not subvented by government funds at all. As for the question of funding a small part of the fees, such as whether the VTC should obtain funding in excess of the 18% of cost, if we consider that the VTC very often provides training for people at work with Form Three to Form Five education, I think it is reasonable to give them the same percentage of funding as that given to university students.

MR HO SAI-CHU (in Cantonese): *Madam President, we welcome the fact that the Government will submit a report to us at the end of July. May I ask the Secretary whether this schedule is different from expected? If the Government submits the report at the end of July and the Government needs to provide financial support after making consultations, will there be enough time to increase the number of training courses in 1999-2000?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, since I have not seen the final version of the report, I cannot say what amount of resources is involved. All along, we expected that the report could be completed in the middle of this year. Therefore, if it is completed in July, it would still be on schedule. I would rather wait for the report to be completed, and for us to read it and to discuss with Legislative Council Members how to take forward the recommendations in the report before deciding on whether there is a need to obtain additional resources to increase the number of training places.

DR RAYMOND HO (in Cantonese): *Madam President, the answer given by the Secretary for Education and Manpower concentrated on the non-professionals. May I ask whether one has studied the demands of professionals? Does the consultancy report include a review on the various kinds of IT degree courses organized by the higher education institutions? Furthermore, have the relevant professional organizations been consulted?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, my answer chiefly responds to the question about training for people at work as asked in the main question. Actually, the scope of the consultancy report is comprehensive and covers university degree courses. In the course of the study, a steering group was set up. Apart from staff of the Education and Manpower Bureau and the Information Technology and Broadcasting Bureau, it includes members of the industry, such as members of the computer society and the science and technology sector. In addition, during the study, the consultants have interviewed many members of tertiary institutions, the commercial and industrial as well as the science and technology sectors before compiling the report.

MR TAM YIU-CHUNG (in Cantonese): *Madam President, as far as I know, the ERB has recently talked to many organizations and members of the IT sector and found that there is great demand for such professionals. The ERB has organized a course for IT assistants and will help the trainees to obtain employment after the completion of the course. Will the Government make reference to this example and consider how to motivate professionals in this area in formulating its policy?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I thank Mr TAM for his views. We will certainly make reference to this approach.

PRESIDENT (in Cantonese): Third question.

New Millennium Celebrations

3. **MR DAVID CHU** (in Cantonese): *Madam President, it was reported that in order to celebrate the arrival of the new millennium and attract tourists, the major cities all over the world have started preparing for large-scale events since last year. However, Hong Kong's activities to celebrate the new millennium, which were only announced in March this year, have been criticized by the tourism sector as not attractive enough, and some inbound tour groups have reportedly even cancelled their plans to visit Hong Kong at the end of this year. In this connection, will the Government inform this Council:*

- (a) *of the reasons for not announcing the details of the new millennium celebrations until 12 March this year; and*
- (b) *whether it will consider co-operating with relevant organizations in launching one or more additional major celebration events, such as large-scale fireworks displays, to attract overseas visitors to choosing Hong Kong as the place to witness the arrival of the new millennium?*

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

- (a) Different places over the world have events of different features and attractions to celebrate the new millennium and announce their programmes at different times, some later than Hong Kong. There are even places which have not yet firmed up concrete plans up to now. The Hong Kong Special Administrator Region (SAR) Government has established a Steering Committee with the Chief Secretary for Administration as the Chairman and other relevant Heads of Policy Bureaux/Departments as members in late 1998 to steer the way forward and to formulate a package of proposals to celebrate the new millennium. Up to March 1999, the Steering Committee has had five meetings to study and examine the various ideas and proposal. After very thorough discussions both within

Government and with the sponsors, seven core events and three capital projects have been identified as the initial celebration programmes. These were then announced at a press conference on 12 March 1999 to enable people all over the world and the local community to have adequate time to plan for their options. At that press conference, it had been mentioned clearly that more events would be forthcoming and details would be released once they were firmed up. Experience from the tourist industry is that people normally plan for their travels in December before summer time and hence our announcement in March 1999 should provide adequate time for tourists to plan and make their choices.

- (b) All along, the SAR Government is fully aware of the need to have the participation of the whole community (business sector, voluntary agents and the general public) in the millennium celebration programmes. We therefore welcome co-operation with all parties, including the two Provisional Municipal Councils, to make our programmes more diversified and to suit the interests of different sectors of the community. For instance, in conjunction with the Hong Kong Tourist Association and the Hong Kong Teatism Alliance, a "Millennium brew-up — the world's biggest tea party" has been planned on 27 November 1999 at the Tamar Site. Similarly, other local organizations have been encouraged to organize activities within their own areas, for example, the Countdown Ceremony at a large mall at Causeway Bay, the street party at Lan Kwai Fong at Central, the Millennium Sea Food Feast at Southern District and on on. As regards the question of whether the Government will consider co-operating with some organizations to stage traditional large-scale fireworks displays at the Victoria Harbour, I wish to report that we do not intend to do so, partly because of the limited government budget and partly because of the difficulty of seeking private sponsorship, given the present economic climate. After all, there would be fireworks at the National Day's 50th Anniversary Celebration and the coming Chinese New Year in year 2000. We feel that we have had already too many fireworks of this nature. With our firmed-up activities and those still under planning, we are confident that we

have adequate activities to attract tourists, particularly the Millennium Extravaganza, which will be jointly organized with the Hong Kong Jockey Club. The event, featuring a variety of exciting programmes, including spectacular pyrotechnic effects, will be held at Happy Valley on 31 December 1999. Many overseas tourist groups have already indicated interests in this event. We always welcome suggestions and will continue liaising with corporations and organizations, with a view to ensuring that our programmes are pragmatically organized but with attraction. We are going to announce the next phase of millennium celebration activities in the near future and will update information contained in the Internet for general information.

MR DAVID CHU (in Cantonese): *Will the Government inform this Council how many extra visitors are expected to be attracted to come to Hong Kong by such activities?*

SECRETARY FOR HOME AFFAIRS (Cantonese): The Government has not conducted a comprehensive estimate of the number of visitors who will be attracted by activities to celebrate the new millennium. Take for example a long-term plan such as the International Wetland Park. When completed, the Park is expected to attract 400 000 local visitors annually, as well as foreign visitors. If we want to find out in detail how many visitors it will attract, I think it will take a long time to conduct an analysis slowly.

MR GARY CHENG (in Cantonese): *Madam President, the main reply of the Government bears out the fact stated in the main question: the activities were not attractive enough. I also found them to be so, after reading the main reply. Street parties and countdowns are held every year even without the millennium. Will there be other larger-scale activities in the next round of activities to be announced by the Government? Can we not invite super artists such as PAVAROTTI to perform? Is the Government worried about the possible conflict arising from the Chief Secretary for Administration having to chair a committee on the millennium and another on Y2K, which means that the Government is worried about the possible conflict between holding large-scale*

activities and the Y2K issue which may come into clashes with these activities?

SECRETARY FOR HOME AFFAIRS (Cantonese): Madam President, I think the Honourable Gary CHENG's supplementary question is very interesting. I can assure you of one thing. The preparation work for activities for the millennium and that for Y2K may not be regarded as directly related. They are related to the extent that all computers are affected by the Y2K and part of the activities are computer-related. I do not agree with what Mr CHENG said, that the activities are not attractive enough. During our discussions we felt there were already many arrangements and long-term plans, before and after 30 December 1999, on the evening of which some activities will take place. For example, we have a programme on Chinese cuisine. This is not a show to be neglected because Chinese food in Hong Kong is well-known worldwide. Many people would like very much to come to Hong Kong to learn Chinese cooking or for doing a better job at it. We plan to develop Hong Kong into a centre for Chinese cuisine. We hope to bring our cooking to world standards and to open an "outpost" in Tsim Sha Tsui to allow intending visitors to join a morning course on Chinese cuisine. I think this is going to be attractive.

Regarding the well-known PAVAROTTI, I think he might want to return to his hometown for celebrations. Of course, if our remuneration is attractive enough, he may accept the invitation but I do not think the Government should spend the money for this.

MR GARY CHENG (in Cantonese): *Madam President, I would like to clarify my supplementary question. In fact, I would not mind if we failed to invite well-known people to Hong Kong, or to hold large-scale activities or if the activities are not attractive enough. But when I came to think of the Y2K problems I would rather we do not have large-scale activities*

PRESIDENT (Cantonese): Mr CHENG, you may follow up on the part of your supplementary question not answered by the Secretary. Whether you mind or not is not part of your supplementary question. *(Laughter)*

MR GARY CHENG (in Cantonese): *Indeed, whether I mind or not is part of my*

supplementary question.

MISS EMILY LAU (in Cantonese): *Madam President, I think judging from what the Secretary said the activities would unlikely to be attractive because they are really very boring. So, I am actually a bit worried. But what worries me more is the amount of money to be spent. There was no mention of money in the main reply. I agree with the view of the Secretary that the present economic climate is not good and it is not easy for Hong Kong to compete with other countries in such aspects. So, will the Secretary inform this Council whether large amounts of public money will be involved in holding the activities?*

SECRETARY FOR HOME AFFAIRS (Cantonese): Madam President, I know the Honourable Miss LAU is very concerned about how public money is used. I am pleased to inform Miss LAU that some large-scale infrastructure items such as the International Wetland Park, which is one of the construction items, will, in line with the usual government practice, be submitted to the Public Works Subcommittee and other committees for approval. The entire series of activities will be conducted in a most money-saving manner. No excessive amount of money will be spent. So, Miss LAU can rest assured of that.

MISS EMILY LAU (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. I asked whether the Government would be spending public money, so the Secretary should give an answer in terms of the amount to be spent.*

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

SECRETARY FOR HOME AFFAIRS (Cantonese): The only thing I need to add is that money must be spent. We need to spend money even when going out to take a bus. *(Laughter)* Money of course needs to be spent on such a large number of activities to be held, which will take place one after another. Fortunately, the Government has obtained many sponsorships from outside

bodies. We will be spending money, and public money will certainly be involved, but we will surely proceed with the most frugal way.

MISS CHOY SO-YUK (in Cantonese): *Madam President, what the Secretary mentioned was mostly one-day activities, that is activities held just once, with the exception of the long-term project, the International Wetland Park. Has the Government any plans to hold activities lasting one, two or three weeks as such activities will be able to attract more tourists?*

SECRETARY FOR HOME AFFAIRS (Cantonese): Madam President, some activities may last one day while some, for a period of time. There are several academic forums and camps, jointly organized with the universities, which will last for a week. Although the scale is small, the Government has treated them as part of the activities celebrating the millennium, as many renowned scholars have been invited to attend. So, there are quite a number of activities which will not be held for just one day.

PRESIDENT (Cantonese): There are many Members queuing to ask supplementary questions, but we are working on a tight schedule. Nevertheless, I feel the questions asked have been meaningful. I hope Members may follow up through other channels.

Fourth question.

Young Persons Committing Suicide

4. **MISS CHOY SO-YUK** (in Cantonese): *Madam President, it was reported that there has been an increase in recent years in cases which involved young persons committing suicide or attempting to commit suicide, due to their inability to repay debts to the credit card issuing institutions. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of cases involving young persons between the ages of 18 and 25 committing suicide and attempting to commit suicide due to their inability to repay such debts over the past two*

years; and the number of cases in which the young persons concerned sought assistance from social workers due to their inability to repay;

- (b) of the total number of complaints received over the past two years by the Consumer Council (CC) against credit card issuing institutions for issuing credit cards indiscriminately; the number of such complaints lodged by family members of the cardholders; and the way the CC handled such complaints; and*
- (c) whether it will consider enacting legislation to prohibit credit card issuing institutions from issuing credit cards to young persons, such as students, who have no regular income?*

SECRETARY FOR FINANCIAL SERVICES (in Cantonese): Madam President,

- (a) During the period between April 1997 to March 1999, the Social Welfare Department (SWD) has dealt with 24 attempted suicide cases of young persons between the ages of 18 and 25 which relate to inability to repay credit card debts. There were no recorded actual suicide cases involving young persons in the same age group who were unable to clear credit card debts. In the same period, 20 cases involving young persons aged between 18 and 25 who approached the SWD for assistance relates to inability to repay credit card debts. The young persons involved in all the above cases are not students.
- (b) The CC has not received any complaints against card issuers for issuing credit cards indiscriminately over the past two years.
- (c) The prime target of the Government in monitoring the financial market is to ensure the soundness of the financial system. Furthermore, in order to establish an open financial market with free competition, the Government has been, as far as possible, refraining from interfering the market's operation. Therefore, the objective of supervision of financial institutions' credit business is to avoid the risk on financial institutions brought about by

imprudent lending, which affects the systemic stability of the financial system. The debt arrangements of individuals with financial institutions, including credit card credits, are the commercial decisions of financial institutions. The Government considers that there is no need to legislate specifically to exercise control over this.

In order to promote good banking practices, the Hong Kong Monetary Authority (HKMA) and the associations of the industry have made the Code of Banking Practice. The Code of Banking Practice was issued jointly by the Hong Kong Association of Banks and the Deposit-taking Companies Association, which took effect from July 1997.

Section 22.1 of the Code of Banking Practice sets out the guideline in relation to the issue of credit cards by authorized institutions to young persons (for example students):

"Card issuers should act responsibly in the issue and marketing of credit cards, in particular to persons (such as full time students) who may not have independent financial means."

Although the Code of Banking Practice is non-statutory, the HKMA expects all authorized institutions to comply with the Code of Banking Practice and will closely monitor compliance by authorized institutions as part of its regular supervision.

As to credit card issuers which are not authorized institutions, 22 credit and financial institutions have joined the Finance House Association of Hong Kong voluntarily. To promote good business practices, the Association has issued on a voluntary basis the Code of Finance House Practice with effect from April 1998. In connection with the issue of credit cards to persons (such as full-time students) who may not have independent financial means, section 18.1 of the Code of Finance House Practice is in line with section 22.1 of the Code of Banking Practice.

To enhance the assessment on the financial situation and repayment capability of credit card applicants, and to assist in resolving the problem of the same cardholder owing debts to different card issuers, the HKMA encourages the card issuers to make use of the service of credit reference centres and to provide information to the centres. The majority of authorized institutions have employed this service to receive information about applicants' delayed repayments, credit applications and loss in credits due to lost card and unauthorized use of credit card. We believe that such kind of services will be useful to card issuers in considering applications made by the young persons and setting a prudent credit limit.

According to a recent HKMA survey, the annual bad debt rate for credit card receivables is 3% in Hong Kong, whereas it is over 5% in the United States, indicating we have a good quality credit card receivables. Notwithstanding this, the HKMA will continue to ensure that authorized institutions will adopt a prudent lending policy and act responsibly in the issue and marketing of credit cards to persons who may not have independent financial means.

Madam President, I would like to point out that young persons' inability to repay debts to the card issuers is due to their mismanagement of personal finance. Legislating to regulate the issue of credit cards is not an effective solution to the problem. The crux of it is the way cardholders use their credit cards and not the way issuing institutions issue credit cards. In fact, it is the responsibility of young persons to evaluate their consumption ability and of course to repay. To avoid being debt-ridden, getting into financial difficulties or being driven to act insensibly resulting from their immature personal financial management, young persons should check their income against their repayment ability before soliciting a loan for consumption.

In fact, the present Code of Banking Practice has been operating smoothly, some credit reference agencies have been providing

service in the market and the number of credit card-related bad debts is not serious. The HKMA will also continue to ensure that banks are prudent in their credit policy and are acting responsibly in issuing or promoting credit cards to persons without independent financing ability. In view of the present situation, we consider that to regulate the issue of credit cards by legislation is not the correct solution to the problem of mismanagement of personal finance by young persons. Instead, it will restrict card issuers from making their own commercial decisions, stifle free commercial trading and activities and deprive certain adults who have reached the legal age of the opportunity of possessing and using credit cards. To ban something simply for fear of having possible risks is not a solution that we can agree to.

MISS CHOY SO-YUK (in Cantonese): *In the eighth paragraph of part (c) of the main reply, the Government put the entire blame of improper use of credit cards on the cardholders. I think this is a highly irresponsible answer. Will the Government inform this Council in cases involving the improper use of credit cards what is the record number of cards held by the same person? Will the Government consider limiting the number of cards held by a person at any one time?*

SECRETARY FOR FINANCIAL SERVICES (Cantonese): Madam President, we do not have any statistics on the highest number of cards held by a person or the highest total credit limit. But, as I said, if card issuers used the services of credit reference centres, they can request information about details of applicants, delayed payments, and other bad records. Nevertheless, I would like to add one more point: Credit cards are just one kind of loan instrument. Even if the number of cards held is regulated or the credit limit restricted, a person may still obtain credit through other channels.

MR ERIC LI (in Cantonese): *In the main reply, the Government indicated the problems arose mainly from young persons' mismanagement of their personal finance and their immature decisions. I understand that in many countries with well-developed financial markets, the young people are taught to deal with some*

problems in financial management, which they may need to face in future, in their mathematics classes during their secondary school days. Some real examples are used, such as savings, retirement funds, home mortgages, credit cards and so on. Will the Government inform this Council what it has done to prepare our young people for diversified investment and loan issues as they join the community for work, bearing in mind Hong Kong is a major financial centre?

SECRETARY FOR FINANCIAL SERVICES (Cantonese): Madam President, perhaps I can answer in respect of financial institutions. As the Government said before, the Code of Banking Practice and the Code of Finance House Practice have clear stipulations that card issuers should act responsibly in the marketing of credit cards. But what does it mean by "acting responsibly"? It includes explaining to clients the functions and advantages of credit cards, and reminding them of their responsibilities and obligations in the use of their cards so that they may make an informed personal decision in their application for or use of credit cards. What the Honourable Member said relates to a broader issue, which is education. It relates to a question of whether local youngsters or students can grasp some general knowledge about financial tools. The question may be further extended to issues about the promotion of values or moral education. Issues as such can be followed up with the HKMA or the Education Department.

MR ERIC LI (in Cantonese): *Madam President, I understand that promoting education on financial matters is a responsibility of the Financial Services Bureau. I am not talking about moral education, I am only talking about the promotion of knowledge. Does the secondary school curriculum contain any element on knowledge about financial matters? I understand that the Government will discuss with the Education and Manpower Bureau, but I think the Government should be able to answer this supplementary and inform this Council if a more proactive role can be played by the authorities concerned. Can the Government be more explicit?*

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

SECRETARY FOR FINANCIAL SERVICES (Cantonese): Madam President, we will follow up the matter.

MR FUNG CHI-KIN (Cantonese): *Madam President, I intended to raise the supplementary question asked by the Honourable Eric LI. My intended question was whether the relevant issue should be dealt with by the Securities and Futures Commission or the Consumer Council or Mrs LAW. But now I would rather ask whether the Government would raise the minimum age for application of independent cards to 21, in view of the lack of sufficient understanding among young people of financial management, and allow only those who are aged below 21 to apply for dependent cards? Would this help control the situation?*

SECRETARY FOR FINANCIAL SERVICES (Cantonese): Madam President, this involves the issue of legal age. If we set the legal age at 18, so that all those who are aged 18 can vote, sign contracts incurring personal liabilities (including cheques) but only restrict the use of credit cards, can we achieve our goal fully? This is questionable. I mentioned several times early that early that credit cards are only one type of loan instrument. If we impose restrictions on the eligibility age of young people applying for credit cards, does it mean we need to impose restrictions on other areas?

MR ALBERT HO (Cantonese): *Madam President, at present the way banks and deposit-taking companies operate their credit card business is indeed problematic. When they promote their business, they will do all they can, including using lucky draws and gifts and mobilizing many of their employees to do the work, just to get customers. The age of these customers is not their concern. They only want to have applications. But when customers fails to repay, they resort to every means to recover the debts. I have seen a number of cases in which no grace period was granted; then debt-collectors were hired, who asked for an extra 30% charge on the recovery, which is more expensive than the fees charged by solicitors*

PRESIDENT (Cantonese): Mr HO, please come to your supplementary question direct.

MR ALBERT HO (Cantonese): *Will the Secretary inform this Council whether the relevant authorities should take action to tackle the problem as it arises, rather than letting these institutions pressurize young people to recover debts?*

PRESIDENT (Cantonese): Who is going to answer this question: The Secretary for Financial Services or the Secretary for Health and Welfare?

SECRETARY FOR FINANCIAL SERVICES (Cantonese): Madam President, perhaps you could let me try to tackle the question first. The HKMA has been concerned about recovery actions by authorized institutions, especially the conduct of debt-collecting agencies when they need to resolve to hiring them. The code issued by finance house associations representing unauthorized institutions carries the same standards as the Code I mentioned in respect of debt-collection. The standard includes prohibiting the use of threats, verbal or physical, or violence. They are not allowed to use the information about the referee or a third party for purposes of debt collection. When banks or deposit-taking companies intend to refer the matter to debt-collecting agencies, they must inform the customers first. Of course, we very much encourage finance houses to negotiate with clients to come to a constructive repayment scheme.

MR LEUNG YIU-CHUNG (Cantonese): *Madam President, I intended to ask the Secretary what was meant by acting responsibly, but he has explained that already. I now want to ask what is meant by prudent lending policies. As the Honourable Albert HO said, many banks are presently using every means to attract people to apply for credit cards. Other than gifts, they even waive the annual fee for the first year. Is this prudent lending policies? If not, can the Secretary inform this Council what a prudent lending policy is?*

SECRETARY FOR FINANCIAL SERVICES (Cantonese): Madam President, in the process of providing loans to clients, an important consideration must be of course whether the money lent can be recovered. So, a prudent lending policy must include considerations about the background, repayment ability,

financial position and other credit information of the borrower. Promotional activities carried out by finance houses, such as giving away gifts or using advertisement to entice people to apply, should not affect the assessment of the suitability of the applicant for extension of credit facility.

PRESIDENT (Cantonese): Last supplementary.

MR JAMES TO (Cantonese): *Madam President, I cannot agree to some of the points made. For example, it was said some lending companies were not acting in a responsible manner when they dealt out credit cards to customers indiscriminately. Does the Government intend to requirement banks to ask customers how many cards they hold already when issue credit cards to their clients? It seems the Code only relates to those who may not have independent financial means. What about the low income group? If a person's income is not in the right proportion to the credit limit he can obtain or the total credit limit he can obtain from all the credit cards he has, would this defeat the supervision in respect of the principle of prudent banking practice?*

SECRETARY FOR FINANCIAL SERVICES (Cantonese): Madam President, what the Honourable Member said was absolutely true. Under a policy of prudent lending, finance houses should obtain as much credit information as possible of the applicants. What the Government encourages finance houses to do is not just asking the applicant. We can see that on the application form, applicants are required to fill in details about other credit cards they hold or other credit information. On the other hand, the Government encourages card issuing or lending institutions to obtain more information from credit reference centres, with a view to extending credit facilities to applicants only when they have knowledge as much as possible about their financial positions.

PRESIDENT (Cantonese): Fifth question.

Additional Taxi Stands at the Airport

5. **MR HOWARD YOUNG**: *Madam President, will the Government inform this Council whether it knows if the Airport Authority (AA) will consider setting*

up more taxi stands at various locations at the airport, such as outside the commercial area, aircraft catering area and Cathay Pacific City?

SECRETARY FOR TRANSPORT: Madam President, in considering the provision of taxi stands at the airport, the Transport Department (TD) and the AA take into account the demand for taxi services and the availability of suitable sites for the designation of taxi stands.

At present, taxi stands are provided in the Ground Transportation Centre of the airport, at the Chek Lap Kok Ferry Pier and at the Super Terminal 1 in the Air Cargo Area. In addition, taxis are generally allowed to enter into premises of airport tenants, including the aircraft catering area and the Cathay Pacific City, to pick up and set down passengers.

The AA holds regular meetings with the TD, the tenants at the airport and the public transport operators to discuss traffic and transport matters concerning the airport. So far, we have not received any request to set up additional taxi stands at the airport. However, in response to recent suggestions by the taxi trade, the AA and the TD are planning to relax the 24-hour restricted zones at Catering Road West near the Air Mail Centre and at Chun Wan Road North near the Express Centre of Hong Kong Air Cargo Terminal Limited to enable taxis to pick up and set down passengers. The AA will continue to monitor the need for additional taxi services and consider, together with the TD, further relaxation of the 24-hour restricted zones at other locations in consultation with the tenants at the airport and the taxi operators.

MR HOWARD YOUNG (in Cantonese): *Madam President, to the ordinary users, the Ground Transportation Centre, Ferry Pier and the Air Cargo Area mentioned in the second paragraph of the main reply are not the commercial area that I refer to in the main question. There are at present not many tenants in the commercial area, just several big companies. May I ask whether the Government has considered requesting the AA to approach these companies and ask if they want to have permanent taxi stands set up outside the boundary of their rented areas, that is on the roads outside, rather than within the boundary*

as referred to by the Secretary?

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, actually the large commercial areas in the neighbourhood of the Chek Lap Kok Ferry Pier and in the aircraft catering area are not yet actually developed. However, we will pay close attention to the need for transportation in the newly developed areas, including that for taxi services, and if necessary, we will certainly consider setting up additional taxi stands or increasing taxi services.

PRESIDENT (in Cantonese): Mr YOUNG, which part of your question has not been answered?

MR HOWARD YOUNG (in Cantonese): *Madam President, I would like to wait for my turn again.*

MRS MIRIAM LAU (in Cantonese): *Madam President, I am very glad to hear that the AA and the TD are planning to relax the 24-hour restricted zones in some roads in the airport. May I ask whether the relaxation includes reducing the number of restricted zones, shortening the restriction time in the zones or putting up some "taxis exempted" signs in the 24-hour restricted zones; and when considering the relaxation, will the AA and the TD use the convenience of taxi passengers as a criterion?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, passengers' needs are always our orientation and criterion. The relaxation is mainly to allow taxis to pick up and set down passengers at designated locations rather than reducing or eliminating the 24-hour restricted zones, that is to say, allowing "exemption for taxis".

MR LAU KONG-WAH (in Cantonese): *Madam President, does such a request of taxi drivers reflect the insufficiency of transport services between one organization and another? In the last sentence of his main reply, the Secretary said that the AA will continue to consider relaxing other locations in the 24-hour*

restricted zones. May I ask the Secretary where these locations are?

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, I have already mentioned in the main reply that several locations are now under consideration, including those at Catering Road West and Chun Wan Road North. As for others, it will depend on the practical needs. We will have to discuss with the operators there and the taxi trade before deciding on any new locations.

DR RAYMOND HO (in Cantonese): *Madam President, may I ask the Secretary whether a comprehensive survey had been conducted among taxi passengers when the Government studied the setting up of taxi stands in order to estimate the demand to date and to see whether there are areas that require improvement?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, when we first considered setting up the three existing taxi stands, there were no end-users available for consultation, for the airport was not opened yet. Of course, we did consult the taxi trade and the AA before the opening of the airport and there was an obvious need for taxi stands at the present locations. A taxi stand is definitely needed at the Ground Transportation Centre; and as the ferry pier is located at a distance from the airport, there is also a need for one there. Also, there is considerable need at the Super Terminal 1 in the Air Cargo Area; the reasons being, first, it is far away from the Ground Transportation Centre; second, quite a number of people need to go to that area. Therefore, there are obvious reasons for these three locations to be chosen. When there is a need for any other in future, we will certainly make a decision taking account of the practical needs of the users and the response of the trade.

PRESIDENT (in Cantonese): Dr Raymond HO, which part of your question has not been answered?

DR RAYMOND HO (in Cantonese): *Madam President, with the taxi stands in the airport already in operation now, will the Administration consider conducting a survey or interview to find out the passengers' needs? The Secretary said just now that the taxi trade was consulted before the opening of the airport, but passengers were not included in the consultation.*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, we in the Bureau and the AA constantly monitor and study the demand for taxi services. Moreover, the demand for other transport services in the whole airport and the possibility of improvement are also kept in constant review. When I answered a similar question some time ago, I also mentioned that the problem now is the supply exceeding the demand rather than the other way round. As for how we strike a balance between the supply and demand of transport services there, we will have to keep on reviewing the situation.

MR HOWARD YOUNG (in Cantonese): *Madam President, the Chek Lap Kok International Airport covers a vast area, almost the size of the whole Kowloon Peninsular, where new areas are still being developed there. I believe that the taxi trade used to reflect their views to the Government through formal channels. However, many areas in the airport are under the supervision of the AA instead of the Government now. May I ask in the newly developed areas that are not traditionally under the Government's control, whether there is a distinct mechanism to let the taxi trade know to whom they can reflect their views? To the Government or to the AA? Or do the taxi drivers have to find out whether the areas of concern lie under the AA's control or others before submitting them?*

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, Mr YOUNG needs not worry about the channel of communication. In fact, over the years, the taxi trade and the Transport Bureau have established a rather well-developed channel for consultation and exchange of ideas between them, and the AA has also many opportunities to communicate with the trade on many occasions. The simplest example is the earlier report that there were insufficient toilet facilities in the taxi stands, and after this was reflected to the

AA, the situation has been improved. Therefore, there are indeed many channels and their views can be readily reflected.

PRESIDENT (in Cantonese): Sixth question.

Riot at Pillar Point Vietnamese Refugee Centre

6. **MR AMBROSE CHEUNG** (in Cantonese): *Madam President, on the 13th of this month, a riot broke out at Pillar Point Vietnamese Refugee Centre in Tuen Mun, resulting in a number of injuries. In this connection, will the Government inform this Council of:*

- (a) *the number of criminal cases in each Vietnamese refugee centre or detention centre for Vietnamese migrants in each of the past three years and, among them, those involved the use of weapons and caused casualties;*
- (b) *the responsibilities that the organization managing the Pillar Point Centre must fulfil in security matters; and*
- (c) *the respective numbers of Vietnamese refugees and migrants currently accommodated in the Pillar Point Centre, and the plans to completely resolve the problem of these persons being stranded in Hong Kong?*

SECRETARY FOR SECURITY (in Cantonese): Madam President,

- (a) The relevant figures are found in the Annex.
- (b) The managing organization of the Pillar Point Centre is responsible for all routine security matters relating to the Centre. It is responsible for guarding against unauthorized entrance into the Centre by security checks at the entrance, maintenance of the perimeter fence, deploying security guards for regular patrol within the Centre and other duties, liaison with residents to monitor the

law and order situation in the Centre, and liaison with the local police.

- (c) The Pillar Point Centre is an open centre. All residents are permitted to work and are free to seek their own accommodation outside the Centre.

At present, the population there consists of about 600 Vietnamese refugees and 550 Vietnamese migrants (that is, non-refugees). A sizable number of the Vietnamese refugees (about 400) and some 40 Vietnamese migrants in Hong Kong have moved out of the Centre and are living in self-arranged accommodation. About 320 ex-China Vietnamese previously residing in the Centre have moved out after the incident on 13 June 1999.

The Government has continued to urge the United Nations High Commissioner for Refugees (UNHCR) and the international community to resettle the remaining Vietnamese refugees in Hong Kong. Last year 231 Vietnamese refugees were resettled. The number resettled so far this year, however, is only 38. Given the compassion fatigue of the major resettlement countries, and the fact that many of the Vietnamese refugees do not have relatives abroad, and that some have drug addiction problem or criminal record, the UNHCR has advised us that it is becoming increasingly difficult to resettle them.

As regards the Vietnamese migrants, the Government has continued to discuss their repatriation to Vietnam with the Vietnamese Government. Forty-eight Vietnamese migrants were repatriated to Vietnam last year, and this year 38 were returned so far. Despite the slow progress, our efforts to seek their early return to Vietnam are continuing.

Since it is recognized that the resettlement of the final group of Vietnamese refugees and the return of the remaining Vietnamese migrants would be a long-drawn process, the Government's policy is to encourage them to lead a normal life and be self-reliant during their stay in Hong Kong. Services at the Pillar Point Centre have been gradually withdrawn, and about 300 school children have been

slaughter																			
Possession of Offensive Weapons	-	-	-	-	-	-	-	-	-	-	1	-	-	-	6	3	7	3	
Rape	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	1	-	
Robbery	2	-	-	-	-	-	-	1	-	-	-	-	-	11	5	13	6		
Serious Assault	9	1	-	-	-	-	5	2	1	-	7	-	-	11	16	33	19		
Wounding	4	2	1	-	-	-	10	5	-	-	7	1	-	11	12	33	20		
Others#	34	12	-	-	-	-	3	2	-	-	7	1	-	340	268	384	283		
Total	55	15	1	0	0	0	22	10	1	0	22	2	0	0	379	304	480	331	

*1 Closed in March 1997.

*2 Closed in September 1996.

*3 Closed in June 1997.

Included other non-violent crimes such as burglary and theft, fraud and forgery, dangerous drugs related offences, immigration offence, and so on.

No. of Criminal Cases involving Vietnamese in Vietnamese in Vietnamese Centres* and Other Areas in Hong Kong since October 1977

	1996	1997 (Jan-Sept)	1997 (Oct-Dec)	1997 (Total)	1998	1999 (Jan-May)
Assault on Police	6	-	1	1	6	3
Fighting in Public Place	-	-	-	-	6	-
Murder/ Manslaughter	3	-	-	-	-	-
Possession of Offensive Weapons	7	3	1	4	1	-
Rape	1	-	-	-	1	1
Robbery	13	6	1	7	11	3
Serious Assault	33	19	3	22	23	-

Wounding	33	20	4	24	11	6
Others#	384	283	78	361	335	140
Total	480	331	88	419	394	153

* Include Pillar Point, High Island (closed in May 1998), New Horizons (closed in March 1998) and Green Island. With the closure of more and more Vietnamese centres, the police does not keep separate crime statistics for individual centres since October 1997.

Include other non-violent crimes such as burglary and theft, fraud and forgery, dangerous drugs related offences, immigration offences, and so on.

MR AMBROSE CHEUNG (in Cantonese): *Madam President, may I ask the Secretary, since it is increasingly difficult to resettle these Vietnamese migrants, what specific measures does the Government have to help these some 1 000 migrants to integrate into Hong Kong society? And under Article 24 para 2(4) of the Basic Law, non-Chinese nationals wishing to obtain the permanent right of abode in Hong Kong must enter Hong Kong with valid travel documents. What are the Government's arrangements in this respect?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, I have already said that of the 996 Vietnamese migrants stranded in Hong Kong, 400 have moved out of the Pillar Point Centre and are living in self-arranged accommodation. They are all working and providing for their own living, not requiring any government assistance. Hence, some refugees have gradually integrated into society. Almost all of them can speak Cantonese. Regarding other migrants who have not yet arranged for their own accommodation, they are still living in the Centre. No matter where they live, we will continue to lobby other countries to receive them. If the day comes when we can no longer find any country willing to accept them, as so many of the migrants have moved out of the Centre, found a job and provide for their own living, I believe that it would not be too much of a problem for other migrants to integrate into society.

The second part of Mr CHEUNG's question is, if we ever give them the status of a Hong Kong resident, how they are to meet the requirement set out in Article 24 para 2 of the Basic Law in regard to the procedures that must be

complied by non-Chinese nationals to obtain the right of abode in Hong Kong. We do not think that this technical arrangement would pose any difficulty to us. Of course, if we ever come to the conclusion that we can hardly find third countries to accept these migrants and they have to be absorbed by Hong Kong, the first thing we have to do is to give them the permanent resident status rather than that of a temporary resident. At present, they are refugees and have to carry with them a refugee card when they go out. If they can obtain the right of abode, we will issue them with a travel document. If they enter Hong Kong with a valid travel document, technically, they already meet the requirement set out in Article 24 para 2 of the Basic Law regarding the obtaining of the right of abode in Hong Kong by a non-Chinese national.

MR TAM YIU-CHUNG (in Cantonese): *Madam President, to avoid bloodshed and confrontation in the last incident, some ex-China Vietnamese were moved to the New Horizons Centre. May I ask the Secretary how many Vietnamese are living in the New Horizons Centre and how their condition is now?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, there are now only 10 ex-China Vietnamese remaining in that Centre and they are actively looking for alternative accommodation. All of them have promised to move out by mid-July. So, they have not caused any nuisance to the local residents in the neighbourhood and we have not received any more complaints recently.

MR JAMES TO (in Cantonese): *Madam President, may I ask the Government whether it has sought the help of the Central Government in lobbying other countries to accept the refugees and the repatriation of non-refugees to Vietnam and how does the Government assess the effect and work in this respect?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, Mr TO's question consists of two parts. In respect of the Vietnamese refugees, we will continue our efforts to lobby third countries to accept them. In fact, we not only seek the assistance of China but also that of the United Kingdom. At

present, several countries are still trying to verify the identity of some refugees and considering whether to accept them.

In relation to the assessment, it is true that the number of refugees being resettled is dwindling, which reflects that the work is growing increasingly difficult. As for the Vietnamese migrants, regrettably, the 500-odd people stranded in Hong Kong have been categorized as non-Vietnamese nationals by the Vietnamese Government. That is to say, the Vietnamese Government does not recognize them as Vietnamese nationals, having indicated its unwillingness to accept them. We have called upon the Chinese and British Governments to assist us in persuading the Vietnamese Government to take back the migrants. The British Government has given us much help in this regard. As for the Chinese Government, it is also faced with a special situation or difficulty, as there are also 280 000 Vietnamese in mainland China waiting for repatriation. In view of this, the Vietnamese Government may worry that taking the Vietnamese migrants in Hong Kong back would set a precedent and subsequently have to take back the over 200 000 Vietnamese in mainland China. It is therefore giving this very cautious consideration and that is where the difficulty lies.

Actually, we are also faced with the third category, illegal immigrants from Vietnam. But they do not present a very serious problem, as Hong Kong and Vietnam maintain a very good contact in this and the Vietnamese Government is willing to send officials to Hong Kong to verify the identity of these migrants. After verifying their identities, the Vietnamese Government is usually willing to take back most of these illegal migrants and so they does not pose any problem to us.

DR TANG SIU-TONG (in Cantonese): *Madam President, the Government has indicated in the second last paragraph of part (c) of the main reply that some ex-China Vietnamese have initiated court proceedings against the Government. May I ask what are the differences in the points of law of both parties?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, the court

proceedings are very complicated. I can only give a brief account of them. Most of these 300-odd ex-China Vietnamese came to Hong Kong before 1993. They filed lawsuits against the Government in 1995, accusing it of not classifying them as refugees and we were to defend our case in Court. Late in 1996, at the Privy Council of the United Kingdom, we were defeated and the Privy Council ruled that we had to screen them again, and we did. A year later, the screening process was completed and they were screened as refugees having been resettled in mainland China. In accordance with the usual practice of the United Nations, for refugees seeking asylum, if they have been resettled in another country, they will be repatriated to that particular country, that is, they should be repatriated to mainland China. But when we were about to send them back to mainland China, they applied for *habeas corpus*, claiming that we could not detain them. The Government later lost the case in the Court of first instance and had to release them. It was followed by many disputes and problems in relation to the legal procedures. The court proceedings are still ongoing since 1995 and our legal advisors estimate that it will be at least two least two more years before the case comes to a conclusion.

MISS EMILY LAU (in Cantonese): *Madam President, the Secretary has mentioned that the Government has proposed allowing the Vietnamese to integrate into Hong Kong society. May I ask the Secretary how long the Government will take to consider this proposal, and how it assesses the social acceptance of this proposal to be?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, first of all, I have to clarify that this is not one of the proposal currently on the table; rather, it is only a possibility, one of the several options under consideration. The first part of Miss LAU's question is, May I ask Miss LAU to repeat it?

MISS EMILY LAU (in Cantonese): *Madam President, I was asking how long the Government would take to consider it if it ever does; and how it assesses the social acceptance to this possibility to be.*

SECRETARY FOR SECURITY (in Cantonese): Madam President, I think the consideration will take a few more months because we are still lobbying third countries and at the same time seeking the assistance of the UNHCR in the search for countries to accept the Vietnamese refugees stranded in Hong Kong. Our first choice is to find countries to resettle them. This work is still ongoing. As regards the acceptance of the Hong Kong people, after the incident in the Pillar Point Centre in particular, some Members have said that since several hundred Vietnamese have already moved out of there, the Administration may as well consider integrating them in society. It is better this way than to gather them all in the Centre to have them constantly fighting among themselves. I share part of their view but according to the public views that we have received, such as those constantly collected by the Home Affairs Bureau, some local residents still resent this move and we have to handle it very cautiously.

PRESIDENT (in Cantonese): Last supplementary question.

MR LAU KONG-WAH (in Cantonese): *Madam President, I still feel that it is best to send the refugees to third countries, and as a matter of fact, they do not want to stay in Hong Kong either. The Secretary has just said that the Government still continues with the lobbying work and several countries are still considering it. Would the Secretary tell us what these countries are? And is the Secretary really doing this through the United Kingdom Government because it should be the right government to help us on this issue?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, actually since the reunification, it is the United Kingdom that has accepted most refugees, over 120 altogether. We approach countries such as the United Kingdom, Australia and Canada direct to call on them to accept the refugees in Hong Kong. We do not call upon a third country, say Canada, through the United Kingdom. In fact, if I remember it correctly, New Zealand is the only country considering an acceptance of the refugees.

PRESIDENT (in Cantonese): This is the end of the question time.

WRITTEN ANSWERS TO QUESTIONS

Employment Visas Granted to Two Categories of Overseas Professionals

7. **MR JAMES TIEN** (in Chinese): *Will the Government inform this Council of the numbers of employment visas issued each year since 1994 in respect of the categories of "Technical Professionals" and "Administrators, managers and professionals", with a breakdown by age and salary of the applicants?*

SECRETARY FOR SECURITY (in Chinese): Madam President, employment visas are issued by the Immigration Department. The number of such visas issued each year since 1994 in respect of the "Technical Professionals" and "Administrators, managers and professionals" categories are as follows:

<i>Year</i>	<i>Technical Professionals</i>	<i>Administrators, managers and professionals</i>
1994	2 485	7 017
1995	2 967	6 550
1996	2 177	7 650
1997	4 026	8 545
1998	2 932	7 702
1999	961	2 713
(January - May)		

Breakdowns by age and salary of the applicant are not available from the Immigration Department's database.

Separately, statistics compiled by the Census and Statistics Department on persons who actually arrived in Hong Kong by holding employment visas/work permits under the "Managers and Administrators" and "Professionals and

associate professionals" categories with breakdowns by age groups are at Annex for Members' reference. Breakdowns by salary levels are not available.

Annex

The numbers of persons who entered Hong Kong
with employment visa/work permit since 1994

Age group	Managers and administrators					Professionals and associate professionals				
	1994	1995	1996	1997	1998	1994	1995	1996	1997	1998
Below 20	2	2	0	0	0	151	153	124	253	427
20-29	638	716	616	880	1 029	2 937	2 696	1 997	3 699	5 272
30-39	1 410	1 453	1 110	1 750	2 177	1 316	1 538	1 154	3 017	4 310
40-49	773	811	590	936	1 227	419	572	397	1 384	1 986
50 and over	293	355	255	413	497	219	312	198	922	1 761
Total	3 116	3 337	2 571	3 979	4 930	5 042	5 271	3 870	9 275	13 756

Bulk Tariff Group of Customers of the CLP

8. **DR LUI MING WAH** (in Chinese): *As electricity tariffs account for a considerable proportion in the operating costs of industrial and commercial enterprises, will the Government inform this Council if it knows:*

- (a) *the proportion of the monthly tariffs paid by the "bulk tariff" group of consumers in the monthly total tariff revenue of the China Light and Power Company Limited (CLP) at present;*
- (b) *apart from the inclusion of all public holidays in the off-peak for bulk tariff consumers, whether the CLP will consider offering other concessions to such consumers; and*
- (c) *whether the CLP will further reduce the bulk tariff so as to lower the operating costs of the industrial and commercial enterprises and facilitate the industrial and economic development of Hong Kong; if*

so, the details of it; if not, the reasons for that?

SECRETARY FOR ECONOMIC SERVICES (in Chinese): Madam President, our replies to the questions are set out below:

- (a) According to the information provided by the CLP, there are two types of tariff for high consumption non-residential customers, namely, the "Bulk Tariff" and the "Large Power Tariff". The average monthly electricity charges paid by these two types of customers last year accounted for around 32% of the CLP's average monthly total local tariff revenue, of which payments under the "Bulk Tariff" rate and the "Large Power Tariff" rate accounted for 23% and 9% respectively;
- (b) The CLP has extended the off-peak period to cover the whole day for public holidays with effect from 1 May this year. At present, the off-peak period is from 9 pm every night to 9 am the following morning and include all day for Sunday and public holidays.

Besides, "Large Power Tariff" customers can also enjoy concessionary charges under the "High Load Factor Rider" and "High Voltage Super Demand Rider" arrangements. The former provides further concession to those who can maintain an even consumption pattern persistently through the year, thus enabling the CLP to utilize their installed facilities more efficiently. This group of customers may enjoy on average about 1% extra discount on their electricity charges. The latter is applicable to those with super-large consumption who may enjoy a further reduction in their tariff as the distribution costs for supplying electricity to them are lower. This group of customers may enjoy an average of about 6% extra discount on their electricity charges.

- (c) The CLP has four published tariffs, namely, Domestic Tariff, General Service Tariff, Bulk Tariff and Large Power Tariff.

According to the CLP, one of the fundamental principles in their

tariff design is that there should be minimal cross-subsidy among customers in different tariff groups. Therefore, their tariffs are designed based on cost of electricity supply. Based on this principle, the fact that the Bulk Tariff and Large Power Tariff customers may enjoy lower tariffs reflects the lower cost of supplying electricity to them. For the past year, the average unit tariff of these two types of customers was about 16% lower than that for the CLP's other customers.

At present, the CLP has no plan to further reduce the tariffs for high consumption non-residential customers.

Trial Scheme for LPG Public Light Buses

9. **MRS MIRIAM LAU** (in Chinese): *The Government revealed last month that it would explore with the public light bus trade the feasibility of launching a trial scheme for Liquefied Petroleum Gas (LPG) public light buses. In this connection, will the Government inform this Council:*

- (a) *whether it has finalized the outline for the trial scheme; if so, the details of the outline; if not, why not;*
- (b) *whether it has started to explore with the public light bus trade the feasibility of the trial scheme; if not, the reasons for that; and*
- (c) *when the trial scheme is expected to be launched?*

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

- (a) The Administration plans to commence discussion with the public light bus trade within this year on launching a trial of LPG public light buses in Hong Kong. At the moment, we are discussing with various vehicle manufacturers on the supply of LPG light buses suitable for trial in Hong Kong. We are not yet in a position to finalize the details of the trial scheme, but aim to do so within this year.

- (b) We have informally exchanged views with some public light bus operators on the feasibility of a trial. We have already sought several possible sources of supply for LPG public light buses and are working with the potential suppliers on vehicle specifications and internal equipment layout to meet Hong Kong requirements. Once these details are settled, we will discuss arrangements for a trial with the public light bus trade.
- (c) Our plan is to commence the trial scheme on LPG public light buses in 2000.

Nitrogen Dioxide Concentration in Ice Skating Rinks

10. **MRS SOPHIE LEUNG** (in Chinese): *It was reported that, as revealed in a study conducted in Canada, ice resurfacers used in indoor ice-skating rinks emit nitrogen dioxide when in use, and the nitrogen dioxide concentration in the air of 30% of all ice-skating rinks in the world exceeds the safety standard. This may contribute to the triggering-off of the symptoms of asthmatic persons present in such rinks. In this connection, will the Government inform this Council whether there is any stipulation on the maximum level of nitrogen dioxide emission by ice resurfacers in ice skating rinks; if so, whether the nitrogen dioxide concentration in ice-skating rinks in Hong Kong is within the stipulated standard; if there are ice-skating rinks not meeting the standard, whether the operators concerned have been required to take improvement measures to ensure that the nitrogen dioxide concentration is within the standard?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Chinese): Madam President, all public ice-skating rinks in Hong Kong are licensed under the Public Health and Municipal Service Ordinance, Cap. 132. To ensure good air quality, the licence requires a ventilation rate of not less than 17 cu m per person per hour.

There is no emission standard or air quality standard stipulated specifically for ice resurfacers in ice-skating rinks. We have, however, a set of air quality objectives established under the Air Pollution Control Ordinance, Cap. 311 for general application including the limit for nitrogen dioxide. The hourly limit of nitrogen dioxide under this set of air quality objectives is 300

microgramme per cu m. This level is identical to the 160 ppb standard used in the Canadian study quoted in the question.

Our assessment has shown that under normal operation of current ventilation requirements for ice-skating rinks, there should be sufficient fresh air to keep the concentrations of nitrogen dioxide within the air quality objective level. We have also conducted spot checks on the nitrogen dioxide concentrations at all four public ice-skating rinks in Hong Kong and the hourly average concentrations are found to be well within the hourly limit under the air quality objectives.

Reduction of Franchised Bus Routes Entering Central District

11. **DR RAYMOND HO** (in Chinese): *It was reported that, in order to alleviate the air pollution problem caused by traffic congestion in Central District, the Transport Department plans to cut the number of franchised bus routes entering Central District and to provide transfer stations on Green Island and the Wan Chai reclamation areas, whereby passengers for Central District will have to change bus midway. In this connection, will the Government inform this Council of the details and feasibility of the plan, as well as its impact on passengers?*

SECRETARY FOR TRANSPORT (in Chinese): Madam President, since October 1998, the Transport Department (TD) has embarked on a programme to improve traffic flow in the Central and Admiralty area. Measures currently being considered by the TD include bus route rationalization through route truncation, shortworking and/or bus-bus interchange. To explore the feasibility of such rationalization, the TD is conducting a survey on the travel pattern of passengers, collecting statistics on the bus route occupancy rates and studying the feasibility of different rationalization options. Impact of the rationalization on passenger convenience would be duly examined and balanced against the potential improvement in terms of congestion relief and resource utilization. Upon completion of the overall assessment, we will consult the relevant provisional district boards on the proposed way forward.

The provision of bus-bus interchanges would not only serve our objective of optimizing bus resource utilization but also reduce bus trips and thus help improve our air quality. The implementation of interchange services has been affected by the shortage of suitable interchange facilities. In the longer term,

our objective is to provide them in the fringe of the core activity areas. Land development projects such as Green Island Reclamation and Wan Chai Reclamation Phase II would provide the opportunity for this. We would actively investigate the feasibility of incorporating bus-bus interchange facilities in these developments.

Overcrowded Households in Public Rental Housing Estates

12. **MR FRED LI** (in Chinese): *Will the Government inform this Council of:*

- (a) *the respective current numbers of households in public rental housing (PRH) estates with a living density below 4.5 sq m per person and a density between 4.5 sq m to 5.5 sq m per person (referred to as "overcrowded households" hereafter), broken down by the eight geographical districts for PRH allocation (PRH allocation districts);*
- (b) *the current number of overcrowded households in the PRH estates in the Kowloon East Constituency, the boundaries of which are as demarcated in the 1998 Legislative Council Elections; and*
- (c) *the respective numbers of PRH flats available for relieving overcrowded households in each of the PRH allocation districts?*

SECRETARY FOR HOUSING (in Chinese): Madam President, since November 1998, the Housing Authority (HA) has rationalized the system of choice of PRH by regrouping geographical areas from eight to four (that is, Urban, Extended Urban, New Territories and Islands). As regards overcrowded households, the HA keeps statistics by management regions, and not by geographical areas. As at 1 June 1999, the situation is as follows:

<i>Management region</i>	<i>Below 4.5 sq m per person</i>	<i>4.5 sq m to 5.49 sq m per person</i>	<i>Number of overcrowded households</i>
Kwun Tong	2 098	4 382	6 480

Overcrowded households may also seek relief through transfer to PRH estates in other management regions. In 1998, a total of 459 flats were allocated under this arrangement, as follows:

<i>Management region</i>	<i>Number of flats released for overcrowding relief</i>
Kwun Tong	31
Wong Tai Sin	31
Sai Kung and Sham Shui Po	54
Hong Kong Island and Islands	231
Tuen Mun and Tsuen Wan	-
Kwai Chung and Tsing Yi	112
Yuen Long, Fanling and Tai Po	-
Sha Tin and Ma On Shan	-
	459
Total	

Reviewing Section 168A of the Companies Ordinance

13. **MR CHEUNG MAN-KWONG** (in Chinese): *According to section 168A of the Companies Ordinance (Cap. 32), if the minority shareholders of a company suffer from unfair prejudice against their interests, they may apply to the Court by petition for orders as a remedy. Such orders may be made (1) to restrain the commission of any such act that constitutes the unfair prejudice; (2) to the effect that proceedings shall be brought in the name of the company against such person as the Court may so order; (3) to appoint a receiver or manager to deal with the company's property or business; (4) for the repurchase of shares of shareholders by the company. In this connection, will the Government inform this Council:*

- (a) *of the number of cases over the past three years in which applications were made to the Court by petition for orders under the above-mentioned section; the number of cases in which the Court*

made such orders (with a breakdown by the nature of the orders); the reasons for those cases in which the applications were rejected by the Court; the difficulties and constraints encountered in the actual enforcement of the section;

- (b) whether it has any plan to review the section; if so, of the timetable, scope and reasons for conducting the review; if not, the reasons for that;*
- (c) whether the Securities and Futures Commission has rendered assistance to minority shareholders in their applications to the Court by petition for orders under the section over the past three years; if so, of the number of such cases; if not, the reasons for that; and*
- (d) how it will follow up the recommendations on the protection of minorities' interests, made in 1997 by the consultant responsible for reviewing the Companies Ordinance in Hong Kong?*

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

- (a) According to section 168A of the Companies Ordinance, any member of a company who complains that the affairs of the company are being or have been conducted in a manner unfairly prejudicial to the members generally or of some part of the members (including himself), may make an application to the Court by petition under this section. We understand that the Court does not keep nor analyse information concerning applications made to the Court by petition under section 168A. We are, therefore, unable to provide to this Council information on the number and the nature of such cases, nor can we ascertain whether the Court has rejected any such applications and the reasons for rejection. Or, in a case falling within section 147(2)(b), the Financial Secretary may make an application to the Court by petition under section 168A.

The Financial Secretary has not made any such application to the Court by petition in the past three financial years, that is, 1996-97, 1997-98 and 1998-99. As no actual case or information available, we are unable to ascertain whether any difficulty or constraint has been experienced in the enforcement of this section.

- (b) The Government had commissioned a consultancy to review the Companies Ordinance and the consultancy report was published in 1997 for public consultation. The report has made a number of recommendations on the provisions of the Companies Ordinance, including the protection of the interests of minority shareholders. Public consultation ended in March 1998. The Standing Committee on Companies Law Reform (the Standing Committee) is currently conducting a detailed examination of the recommendations made by the consultant in the light of public comments received. The Standing Committee will submit its views on the report to the Government in 1999-2000. The Government will decide on the necessary amendments to the Companies Ordinance after taking into account the views of the Standing Committee. As the Standing Committee is still examining the provisions of the Companies Ordinance, the Government does not have any plan to conduct a separate review on section 168A at this stage.
- (c) Over the past three financial years, that is, 1996-97, 1997-98 and 1998-99, the Securities and Futures Commission (SFC) has not made any submission to the Financial Secretary that he makes application to the Court under section 168A of the Companies Ordinance. The reason is that the SFC can resort to many other means to perform the task of safeguarding the interests of the minority shareholders. For example, the SFC may, by exercising the authority conferred on it by the Securities and Futures Commission Ordinance (Cap. 24), to achieve the objective of protecting the minority shareholders. The SFC, in its day-to-day operation, actively oversees the compliance with the Takeovers Code and the Share Repurchase Code by shareholders, listed companies and market practitioners so as to ensure fair treatments are given to shareholders who are affected by takeover and merger

transactions and share repurchases. Most often the SFC would take follow-up action based on its own investigations, or information provided through the initiative of the companies and advisers, or complaints received from other persons (for example, minority shareholders). Moreover, the Hong Kong Stock Exchange protects the rights of the minority shareholders through the administration and enforcement of the Listing Rules. In addition, the SFC constantly reviews market practices with a view to helping minority shareholders to receive full and complete information about the securities market and protecting their interests.

- (d) As mentioned in (b) above, the Standing Committee is now studying the recommendations made by the consultant. The Government will decide whether to implement the recommendations on the protection of the minority shareholders' interests after hearing the views of the Standing Committee.

Professional Conduct of Teachers

14. **MR YEUNG YIU-CHUNG** (in Chinese): *Will the Government inform this Council of:*

- (a) *the number of complaints received in each of the past five years about professional misconduct of teachers; the way these complaints were handled; and the number of teachers whose registration as a teacher was cancelled on the grounds of professional misconduct, broken down by the types of professional misconduct;*
- (b) *the existing procedure for cancelling the registration of teachers; and whether there is any plan to review such procedure; and*
- (c) *the measures in place to enhance teachers' understanding of professional conduct?*

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

- (a) The number of complaints on professional misconduct of teachers received by the Education Department (ED) in the past five years is as follows:

<i>Academic Year</i>	<i>1994-95</i>	<i>1995-96</i>	<i>1996-97</i>	<i>1997-98</i>	<i>1998-99</i>	<i>Total</i>
						<i>(as at 31 May)</i>
Number of complaints	16	14	11	10	15	66

Of the complaints listed above, 20 cases were substantiated on investigation, which included corporal punishment on students, using forged documents, failure to report outside work, and mishandling of students' disciplinary problems. In addition, during the same period, 60 teachers were convicted of various offences under the laws of Hong Kong. When deciding on the appropriate actions to be taken on both categories of cases, the ED thoroughly considered the nature of each case and its impact on the teaching profession. Such actions included keeping the incident on record, urging the schools concerned to follow up on the performance of the teachers, issuing warning letters to the teachers concerned, and cancellation of the teachers' registration.

In the past five years, the number of teachers whose registration as a teacher was cancelled is as follows:

<i>School year</i>	<i>1994-95</i>	<i>1995-96</i>	<i>1996-97</i>	<i>1997-98</i>	<i>1998-99</i>
					<i>(as at 31 May)</i>
<i>Reason</i>					
Shoplifting		1			
Unlawful sexual intercourse/indecent assault	2	1		2	1

(the victim being the
defendant's student)

Indecent assault	1	1
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(the victim being a
person other than the
defendant's student)

Manslaughter	1
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Using forged documents to apply for credit card	1
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Using false academic record	2
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Deception and using other person's identity card	1
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Bribery	1
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Serving as the manager of an unregistered school	1
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Total	7	3	1	4	1
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- (b) Under section 47 of the Education Ordinance, the Director of Education may cancel the registration of a teacher on the grounds stipulated in the Ordinance, including incompetence, conviction of an offence punishable with imprisonment, and professional misconduct. Before making any decision, the Director will take into consideration all relevant information, including the statement of the complainant, investigation report of the ED, and the representation of the teacher concerned. If the case involves conviction under the law, the Director will also make reference to the record of the Court. As stipulated by the Ordinance, the Director shall serve a notice in writing of his decision on the teacher involved who may, within 21 days after the service of the notice,

appeal in writing to the Appeals Board established in accordance with section 59 of the Education Ordinance. In case the Director or the appellant disagrees with the decision of the Appeals Board, either party may appeal by way of petition to the Chief Executive in Council.

The ED is now conducting a comprehensive review on the Education Ordinance, which will cover the procedures relating to the registration of teacher and the cancellation of registration.

- (c) Issues on professional conduct of teachers are integrated into various courses of the pre-service and in-service teacher education programmes offered by tertiary institutions. For example, relevant guidelines are issued to student teachers during their teaching practicum, and professional ethics and conduct of teachers are covered as a special topic in the training programmes.

To enhance the professional conduct of teachers, a "Preparatory Committee to draft a Professional Code for Educational Workers" was set up under the ED in 1987. In 1990, the Committee published and distributed to all teachers a "Code for the Education Profession of Hong Kong". In 1994, the Council on Professional Conduct in Education was established to advise the Director of Education on measures to promote professional conduct in education and on cases of disputes or alleged professional misconduct involving educators. The Council's work also includes:

- organizing seminars on professional conduct for newly appointed and serving teachers;
- including a dedicated web-page for the Council on the ED website so as to provide a forum for teachers to exchange views on professional conduct; and
- conducting extensive consultation among teachers on the updating of the "Code for the Education Profession of Hong Kong".

In the long run, the powers and functions of the proposed General Teaching Council will include the power to set and enforce codes of professional conduct, so as to enhance the professionalism of teachers.

Water-cooled Central Air-conditioning Systems

15. **MISS CHRISTINE LOH:** *With regard to the use of water-cooled central air-conditioning (A/C) systems, will the Administration inform this Council:*

- (a) *whether it has assessed:*
 - (i) *the potential savings in energy and costs when water-cooled central A/C systems are installed in place of air-cooled central A/C systems;*
 - (ii) *the potential savings in energy when all air-cooled central A/C systems are replaced by water-cooled central A/C systems, as a percentage of the total energy demand in Hong Kong;*
 - (iii) *the total volume of fresh water that will be needed in a year when all air-cooled central A/C systems are replaced by water-cooled central A/C systems;*
- (b) *of the total volume of potable water overflowed from Hong Kong's reservoirs in the past three years;*
- (c) *of the savings in costs when all air-cooled central A/C systems in government premises are replaced by water-cooled central A/C systems;*
- (d) *whether it has any plan to adopt the policy of installing water-cooled central A/C systems only in new government premises; if so, the earliest date for implementing the policy; and*
- (e) *whether it has assessed if the widespread use of water-cooled central A/C systems will defer the need to construct new electricity*

generating plants; if so, the details of such assessment?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Madam President, the terminology used in this subject covers a variety of options, as listed in the self-explanatory note attached. The more economically and environmentally promising systems are those that employ condenser-cooling or district-based cooling systems. These require more water supply than is potentially available from freshwater reserves. So, for the purpose of this question, we are assuming that converting a building in-situ from a centralized Air-cooled Air Conditioning System (AACS) would result in the installation of a Centralized Piped Supply System for Cooling Towers (CPSSCT).

(a) Our assessment is that:

- (i) The likely energy savings for switching from a centralized AACS to a CPSSCT Water-Cooled Air Conditioning System (WACS) would be between 7% to 17%. The recurrent saving, if all the existing centralized AACS in the commercial and government, institution and community (GIC) developments are converted to CPSSCT WACS, would amount to about \$670 million a year^{Note}. This does not take into account the capital costs required for the conversion, addition water charges and the higher operation and maintenance costs.
- (ii) The potential energy saving from converting all the existing centralized AACS in the commercial and GIC developments to CPSSCT WACS could be about 2% of the total electricity demand. However, it might not be technically feasible for some building owners to convert from AACS to CPSSCT. We expect about 30% of the existing AACS cooling demand could not be converted and the potential savings would be reduced to about 1.4% of the total electricity demand.
- (iii) This would need an additional requirement of about 70

^{Note} We estimated that there is about 7 600 megawatt (MW) of installed cooling capacity provided by centralized AACS and WACS in commercial and GIC developments. About 11% of the total cooling capacity, that is, about 800 MW, is installed in GIC buildings and about half is provided by WACS. The Electrical and Mechanical Services Department estimates that the percentage of WACS usage in the commercial sector is about 15%.

million cubic metres (Mm³) of water per year.

- (b) The quantities of raw water overflowed from Hong Kong's reservoirs in the past three years are as follows:

<i>Year</i>	<i>Estimated overflow quantities (Mm³)</i>
1996	108
1997	205
1998	133

These overflow quantities were above average. The high overflow quantities in 1996 to 1998 were due to excessively high rainfall intensity, erratic rainfall distribution in these years and very high storage level in the reservoirs in these years.

- (c) The savings in electricity if all the existing centralized AACS installed in government office buildings were converted to CPSSCT WACS amount to about \$24 million a year. However, the overall cost saving would only be about \$5 million a year due to additional water charges and the higher maintenance and operation costs for CPSSCT WACS. Again this does not take into account the capital costs involved in the conversion work.
- (d) For many years our policy has been to adopt WACS in government premises wherever it is practical and cost effective. For example, office premises such as the Central Government Offices, the Legislative Council Building, many hospitals, town halls and cultural centres, and ferry terminals are using water-cooled systems.
- (e) If 70% of the existing centralized AACS could be converted to CPSSCT WACS, it is likely that we could avoid about 100MW of

electricity demand. To what extent this could defer the need to construct new electricity generation plants depends on the level of surplus power generation capacity over the growth of power demand.

For the purpose of this question, AACS has been compared to CPSSCT. In financial terms, the benefits of such conversion would be limited, but there would be significant environmental gains in terms of avoided emissions in power generation. Where opportunities permit we will promote the most energy efficient water-cooled systems, that is, District Cooling Schemes. These opportunities should present themselves in new reclamations, and comprehensive redevelopment schemes. These will bring not only substantial environmental gain, but also significant opportunity to reduce costs.

Annex

Air Conditioning Systems
Explanatory Note

There are two common types of air-conditioning system used in Hong Kong, Air-cooled Air Conditioning System (AACS) and Water-cooled Air Conditioning System (WACS). Within these two broad categories there are a number of different technologies.

AIR-COOLED AIR CONDITIONING SYSTEM

There are two types of AACS commonly used in non-domestic premises: The centralized and the split systems. The majority of commercial, government, institutional and community (GIC) developments adopt the centralized system while the split system is more common in older multitenanted commercial buildings and industrial buildings. The window type AACS, similar to the household room air-conditioners, tends to be used only in small isolated offices.

(a) *Centralized AACS*

In a centralized AACS, chilled water is circulated within a building and is passed through air-cooling equipment. Heat from the returned water is extracted and dissipated to the surrounding air by chillers usually installed on a flat, open area at the roof or podium level.

(b) Split AACS

In a split type AACS, a refrigerant is circulated through cooling coil in internally mounted air cooling equipment.

The centralized system is the most efficient type of AACS.

WATER-COOLED AIR CONDITIONING SYSTEM

There are three common types of water-cooled systems. WACS also circulate chilled water through a building. The difference is that WACS rejects heat through chiller condensers to water that is either cooled by cooling towers or discharged into the sea or a river using "once through" water supply. Both freshwater and treated seawater could be used.

(a) Centralized Piped Supply System for Cooling Towers (CPSSCT)

The CPSSCT uses mechanical draft evaporative cooling towers located on the roof of a building to reject heat. Water supplied to each building is used to replace the water lost by evaporation. The CPSSCT is the least energy efficient type of WACS.

(b) Centralized Piped Supply System for Condenser Cooling (CPSSCC)

The CPSSCC uses large quantities of water (in practice always seawater) on a "once through" basis to carry away the rejected heat from water-cooled chillers located within each building. The cooling water is supplied by a system of seawater intakes, pumping stations and distribution pipe network. Warmed water is returned to the sea via a separate system.

(c) *District Cooling Scheme (DCS)*

The DCS comprises a large central chiller plant that chills water for distribution to a number of buildings in a district via a pipe network. The chilled water is used to cool air in the building air-conditioning systems and then the warmed water is returned to the central chiller plant for recharging. The DCS is the most energy efficient type of WACS.

Overseas Teaching and Research Staff in Tertiary Institutions

16. **MISS EMILY LAU** (in Chinese): *At present, all the eight tertiary institutions funded by the University Grants Committee (UGC) employ on contract terms overseas teaching and research staff who are allowed to retain their original posts in overseas universities on a no-pay basis while working in Hong Kong. In this connection, will the executive authorities inform this Council whether:*

- (a) *they know the number of such persons employed in each of the institutions and among them, the number of those holding managerial posts, as well as the reasons for their being appointed to such posts by the institutions;*
- (b) *they know the respective percentages of essays published by such persons in their capacity as teaching and research staff of local institutions and those published in their capacity as teaching and research staff of the overseas universities in which they were originally employed, in the total number of essays that they published in the past year;*
- (c) *they have assessed if the practice, of allowing such persons to publish essays in their capacity as teaching and research staff of the overseas universities in which they were originally employed while receiving remuneration and conducting researches in Hong Kong, is in the public interest of Hong Kong; and*
- (d) *they have considered requesting local institutions to require all*

overseas teaching and research staff to use their job titles in the local tertiary institutions concerned whenever they publish essays and engage in external liaison work?

SECRETARY FOR EDUCATION AND MANPOWER (in Chinese): Madam President, academic and research staff of the UGC-funded institutions are recruited on the basis of their academic, scholarly and/or research expertise in the light of the needs of the institutions. It is a common practice for institutions to employ scholars from overseas to complement local expertise and share good practices. In cases where a regular or longer-term appointment is not possible or appropriate, the institutions may offer short-term (usually less than two years) visiting professorships to internationally renowned scholars.

- (a) There are currently about 170 full-time academic and research staff in the UGC-funded institutions who are on short-term visiting contracts, representing 3% of the total. It is not uncommon for visiting scholars worldwide to concurrently hold posts in overseas institutions. However, these staff may not be on no pay leave from the overseas institutions concerned. The UGC-funded institutions do not have readily available information in this respect.

Given the short-term nature of their contracts, visiting academic and research staff normally will not be assigned managerial posts (that is, Head of faculties, schools, departments or centres). There are currently three such staff holding managerial posts in the UGC-funded institutions.

- (b) to (d)

It is a widely known and accepted convention in academic circles to acknowledge the institutions and/or funding organizations that have supported (by way of staffing resources and facilities, grants, and so on) the research that generated the publications. In line with this convention, full-time staff of a local institution, albeit on a visiting

contract basis, should acknowledge the institution and funding agencies concerned for the support given to their research. Some institutions have even incorporated such a requirement in their policy paper or as a condition of employment. In cases where another institution has also rendered support to a particular project at any stage, it is also reasonable to acknowledge the support given by that institution.

The UGC-funded institutions have not kept separate statistics on the percentage of publications by their academic and research staff in their capacity in the local institutions, or in their original overseas institutions.

Cancellation of Staggered Hours Discount by MTRC

17. **MR LAU KONG-WAH** (in Chinese): *All adult passengers of the Mass Transit Railway (MTR) using Octopus cards are currently given a 30% Staggered Hours Discount (the Discount) when travelling before 8.00 am or between 9.00 am and 9.30 am from Monday to Friday. However, with effect from 2 July 1999, the Mass Transit Railway Corporation (the Corporation) will cancel the Discount. In this connection, will the Government inform this Council whether it knows:*

- (a) *the current average number of passenger trips per day that enjoy the Discount;*
- (b) *if the Corporation has assessed the possible increase in the number of passenger trips per day between 8.00 am to 9.00 am, with the cancellation of the Discount; and*
- (c) *if the Corporation will consider reviewing the decision three months after the cancellation of the Discount?*

SECRETARY FOR TRANSPORT (in Chinese): Madam President,

- (a) The Discount was introduced by the Corporation with the objective of relieving congestion and spreading the passenger loading during the morning peak hours of the Tsuen Wan Line. With additional capacity becoming available upon the commissioning of the Tung

Chung Line, the morning peak hour demand along the Tsuen Wan Line has been reduced to about 80% of the capacity provided by the existing schedule of service. As congestion has been effectively relieved, the reason for having the Discount is no longer valid. Currently on a normal weekday, about 200 000 passenger trips made on the MTR system are eligible for the Discount.

- (b) The Corporation does not anticipate a significant change in the travelling pattern after the withdrawal of the Discount which will take effect from 2 July 1999. The loading is anticipated to stay below the train capacity.
- (c) The Corporation understands the impact of the move on a small proportion of passengers. However, by the same token, they have been subsidized for some years by other full-fare paying passengers. Now that the need of relieving congestion during the peak hour is removed, it would not be fair to continue to offer the Discount. Removal of the Discount will also reduce pressure to raise fares across the board. The Corporation will continue to closely and regularly monitor the changes to the ridership pattern following the withdrawal of the Discount.

Civic Education in Core Curricula of Schools

18. **MR AMBROSE LAU** (in Chinese): *As civic education and moral education have all along been overlooked in Hong Kong, the youth problem is becoming increasingly serious. In this connection, will the Government inform this Council whether it has considered including civic education in the core curricula of secondary and primary schools, so as to foster good virtues and positive values among students, thereby developing Hong Kong into a community that attaches equal importance to moral and intellectual development; if so, of the specific timetable for the implementation of such a plan; if not, the reasons for that?*

SECRETARY FOR EDUCATION AND MANPOWER (in Chinese): Madam President, the Government has all along placed great importance on civic education for students. The Guidelines on Civil Education in Schools were issued in as early as 1985 to assist schools in developing school-based civic education curriculum. The Education Department (ED) has since regularly

updated the guidelines in the light of Hong Kong's circumstances and developments.

The latest Guidelines on Civic Education in Schools issued in 1996 sets out the teaching objectives and curriculum framework for different levels of primary and secondary schools. It encourages schools to design school-based curriculum for civic education, having regard to their missions, resources available and students' needs. Schools may adopt one or more of the following implementation modes:

- Permeation approach - Elements of civic education are permeated into the whole curriculum and are disseminated through different subjects in the formal curriculum and through extra-curricular activities.
- Specific-subject approach - Civic education is taught as a specific subject. Learning would be more systematic and focused.
- Integrated-subject approach - Integrated subjects, such as Life Education, Social Studies/Social Education, Civic/Moral Education, are designed with civic education forming one of the component modules.

Since the 1998-99 school year, the subject of Civic Education has been included as one of the electives in the subject group of Humanities which is within the common core curriculum at the junior secondary level (Secondary One to Three). (Other electives in Humanities include Social Studies, Economic and Public Affairs, Geography, History, and Chinese History.) The ED encourages schools to offer at least two subjects from this subject group. In addition, the ED has also prepared the Syllabus for Civic Education for the junior secondary level. Separately, the ED is conducting a holistic review of the school curriculum. One of the aims of the review is to find out better means to enhance civic education for primary and secondary school students. The review is expected to be completed in September 1999.

To assist schools to effectively implement civil education, the ED provides resource support and other supporting services, including:

(1) *Grant for Civic Education*

An annual grant of \$500 per class is provided to all primary and secondary levels for the implementation of civic education.

(2) *Teaching Resources*

Teaching kits and video tapes are produced and distributed free of charge to schools. School civic education bulletin and school civic education newsletter are issued regularly to disseminate information on the implementation of civic education in different schools. The ED has also set up Civic Education Resource Centres with reference materials on civic education and related teaching resources for teachers.

(3) *In-service Teacher Training*

The ED organizes a number of seminars and workshops every year on the conceptual framework, curriculum contents, implementation and teaching strategies set out in the Guidelines on Civic Education in Schools. Moreover, starting from the 1997-98 school year, the ED has been commissioning the Hong Kong Institute of Education to run in-service teacher training programmes on civic education for principals and teachers of primary and secondary schools. In the 1997-98 school year, a total of 24 courses for primary and secondary schools were arranged. In the 1998-99 school year, 32 courses were run.

Accepting Credit Card Payment by the Hospital Authority

19. **MR HOWARD YOUNG:** *It was reported that an injured tourist who was sent to a public hospital for treatment was asked to pay a deposit on medical and hospital expenses, which amounted to \$19,000. In this connection, will the*

Government inform this Council whether it knows if the Hospital Authority (HA) has any plans to accept payment by credit cards, especially when it involves a large amount of money and tourists; if so, of the details of such plans, if not, the reasons for that?

SECRETARY FOR HEALTH AND WELFARE: Madam President, at present, the public hospitals under the HA accept various forms of payment, including cash, Electronic Payment Service, Payment by Phone Service and local currency cheques. The hospitals also accept payment by tourists in travellers' cheques and foreign currency cheques.

To facilitate payment by patients, particularly by tourists, the HA has explored the feasibility of accepting credit card payment in earlier years. In providing the services, credit card companies require to charge commission cost. We consider that this payment method should be implemented on a "user pays" principle, that is, individual patient to pay for the commission cost charged by the credit card company. Under the existing fee system, hospitals may only charge patients at the gazetted rates and not the additional commission cost. Even if we change our fee policy to allow hospitals charging patients for the commission cost, since different credit card companies charge at different rates, there will be difficulties in implementing it. We have also suggested credit card companies charging patients the commission cost direct, but this is not agreed by the companies. The HA has negotiated with the credit card companies again in recent years, but their policy regarding the charging of commission cost remains unchanged. The HA will continue to review the present forms of payment to provide the most convenience for the public and tourists using the HA services.

Indoor Air Quality

20. **MRS SOPHIE LEUNG** (in Chinese): *Will the Government inform this Council of:*

- (a) *the details of the three-level indoor air quality (IAQ) objectives to be introduced this year; and*
- (b) *the measures it will adopt to increase the public's awareness of the effects of IAQ on health?*

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

- (a) To address the issue of indoor air pollution, the Government commissioned a consultancy study on "Indoor Air Pollution in Offices and Public Places" in October 1995. This was completed at the end of 1997. The study aimed to characterize and quantify indoor air pollution in office premises and selected public places in Hong Kong; assess the causes of the pollution problems and recommend suitable control strategies. An inter-departmental IAQ Management Group has been set up to take forward the recommendations of the study.

We briefed the Legislative Council Panel on Environmental Affairs in December 1998 and January 1999 on the findings and recommendations of the consultancy study as well as the proposed framework for the control of IAQ. It is our intention to develop a set of IAQ Objectives to act as common benchmark for evaluating and assessing IAQ. These objectives will be comparable to international standards. A multi-level approach in setting the IAQ Objectives is being prepared. This will enable existing legislation that provides protection to the workforce from specific occupational risks to be continued while giving flexibility to encourage building owners work to achieve the best practicable air quality. Three levels will be recommended:

- (i) Level one: Objectives which represent the very good IAQ that a high-class and comfortable building should have;
- (ii) Level two: Objectives which represent the IAQ that provides

protection to the public at large including the very young and the aged; and

- (iii) Level three: Objectives which represent the IAQ that is required to protect workers and employees as enforced under the current occupational safety and health laws.

In addition to a set of recommended air quality objectives, the programme will include a proposed action plan to improve IAQ in buildings and a set of draft technical guidance notes on evaluation and improvement of IAQ. It is expected that the introduction of the IAQ Objectives will encourage building owners and property management to aim at the best obtainable standards in order to enhance the prestige and market value of their premises. The Management Group is now finalizing the technical details of the proposed programme. We expect to discuss with professional bodies in August and commence full public consultation thereafter.

- (b) To bring the issue of IAQ to the attention of the public, the Government will launch a public education and publicity campaign to increase public awareness and understanding of the importance of IAQ. The IAQ Management Group has prepared a set of pamphlets to help the public understand different IAQ issues and provide useful tips on improving IAQ. These pamphlets will soon be published. In addition, we intend to set up an information centre for disseminating information and reference materials on IAQ. Additional public education and publicity campaigns will be included as an integral part of the IAQ management programme.

BILLS

First Reading of Bills

PRESIDENT (in Cantonese): Bills: First Reading.

LEGAL PRACTITIONERS (AMENDMENT) BILL 1999

ADAPTATION OF LAWS (NO. 17) BILL 1999

**DANGEROUS DRUGS, INDEPENDENT COMMISSION AGAINST
CORRUPTION AND POLICE FORCE (AMENDMENT) BILL 1999**

PREVENTION OF CHILD PORNOGRAPHY BILL

CRIMES (AMENDMENT) BILL 1999

CLERK (in Cantonese): Legal Practitioners (Amendment) Bill 1999

Adaptation of Laws (No. 17) Bill 1999

Dangerous Drugs, Independent Commission against
Corruption and Police Force (Amendment) Bill 1999

Prevention of Child Pornography Bill

Crimes (Amendment) Bill 1999.

Bills read the First time and ordered to be set down for Second Reading pursuant to Rule 53(3) of the Rules of Procedure.

Second Reading of Bills

PRESIDENT (in Cantonese): Bills: Second Reading

LEGAL PRACTITIONERS (AMENDMENT) BILL 1999

SECRETARY FOR JUSTICE (in Cantonese): Madam President, I move that the Legal Practitioners (Amendment) Bill 1999 be read the Second time.

The Legal Practitioners Ordinance governs the practice of solicitors and barristers in Hong Kong. The purpose of the Bill is to make improvements to the Ordinance in respect of solicitors and barristers.

I will first elaborate on the provisions relating to solicitors and law firms. All of these amendments are based on proposals made by the Law Society.

The Ordinance makes a distinction between "Hong Kong firms" and "foreign firms". Clause 2 of the Bill clarifies the definition of "Hong Kong firm". So the present definition may be interpreted to include law firms which have non-resident partners who are not solicitors, the clarification made in clause 2 will improve the protection for the legal profession and the public, by excluding such a possibility.

Clauses 3 to 6 relate to disciplinary matters. It is in the public interest that the Law Society be provided with adequate powers of investigation into the conduct of legal practitioners. To that end, clause 3 empowers the Law Society Council to appoint a prosecutor to assist it in gathering evidence. The prosecutor will have the power to summon persons who may be able to assist in the investigation into a suspected case of misconduct before disciplinary proceedings are formally commenced.

Clause 4 of the Bill provides for the number of practising solicitors and lay persons who may sit on the Solicitors Disciplinary Tribunal Panel to be doubled, that is, from 60 to 120 and 30 to 60 respectively. This will enable the Panel to draw from a larger pool of talent to help ensure that the maintenance of the discipline of legal practitioners is achieved with greater efficiency.

Currently, the Law Society has no right to appeal against a finding of the Solicitors Disciplinary Tribunal as to guilt and punishment, although the other party to the Solicitors Disciplinary Tribunal proceedings enjoys the right to appeal to the Court of Appeal under the Ordinance. Clause 5 of the Bill gives the Law Society a right of appeal against a finding of the Solicitors Disciplinary Tribunal. The Law Society would then be in a better position to protect the public and maintain public confidence in disciplinary proceedings.

Clause 6 of the Bill expressly provides for the Law Society to publish a summary of the findings and orders of the Solicitors Disciplinary Tribunal and the name of the solicitor convicted of an offence, unless the Solicitors

Disciplinary Tribunal orders otherwise.

The final provision relating to solicitors deals with insurance. At present, a solicitor holding a conditional practising certificate is allowed to practise foreign law without taking out professional indemnity insurance. This runs counter to one of the policies underlying the Ordinance, that is, all those who act as solicitors or foreign lawyers should take out professional indemnity insurance to ensure that aggrieved clients will be adequately compensated. Clause 13 of the Bill imposes an obligation on a person who offers services to the public as a practitioner of foreign law to satisfy the requirements set out in section 7 of the Ordinance, which requires the taking out of professional indemnity insurance.

I now turn to the provisions relating to barristers. These proposals are broadly based on the Bar Association's recommendations. A major amendment concerns the admission criteria of barristers.

Under current legislation, there is no means by which foreign lawyers from non-Commonwealth jurisdictions can be admitted as barristers in Hong Kong. This is inconsistent with Hong Kong's obligations under the General Agreement on Trade in Services, or "GATS", which require such admission criteria to be objective, reasonable, non-discriminatory and standards-based. In 1996, following a consultation exercise seeking the views of the legal profession and the public, the then Attorney General's Chambers proposed that legislation be introduced to implement the GATS criteria.

Clause 7 of the Bill removes the privileges presently conferred on barristers or advocates from England, Scotland, Northern Ireland and other Commonwealth countries. It provides instead that the Court may admit any person to be a barrister if he or she is considered to be a fit and proper person and has complied with the general admission requirements, including passing the prescribed examinations and paying the prescribed fees. Further, a residency requirement of three months before the date of application for admission is imposed to match the same requirement which applies in respect of solicitors.

Clause 9 of the Bill provides a mechanism for the removal and restoration of the names of barristers in the roll of barristers.

The Ordinance does not presently require barristers to pay for indemnity insurance premium before being issued with a practising certificate. Clause 10 of the Bill now makes the payment of indemnity insurance premium a

prerequisite for the issue of a barrister's practising certificate. It also removes the present requirement that applications for a barrister's practising certificate can only be made in November each year.

In 1996, the then Attorney General's Chambers, noting the support at that time of the Bar Association and the Law Society, recommended that barristers who provide legal services exclusively to an employer under a contract of employment should be entitled to instructing practising barristers directly. In the course of consultation on the draft Bill subsequently, the Law Society nevertheless expressed the view that barristers who have never been subject to formal training and supervision as trainee solicitors should not be allowed to act in a role identical to solicitors. Taking account of and in response to Law Society's view, clause 12 of the Bill provides that an employed barrister is allowed to instruct a practising barrister on behalf of his or her employer without retaining a solicitor only for the purpose of obtaining a legal opinion. Clause 12 of the Bill also provides that an "employed barrister", subject to certain conditions, may be issued with an "employed barrister's certificate".

Unlike the Law Society's power regarding solicitors, the Bar Council does not have the power to make subsidiary legislation governing the admission or conduct of barristers and other general matters relating to the practice. Clause 15 of the Bill empowers the Bar Council to make rules governing the admission of barristers and other matters concerning barristers, subject to the Chief Justice's prior approval.

Madam President, the amendments contained in the Bill seek to improve the existing law governing solicitors and barristers and will enable Hong Kong to comply with the general obligations of the GATS. I commend this Bill to Members for early passage into law. Thank you, Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Legal Practitioners (Amendment) Bill 1999 be read the Second time.

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

ADAPTATION OF LAWS (NO. 17) BILL 1999

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam

President, I move that the Adaptation of Laws (No. 17) Bill 1999 be read the Second time.

The Bill seeks to effect adaptations to 10 Ordinances and their subsidiary legislation to bring them into conformity with the Basic Law and with the status of Hong Kong as a Special Administrative Region of the People's Republic of China. These Ordinances and subsidiary legislation include those relating to certain organizations and those on the registration of specific professionals.

The proposed amendments of this Bill are mainly terminological changes. For example, references to "Governor" and "Governor in Council" are replaced by "Chief Executive" and "Chief Executive in Council". Where it is provided that the "Governor" is empowered to make subsidiary legislation, the proposed amendment suggests to replace all such references to "Governor" by "Chief Executive". Although the requirement in Article 56 of the Basic Law where the Chief Executive shall consult the Executive Council before making subordinate legislation has not been stated in the provisions concerned, the Chief Executive shall consult the Executive Council before he exercises this legislative function.

The Bill also provides that, subject to Article 12 of the Hong Kong Bill of Rights, the proposed adaptations when passed into law shall take effect retrospectively as from the date of the establishment of the Hong Kong Special Administrative Region.

I commend this Bill to Members for passage into law.

Madam President, I beg to move.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Adaptation of Laws (No. 17) Bill 1999 be read the Second time.

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

**DANGEROUS DRUGS, INDEPENDENT COMMISSION AGAINST
CORRUPTION AND POLICE FORCE (AMENDMENT) BILL 1999**

SECRETARY FOR SECURITY (in Cantonese): Madam President, I move that the Dangerous Drugs, Independent Commission Against Corruption and Police Force (Amendment) Bill 1999 be read the Second time. This Bill seeks to empower the law enforcement agencies to take intimate and non-intimate samples from suspects of serious crimes for the purposes of forensic analysis, so as to enhance their abilities to combat crimes.

Intimate samples are samples of blood, urine, semen and so on, and non-intimate samples include samples of saliva, hair other than pubic hair and the swab taken from the mouth of a person. At present, the law enforcement agencies do not have the power to take these samples from suspects for the purpose of forensic analysis, and unless they have the consent of suspects, they cannot obtain such samples. Forensic analysis is a branch of scientific studies which analyses and compares the samples taken from suspects and the samples left at the scenes of crime. The results can provide the clues and evidence essential to the detection of crimes. One of the most effective analysis of forensic science is the DNA prints analysis, and thanks to technological advances, a swab taken from the mouth of a suspect can now provide a sufficient number of cell samples for DNA prints analysis. This is a quick and effective method of minimal nuisance. DNA prints are represented by a series of figures, and the analysis is highly accurate, which is why if we compare the DNA prints of a suspect with the DNA prints left at the crime scene, we will be able to tell very accurately whether the suspect was present at the scene.

In the case of taking non-intimate samples, the Bill provides that a law enforcement officer must be duly authorized by a police officer of or above the rank of superintendent, or by a law enforcement officer of an equivalent rank, who must also have reasonable grounds for suspecting the the person from whom the non-intimate sample is to be taken is involved in a serious arrestable offence punishable by imprisonment for five years or above, and for believing that the sample will help to confirm or disprove the involvement of that person. The law enforcement officer must at the same time inform the suspect of the reasons and purposes of taking non-intimate samples from him and obtain an "appropriate consent".

Since the taking of intimate samples will cause greater nuisance, the Bill provides that in addition to the abovementioned requirements, the written

consent of the suspect and the approval of a Magistrate must be obtained, and the Magistrate may call a hearing for the purpose if deemed necessary. The Bill also provides that if the person concerned is subsequently not charged, or if that person is subsequently found not guilty, the samples taken from him and the related analysis results must be destroyed as soon as practicable to avoid any abuses. Moreover, if the suspect is subsequently convicted of a serious arrestable offence, the samples taken from him must still be destroyed as soon as practicable. As for his DNA prints, they will be stored in the DNA database for future investigation purposes. The DNA database will greatly enhance the abilities of law enforcement agencies to combat crimes. In order to ensure that the DNA database is used only for investigation and related purposes, the Bill states that no person shall have access to any information stored in the DNA database or disclose or use any such information except where he has an approved purpose. The offender shall be liable to a fine of \$25,000 and imprisonment for six months. The police and the Government Chemist will also draw up specific guidelines governing the use of the information stored in the DNA database, so as to ensure that such information will not be used improperly.

The Bill also provides that any person who has attained the age of 18 years may voluntarily give an authorization in writing to a police officer of the rank of superintendent or above for the taking from him of a non-intimate sample, such as a swab from his mouth, for the purposes of DNA analysis and storage of his DNA prints in the DNA database. The person concerned can at any time notify the police to withdraw his DNA prints information, and such information must then be destroyed as soon as practicable. This mechanism is modelled after similar mechanisms in other countries, and the aim is to enable reformed convicts to avoid being approached again by law enforcement agencies. We note from the press that some Members have some misgivings about the rationale behind this mechanism. So, we wish to emphasize here that the whole mechanism is voluntary in nature. It is certainly not meant to force any person to provide his DNA information to prove his innocence. Therefore, the very important legal principle of presumption of innocence will not be affected. I hope Members can understand this point.

When we consulted the Security Panel on our proposals in February this

year, several Members visited the Government Chemist at our invitation to see how a swab was to be taken from a person's mouth. This is a way of taking a sample from the mouth for DNA analysis. The process is quick and effective, with minimal nuisance. But it is very helpful in facilitating the investigation of law enforcement agencies. I believe we have already struck a proper balance between efficient enforcement and the rights of suspects. I therefore hope that Members can support this Bill.

Madam President, I beg to move.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Dangerous Drugs, Independent Commission Against Corruption and Police Force (Amendment) Bill be read the Second time.

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

PREVENTION OF CHILD PORNOGRAPHY BILL

SECRETARY FOR SECURITY (in Cantonese): Madam President, I move that the Prevention of Child Pornography Bill be read the Second time. The Bill seeks to enhance the protection of children by prohibiting the production, possession and distribution of child pornography, the publication of advertisements on child pornography and the employment of children for the production of pornography.

There is currently no specific law in Hong Kong to deal with child pornography. Although the Control of Obscene and Indecent Articles Ordinance already provides for the regulation of adult and child pornography, it specifies only three kinds of crimes which relate respectively to the publication of obscene articles, the possession of obscene articles for publication and the import of obscene articles for publication. The Ordinance does not specify that it is an offence to possess or produce obscene articles.

Statistics over the past few years show that there is sale, publication and

possession of child pornography in Hong Kong. Although the problem of child pornography is not yet very serious now, the situation may well worsen very quickly if we do not take early actions now. Legislative Council Members and non-governmental organizations have expressed great concern over this problem and have urged us to introduce legislation to tackle the problem. The problem of child pornography on the Internet is especially worrying because the Internet is a quick means of proliferation. Under Article 34 of the United Nations Convention on the Rights of the Child as applied to Hong Kong, children are entitled to protection against all forms of sexual exploitation and abuse.

We are of the view that child pornography involves the use of children in sexual activities and is thus an extremely serious crime. Children are not capable of independent judgment, and for this reason, they are especially susceptible to serious harm. Therefore, we now propose to enact a new ordinance to ban child pornography. The proposed contents are as follows:

- (a) To define child pornography as any article depicting a child who is, or looks like, a person under the age of 16 engaging in sexual activity, or depicting such a child in an indecent sexual manner or context; to also include any computer files, electronic data or virtual reality images capable of being transmitted on the Internet in the definition of child pornography;
- (b) to prohibit the production and distribution of child pornography;
- (c) to make it a crime for anyone to possess child pornography, so as to curb demand and tackle the problem at source; and
- (d) to prohibit the publication of any advertisements on child pornography, and to make it a criminal offence for anyone to employ a child under the age 16 in the production of child pornography.

The penalties for the above crimes as stipulated in Bill are rather heavy, the aim being to produce a deterring effect and to send a strong message to the community that we will never deal with child pornography-related crimes with any leniency. Any person convicted upon indictment of possessing child pornography is liable to a fine of \$1 million and to imprisonment for five years. Any person who produces or distributes child pornography, or who publishes

advertisements on child pornography, is liable on conviction upon indictment to a fine of \$2 million and to imprisonment for eight years. For these two types of crimes, the penalties upon summary conviction are respectively a fine of \$500,000 and imprisonment of two years and a fine of \$1 million and imprisonment of three years. In view of the serious nature of employing children for the production of child pornography, the Bill provides that a person shall be liable on conviction upon indictment to a fine of \$3 million and to imprisonment of 10 years.

I must emphasize that when drawing up provisions banning the possession of child pornography as a crime, we did consider very carefully the various problems relating to the transmission of child pornography through the Internet. We have no intention of hindering the healthy development of the Internet, but we are also duty-bound to protect children. With respect to those Internet service-providers who engage purely in re-selling huge computer capacities or who provide computer storage room to clients, we have tried to prevent them from being held legally liable for the messages transmitted by incorporating some defence provisions in the Bill. The service-provider concerned can defend himself by claiming that he "did not know, nor did he have any cause to suspect, it to be child pornography". As for those who unintentionally enter a website on child pornography, they do not have to fear that they have committed the offence of possessing child pornography, because the implied elements constituting the crime of possession are "prior knowledge" and "intent", and the onus is on the prosecution to establish such elements. The person concerned can defend himself by claiming that "he had not asked for any child pornography and after it came into his possession he endeavoured to destroy it within a reasonable time".

The Bill does not state what a "legitimate cause" is. In general, however, it should relate to medical research and purposes of education and news reporting. I believe that we have struck a proper balance, and with such a balance, we will be able to curb child pornography without victimizing those who have a legitimate cause.

In September last year, we consulted both the Security Panel and more than 80 non-governmental organizations on our proposals, and they expressed their support in principle. I therefore hope that Members can support this motion. Madam President, I beg to move.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Prevention of Child Pornography Bill be read the Second time.

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

CRIMES (AMENDMENT) BILL 1999

SECRETARY FOR SECURITY (in Cantonese): Madam President, I move that the Crimes (Amendment) Bill 1999 be read the Second time. The purpose of the Bill is exactly the same as that of the Prevention of Child Pornography Bill which I tabled before this Council a moment ago: it seeks to enhance the protection of children against all forms of sexual exploitation and abuse.

The Bill proposes to prohibit arrangements for child sex tours, and to make it a crime for anyone to advertise sex tours involving children. It also provides for the extraterritorial application of 24 provisions on sexual offences contained in the Crimes Ordinance, so that prosecutions can still be instigated against offences occur even outside Hong Kong as long as they are committed against children and the criminals or victims are persons or body corporates having connections with Hong Kong. The use of children for sexual activities may well be an international problem, and in Southeast Asia, there are also sex tours involving children; arrangements are made for adults to leave their home countries for other places, especially economically backward places, where they engage in sexual activities involving children. These activities are extremely sinister, but the laws of Hong Kong as they are do not forbid Hong Kong people to engage in sexual activities involving children outside Hong Kong, nor are there any legal provisions protecting Hong Kong children against such activities. That is why the Government has proposed to legislate against child sex tours.

The Bill provides that any person who makes arrangements for anyone to engage in any sexual offences in relation to a person under the age of 16, or who puts up any related advertisements, commits an offence. The penalty is a fine of \$3 million and imprisonment for 10 years. It also provides for the extraterritorial application of 24 provisions on sexual offences contained in the Crimes Ordinance, and the maximum penalties are the same as those applied when the related offences are committed in Hong Kong. As in the case of the Prevention of Child Pornography Bill, the Government has consulted the

Security Panel of this Council and more than 80 non-governmental organizations, and they have expressed their support in principle. I hope that Members will support the Bill too.

Madam President, I beg to move.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Crimes (Amendment) Bill 1999 be read the Second time.

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

Resumption of Second Reading Debate on Bill

PRESIDENT (in Cantonese): We will resume the Second Reading debate on the Volunteer and Naval Volunteer Pensions (Amendment) Bill 1999.

VOLUNTEER AND NAVAL VOLUNTEER PENSIONS (AMENDMENT) BILL 1999

Resumption of debate on Second Reading which was moved on 2 June 1999

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 and that is: That the Volunteer and Naval Volunteer Pensions (Amendment) Bill 1999 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Volunteer and Naval Volunteer Pensions (Amendment) Bill 1999.

Council went into Committee.

Committee Stage

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

VOLUNTEER AND NAVAL VOLUNTEER PENSIONS (AMENDMENT) BILL 1999

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Volunteer and Naval Volunteer Pensions (Amendment) Bill 1999.

CLERK (in Cantonese): Clauses 1 and 2.

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

(Members raised their hands)

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

(No hands raised)

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

CHAIRMAN (in Cantonese): Council will now resume.

Council then resumed.

Third Reading of Bill

PRESIDENT (in Cantonese): Bill: Third Reading.

VOLUNTEER AND NAVAL VOLUNTEER PENSIONS (AMENDMENT) BILL 1999

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

Volunteer and Naval Volunteer Pensions (Amendment) Bill 1999

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

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Volunteer and Naval Volunteer Pensions (Amendment) Bill 1999 be read the Third time and do pass.

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

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Volunteer and Naval Volunteer Pensions (Amendment) Bill 1999.

Resumption of Second Reading Debate on Bill

PRESIDENT (in Cantonese): We will resume the Second Reading debate on the Adaptation of Laws (No. 15) Bill 1999.

ADAPTATION OF LAWS (NO. 15) BILL 1999

Resumption of debate on Second Reading which was moved on 9 June 1999

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 and that is: That the Adaptation of Laws (No. 15) Bill 1999 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Adaptation of Laws (No. 15) Bill 1999.

Council went into Committee.

Committee Stage

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

ADAPTATION OF LAWS (NO. 15) BILL 1999

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Adaptation of Laws (No. 15) Bill 1999.

CLERK (in Cantonese): Clauses 1, 2 and 3.

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

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Schedules 1 to 7.

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

(Members raised their hands)

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

(No hands raised)

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

CHAIRMAN (in Cantonese): Council will now resume.

Council then resumed.

Third Reading of Bill

PRESIDENT (in Cantonese): Bill: Third Reading.

PRESIDENT (in Cantonese): As the Secretary for Economic Services has not arrived in the Chamber yet, I declare the meeting suspended.

4.54 pm

Meeting suspended.

5.00 pm

Council then resumed.

ADAPTATION OF LAWS (NO. 15) BILL 1999

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): First of all, I would like to offer my apologies to the President and all Honourable Members. Madam President, the

Adaptation of Laws (No. 15) Bill 1999

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

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Adaptation of Laws (No. 15) Bill 1999 be read the Third time and do pass.

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

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Adaptation of Laws (No. 15) Bill 1999.

MOTIONS

PRESIDENT (in Cantonese): Motions. Proposed resolution under the Public Finance Ordinance.

PROPOSED RESOLUTION UNDER THE PUBLIC FINANCE ORDINANCE

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President, I move the motion which has been printed on the Agenda.

The 21st century will be a knowledge-based world. Innovation and technology will play an essential and driving role in adding value, increasing productivity as well as enhancing Hong Kong's overall competitiveness. The Chief Executive therefore set out his vision of turning Hong Kong into an innovation centre in Southern China and the region in his 1997 policy address. He subsequently appointed the Commission on Innovation and Technology in early 1998 to advise him on the necessary measures to realize the vision.

The Chief Executive has accepted the major recommendations of the First Report of the Commission in last year's policy address, including the establishment of a \$5 billion Innovation and Technology Fund (ITF) to finance projects that contribute to innovation and technology upgrading of industry. We have since been working on the necessary details for the implementation of the Fund, including such specifics as the Fund's mission, ambit, assessment criteria and monitoring mechanisms.

This motion seeks to establish the Innovation and Technology Fund as a statutory fund under the Public Finance Ordinance by way of a Legislative Council resolution. The resolution provides that the Financial Secretary, or a public officer designated by him, will be responsible for the administration of the Fund. In addition, the resolution sets out in general terms the purpose of the Fund and provides for the retention of interest and other income arising from the moneys of the Fund for its future use.

As regards other specific arrangements for the establishment of the Fund, we will submit a paper on our funding proposal to the Finance Committee of this Council. Moreover, we have earlier consulted the Legislative Council Panel on Trade and Industry for Members' opinions. Let me take this opportunity to highlight some of the key features of our proposal.

First, the Innovation and Technology Fund will have the important mission of financing projects that can contribute to innovation and technology upgrading of industry, as well as projects that contribute to the upgrading and development of industry. These projects include:

- (a) innovation and technology promotion activities, which may include mid- to down-stream research and development projects undertaken by universities, industrial support bodies and the future Applied Science and Technology Research Institute;
- (b) collaborative research and development projects undertaken by universities and industry;
- (c) projects which are not directly related to innovation and technology upgrading, but will nonetheless be beneficial to the upgrading and future development of Hong Kong's industry; and
- (d) projects which aim to encourage people with both technology know how and business ideas to develop technology ventures.

We believe that these four project categories will add new impetus to improving Hong Kong's technology development and upgrading the quality of goods and services provided by our industry. The Industrial Support Fund and the Services Support Fund currently operated by the Industry Department will be replaced by the Innovation and Technology Fund as well.

We propose that the Director-General of Industry should be given the responsibility to administer the Fund, and be accountable to the Legislative Council on expenditure of the Fund. In addition, the Director-General of Industry will seek the Legislative Council's approval for individual projects costing more than \$15 million each. This is consistent with the existing

arrangements with the Industrial Support Fund.

To ensure the proper use of the Fund's resources, we will establish an effective advisory body for the assessment of projects. This body will comprise businessmen, academics and government officials to provide the necessary commercial, technical and policy input in the assessment and monitoring processes. As regards the assessment criteria, we will consider such factors as the potential contribution of the project to innovation and technology upgrading of the economy and the commercialization potential of the project. To ensure the relevance of the proposed projects to industry, we will require private sector participation in the projects as appropriate.

Apart from project assessment, we appreciate that Members are interested in the effectiveness of ITF-funded projects. In this regard, stringent measures will be adopted to monitor the progress and effectiveness of the projects. For example, we will require applicants to set out, where possible, quantifiable objectives that the proposed project would likely to achieve. These objectives will form the basis for the evaluation of the results of the projects. In addition, we will require the project team to submit progress reports regularly. Disbursement of funds will be made in accordance with the progress of the projects.

In view of the important mission of the ITF, we will review the Fund's operation periodically to ensure that it continues to meet its mission and operate effectively. We believe that periodic reviews will help the Fund adapt to the ever changing economy and enable it to meet the expectations of the community.

Given the increasing competition in the region, it is imperative for our industry to innovate and upgrade in terms of technology in order to maintain and enhance our competitiveness. The establishment of the ITF will provide a major impetus in this regard. I would ask Members to support this motion to establish the ITF.

Thank you, Madam President.

The Secretary for Trade and Industry moved the following motion:

"That with effect from 30 June 1999 —

1. there shall be established a fund to be called the Innovation and Technology Fund;
2. the Fund shall be administered by the Financial Secretary who may delegate his power of administration, including the power to issue funds warrants and the power specified in paragraphs 4 and 6, to other public officers;
3. there shall be credited to the Fund —
 - (a) such appropriations from the general revenue as may be approved by the Legislative Council for the purposes of the Fund;
 - (b) all income received by way of interest, dividend or distribution in whatever form from —
 - (i) any loan, advance, investment or payment in whatever form made from the Fund under paragraph 4;
 - (ii) any sum invested under paragraph 6;
 - (c) all sums received by way of repayment of any loan or advance made from the Fund;
 - (d) the proceeds of the sale of any investment made from the Fund;
 - (e) such donations and other moneys as may be received for the purposes of the Fund;

4. the Financial Secretary may apply moneys from the Fund for the purpose of —
 - (a) financing projects that contribute to innovation and technology upgrading in the manufacturing and service industries;
 - (b) financing projects that contribute to the upgrading and development of the manufacturing and service industries,

in accordance with such terms and conditions as may be specified by the Finance committee;
5. the Direction of Accounting Services shall, under the authority of a funds warrant issued by the Financial Secretary, pay from the Fund such sums as may be required to meet expenditures from the Fund;
6. the Financial Secretary in his discretion may authorize the investment in such manner as he may determine of any moneys held in the Fund at any time."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Trade and Industry, as set out in the Agenda, be passed.

MR SIN CHUNG-KAI (in Cantonese): Madam President, on behalf of the Democratic Party and as the representative of the Information Technology Functional Constituency, I speak in support of the establishment of the ITF. The establishment of this Fund is initiated by the Commission on Innovation and Technology headed by Prof TIEN Changlin. Prof TIEN has repeatedly talked about this concept and pointed out that investment in scientific research and development (R&D) by some developed countries accounts for 3% of their Gross National Product (GNP). It is not at all easy to reach the goal of investing 3% of the GNP in this, particularly for a small economy like Hong Kong. Let me cite an example. The Gross Domestic Product (GDP) of Hong

Kong in 1997-98 was approximately \$1,300 billion, so 3% should be \$40 billion. Investing \$40 billion in R&D annually is a far cry from setting up a fund of \$5 billion. So it is very difficult to catch up with the developed countries. If we set this as our goal, that is, to invest \$40 billion in this, the budget of Hong Kong will not be able to cope. Therefore, we of course support the Government's establishment of this Fund, but it should also think of other incentives for R&D.

We agree that Hong Kong should go in the direction of developing high value-added and hi-tech industries. But the Government should make other ancillary measures and supporting policies. For instance, it should, as suggested by the Democratic Party before, enhance the training of talents in R&D, provide tax concessions and so on. Of course, we may have another chance to debate on this topic next week. But I wish to stress that even if it is the case with what Mr Francis HO, Director-General of Industry, said in the Commission that he expected to spend about \$1 billion annually, \$1 billion is still a very small number in comparison to the scale of our overall economy. Of course, as compared to the existing Industrial Support Fund and Applied Research and Development Fund, the size of the ITF is already a few times more; it has been able to bring about a significant change in the atmosphere in the industrial sector, to boost the industrial sector's desire to invest in or to conduct hi-tech researches. I also basically support this direction, but still I think that the Government should consider giving other incentives and even making policies to tie in with this.

Innovation and technology should not be limited to certain individual industries, such as the service trade, financial services or other manufacturing industries. The Democratic Party and I personally believe that many traditional industries should also continue to seek for added value. For example, in respect of the financial services, as early as two years ago I already started talking about brokers on the Internet. This is a technical problem. The Government should give incentives to development in different areas and attract more investment and research through this Fund.

The Information Technology Services Department, the Hong Kong Information Technology Joint Council, businessmen and representatives of some venture capital funds held a seminar from 9 am to noon yesterday. At the seminar, professors from over 20 tertiary institutions each gave a five-minute brief report on the findings of his research. As the audience included businessmen and representatives of venture capital funds, the seminar provided

an excellent foundation for the exchange of ideas, allowing the academia to introduce their research results and those interested the chance to make investments. Although that was a seminar on information technology, I think that this concept should also be promoted to other industries. Take biochemistry as an example, some local companies may also be interested in investing in this field. The eight or nine tertiary institutions have all been engaged in research in this field. The Government should actively act as a go-between to enhance the connection among the organizations which are willing to invest, the industrial sector and the academia conducting researches. I hope that the future Applied Science and Technology Research Institute will also play a similar role. The Government's final report, I believe, will be released next week. I hope that the Government will take a look at the entire supporting organization. Personally, I do not see a direction of reform, or if a reform is necessary. Now, as regards the whole industrial support structure, which cannot be considered big, neither can it be regarded as trivial or disorganized. We have science parks, industrial and technology centres, the Hong Kong Productivity Council and the Applied Science and Technology Research Institute. Of course, the Government may say that each one of them has its own independent role to play. But I expect the Government to respond, in the final report to be released on 5 July, to my question, that is, whether it will set down a clearer division of labour as regards the policy on and the role of each institute. We are more than prepared to support the \$1 billion-a-year investment and the establishment of the Applied Science and Technology Research Institute. But most importantly, the money should be well spent. I hope that the Government will pay attention to the question of how to marry the research, application and investment together to attain the necessary result.

The ITF proposed by the Government will cover activities of all trades and sectors. We hope that the Government will consider one thing, which is, the Democratic Party's opposition against the Government granting so many loans to all kinds of organizations. There is one thing that the Government should consider, which is how to boost people's enterprising spirit. Time is different now. It might take years of hard work for a business to build up enough strength in the past. Now the situation is different. For example, entrepreneurs in the Silicone Valley are generally very young; people in their twenties or thirties might have already started their own business twice. These people do not have the capital to set up a business, but they have the technology and know-how to do so and they need others' help to develop their business. The Government should make more effort in this area. The Democratic Party

has once mentioned that we hope the Government would set aside a sum of money in the Fund to try out a project, say, establishing something like a venture loans fund. Of course, we think that the Government should conduct an in-depth study on this concept because the Democratic Party has always been very cautious about offering loans. However, to those young people who have mastered a new technology, should the Government not consider giving them more opportunities? We hope that the Government will give some consideration to the concept of setting up a venture loans fund. It can organize some competitions every year and invite the participants to prepare a business plan or design a business model, and then have a venture fund or risk fund to evaluate it. I hope that such an environment can stimulate their enterprising spirit, and the Government will conduct an in-depth study on this particular suggestion.

I hope Members will understand that the development of the Internet has already changed the overall commercial mode and many conventional trades are now faced with tremendous challenges. For example, those companies which originally act as a go-between may have very little room for survival in future. However, with the development of the Internet, some other types of intermediary will gradually emerge. The Government should ask the Trade and Industrial Bureau or the Information Technology and Broadcasting Bureau to conduct a study on the impacts of the Internet or e-commerce on the overall industrial development. Every year, the Department of Commerce of the United States compiles a report on the effect of the Internet on its economic development and reviews its own development. In 1997, the President of the United States ordered the development of e-commerce. In 1998 and the end of June this year, the departments concerned published reports on the impact of e-commerce on the overall economic development in the country.

In Hong Kong, we certainly welcome the "Digital 21" Information Technology Strategy proposed by the Chief Executive. But the Government should also consider making an annual assessment on the inter-relationship between information technology and other industries, trade, and even financial services, that is, the effect of the development of digital economy or e-commerce on the development of other sectors. I feel that the Government should make public its own views on the prospects so that the industrial and business sectors can have a basis for making comments. Although they may not agree to the Government's policies, the Government will have made the first move at least. Now although the Government has not done so, big countries such as the United

States have done a great deal on this. Many European countries have also started to make preparation for the digital economy or the changes in the advanced technologies in future. For example, the British Prime Minister, Mr Tony BLAIR, published a white paper late last October on these issues.

I feel that the Government should not rely solely on the Information Technology Bureau to do all the work on information technology. With regard to the promotion of industrial tradings or commercial tradings, the Government should look at and learn from the roles played by various foreign governments which have done a great deal in the promotion of this. I do not want to give a detailed account of the situation in every country. As long as we look around, we can see that the European Union, or even Canada and the United States are all talking about the development of e-commerce and digital economy. The Government should not rely solely on the ITF to change the entire mode in Hong Kong. Yet, this is a good start and we fully support it. We hope that the Government listen to different views. As the Panel on Financial Affairs will discuss the vetting and approval procedures and related issues on 2 July, we hope that the Government will give a detailed answer to our questions then.

Madam President, the Democratic Party supports the establishment of this Fund.

MR CHAN KWOK-KEUNG (in Cantonese): Madam President, I speak in my capacity as the spokesman of the Democratic Alliance for the Betterment of Hong Kong (DAB) on trade and industrial matters.

To stimulate the long-term development of high, innovative technologies in Hong Kong, the Government proposes to establish the ITF to encourage and finance projects that contribute to innovation and technology upgrading in the manufacturing and service industries. The DAB and I do welcome this proposal and support the establishment of this Fund. But I have some points to which I hope to draw the Government's attention.

The ITF will replace the three existing support schemes of the Industry Department, namely, the Industrial Support Fund, the Service Support Fund and the Applied Research and Development Fund, so as to put the planning of all related matters under one single umbrella. This is a good idea, particularly, in view of the fact that these three funds of the Industry Department were mainly

set up for the purpose of raising productivity, which may not be directly related to innovation and technology upgrading, nevertheless it should not be a big problem to have all related schemes grouped under the scope of the ITF.

However, the Applied Research and Development Fund was originally established to encourage the setting up of businesses, especially to encourage private enterprises to engage in technological development, and the level of subsidy is rather low. Perhaps because of that, when considering the ITF as a whole, the Government intends to set down the provision that for applications made in relation to "joint projects of universities and enterprises", the applicants must foot half of the allowances given to postgraduates employed by them to participate in the research of the relevant projects. The proportion, I think, is too big. To the industry and enterprises, such an investment in a R&D item is far too enormous. Frankly speaking, no proprietor would lightly undertake a highly risky business that may probably result in a loss. Research is after all research. We can never completely link R&D with economic benefits. To the academia who want to participate in the research of innovations and technology, the pressure is just far too great.

I think that the Administration should consider raising the relevant proportion of subsidy, with reference to the standards set in the original support funds of the Industry Department. I firmly believe that only with this proportion can more universities and enterprises be attracted to apply for subsidy from the ITF.

Madam President, although the Government is working hard to lead Hong Kong onto the path of developing new technologies, because of the lack of a foundation in this in the past, Hong Kong must never be too "stingy" in its investment in the upgrading of the human resource, R&D and so on, as compared to other places. Setting too many hurdles to the provision of subsidy would of course ensure the appropriate use of public funds, but we hope that the Government will achieve this by applying the long-standing principle of rigorous monitoring to prevent any abuse of the relevant resources.

With these remarks, Madam President, I support the establishment of the Fund.

DR RAYMOND HO: Madam President, we all know that innovation and technology are important drivers of economic growth. However, the Hong Kong Government under the British rule failed to initiate any related policy to promote their development under the disguise of the so-called non-intervention policy. As a result, we have lost precious time and are lagging behind in the quest for new technology and innovation.

On the other hand, the local manufacturing sector is shrinking with the continuing relocation of production facilities from Hong Kong to the Pearl River Delta. The relocation has further exacerbated the local unemployment situation. Thanks to the determination of the Chief Executive, our Government of the Hong Kong Special Administrative Region (SAR) has finally shifted its focus to technological development which is the key to our future success.

Among other initiatives, the Commission on Innovation and Technology, chaired by Prof TIEN Changlin, was also set up. Its first report recommends the establishment of an Innovation and Technology Fund (IT Fund) to underline the Government's commitment to its policy and strategy for promoting innovation and technology, and to provide a secure source of funding for their implementation. The funding will be important to finance specific projects which will contribute to innovation and technology upgrading in our manufacturing and services industries. Its establishment will definitely stimulate our technological development.

Lately, we have suffered a little setback with the possible implications of the Cox Report on our import of advanced technology. However, it is of the best interest to both Hong Kong and the United States if the latter can continue to treat the SAR separately from mainland China for the United States export controls. I am confident that the matter can be finally resolved in an amicable manner.

There is no doubt that the SAR Government is putting more emphasis on promoting innovation and technology. Besides making financing commitment, the Government needs to beef up its manpower with relevant professional

background to chart out the right course. We must have the right team in charge if we have to succeed.

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

MR JAMES TIEN (in Cantonese): Madam President, the Liberal Party also supports the Government's establishment of the ITF.

Over the years, the Hong Kong economy has transformed from manufacture-based to service-based today. However, from the transformation of the entire economy in recent years, we can see that Hong Kong cannot rely solely on the services industry. Therefore, the Government of the Hong Kong Special Administrative Region decided, after its establishment, to formulate a long-term plan on the development of high technology (hi-tech), which, we think merits our support. There is indeed a need for Hong Kong to establish a diversified economy. However, although the Government has allocated \$5 billion to the new ITF, we understand that the amount of Fund money available each year is not much and it is not intended to be used up in a few years either. I hope that if the scheme proves to be successful, more money can be injected into the Fund.

I understand that this is not a motion debate, so I will not speak on all related subjects, like Mr SIN Chung-kai has done. I only wish to talk about two points. First, in the study, we have to consider the management. Not many hi-tech companies can be successfully transformed into companies with big factories and a strong team of staff because management plays a very important part here. Many hi-tech companies overseas are very successful when they start out but begin to see signs of failure within a few years, the ultimate reason being problems with the management. I hope that when vetting an application, the Fund will also monitor the personnel engaging in the project. Instead of just considering the technological merits and marketability of products, it should also look at whether the way that the company is managed can turn it into a successful commercial establishment, so that it can build its own works to manufacture their own products.

The second point is that we always have some views about the participation of universities. I feel that universities do have many good ideas, but the researches that they do may just be done for the sake of doing researches. Can many of the research findings be turned into practical commodities? Can they be used by industrialists or investors? In this regard, I think that a balance must be struck between the views of the industrialists and the university academia. Otherwise, although university researches many churn out many products, if they cannot be turned into marketable commodities, it will only be a waste of a great deal of resources.

Finally, I would like to talk about the seventh paragraph of the Secretary's speech in which the Government suggests vesting the management of the Fund with the Director-General of Industry. People do not generally think that the Director-General is necessarily an expert in innovation and technology. Although we do not object vesting him with the management power, we hope that the Government will engage more advisors or professionals well-versed in high technology to join the Industry Department to assist the Director-General in his work; otherwise, he will have a difficult time trying to effect comprehensive supervision.

Thank you, Madam President.

MR LEE CHEUK-YAN (in Cantonese): Madam President, on behalf of the Frontier and the Hong Kong Confederation of Trade Unions (CTU), I speak in support of the establishment of the ITF.

What lesson has the Asian financial turmoil taught Hong Kong? I believe many people in Hong Kong would say the lesson is that Hong Kong has lost its industry and we should not rely too heavily on the financial services and real estate industries.

Some think that the financial turmoil is now over. I still remember very well that the Chief Executive and the Financial Secretary spoke on various occasions that Hong Kong had sound fundamentals and so it would be the first one to bounce back. But the truth is that South Korea is the first one to recover.

Actually, the financial turmoil had a far more direct impact on South Korea than on Hong Kong. It hit its entire economy. But why has South Korea been the first one to recover? South Korea recorded an economic growth of 4.6% in the first quarter of 1999, Taiwan 4.3%, Singapore 1.2%, while Hong Kong still saw a negative growth of 3.5%. Among the four small dragons, Hong Kong alone is still suffering a negative growth. Why? I think that one important reason is that South Korea has a strong industrial base. Some would say that South Korea has had a great deal of trouble in the past, including too many consortia, the economic system being over-expanded by enterprises, too much government intervention and so on. However, ultimately, when all the over-expanded enterprises were downsized, their economy was the first to pick up. I think that one of the reasons is the heavy investments of South Korea in hi-tech industry in the past.

While in Hong Kong, during the eighties, people crazed over speculation in real estates, and the manufacturing industry was relocated to the north and continued to rely on cheap labour. As a result, the local technological level was at a standstill. In terms of technology, Hong Kong has bagged behind the other three small dragons for at least a decade.

In just 185 more days, we will enter the next millennium. It is only at this time that the Government proposes the establishment of such a fund. Although we very much welcome this proposal, has it come too late? Is the size of the Fund too small? Why should I say that it is too late, too small? As regards the size, we can compare the percentage invested in R&D by the Hong Kong Government to that by other governments. The percentage of Hong Kong is very low. Even with the addition of this \$5 billion-Fund, the percentage of investment by Hong Kong in R&D is not even 0.5%. In other industrial countries such as Britain, France, Germany, Japan and the United States, however, they all spend over 2.5% of their GNP on average in R&D. In the United States, 40% of the investment comes from the government while in France, almost all R&D is funded by the government. According to a survey

conducted by the Australian National University, in 1996, Taiwan, South Korea and Singapore spent 1.9%, 2.81% and 1.35% of their GNP respectively on investment in technology while Hong Kong only spent 0.25%. Compared with our main rivals, the Hong Kong Government's assistance given to R&D is just far too low. No wonder some would say that the R&D in Hong Kong is repetition and duplication, rather than research and development.

In respect of the development of innovation and technology, Hong Kong has already started out later than other countries. To catch up, the Government must enhance its assistance. The present assistance falls short of even 0.5% of our GDP. From the experience of other countries, we can see that this is far from adequate.

Since the Government could give a tax rebate of \$8.5 billion, why can it not be bolder in this respect? Is the Government yet to have adequate determination? It was reported by the *Ta Kung Pao* on 28 December 1998 that high level government officials were only willing to allocate \$1 billion to establish the Innovation and Technology Fund at first and only after heated debates was the decision made to inject \$5 billion as a start. In an interview with the *Apple Daily*, Prof TIEN Changlin, the former chairman of the Commission on Innovation and Technology, also said that "some" officials were determined to promote the development of technology in Hong Kong, implying that high level officials were yet to reach a consensus on this issue. The chairman and president of the Legend Holdings, nicknamed the IBM of China, Mr LIU Chuanzhi, pointed out bluntly that for Hong Kong to go hi-tech, one of the obstacles was the lack of agreement among the leadership in the Government.

The current situation of the Hong Kong Government is like "switching on the right-turn signal but turning to the left". On the one hand, the Chief Executive thinks that the Government must intervene and assist the development of innovation and technology to promote economic growth. But on the other hand, high level officials still hold firmly onto the conviction to "free market" and "positive non-interventionism". While the Chief Executive wants to lay down a long-term plan for economic development, the officials have it that the

Government should not intervene in market development. The policy address proposes to develop innovation and technology but the Policy Bureaux insist that no matter how smart the Government is in the investment decisions, it will never do better than the businessmen, and so the Government should not lay a heavier emphasis on certain industries.

This is absurd for while the Chief Executive keeps switching on the "right-turn signal", the arguments of the officials are "turning to the left". Although this has not led to "a car crash and deaths" yet, if the whole locomotive of Hong Kong ventures forth in this way, it will definitely lead to a division in the end. To have a group of officials who are accustomed to "inaction" promote an "aggressive" economic policy, it is somewhat like "feeling the stones and cross the river". We are worried that it is doomed to be a failure before it even starts. I hope that when the Commission on Innovation and Technology has submitted its final report, the Government will formulate a clear strategy on economic development and a definite industrial policy as soon as possible. Otherwise, the \$5 billion ITF will end up down the drain for the lack of a comprehensive economic policy.

On the other hand, the CTU resents the lack of an employment assessment in the vetting criteria suggested by the Administration in regard to the ITF projects. The CTU has always considered that Hong Kong must look for a new locomotive to push the sustainable development of the local economy forward. But we are worried that the new locomotive is one that does not carry passengers or that only receives foreign guests. It does not carry passengers because this project does not bear the employment factor in mind. Without the employment factor, the whole innovation and technology project will become a policy to the disbenefit of the people.

I hope that the public will not misunderstand that our trade union's way of thinking still remains in the 19th century, that technological development will always lead to a crunch in job vacancies. We do not hold this view. Instead, over the past decade, the CTU has kept demanding that the Government increase

the assistance to innovation and technology. It also insists that the Hong Kong industry must have "five high's", namely high technology, high quality, high added value, high pay, high employment.

Nevertheless, we also understand that not all innovation and technology development projects are "employment-friendly", that is, they may not necessarily benefit local workers. But we propose that when the authorities vet the applications in future, they should take into account the effect of the particular project on employment, be it direct or indirect, short-term or long-term, or positive or negative. The upgrading of the technological standard should not be synonymous with a reduction of manpower, and innovation and technology a train that carries no passengers. Neither should we be completely reliant on imported foreign experts, making the innovation and technology project a train that only receives foreign guests. Therefore, when the Government decides on the direction to be taken in the development, it must consider whether it will match the structure of the workforce in Hong Kong. When the industrial sector develops an innovation and technology project, it should also draw up an ancillary human resources training programme.

Thank you, Madam President.

THE PRESIDENT'S DEPUTY, DR LEONG CHE-HUNG, took the Chair.

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

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Mr Deputy, I would like to thank those Honourable Members who have spoken on the establishment and operation of the ITF, as well as the many valuable advices they have tendered. We will certainly take all of them into consideration. We have indeed been very much encouraged to learn that Honourable Members

support the Fund. As I have mentioned in my speech earlier, as regards the detailed arrangements for the establishment of the Fund, we will spell these out clearly in the paper on our funding proposal to be submitted to the Finance Committee of this Council on 9 July. We will respond to the views put forward by Honourable Members then, but I will also make a brief response to a few issues now.

First of all, a few Honourable Members raised the point of the monitoring and management of the Fund. We understand that Honourable Members are concerned because of the huge amount of money involved in the Fund. Apart from the measures aimed at monitoring the operation of the Fund which I have mentioned, the Fund will also be subject to monitoring from other sources. For example, the Audit Commission will audit the accounts of the Fund and a report will be laid before the Legislative Council. These measures will help enhance the transparency of the Fund's operation and will serve to boost public confidence in the operation and monitoring of the Fund.

Second, some Honourable Members have talked about the issue of giving impetus to innovation and technology ventures. The mission of the ITF is precisely aimed at giving assistance to these projects. Our idea is that those who receive such assistance to launch ventures must inject an equal amount of investment. This will minimize the possibility of the Fund being abused. When projects have proved to be a commercial success, the amount of funds disbursed can be recovered gradually. In a sense it can be said that there is some element of a loan involved. Since venture projects usually involve higher risks, if it is specified that only loans can be provided, the people involved in ventures will think that the risk is too high. As a result, certain projects with good potentials may never become a reality.

I would like to clarify one point, and that is, the ITF will only replace the existing Industrial Support Fund and the Services Support Fund. As for the Applied Research and Development Fund, since its nature and mode of operation are different, it will continue to operate independently.

Lastly, I urge all Honourable Members to support the motion to set up the ITF. Thank you, Mr Deputy.

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

(Members raised their hands)

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

(No hands raised)

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

DEPUTY PRESIDENT (in Cantonese): Two resolutions under the Interpretation and General Clauses Ordinance.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

SECRETARY FOR HOUSING (in Cantonese): Mr Deputy, I move the resolution printed on the Agenda.

The Estate Agents Ordinance, passed in May 1997, aims to improve the competence and professional conduct of estate agents, and to give greater protection to consumers involved in property transactions. The establishment of a licensing and regulatory system for the trade is a milestone in the development of the estate agency trade in Hong Kong. The Estate Agents (Licensing) Regulation, which sets out the licensing requirements and other miscellaneous matters on licensing procedures, was passed by this Council on 18 November 1998. The licensing system was implemented on 1 January 1999.

To ensure that property transactions are conducted in a fair, open and honest manner and that the interests of both consumers and estate agents will be better protected, the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation was made by the Estate Agents Authority, with the approval of the Secretary for Housing, and laid on the table of this Council on 26 May 1999. The Regulation stipulates detailed rules relating to the conduct, duties and practice of licensed estate agents. A Subcommittee of this Council was subsequently set up to examine the Regulation. I am grateful to Dr the Honourable Raymond HO, the Chairman, and other members of the Subcommittee for their useful comments and advice. In particular, members suggested that the various prescribed forms for public use should be simplified as far as possible. The amendments I propose aim mainly to simplify, clarify and improve the wording of certain provisions and the presentation of these forms. These amendments have already been discussed and agreed by the Subcommittee. There are also some minor amendments to rectify typographical errors.

Madam President, I beg to move.

The Secretary for Housing moved the following motion:

"That the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation, published as Legal Notice No. 124 of 1999 and laid on the table of the Legislative Council on 26 May 1999, be amended -

- (a) in section 2(2)(b), by repealing "and (3)" and substituting "and, if applicable, section 3(3)";
- (b) in section 7(1), by repealing "(地產代理協議除外)" and substituting "(並非地產代理協議者)";
- (c) by repealing section 13(3) and substituting -

"(3) A licensee shall, for the purpose of avoiding the fraudulent misrepresentation of identity in an agreement for sale and purchase or a lease of a residential property, take all

practicable steps to ensure that the name of the vendor is correct (which steps may include, if the vendor is an individual, collecting a copy of the vendor's identity card within the meaning of the Registration of Persons Ordinance (Cap. 177) or other identification document).";

- (d) in the Schedule, by repealing Forms 1 to 6 and substituting -

	If "yes", state the particulars:		
	(f) other matters registered as encumbrances: Note : Copy of land search from the Land Registry shall be attached.	A	
2.	Floor area of the Property: <input type="checkbox"/> (a) saleable area provided by the Rating and Valuation Department:	B	
	<input type="checkbox"/> (b) saleable area stipulated in the agreement for sale and purchase of the first assignment:	A	
	<input type="checkbox"/> (c) no information can be obtained under paragraph (a) or (b).		
3.	Year of completion: Year of completion of the Property (or the building of which the Property forms part) as stipulated in the occupation permit or, if the occupation permit is not available, the relevant certificate of compliance or letter of no objection to occupy:	A/B/C*	
4.	User restrictions: User under the occupation permit:	A/C*	
5.	Government lease: (a) unexpired term of the lease:	A	
	(b) right of renewal: <input type="checkbox"/> Yes <input type="checkbox"/> No		
6.	If a Government lease is to be granted, state the term of the proposed lease:	A	

Part C: Other information about the Property which may be provided

1. The annual Government rent: HK\$ _____
2. The quarterly rates: HK\$ _____
3. The monthly management fee: HK\$ _____
4. Owners incorporation established: Yes No
5. The floor area and source of information are: _____

6. The Property falls within the following categories:

- Tenant Purchase Scheme;
- Home Ownership Scheme;
- Private Sector Participation Scheme;
- Sandwich Class Housing;
- Flat for Sale Scheme (Housing Society);

(Note: In the categories above, flats on which premium has been paid are not included in the category concerned.)

- “Village” type houses in the New Territories;
- others, please specify: _____

PART 2

VENDOR'S STATEMENT

1. Are there any structural additions to or alterations of any part of the Property or the building of which the Property forms part, which have been or are or shall be made by the Vendor or any other person, during the period of the Vendor's ownership of the Property?

Yes No

If "yes", please provide particulars: _____

2. Are there any structural additions to or alterations of any part of the Property or the building of which the Property forms part, which have been made by any person, before the period of the Vendor's ownership of the Property?

Yes No Not known

If "yes", please provide particulars: _____

3. Are there any reinstatements, rectification, repairs or improvements to any part of the Property or the building of which the Property forms part, which have been or are or shall be required by the Government or the management office or the owners incorporation of the building, during the period of the Vendor's ownership of the Property?

Yes No

If "yes", please provide particulars: _____

4. Are there any reinstatements, rectification, repairs or improvements to any part of the Property or the building of which the Property forms part, which have been required by the Government or the management office or the owners incorporation of the building, before the period of the Vendor's ownership of the Property?

Yes No Not known

If "yes", please provide particulars: _____

5. Are there any of the following works, the cost of which a purchaser of the Property shall be wholly or partly liable, which have been or are or shall be required or proposed by the Government or the management office or the owners incorporation of the building of which the Property forms part as regards any part of the Property or the building?

reinstatement or rectification work repairs or improvements works
 slope maintenance work others
 none not known

Please state the nature of the work required or proposed, if any, and the cost/estimated cost* of works for which the purchaser shall be liable: _____

6. (a) The Property is to be sold with vacant possession. OR
 (b) The Property is to be sold subject to a lease/licence for a specific term/statutory tenancy* as follows:

- The monthly rental is HK\$ _____ (inclusive of _____ rates; Government rent; management fee).
- The term is _____ year(s) _____ month(s) beginning on _____ (D/M/Y) and expiring on _____ (D/M/Y) (both days inclusive).

- Other terms:

- break clause rental review option to renew
 other special terms; please specify: _____

All the information given by _____ (“Vendor”) in Part 2 of this Form are true and correct within the Vendor’s knowledge.

Signature _____ of _____ Date _____
 OR

- We, _____ (“Agent” (see note 12)), acting for the Vendor, have duly advised the Vendor to provide information in Part 2 of this Form but the Vendor decided not to provide the same.

We, _____ (“Agent” (see note 12)), are reasonably satisfied as regards the accuracy of the information contained in this Form.

Signature of the estate agent/salesperson signing for and on behalf of Agent: _____

Name and licence number of the signatory: _____

Number of Agent’s statement of particulars of business: _____

Address: _____

Telephone number: _____

Fax number: _____

Date: _____

NOTES

1. This Form should not be used with any alterations.
2. Nothing in Part 2 of this Form shall be construed as affecting or defining the terms and conditions of an agreement for sale and purchase to be entered into between the Vendor and a purchaser.
3. A licensed estate agent is required to provide to the Vendor the original or a copy of the completed Form either before entering into an estate agency agreement with the Vendor or before entering into an agreement for sale and purchase between the Vendor and a purchaser in respect of the Property at the option of the Vendor.
4. A licensed estate agent is required to provide to a purchaser the original or a copy of the completed Form unless the purchaser specifically waives his right to receive the same.
5. A purchaser or the Vendor should seek legal or other professional advice if:
 - (a) he is in doubt of the effects and implications of any of the encumbrances listed in Part B in Part 1 of this Form;
 - (b) any prescribed information is not available or he is in doubt of any information provided herein; or
 - (c) he wishes to obtain additional information which is not provided in this Form.
6. Complete all questions and fill in all blanks except Part C in Part 1. If any question is not applicable, please write “N/A” which means not applicable. If any prescribed information is not available, please write

“Not Available”.

7. A separate form should be completed for each property.
8. Any material changes in the given information should be conveyed immediately to the recipients of this Form.
9. “*” means delete whichever is inappropriate. Provisions deleted must be initialled. Where appropriate, mark a tick “√” in the box provided.
10. Documentary evidence of the information provided in Part 2 of this Form may be attached by the Vendor.
11. Prescribed sources of information:
 - A: Land Registry
 - B: Rating and Valuation Department (Info-Hotline Service)
 - C: Buildings Department
12. Enter the name of the estate agency business entity concerned.

FORM 2
LEASING INFORMATION FORM

(for use in the leasing of residential properties in Hong Kong)

(This Form should be completed by the licensed estate agent)

Part A: Address of the Property

("Property")

Part B: Prescribed information of the Property

Types of information	Prescribed source (see note 9)	Date of obtaining the information
1. Particulars of current ownership and subsisting encumbrances registered in the Land Registry: Name(s) of owner(s):	A	
Subsisting encumbrances: (a) possession orders: <input type="checkbox"/> Yes <input type="checkbox"/> No	A	
(b) mortgage or charge: <input type="checkbox"/> Yes <input type="checkbox"/> No	A	
2. Floor area of the Property: <input type="checkbox"/> (a) saleable area provided by the Rating and Valuation Department:	B	
<input type="checkbox"/> (b) saleable area stipulated in the agreement for sale and purchase of the first assignment:	A	
<input type="checkbox"/> (c) no information can be obtained under paragraph (a) or (b).		
3. Year of completion: Year of completion of the Property (or the building of which the Property forms part):	A/B*	
4. User restrictions: User under the occupation permit:	A	

5.	Restrictions on leasing: Restrictions on leasing imposed under legislation/Government lease: <input type="checkbox"/> Yes <input type="checkbox"/> No	C/D*	
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Part C: Other information about the Property which may be provided

1. The annual Government rent: HK\$ _____
2. The quarterly rates: HK\$ _____
3. The monthly management fee: HK\$ _____
4. The Property is to be sublet and is presently subject to a lease: Yes No

If "yes", please provide particulars: _____

We, _____ ("Agent" (see note 10)), are reasonably satisfied as regards the accuracy of the information contained in this Form.

Signature of the estate agent/salesperson signing for and on behalf of Agent:

Name and licence number of the signatory:

Number of Agent's statement of particulars of business:

Address:

Telephone number:

Fax number:

Date:

NOTES

1. This Form should not be used with any alterations.
2. A licensed estate agent is required to provide to the landlord of the Property the original or a copy of the completed Form either before entering into an estate agency agreement with the landlord or before entering into a lease between the landlord and a tenant in respect of the Property at the option of the landlord.
3. A licensed estate agent is required to provide to a tenant the original or a copy of the completed Form unless the tenant specifically waives his right to receive the same.
4. A tenant or the landlord of the Property should seek legal or other professional advice if:
 - (a) he is in doubt of the effects and implications of any of the encumbrances listed in Part B of this Form;
 - (b) any prescribed information is not available or he is in doubt of any information provided herein; or
 - (c) he wishes to obtain additional information which is not provided in this Form.

-
5. Complete all questions and fill in all blanks except Part C. If any question is not applicable, please write “N/A” which means not applicable. If any prescribed information is not available, please write “Not Available”.
 6. A separate form should be completed for each property.
 7. Any material changes in the given information should be conveyed immediately to the recipients of this Form.
 8. “*” means delete whichever is inappropriate. Provisions deleted must be initialled. Where appropriate, mark a tick “√” in the box provided.
 9. Prescribed sources of information:
 - A: Land Registry
 - B: Rating and Valuation Department (Info-Hotline Service)
 - C: Housing Society
 - D: Housing Department
 10. Enter the name of the estate agency business entity concerned.

FORM 3

ESTATE AGENCY AGREEMENT FOR SALE OF RESIDENTIAL
PROPERTIES IN HONG KONG

GENERAL CAUTION: Read this Agreement carefully and follow its instructions. If you do not understand any thing in this Agreement then ask for an explanation to be given. If you do not understand or agree with any explanation given then it is best to consult your solicitor before signing this Agreement.

Information note: Where any thing in this Agreement is followed by a number in brackets (e.g. ⁽¹⁾), then immediately read the explanatory note that bears that number in Schedule 4 to this Agreement. Where any thing in this Agreement refers to a Schedule to this Agreement, then immediately read that Schedule.

1. Appointment of Agent and Validity Period of this Agreement

I/We, _____ (“Vendor”), appoint _____ (“Agent”⁽²⁾) subject to and in accordance with the terms of this Agreement to act as my/our exclusive⁽³⁾/non-exclusive⁽¹⁾ agent in the marketing of _____ (“Property”). This Agreement shall take effect on _____ (D/M/Y) and expire on _____ (D/M/Y) (both days inclusive) (“Validity Period”).

[**CAUTION:** In the case of exclusive agency, the Vendor may be liable to pay commission to the Agent even if the Property is not sold through the Agent within the Validity Period. The Vendor should therefore consider carefully when he enters into an exclusive agency relationship with the Agent. Special obligations to be performed by the Agent under exclusive agency may be specified as extra terms under clause 13.]

2. Agency Relationship and Duties of Agent

The Agent agrees with the Vendor that –

- (a) the agency relationship between them in respect of the Property shall be a single agency/dual agency/potentially dual agency⁽³⁾⁽¹⁾;
- (b) in the case of dual agency, the Agent shall as soon as is practicable disclose in writing to the Vendor the amount or rate of commission to be received by the Agent from a purchaser;
- (c) in the case of potentially dual agency, the Agent shall as soon as is practicable after dual agency arises disclose in writing to the Vendor such agency relationship and the amount or rate of commission to be received by the Agent from a purchaser; and
- (d) The Agent’s duties shall be as set out in Schedule 1 to this Agreement, in addition to the duties placed on the Agent by this Agreement or any enactment.

3. **List Price** [CAUTION: The Vendor does not confer upon the Agent, by virtue of this clause, the right to accept an offer on behalf of the Vendor. The list price is for the purpose of listing and advertising only.]

The list price shall be Hong Kong

Dollars _____ (HK\$ _____).

The list price can only be varied with written instructions of the Vendor and such instructions shall form part of this Agreement.

4. **Commission**

The provisions of this Agreement applicable to the commission to be paid by the Vendor to the Agent shall be as set out in Schedules 2 and 4 to this Agreement⁽⁴⁾.

5. **Property Information**

The Agent shall provide to the Vendor the Property Information Form including the Vendor's Statement prescribed under the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation duly completed and signed by the Agent.

6. **Property Inspection**

- (a) The Vendor agrees to allow viewing of the Property by the Agent/purchaser(s)⁽¹⁾ at a mutually agreeable time.

Yes No ⁽⁸⁾

- (b) The Vendor agrees to pass the keys of the Property to the Agent for safe custody and for the viewing of the Property.

Yes No ⁽⁸⁾

- (c) The Vendor authorizes the Agent to pass the keys to other estate agents/persons⁽¹⁾ for the viewing of the Property.

Yes No ⁽⁸⁾

7. **Sub-listing**

- (a) The Vendor authorizes the Agent to sub-list the Property and pass relevant information about the Vendor and the Property supplied by the Vendor to other estate agents for sub-listing purposes.

Yes No ⁽⁸⁾

- (b) If the Agent sub-lists the Property to another estate agent ("sub-listing agent"), the Agent shall ensure that the sub-listing agent shall observe the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation regarding advertising.

8. Advertising

- (a) The Vendor authorizes the Agent to issue advertisement in respect of the Property.
Yes No ⁽⁸⁾
- (b) If the answer to the above is “yes”, then the advertising fees will be borne by the Agent unless otherwise specified in this Agreement.

9. Disclosure of Interest by Agent

- (a) The person signing this Agreement on behalf of the Agent discloses that he or his specified relative⁽⁵⁾, or any nominee of his or of his specified relative, or the Agent or any employee/substantial shareholder⁽⁶⁾/partner/director of the Agent has a pecuniary or other beneficial interest⁽⁷⁾ in the Property:
Yes No ⁽⁸⁾
- (b) If the answer to the above is “yes”, then the particulars of the interest must be specified in Schedule 3 to this Agreement.
- (c) The person signing this Agreement on behalf of the Agent shall as soon as is practicable disclose in writing to the Vendor any interest referred to in paragraph (a) above that may arise during the Validity Period.

10. Acknowledgement by Vendor

The Vendor acknowledges he has –

- (a) read and understood the terms of this Agreement; and
- (b) ⁽⁸⁾ received the Property Information Form including the Vendor’s Statement required to be provided under clause 5 of this Agreement;
⁽⁸⁾ agreed to receive the Property Information Form including the Vendor’s Statement before entering into a binding agreement for sale and purchase between the Vendor and a purchaser.

11. Schedules

The Schedules to this Agreement form part of this Agreement.

12. Agreement void if domestic purpose or use not allowed

This Agreement shall be void if the occupation permit for the Property does not include or allow domestic purpose or use.

- 13. Extra Terms** [**CAUTION**: These extra terms cannot conflict with or limit the other terms of this Agreement.]: _____

Signature of the Vendor:

Signature of the estate agent/salesperson
signing for and on behalf of the Agent:

Hong Kong identity card(s) number(s):
(if applicable)

Name and licence number of the signatory:

Where the Vendor is a company, please
state:

Name of the Signatory:

Number of Agent's statement of particulars
of business:

Position of the Signatory:

Business Registration Certificate number of
the Vendor:

Address:

Address:

Telephone number:

Telephone number:

Fax number:

Fax number:

Date:

Date:

[**CAUTION:** Immediately after this Agreement has been signed, the Vendor must be given the original or a copy of this Agreement as signed.]

Schedule 1
Duties of Agent

The Agent shall –

- (a) market the Property on behalf of the Vendor;
- (b) obtain information in relation to the Property for the Vendor;
- (c) arrange for purchasers to inspect the Property;
- (d) conduct negotiation and submit all offers in relation to the Property to the Vendor; and
- (e) assist the Vendor in entering into a binding agreement for sale and purchase with a purchaser.

Schedule 2
Commission to be Paid by Vendor

1. Subject to section 2 of this Schedule, if during the Validity Period the Vendor through the Agent enters into a binding agreement for sale and purchase with a purchaser in respect of the Property then the Vendor is liable to pay the Agent commission in the amount of \$_____/at the rate of _____% of the transacted price of the Property⁽¹⁾ :
 - ⁽⁸⁾ upon the signing of the agreement for sale and purchase.
 - ⁽⁸⁾ upon the completion of the property transaction as specified in the agreement for sale and purchase.
2. Subject to section 3 of this Schedule, the Vendor shall have no obligation to pay any commission to the Agent if completion of the property transaction falls through without fault on the part of the Vendor and, in such case, if the commission has already been paid it shall be refunded by the Agent to the Vendor as soon as is practicable and in any case not later than 5 working days from the completion date as specified in the agreement for sale and purchase with interest/without interest⁽¹⁾.
3. The commission shall become payable to the Agent in the case of mutual cancellation of a binding agreement for sale and purchase of the Property not arising from any provisions of the agreement for sale and purchase.
4. The Vendor is not liable to pay any commission to other estate agents with whom the Agent co-operates in the marketing of the Property.

Schedule 3
Interests in Property

In accordance with clause 9 of this Agreement, particulars of the pecuniary or other beneficial interests in respect of the Property are as follows:

Schedule 4
Explanatory Notes

- (1) This means delete whichever is inappropriate. All deletions must be initialled.
- (2) Enter the name of the estate agency business entity concerned in clause 1 of this Agreement.
- (3) Exclusive Agency – this means the Agent is the only estate agent acting for the Vendor. If during the Validity Period the Vendor enters into a binding agreement for sale and purchase with a purchaser in respect of the Property through another estate agent, the Agent has a right to claim commission as specified in section 1 of Schedule 2 from the Vendor.

Single agency – this means the Agent acts for the Vendor only.

Dual agency – this means the Agent acts for both the Vendor and a purchaser of the Property.

Potentially dual agency – this means the Agent acts for the Vendor only but may also act for a purchaser of the Property at a later stage.

- (4) The amount or rate of commission is negotiable between the Vendor and the Agent.
- (5) Specified relative – this means the spouse, parent, child, brother or sister.
- (6) Substantial shareholder – this means a person who is entitled to exercise or control the exercise of 10% or more of the voting power at any general meeting of the Agent.
- (7) Having a pecuniary or other beneficial interest includes:
 - (a) being a member of a company or any other body which has a pecuniary or other beneficial interest in respect of the Property;
 - (b) being in partnership with or is in the employment of a person who has a pecuniary or other beneficial interest in respect of the Property; or
 - (c) being a party to any arrangement or agreement (whether enforceable or not) concerning the Property.
- (8) Tick the relevant box.

FORM 4

ESTATE AGENCY AGREEMENT FOR PURCHASE OF
RESIDENTIAL PROPERTIES IN HONG KONG

GENERAL CAUTION: Read this Agreement carefully and follow its instructions. If you do not understand any thing in this Agreement then ask for an explanation to be given. If you do not understand or agree with any explanation given then it is best to consult your solicitor before signing this Agreement.

Information note: Where any thing in this Agreement is followed by a number in brackets (e.g. ⁽¹⁾), then immediately read the explanatory note that bears that number in Schedule 5 to this Agreement. Where any thing in this Agreement refers to a Schedule to this Agreement, then immediately read that Schedule.

1. Appointment of Agent and Validity Period of this Agreement

I/We, _____ (“Purchaser”),
appoint _____ (“Agent”⁽²⁾) subject to and in accordance with the terms of
this Agreement to act as my/our agent in the intended purchase of the properties listed in
Schedule 1 to this Agreement (“Properties”). This Agreement shall take effect on
_____ (D/M/Y) and expire on _____ (D/M/Y) (both days
inclusive) (“Validity Period”).

[CAUTION: It is recommended that the Validity Period should be not more than 3 months.]

2. Agency Relationship and Duties of Agent

The Agent agrees with the Purchaser that –

- (a) the agency relationship between them in respect of the Properties shall be a single agency/dual agency/potentially dual agency⁽³⁾ as specified in column 4 of Schedule 1 to this Agreement;
- (b) in the case of each dual agency, the Agent shall as soon as is practicable disclose in writing to the Purchaser the amount or rate of commission to be received by the Agent from the relevant vendor;
- (c) in the case of each potentially dual agency, the Agent shall as soon as is practicable after dual agency arises disclose in writing to the Purchaser such agency relationship and the amount or rate of commission to be received by the Agent from the relevant vendor; and
- (d) The Agent’s duties shall be as set out in Schedule 2 to this Agreement, in addition to the duties placed on the Agent by this Agreement or any enactment.

3. Commission

The provisions of this Agreement applicable to the commission to be paid by the Purchaser to the Agent shall be as set out in Schedules 1, 3 and 5 to this Agreement⁽⁴⁾.

4. Property Information

The Agent shall provide to the Purchaser in respect of the Properties all relevant Property Information Forms including Vendor’s Statements prescribed under the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation –

- (a) obtained from the respective vendors' licensed estate agents in the case of single agency;
- (b) duly completed and signed by the Agent in the case of dual agency or where a vendor is not represented by a licensed estate agent,

unless the Purchaser expressly waives his right to receive any of them.

5. Disclosure of Interest by Agent

- (a) The person signing this Agreement on behalf of the Agent discloses that he or his specified relative⁽⁵⁾, or any nominee of his or of his specified relative, or the Agent or any employee/substantial shareholder⁽⁶⁾/partner/director of the Agent has a pecuniary or other beneficial interest⁽⁷⁾ in the Properties:
Yes No ⁽⁸⁾
- (b) If the answer to the above is "yes", then the particulars of the interest must be specified in Schedule 4 to this Agreement.
- (c) The person signing this Agreement on behalf of the Agent shall as soon as is practicable disclose in writing to the Purchaser any interest referred to in paragraph (a) above that may arise during the Validity Period.

6. Acknowledgement by Purchaser

The Purchaser acknowledges that he has –

- (a) read and understood the terms of this Agreement; and
- (b) received all relevant Property Information Forms including Vendor's Statements required to be provided under clause 4 of this Agreement which the Purchaser has not expressly waived his right to receive.

7. Schedules

The Schedules to this Agreement form part of this Agreement.

8. Agreement void if domestic purpose or use not allowed

This Agreement shall be void with regard to a property listed in Schedule 1 if the occupation permit for that property does not include or allow domestic purpose or use.

9. Extra Terms [CAUTION: These extra terms cannot conflict with or limit the other terms of this Agreement]: _____

Signature of the Purchaser:

Signature of the estate agent/salesperson
signing for and on behalf of the Agent:

Hong Kong identity card(s) number(s):
(if applicable)

Name and licence number of the signatory:

Where the Purchaser is a company, please state:

Name of the Signatory:

Number of Agent's statement of particulars
of business:

Position of the Signatory:

Business Registration Certificate number
of the Purchaser:

Address:

Address:

Telephone number:

Telephone number:

Fax number:

Fax number:

Date:

Date:

[CAUTION: Immediately after this Agreement has been signed, the Purchaser must be given the original or a copy of this Agreement as signed.]

Schedule 2

Duties of Agent

The Agent shall –

- (a) obtain information in relation to the Properties for the Purchaser;
- (b) arrange for the Purchaser to inspect the Properties if requested to do so by the Purchaser;
- (c) conduct negotiation and submit all offers to the vendors of the Properties as instructed by the Purchaser; and
- (d) assist the Purchaser in entering into a binding agreement for sale and purchase with the vendor of any one or more of the Properties.

Schedule 3

Commission to be Paid by Purchaser

1. Subject to sections 2 and 5 of this Schedule, if during the Validity Period the Purchaser through the Agent enters into a binding agreement for sale and purchase with the vendor in respect of one or more of the Properties then the Purchaser is liable to pay the Agent commission:
 - ⁽⁸⁾ upon the signing of the agreement for sale and purchase.
 - ⁽⁸⁾ upon the completion of the property transaction as specified in the agreement for sale and purchase.
2. Subject to section 3 of this Schedule, the Purchaser shall have no obligation to pay any commission to the Agent if completion of the property transaction falls through without fault on the part of the Purchaser and, in such case, if the commission has already been paid it shall be refunded by the Agent to the Purchaser as soon as is practicable and in any case not later than 5 working days from the completion date as specified in the agreement for sale and purchase with interest/without interest⁽¹⁾.
3. The commission shall become payable to the Agent in the case of mutual cancellation of a binding agreement for sale and purchase of the property concerned not arising from any provisions of the agreement for sale and purchase.
4. The Purchaser is not liable to pay any commission to other estate agents with whom the Agent co-operates for the purpose of purchasing any one or more of the Properties.
5. Subject to sections 2, 3 and 4 of this Schedule, the Purchaser is also liable to pay to the Agent as commission for services rendered with regard to the property concerned if the Purchaser or the spouse, or any nominee, undisclosed principal or agent of the Purchaser enters into a binding agreement for sale and purchase with the vendor of any one or more of the Properties during the Validity Period whether through the Agent or otherwise.

Schedule 4

Interests in Property

In accordance with clause 5 of this Agreement, particulars of the pecuniary or other beneficial interests⁽⁷⁾ in respect of one or more of the Properties are as follows:

Schedule 5

Explanatory Notes

- (1) This means delete whichever is inappropriate. All deletions must be initialled.
- (2) Enter the name of the estate agency business entity concerned in clause 1 of this Agreement.
- (3) Single agency – this means the Agent acts for the Purchaser only.
Dual agency – this means the Agent acts for both the Purchaser and the vendor of a property listed in Schedule 1 to this Agreement.
Potentially dual agency – this means the Agent acts for the Purchaser only but may also act for the vendor of a property listed in Schedule 1 to this Agreement at a later stage.
- (4) The amount or rate of commission is negotiable between the Purchaser and the Agent.
- (5) Specified relative – this means the spouse, parent, child, brother or sister.

- (6) Substantial shareholder – this means a person who is entitled to exercise or control the exercise of 10% or more of the voting power at any general meeting of the Agent.
- (7) Having a pecuniary or other beneficial interest includes:
 - (a) being a member of a company or any other body which has a pecuniary or other beneficial interest in respect of the Properties;
 - (b) being in partnership with or is in the employment of a person who has a pecuniary or other beneficial interest in respect of the Properties; or
 - (c) being a party to any arrangement or agreement (whether enforceable or not) concerning the Properties.
- (8) Tick the relevant box

FORM 5

ESTATE AGENCY AGREEMENT FOR LEASING OF
RESIDENTIAL PROPERTIES IN HONG KONG

(for use between an estate agent and a landlord)

GENERAL CAUTION: Read this Agreement carefully and follow its instructions. If you do not understand any thing in this Agreement then ask for an explanation to be given. If you do not understand or agree with any explanation given then it is best to consult your solicitor before signing this Agreement.

Information note: Where any thing in this Agreement is followed by a number in brackets (e.g. ⁽¹⁾), then immediately read the explanatory note that bears that number in Schedule 4 to this Agreement. Where any thing in this Agreement refers to a Schedule to this Agreement, then immediately read that Schedule.

1. Appointment of Agent and Validity Period of this Agreement

I/We, _____ (“Landlord”), appoint _____ (“Agent”⁽²⁾) subject to and in accordance with the terms of this Agreement to act as my/our exclusive⁽³⁾/non-exclusive⁽¹⁾ agent in the marketing for letting purpose of _____ (“Property”). This Agreement shall take effect on _____ (D/M/Y) and expire on _____ (D/M/Y) (both days inclusive) (“Validity Period”).

[**CAUTION:** In the case of exclusive agency, the Landlord may be liable to pay commission to the Agent even if the Property is not let through the Agent within the Validity Period. The Landlord should therefore consider carefully when he enters into an exclusive agency relationship with the Agent. Special obligations to be performed by the Agent under exclusive agency may be specified as extra terms under clause 12.]

2. Agency Relationship and Duties of Agent

The Agent agrees with the Landlord that –

- (a) the agency relationship between them shall be a single agency/dual agency/potentially dual agency⁽³⁾⁽¹⁾;
- (b) in the case of dual agency, the Agent shall as soon as is practicable disclose in writing to the Landlord the amount or rate of commission to be received by the Agent from a tenant;
- (c) in the case of potentially dual agency, the Agent shall as soon as is practicable after dual agency arises disclose in writing to the Landlord such agency relationship and the amount or rate of commission to be received by the Agent from a tenant; and
- (d) The Agent’s duties shall be as set out in Schedule 1 to this Agreement, in addition to the duties placed on the Agent by this Agreement or any enactment.

- 3. List Rental** [CAUTION: The Landlord does not confer upon the Agent, by virtue of this clause, the right to accept an offer on behalf of the Landlord. The list rental is for the purpose of listing and advertising only.]

The list rental shall be _____ Hong Kong Dollars (HK\$_____) per month inclusive/exclusive⁽¹⁾ of rates and management fee. The list rental can only be varied with written instructions of the Landlord and such instructions shall form part of this Agreement.

4. Commission

The provisions of this Agreement applicable to the commission to be paid by the Landlord to the Agent shall be as set out in Schedules 2 and 4 to this Agreement⁽⁴⁾.

5. Property Information

The Agent shall provide to the Landlord the Leasing Information Form prescribed under the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation duly completed and signed by the Agent.

6. Property Inspection

- (a) The Landlord agrees to allow viewing of the Property by the Agent/tenant(s)⁽¹⁾ at a mutually agreeable time.
Yes No ⁽⁸⁾
- (b) The Landlord agrees to pass the keys of the Property to the Agent for safe custody and for the viewing of the Property.
Yes No ⁽⁸⁾
- (c) The Landlord authorizes the Agent to pass the keys to other estate agents/persons⁽¹⁾ for the viewing of the Property.
Yes No ⁽⁸⁾

7. Sub-listing

- (a) The Landlord authorizes the Agent to sub-list the Property and pass relevant information about the Landlord and the Property supplied by the Landlord to other estate agents for sub-listing purposes.
Yes No ⁽⁸⁾
- (b) If the Agent sub-lists the Property to another estate agent (“sub-listing agent”), the Agent shall ensure that the sub-listing agent shall observe the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation regarding advertising.

8. Advertising

- (a) The Landlord authorizes the Agent to issue advertisement in respect of the Property.
Yes No ⁽⁸⁾

- (b) If the answer to the above is “yes”, then the advertising fees will be borne by the Agent unless otherwise specified in this Agreement.

9. Disclosure of Interest by Agent

- (a) The person signing this Agreement on behalf of the Agent discloses that he or his specified relative⁽⁵⁾, or any nominee of his or of his specified relative, or the Agent or any employee/substantial shareholder⁽⁶⁾/partner/director of the Agent has a pecuniary or other beneficial interest⁽⁷⁾ in the Property:
 Yes No ⁽⁸⁾

- (b) If the answer to the above is “yes”, then the particulars of the interest must be specified in Schedule 3 to this Agreement.

- (c) The person signing this Agreement on behalf of the Agent shall as soon as is practicable disclose in writing to the Landlord any interest referred to in paragraph (a) above that may arise during the Validity Period.

10. Acknowledgement by Landlord

The Landlord acknowledges that he has –

- (a) read and understood the terms of this Agreement; and
 (b) ⁽⁸⁾ received the Leasing Information Form required to be provided under clause 5 of this Agreement;
⁽⁸⁾ agreed to receive the Leasing Information Form before entering into a binding lease between the Landlord and a tenant.

11. Schedules

The Schedules to this Agreement form part of this Agreement.

12. Extra Terms [**CAUTION:** These extra terms cannot conflict with or limit the other terms of this Agreement.]: _____

Signature of the Landlord: _____ Signature of the estate agent/salesperson signing for and on behalf of the Agent: _____

Hong Kong identity card(s) number(s): _____ Name and licence number of the signatory: _____
 (if applicable)

Where the Landlord is a company, please state:

Name of the Signatory: _____ Number of Agent’s statement of particulars of business: _____

Position of the Signatory: _____

Business Registration Certificate number of _____

the Landlord:

Address:

Address:

Telephone number:

Telephone number:

Fax number:

Fax number:

Date:

Date:

[CAUTION: Immediately after this Agreement has been signed, the Landlord must be given the original or a copy of this Agreement as signed.]

Schedule 1

Duties of Agent

The Agent shall –

- (a) market the Property on behalf of the Landlord;
- (b) obtain information in relation to the Property for the Landlord;
- (c) arrange for tenants to inspect the Property;
- (d) conduct negotiation and submit all offers in relation to the Property to the Landlord; and
- (e) assist the Landlord in entering into a binding lease with a tenant.

Schedule 2

Commission to be Paid by Landlord

1. Subject to section 2 of this Schedule, if during the Validity Period the Landlord through the Agent enters into a binding lease with a tenant in respect of the Property then the Landlord is liable to pay the Agent commission in the amount of \$ _____/at the rate of _____ % of the transacted rental⁽¹⁾ :
 - ⁽⁸⁾ upon the signing of the lease.
 - ⁽⁸⁾ upon the commencement of the tenancy as specified in the lease.
2. Subject to section 3 of this Schedule, the Landlord shall have no obligation to pay any commission to the Agent if commencement of the binding lease falls through without fault on the part of the Landlord and, in such case, if the commission has already been paid it shall be refunded by the Agent to the Landlord as soon as is practicable and in any case not later than 5 working days from the commencement date of the lease with interest/without interest⁽¹⁾.
3. The commission shall become payable to the Agent in the case of mutual cancellation of the binding lease not arising from any provisions of the lease.
4. The Landlord is not liable to pay any commission to other estate agents with whom the Agent co-operates in letting the Property.

Schedule 3

Interests in Property

In accordance with clause 9 of this Agreement, particulars of the pecuniary or other beneficial interests in respect of the Property are as follows:

Schedule 4

Explanatory Notes

- (1) This means delete whichever is inappropriate. All deletions must be initialled.
- (2) Enter the name of the estate agency business entity concerned in clause 1 of this Agreement.
- (3) Exclusive Agency – this means the Agent is the only estate agent acting for the Landlord. If during the Validity Period the Landlord enters into a binding lease with a tenant in respect of the Property through another estate agent, the Agent has a right to claim commission as specified in section 1 of Schedule 2 from the Landlord.
 Single agency – this means the Agent acts for the Landlord only.
 Dual agency – this means the Agent acts for both the Landlord and a tenant of the Property.
 Potentially dual agency – this means the Agent acts for the Landlord only but may also act for a tenant of the Property at a later stage.
- (4) The amount or rate of commission is negotiable between the Landlord and the Agent.
- (5) Specified relative – this means the spouse, parent, child, brother or sister.

- (6) Substantial shareholder – this means a person who is entitled to exercise or control the exercise of 10% or more of the voting power at any general meeting of the Agent.
- (7) Having a pecuniary or other beneficial interest includes:
 - (a) being a member of a company or any other body which has a pecuniary or other beneficial interest in respect of the Property;
 - (b) being in partnership with or is in the employment of a person who has a pecuniary or other beneficial interest in respect of the Property; or
 - (c) being a party to any arrangement or agreement (whether enforceable or not) concerning the Property.
- (8) Tick the relevant box.

FORM 6

ESTATE AGENCY AGREEMENT FOR LEASING OF
RESIDENTIAL PROPERTIES IN HONG KONG

(for use between an estate agent and a tenant)

GENERAL CAUTION : Read this Agreement carefully and follow its instructions. If you do not understand any thing in this Agreement then ask for an explanation to be given. If you do not understand or agree with any explanation given then it is best to consult your solicitor before signing this Agreement.

Information note: Where any thing in this Agreement is followed by a number in brackets (e.g. ⁽¹⁾), then immediately read the explanatory note that bears that number in Schedule 5 to this Agreement. Where any thing in this Agreement refers to a Schedule to this Agreement, then immediately read that Schedule.

1. Appointment of Agent and Validity Period of this Agreement

I/We, _____ (“Tenant”), appoint _____ (“Agent”⁽²⁾) subject to and in accordance with the terms of this Agreement to act as my/our agent in the intended renting of the properties listed in Schedule 1 to this Agreement (“Properties”). This Agreement shall take effect on _____ (D/M/Y) and expire on _____ (D/M/Y) (both days inclusive) (“Validity Period”).

[**CAUTION** : It is recommended that the Validity Period should be not more than 3 months.]

2. Agency Relationship and Duties of Agent

The Agent agrees with the Tenant that –

- (a) the agency relationship between them in respect of the Properties shall be a single agency/dual agency/potentially dual agency⁽³⁾ as specified in column 4 of Schedule 1 to this Agreement;
- (b) in the case of each dual agency, the Agent shall as soon as is practicable disclose in writing to the Tenant the amount or rate of commission to be received by the Agent from the relevant landlord;
- (c) in the case of each potentially dual agency, the Agent shall as soon as is practicable after dual agency arises disclose in writing to the Tenant such agency relationship and the amount or rate of commission to be received by the Agent from the relevant landlord; and
- (d) The Agent’s duties shall be as set out in Schedule 2 to this Agreement, in addition to the duties placed on the Agent by this Agreement or any enactment.

3. Commission

The provisions of this Agreement applicable to the commission to be paid by the Tenant to the Agent shall be as set out in Schedules 1, 3 and 5 to this Agreement⁽⁴⁾.

4. Property Information

The Agent shall provide to the Tenant in respect of the Properties all relevant Leasing Information Forms prescribed under the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation –

- (a) obtained from the respective landlords' licensed estate agents in the case of single agency;
- (b) duly completed and signed by the Agent in the case of dual agency or where a landlord is not represented by a licensed estate agent,

unless the Tenant expressly waives his right to receive any of them.

5. Disclosure of Interest by Agent

- (a) The person signing this Agreement on behalf of the Agent discloses that he or his specified relative⁽⁵⁾, or any nominee of his or of his specified relative, or the Agent or any employee/substantial shareholder⁽⁶⁾/partner/director of the Agent has a pecuniary or other beneficial interest⁽⁷⁾ in the Properties:
Yes No ⁽⁸⁾
- (b) If the answer to the above is "yes", then the particulars of the interest must be specified in Schedule 4 to this Agreement.
- (c) The person signing this Agreement on behalf of the Agent shall as soon as is practicable disclose in writing to the Tenant any interest referred to in paragraph (a) above that may arise during the Validity Period.

6. Acknowledgement by Tenant

The Tenant acknowledges that the Tenant has –

- (a) read and understood the terms of this Agreement; and
- (b) received all relevant Leasing Information Forms required to be provided under clause 4 of this Agreement which the Tenant has not expressly waived his right to receive.

7. Schedules

The Schedules to this Agreement form part of this Agreement.

8. Extra Terms [CAUTION: These extra terms cannot conflict with or limit the other terms of this Agreement]

Signature of the Tenant:

Signature of the estate agent/salesperson
signing for and on behalf of the Agent:

Hong Kong identity card(s) number(s):
(if applicable)

Name and licence number of the signatory:

Where the Tenant is a company, please
state:

Name of the Signatory:

Number of Agent's statement of particulars
of business:

Position of the Signatory:

Business Registration Certificate number of
The Tenant:

Address:

Address:

Telephone number:

Telephone number:

Fax number:

Fax number:

Date:

Date:

[CAUTION : Immediately after this Agreement has been signed, the Tenant must be given the original or a copy of this Agreement as signed.]

Schedule 2
Duties of Agent

The Agent shall –

- (a) obtain information in relation to the Properties for the Tenant;
- (b) arrange for the Tenant to inspect the Properties if requested to do so by the Tenant;
- (c) conduct negotiation and submit all offers to the landlords of the Properties as instructed by the Tenant; and
- (d) assist the Tenant in entering into a binding lease with the landlord of any one or more of the Properties.

Schedule 3
Commission to be Paid by Tenant

1. Subject to sections 2 and 5 of this Schedule, if during the Validity Period the Tenant through the Agent enters into a binding lease with the landlord in respect of one or more of the Properties then the Tenant is liable to pay the Agent commission:
 - ⁽⁸⁾ upon the signing of the lease.
 - ⁽⁸⁾ upon the commencement of the tenancy as specified in the lease.
2. Subject to section 3 of this Schedule, the Tenant shall have no obligation to pay any commission to the Agent if commencement of the binding lease falls through without fault on the part of the Tenant and, in such case, if the commission has already been paid it shall be refunded by the Agent to the Tenant as soon as is practicable and in any case not later than 5 working days from the commencement date of the lease with interest/without interest⁽¹⁾.
3. The commission shall become payable to the Agent in the case of mutual cancellation of the binding lease not arising from any provisions of the lease.
4. The Tenant is not liable to pay any commission to other estate agents with whom the Agent co-operates for the purpose of renting any one or more of the Properties.
5. Subject to sections 2, 3 and 4 of this Schedule, the Tenant is also liable to pay to the Agent as commission for services rendered with regard to the property concerned if the Tenant or the spouse, or any nominee, undisclosed principal or agent of the Tenant enters into a binding lease with the landlord of any one or more of the Properties during the Validity Period whether through the Agent or otherwise.

Schedule 4
Interests in Properties

In accordance with clause 5 of this Agreement, particulars of the pecuniary or other beneficial interests⁽⁷⁾ in respect of one or more of the Properties are as follows:

Schedule 5
Explanatory Notes

- (1) This means delete whichever is inappropriate. All deletions must be initialled.
- (2) Enter the name of the estate agency business entity concerned in clause 1 of this Agreement.
- (3) Single agency – this means the Agent acts for the Tenant only.
Dual agency – this means the Agent acts for both the Tenant and the landlord of a property listed in Schedule 1 to this Agreement.
Potentially dual agency – this means the Agent acts for the Tenant only but may also act for the landlord of a property listed in Schedule 1 to this Agreement at a later stage.
- (4) The amount or rate of commission is negotiable between the Tenant and the Agent.
- (5) Specified relative – this means the spouse, parent, child, brother or sister.

- (6) Substantial shareholder – this means a person who is entitled to exercise or control the exercise of 10% or more of the voting power at any general meeting of the Agent.
- (7) Having a pecuniary or other beneficial interest includes –
 - (a) being a member of a company or any other body which has a pecuniary or other beneficial interest in respect of the Properties;
 - (b) being in partnership with or is in the employment of a person who has a pecuniary or other beneficial interest in respect of the Properties; or
 - (c) being a party to any arrangement or agreement (whether enforceable or not) concerning the Properties.
- (8) Tick the relevant box. "

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Housing, as set out on the Agenda, be passed.

DR RAYMOND HO (in Cantonese): Mr Deputy, the two resolutions to be moved by the Secretary for Housing today are related to the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation and the Estate Agents (Determination of Commission Disputes) Regulation respectively. As a Subcommittee on these two Regulations has been set up by the House Committee and I am the Chairman of the Subcommittee, I wish to report to Honourable Members the main points of the Subcommittee's deliberations.

The two Regulations in the resolutions concerned have been made by the Estate Agents Authority by virtue of the power conferred under the Estate Agents Ordinance (Cap. 511). While the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation stipulates rules relating to the conduct, duties and practice of licensed agents, the Estate Agents (Determination of Commission Disputes) Regulation, about which the Secretary for Housing will move a resolution later on, prescribes matters relating to the procedure for settling disputes over commission.

Members of the Subcommittee have unanimously agreed to support the passage of the two Regulations, so as to regulate the estate agency trade.

On the other hand, during the course of deliberation, members of the Subcommittee also suggested that the Government should amend the two proposed Regulations after taking into account the representations made by the various bodies concerned.

In particular, members noted the proposal to set up a central database on property. When the principal ordinance was submitted to this Council for passage, Members had already urged the Government to expeditiously set up a central database on the information regarding all the real estate properties in Hong Kong, with a view to enabling the estate agents to search the Land Record more conveniently. Although the Government did not have any specific timetable regarding the implementation of this proposal to set up a central database on property when the two Regulations were under examination, the Subcommittee noted that the government departments concerned were already taking various measures to enable the public to have faster access to the required property information. In order not to delay the development of the effort to regulate the estate agency trade, the Subcommittee has agreed to support the passage of the two Regulations. However, members of the Subcommittee still wish to urge the Government to continue considering the setting up of a central database, with a view to enabling estate agents to search the records of the properties concerned in a more efficient manner.

All in all, the Subcommittee agrees to the amendments proposed by the Government and urges Honourable Members to lend their support to the two resolutions. Thank you, Mr Deputy.

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

MR LEE WING-TAT (in Cantonese): Mr Deputy, on behalf of the Democratic Party I rise to speak in support of the two resolutions. Actually, in passing the Estate Agents Ordinance we already expressed our hope that other detailed arrangements under the Ordinance could be submitted to this Council for approval as soon as possible. Although the two Regulations were not tabled before Council as early as I had expected, I am still very glad that they could be passed within this Legislative Session before the summer recess, for at least there will be laws prescribing the regulation of the estate agency trade after the summer recess.

Over the past year, I have witnessed at the Panel on Housing a great many complaints being lodged against estate agents. Of the more than 300 complaint cases received, many were related to dispute over commission. As such, I hope that the Government would give more publicity to the two Regulations after they have been passed, so as to enable both the consumers and the estate agents to understand the details contained therein.

I believe not all of the estate agents being complained of have deliberately cheated their clients. There may be other contributory factors in those complaint cases: firstly, the consumers concerned did not quite understand the content of the Regulations; secondly, the estate agents might not be very familiar with the newly promulgated Regulations and requirements themselves. I think the Estate Agents Authority should do something to enable both parties to have less misunderstanding with each other.

In regard to the central database on property, I agree with Dr Raymond HO in that Members of the Council did have urged the Government strongly to set up such a database. I cannot recall whether the Government had agreed to consider the request, but so far a database has yet to be provided. However, I should not say the Government has not done anything in this respect when we could actually see its effort. In this connection, a lot of information could now be accessed through the infoline or other convenient means. Estate agents could indeed have easier access to the property information they need than before. Nevertheless, I still consider there is a need for a centralized, efficient, convenient and inexpensive access to data on properties in the long run. On the one hand, a central database on property could enable the estate agency trade as a whole to cut back on operating cost; and on the other hand, it could also enable consumers to gain access to the information they need by phone or via the Internet. That way, consumers could know more about the properties they have bought or are going to buy.

In examining the Regulation, I put forward a proposal on the proceedings to settle disputes over commission. The mode of adjudication concerned would be similar to that employed by the Small Claims Tribunal. That way, neither of the parties will need to hire lawyers to represent them in lengthy lawsuits. For myself, I am very much in favour of this mode of adjudication taking into

account the many not so well-to-do consumers who have only a few hundred thousand dollars for the downpayment and could not afford another hundred or two hundred thousand dollars to hire a lawyer for the commission-related lawsuits. In a meeting discussing the Regulation, I expressed concern over the possible situation in which real estate agencies with legal practitioners on their boards would take advantage of the loophole of the Regulation by arranging for their directors with legal profession background to represent the agencies in the said proceedings, whereas the consumers concerned do not have any legal knowledge. I hope that the Housing Bureau and the Estate Agents Authority would review the situation after the Regulation has been implemented for a certain period of time, with a view to finding out whether the Regulation has been abused by any real estate agencies. By that I mean whether there are any real estate agencies which have deliberately hired lawyers as board members to represent the agencies in legal proceedings and thereby force consumers into a disadvantageous position.

In any case, buying property is a comparatively more important decision to both the grassroots sector and the middle class, bearing in mind that a great many consumers have to exhaust their life-long savings to buy their own properties. For this reason, I hope the Housing Bureau and the Estate Agents Authority would give more publicity to the Regulation after it has been promulgated, so as to enable the public to have a better understanding of their rights and obligations under the Regulation. Besides, the Housing Bureau and the Estate Agents Authority should also make an effort to communicate more and cultivate a better mutual understanding with the estate agency trade. If members of the trade should co-operate and fully abide by the Regulation in handling the property transactions, I am sure there would be a remarkable fall in the number of dispute cases. What is more, the Government would not need to continuously make regulations to monitor the trade either.

I hereby give my support to the resolution. Thank you, Mr Deputy.

DEPUTY PRESIDENT (in Cantonese): Secretary for Housing, do you wish to reply?

SECRETARY FOR HOUSING (in Cantonese): Mr Deputy, I would like to respond briefly to Dr Raymond HO's proposal made on behalf of the Subcommittee on the setting up of a central database on property. We agree to that idea in principle but the setting up of such a central database requires the co-operation and support of the various Policy Bureaux and departments. In this regard we will follow up the matter with other Policy Bureaux and departments to study how improvements and centralized processing of data on properties can be made so that the public can have easy access to the information they need.

As regards one of the points made by Mr LEE Wing-tat, that is, on publicity, I can assure Mr LEE that the Estate Agents Authority will launch a series of education and publicity programmes to promote the new Regulations and the operation of the new system. These include the holding of seminars, the setting up of resource centres, the sending of outreaching teams to various districts to distribute leaflets and publications and to hold promotion activities on the television and radio. I believe these will give the public a better understanding of the new Regulations.

Thank you, Mr Deputy.

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

(Members raised their hands)

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

(No hands raised)

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

DEPUTY PRESIDENT (in Cantonese): The second proposed resolution under

the Interpretation and General Clauses Ordinance. Secretary for Housing.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

SECRETARY FOR HOUSING (in Cantonese): Mr Deputy, I move the resolution printed on the Agenda.

The Estate Agents (Determination of Commission Disputes) Regulation prescribes matters relating to the resolution of disputes over commission by the Estate Agents Authority under section 49 of the Estate Agents Ordinance. The dispute resolution mechanism aims to provide an additional avenue, other than the Court, to settle disputes over commission in a speedier, informal and inexpensive manner. The Regulation sets out detailed procedures to be followed by the parties involved in the determination proceedings.

The Regulation was laid on the table of this Council on 26 May 1999. A Subcommittee of this Council was subsequently set up to examine the Regulation. The amendments I now propose are minor in nature and they relate to procedural matters. They have been agreed by the Subcommittee.

Mr Deputy, I beg to move.

The Secretary for Housing moved the following motion:

"That the Estate Agents (Determination of Commission Disputes) Regulation, published as Legal Notice No. 125 of 1999 and laid on the table of the Legislative Council on 26 May 1999, be amended, in section 16(1) -

(a) by repealing "10 working days" and substituting "7 working days";
and

(b) in paragraph (a), by repealing "and addresses"."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and

that is: That the motion moved by the Secretary for Housing, as set out on the Agenda, be passed.

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

MEMBERS' MOTIONS

DEPUTY PRESIDENT (in Cantonese): Members' motions. Two motions with no legislative effect. I have accepted the recommendations of the House Committee as to the time limits on speeches for the motion debates. The movers of the motions will each have up to 15 minutes for their speeches including their replies, and another five minutes to speak on the amendment. The mover of amendment will have up to 10 minutes to speak. Other Members will each have seven minutes for their speeches.

First motion: Promoting breast-feeding.

PROMOTING BREAST-FEEDING

MR MICHAEL HO (in Cantonese): Mr Deputy, I move the motion which is printed on the Agenda.

I have moved this motion today in the hope of implementing the International Code of Marketing of Breastmilk Substitutes and the declaration of the World Health Organization. While we are concerned recently about the formula milk being polluted, I really hope that more people will take note of the message of breast-feeding. Why did I say so? Promoting breast-feeding, in fact, is a long-term campaign that requires comprehensive planning, and success will not come about just with one or two debates. I am looking forward to a genuine promotional campaign. My speech will cover the following areas: firstly, clear policy; secondly, training of the medical and nursing personnel; thirdly, counteracting against the effects of formula milk advertisements.

First of all, on policy. The reply of the Administration is that it has been supporting breast-feeding all the time. However, other than making a statement, what else has it done? The answer is nil. I hope that in her response later, the Secretary would talk about how they have effected support? What is the actual substance, or is it just empty talk? Without actual support, there would not be any actual promotion.

Let us look at the declaration of the World Health Organization and the United Nations Children's Fund. The first item has already been included in the document I circularized among Members earlier. It states: to state clearly in writing the policy of breast-feeding. Now, the Hospital Authority (HA) has not done anything in this regard, and other than giving a statement saying that it supports breast-feeding, the Medical and Health Department also has not done anything. I would not take this as a written policy statement, or think only on the face of the statement that they support it and treat the matter as having been dealt with. The policy should state clearly how that support is given, and if there is any support, a priority should be set, stating how resources are allocated and what manpower training is required.

Secondly, training. Many doctors and nurses do not have a full understanding of breast-feeding. Of course, not every medical worker need to have knowledge in this regard, because if it is not their specialty, they may not have such a need. But I can tell Members that not all nurses, or even doctors, in the paediatric or obstetric department may have a full grasp of the knowledge and technique of breast-feeding. If the personnel at maternal and child care

centres do not have the full knowledge and technique of breast-feeding, how can they serve their clients effectively? Last year, the HA set up a committee to look into breast-feeding. However, I would like to point out that this is a body set up spontaneously by a group of professionals. What support has this body received? It actually does not have any support.

Thirdly, I would like to talk about counteracting the effects of advertisements, and later Mr LEE Wing-tat will talk about the problem with advertisements. We have seen advertisements flashing out very beautiful slogans, and sometimes they would say: Breast milk is the best thing, however, their formula milk is also very good because some kind of substance or oil has been added that would help the development of the brain. Some even say that they are very close to breast milk. These are very misleading statements. They come at us like an avalanche, everyday and with great force. Comparing them to our promotion for breast-feeding, have you seen our promotion on TV? Or in the newspapers? How can the public learn about our message? The situation clearly shows that there is an imbalance between the two: Advertisements for commercial dairy products have completely overwhelmed the promotion for breast-feeding. I hope that the Administration can do something about this. If the Administration were not to take this up, who would produce a strip to promote breast-feeding and show it on TV? No one would.

We should be able to see some results now, with many concerned bodies working for so many years. However, commercial dairy products are still marketed through the hospitals, and manufacturers of dairy products are still supplying free formula milk to hospitals under the HA. I want to stress that it is free. They supply formula milk, in large quantities, to hospitals under the HA. What is the result? After a newborn baby is fed with formula milk, obviously on returning home, it will be fed the same brand of formula milk. Mothers dare not switch to another formula. Manufacturers of formula milk therefore have been fighting hard to supply formula milk to hospitals, free. The HA has thus set up a system, whereby the supplier of formula milk is changed every two or three months. There is also a selection committee. This is fair. However, this still provides a channel for the formula milk manufacturers to push their products. To put it bluntly, it is like supplying heroine to drug users, once a baby gets used to a certain formula, it will stick to

it. Once it gets used to being bottle-fed, on returning home, it will not be possible for it to switch to being breast-fed. This will ensure the sale of formula milk. Nevertheless, should the HA accept the donation of the formula milk from manufacturers?

Mr Deputy, this leads me to our policy. At the moment, the Administration does not have a policy on this, so the HA can do what it is doing. If we lay down a policy, the HA, as an executive branch, should put it into force. So what should we do? Shall we turn free formula milk away and pay for it out of our pockets? How can the policy be changed? Mr Deputy, I feel that this is negotiable. Around the world, many countries and territories do not accept donations from manufacturers of formula milk, and many of these countries are poorer than us. If they can do it, there is no reason that we can't.

I would also like to talk about one thing. Some people may say that not every baby needs to be breast-fed; they should be given a choice. I agree that every one of us should have a choice. However, I want to stress that they should all be given a genuine choice. What is a genuine choice? Firstly, he should have sufficient knowledge to know, to understand the pros and cons. A choice made only after an understanding of the pros and cons can be said to be genuine. A choice made on half knowing what the actual situation is or thinking that formula milk is better than breastmilk, or thinking that some good ingredients have been added to formula milk is not genuine choice. This is the result of incompetence on the part of the medical and nursing personnel.

We must provide sufficient impetus, support and a comprehensive support system to those mothers who are prepared to breast-feed their babies. Why? With breast-feeding, not every one can go about with it smoothly. Many mothers would have problems, but many of which are not insurmountable. In fact many of these problems can be avoided. Painful nipples and mammary distension, for example, are very common problems. We should not leave the mothers to their own devices, together with all these problems, after they return home. They often find themselves nowhere to turn to or are forced to switch to other formula milk in face of problems. When she does seek help, there is no one who can give her an answer, neither is there a hotline nor a query system, or if she needs a professional to give her an assessment, there is no help. Under such a helpless situation, any choice made is not genuine choice. They are forced to give up breast-feeding. I really hope that the Administration can lay

down a clear policy so that the Health Department, HA and private hospitals can work according to the Administration's policy.

I hope that not very soon we shall have a clear policy on this. Thank you, Mr Deputy.

Mr Michael HO moved the following motion:

"That, in view of the slow progress in the promotion of breast-feeding in Hong Kong, this Council urges the Government to expeditiously implement the 'International Code of Marketing of Breastmilk Substitutes' as well as the joint declaration of the World Health Organization and the United Nations Children's Fund."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Michael HO, as set out on the Agenda, be passed.

Does any Member wish to speak?

MISS CHAN YUEN-HAN (in Cantonese): Mr Deputy, breast-feeding actually is a common and also natural thing. Breast milk is more nutritious than formula milk. It not only helps a baby to develop, but can also reinforce its immunity system, thereby reducing the chance of contracting diseases. Breast-feeding also helps a mother to have a speedier and better recovery from giving birth. This is something that has been known since time immemorial.

However, a strange incident took place recently. When a mother was breast-feeding her baby in a hotel lobby, she was stopped and asked to do it in a toilet. Other mothers were also stopped when they breast-fed in government departments or organizations. I find it strange that in such a civilized community as Hong Kong, something that we all recognize as meaningful and worthy of promoting could be interfered in such a way. This leads to issues that deserve our closer consideration, and also leads to 19 mothers breast-feeding together in a hotel lobby to protest against their breast-feeding being

discriminated against.

These incidents remind us that our society does not understand very well what breast-feeding is, in fact, I think that our society is retrogressing in this respect. I remember when I was very small, that is, in the '50s and '60s, society was generally poor, and it was common to see mothers breast-feeding their young on the streets. On the contrary, we are retrogressing today. Incidents like these, I feel, show that the Administration has not done enough to promote breast-feeding. Strictly speaking, I find that the Administration is very backward in its promotion of breast-feeding. Breast-feeding is promoted only in hospitals. However, when a mother wants to breast-feed, she will find that the hospital adopts another measure. I have received many complaints from mothers, saying that they at first intended to breast-feed, but after giving birth, they were stopped from doing so by the nurses, who even used formula milk to feed the babies for them. I feel that while doctors are advocating how important it is to the babies to be breast-fed, things just go the other way in practice. I think that this has much to do with whether the Administration really wants to promote breast-feeding and there are a lot of problems involved.

At present, about 50% of the mothers in Hong Kong choose to breast-feed their babies who are under six months old, whereas in other countries like Holland and Singapore, the figure is respectively 90% and 70%. The figure in Hong Kong is a bit too low. Moreover, we can see that despite there are international codes governing the promotion of breastmilk substitutes, we do not have any specific measure to support such codes. As Mr Michael HO said in moving his motion, formula milk manufacturers can use all sorts of ways to promote their products. We feel that there is something strange in the whole thing: while we say that breastmilk is such a good thing, we do not have any measure to promote the use of it, instead there are lots of people and advertisements promoting the use of formula milk.

Of course, I am not opposed to the request in the original motion that we should implement the code as soon as possible, but I feel that what is of key importance is that we should have the support in our facilities and education. If we do not take a step-by-step approach, even banning any advertisement of formula milk would still make it hard for the mothers if they do not have a place to breast-feed or a place where they do not feel being discriminated. I therefore

suggest that the Administration should consider carefully how to promote breast-feeding so that when mothers breast-feed, they will have the necessary help and support.

Most of the work on promoting breast-feeding is currently done by non-governmental organizations (NGOs). Government assistance in this regard is not sufficient, and there is no corresponding policy. It thus leads to the two incidents mentioned above, with one taking place in a hotel and the other in a government department. On both occasions, the mother was not allowed to breast-feed. I think that the Administration must do something to make the public feel that there is nothing wrong with breast-feeding in public places. I think that this is necessary.

Moreover, I think that the Administration should actively promote breast-feeding, and through legislation, require that places for mothers to breast-feed be made available. Japan has set us a good example. The shops there all have a nursery for mothers to breast-feed, and in other places, similar area is made available. What I mean by the step-by-step approach mentioned earlier is that we can first follow the example of other countries. For more than a decade, much effort has been spent on making accesses or aids available to the disabled. Now, with the passage of law, we see improvement in the situation. At least, when we see a person with disability, we would extend a helping hand. When we see that a building has uneven steps, we would feel that there is something wrong. All these require the Administration to provide the driving force in terms of policies and legislative action. If the Administration has the policy and put it into force with legislation, then we should start off with facilities in public places, for example, all government buildings should have a nursery and places for mothers to take care of their babies. The Administration should also take the lead to set up such facilities at hospitals, government agencies, including District Offices. Then, should the Administration ask the businesses to follow? I think that we should first complete the first part, then deal with the problem of breastmilk substitutes, so that we can achieve greater result with minimal effort.

Mr Deputy, I hope that when our society is progressing towards this new stage, corresponding amendment should be made to the Employment Ordinance. Why? At the moment, a female worker is entitled to only a few weeks' maternity leave, which means four weeks before birth and six weeks after.

However, according to current knowledge, babies breast-fed for half a year are the healthiest; so only six weeks of leave after birth would be too short. Many women have expressed to me the hope that they would like to see maternity leave lengthened. But can the legislation be relaxed? This certainly will require the backing of a series of policies.

DEPUTY PRESIDENT (in Cantonese): Miss CHAN, your time is up.

MISS CHAN YUEN-HAN (in Cantonese): Mr Deputy, the FTU and DAB and I support the motion. Thank you.

MR LEE WING-TAT (in Cantonese): Mr Deputy, when we are all excitingly planning for the new millennium, have we ever thought of how our next generation would look like? If you have noticed an advertisement in the Mass Transit Railway, you might recall one that is very alarming in its message, which said that the new human race is, sadly so, not mammalian.

The advertisement is to make us reflect on the fact that more and more new-borns are not breast-fed. Our new-borns are getting farther and farther away from breastmilk, which has given us so much good. Is this a healthy situation?

All mammals use their mother's milk to feed the young, and the humans should be no exception. In terms of nutrients, formula milk is no substitute for breastmilk. According to studies, breastmilk contains 300 units of nutrients, but formula milk has 60 only. Human's breastmilk also contains antibodies which can reinforce new-borns' immunity, thereby reducing their chance of contracting diseases. Can formula milk provide these benefits? Mr Deputy, food technology has been developing by leaps and bounds, but a complete analysis of the ingredients in breastmilk still eludes our efforts. If we cannot have a complete analysis, then we cannot synthesize it, so by whatever standard, formula milk cannot be on a par with breastmilk.

In addition to physical development, new-borns' mental development will also benefit from breast-feeding, for example, breast-feeding helps foster better parent-child relationship. A study carried out by a group of New Zealand scientists in 1992 even showed that children who were breast-fed displayed a

higher intelligent quotient (IQ); at the same time there are also studies showing that children on formula milk display lower IQ. I was breast-fed, I believe that many of the Members here who were breast-fed would also agree to the above studies. Of course, breast-feeding is not only beneficial to the baby, it also does good to the mother; there is evidence showing that breast-feeding can reduce the chance of post-partem bleeding, breast cancer and ovarian cancer.

Given that breastmilk is a unique substance, why does the Administration not do something to promote it? The "support breast-feeding" has always been the official line of the Administration, but that is its only line. Mr Deputy, the Administration has been very good at lip service. Many countries around the world have already, through legislation, implemented the International Code of Marketing of Breastmilk Substitutes as well as the joint declaration of the World Health Organization and the United Nations Children Fund, to which Mr Michael HO has referred in his motion, to promote the benefits of breast-feeding and to restrict the marketing practices of the manufacturers of formula milk and baby milk powder.

What is the situation here in Hong Kong? I would like to quote the results of a survey. According to the report of a survey done by Baby Friendly Hospital Initiative of Hong Kong Association in 1998, the rate of breast-feeding in Hong Kong is increasing every year, which should be a gratifying trend. However, the report also points out that in the "Ten-Point Guideline for Successful Breast-feeding" programme we conducted in hospitals, some of the items show a downward trend, which include:

- (1) Both the mother and the baby are in the same room for the whole day rate lowered by 10%;
- (2) Even if the mother and the baby are separated, assistance is given to enable the mother breast-feed rate lowered by 15%.

The survey also shows that the percentage of mothers keeping on breast-feeding for four to eight weeks after returning home drops markedly. It is because there is insufficient hospital staff to follow up the mothers' situation after their returning home. This also points to the fact that these mothers who try to breast-feed do not have sufficient support, and are therefore forced to give

up on this best investment.

Mr Deputy, I want to stress that in addition to being given insufficient support by the Administration, the mothers are also subject to a barrage of advertisements from the formula milk manufacturers. Look at the array of mass media we come into contact every day, including the TV, newspapers and radio broadcasts, when do we see that there is a strip promoting the benefits of breast-feeding? None, Mr Deputy, there is none, except the new human being advertisement put up by the La Leche League Hong Kong to which I referred at the beginning of my speech. On the other hand, the formula milk manufacturers dump on us avalanches of advertisements. The tactics they resort to include using text or graphics to glorify formula milk (that is, the ordinary milk powder), so that the public is misled to thinking that formula milk is better than breastmilk. They even donate their products to the hospitals. It would be inconceivable that such a barrage of promotion cannot achieve its intended effect?

It is no wonder that the analysis of the survey done by the Baby Friendly Hospital Initiative of Hong Kong Association on the International Code of Marketing of Breastmilk Substitutes pointed out over half of the mothers choose to feed their babies with formula milk. This is clear evidence that what great influence these formula milk manufacturers can have.

Mr Deputy, finally, I would like to give two examples to illustrate that on the part of the doctors of the Department of Health, private doctors or the public, they all have not given sufficient push to promote breast-feeding. The first example is the recent incident of contaminated formula milk. No matter whether it is the doctors of the Department of Health or other doctors at press conferences, they all, when interviewed by TV reporters, stressed one point: If a brand of formula milk is found to have problem, switch to another brand. No doctor has ever made use of this opportunity to advocate breast-feeding.

Some people have reflected to the Democratic Party that the formula milk manufacturers and their backing pharmaceutical companies are giving direct or indirect sponsorship to the local doctors and hospitals, for example, they would provide products free, give discount on their products, sponsor doctors to attend overseas academic exchanges. If doctors, after receiving such sponsorship, help promote or encourage mothers to use the products, there actually is a conflict of interests. I hope that both the Administration and the Medical

Association can look into this situation.

The second example occurred at a high-class hotel, which asked a mother to breast-feed her baby in a toilet. This is outrageous. Why can the adults dine in the restaurant, when an infant can only have its meal in a toilet? What nonsense!

Mr Deputy, I therefore support Mr Michael HO's motion and hope that the Department of Health, the Administration and the doctors can pitch in to promote breast-feeding. Thank you, Mr Deputy.

MRS SOPHIE LEUNG (in Cantonese): Mr Deputy, the Liberal Party supports breast-feeding, as it is beneficial to the baby and the mother, both psychologically and physically, and helps foster closer parent-child relationship. The Liberal Party would like to put up some ideas in respect of promoting breast-feeding. Recently, the dairy products of four European Union countries were contaminated. This should be a very good opportunity to promote breast-feeding, and the Administration should take this chance to promote breastmilk. However, regrettably, in dealing with the incident, the Department of Health has failed to grasp this opportunity to greatly promote the benefits and convenience of breast-feeding. In fact, our society is a very strange one. In the recent radio phone-in programmes, some callers thought that breast-feeding is a backward practice. This shows that some people actually have no idea of the benefits of breast-feeding. I therefore feel that the promotion work should be stepped up.

In promoting breast-feeding, the Liberal Party thinks that attention should not be directed only at breast milk. Just now, Mr LEE Wing-tat said that he was also breast-fed. On the growth and mental development of babies, there are evidence pointing to the benefits of breast-feeding. However, the kind of milk does not determine everything. I feel that our promotion work should begin from a wider perspective. If a mother understands the important role she plays in the growth of her baby, and has made the necessary preparation, including psychologically preparation for the sacrifice she has to make, then she can decide from a wider perspective how to bring up her child. Breast-feeding is therefore only one of the segments. In caring for her baby, a mother should concentrate on the care she gives. I therefore believe that the problem should be viewed from a wider perspective, rather than only on what brand of formula

milk a baby has, or just thinking that children having breastmilk would become geniuses.

I hope that on social education, the Administration can make the public aware of what an important role it is to be a father or a mother and the greatness of mother love. If promotion begins from this perspective, society will have a more accurate view when a mother is found breast-feeding in public. This is a show of the greatness of mother love, and should not be viewed from any other angle. I believe that any educational talk should also be held from this perspective.

The United Nations Children Fund was set up in 1984 and I was one of the founding members. We began promoting breast-feeding in the 1980s and had worked with the Hospital Authority in promoting the baby-friendly hospital initiative. As a non-profit-making organization, its promotion work was very effective. If the Administration can promote the important role a parent plays, I believe the work can reach a deeper level.

I would also like to talk about the problem of reception by society. I feel that we should look at it from two perspectives. First of all, how does society itself look at breast-feeding? I feel that we should look at it from a wider perspective, that is, from the level of parental responsibilities. Two weeks ago, we discussed the problem of youngster gangs here, and we also raised a lot of similar questions: Is it that parents of more advanced countries do not have to work as hard as parents in Hong Kong to make money? Is it that not both parents have to work? How can their children grow up the way they are? Do we have to spend a lot of time looking after the children before they can become useful persons? What they have to give is "quality time", not "quantity time". What parents should provide is "quality parenting", not "quantity parenting". I stress here that the role of parents is very important, and we should step up the education in this respect.

I feel that when a mother breast-feeds in public, she should not make the public have any misunderstanding with breast-feeding. She should understand the sentiment of the general public and breast-feed in ways that bring respect to herself and others in general. I think that so doing can avoid a lot of the unnecessary embarrassment. When we were in a foreign place, we would have to understand others' customs and practices and should not stick to our own habits. I have lived overseas for a number of years and brought up my kids there. I have seen how the mothers there respect themselves, and they are very respectful of themselves and society. When breast-feeding their children, they

would put on appropriate clothing and use some means, for example a towel, to cover themselves up. I think that this is something we can learn. Moreover, I also hope that public places in Hong Kong can provide as much convenience as possible to breast-feeding mothers, rather than being too restrictive. If a mother has the need, a private space should be provided to her as far as possible, for example, a function room that no one is using. Of course, we should not require businesses or business venues to provide a nursery. I feel that this is not appropriate.

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

MISS CHOY SO-YUK (in Cantonese): Mr Deputy, I am glad that I was breast-fed, and I certainly support breast-feeding. Breast-feeding is not merely a direct passing of nutrients to the baby, it is also a way in which a mother can express her love for her baby; it is a communication process. The show of care by a mother in the process of breast-feeding is completely natural and instinctual. Though a baby cannot express it in words, the joy and the closeness it enjoys with its mother as shown when it suckles milk from her body is beyond description. In our modern society where interpersonal relationship is becoming more and more alienated and pretentious, the human nature displayed during breast-feeding is the purest and most genuine. We should not resort to all sorts of reasons or artificial substitutes to inhibit this natural flow of human nature.

Mr Deputy, I studied biology at university and knew very well the nutritious value of breastmilk. Breastmilk, especially that secreted immediately after giving birth, contains antibodies and immuno protein that can be absorbed and digested easily. It is effective in reducing asthma and diarrhoea. The medical value of breastmilk is recognized by many mothers.

What is more important is that encouraging breast-feeding actually is encouraging mothers to be careful about their nutrient intake and diet. If a mother smokes, drinks, takes drugs, the breast-fed baby will also smoke, drink and take drugs and become an innocent victim. From this perspective, breast-feeding is an education for the mother to develop the concept of loving others means loving oneself.

Of course, breast-feeding is not without its shortcomings, for example, the amount of milk secreted may not be stable and may easily be affected by the

physical and mental conditions of the mother. Because breastmilk can be easily digested, a baby would feel hungry easily; a mother would be hard pressed to satisfy her baby's frequent wants. Nevertheless, the benefits of breastmilk still cannot be matched by any formula milk.

Mr Deputy, I do not intend to refute the value and contribution of formula milk to babies' healthy development. However, current advertisements that promote formula milk do indeed carry a misleading message that indirectly plays down the value of breastmilk. Such advertisements have avoided mentioning the benefits of breast-feeding and has even glorified formula milk as something close to breastmilk or that can completely replace breastmilk. Some brands of formula milk have even failed to state clearly that improper preparation may affect the health of babies. There is also no mention of the difficulty for a baby to switch back to breastmilk if it starts off with formula milk. The Administration and the Consumer Council should take note of these problems and rectify them.

The Administration should also be concerned about the express discrimination and rejection against breast-feeding in public places. Breast-feeding has even been seen as pornographic and obscene. Just now many Honourable colleagues have already pointed out that not long ago, a staff member of the Peninsula Hotel requested a mother to leave the lobby to breast-feed her baby in a toilet. This is an obvious example of inhibiting breast-feeding. It is necessary for the Administration to work on those laws about education and gender equality so as to step up the protection for breast-feeding mothers and for the babies the right to have breastmilk.

Given our way of living in a modern city, for example, mothers have to go out to work or they often have to take their babies out with them, the Administration should set up more nursery areas in public places, including shopping centres, cinemas, government buildings, so that mothers and babies have more chance to develop their close relationship. This would only bring more human warmth to a city like Hong Kong where interpersonal relationship is becoming more and more alienated.

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

DR YEUNG SUM (in Cantonese): Mr Deputy, the children of most Honourable colleagues here in this Chamber may have grown up already, but I have just become a father. I would like to use my experience to support breast-feeding. Mr Deputy, I support breast-feeding. My three-year-old son was breast-fed and he is a healthy child. Last May, my second daughter was born and she is also breast-fed.

Please allow me to do some propaganda here about the many benefits of breast-feeding. First of all, the nutrients content of breastmilk is three to four times higher than formula milk. Some of the ingredients like hormones and human protein cannot be synthesized in the formula milk. The antibodies and immuno protein contained in breast milk can reduce the chance of asthma and diarrhoea, thus protecting babies' digestive system. Babies fed with breastmilk are generally healthier; for example, my son seldom gets sick. Not only that, some studies have also pointed out that the intelligent quotient of eight-to nine-year-olds who were breast-fed are higher than those fed with formula milk; their academic results are better. This, however, is yet to be proved in my family. A deeper parent-child relationship will develop in the course of breast-feeding, and from my observation, this is certain. Sometimes I would give a hand and my relationship with the children improves a lot. This is extremely helpful to their future development and interpersonal relationship. Not only is this beneficial to the baby, the breast-feeding mother will also benefit because feeding with her milk will burn up her fat, thus enabling her to recover her body shape faster, and it will also help reduce the chance of cancer development in the breasts and ovaries. These are findings of medical research. Such benefits cannot be delivered by formula milk. I begin to see the benefits of breast-feeding in my son, so when my daughter was born, we decided to breast-feed her.

However, I find that many people do not fully understand the benefits of breast-feeding, on the contrary, they have some misunderstanding about it. For example, the older generation at home may worry that their grand child would not have enough to eat if their daughter-in-law is too thin; mothers may worry that breast-feeding would make their bodies get out of shape, and the public may cast a strange look at breast-feeding as an act akin to lewd exposure. All these thus make breast-feeding so lack of general reception. At present, the effort put into promoting breast-feeding is not enough. Just by distributing leaflets through the Hospital Authority (HA) and Department of Health, the

Administration cannot achieve much. To encourage the public to adopt breast-feeding, and to make the public understand and accept breast-feeding, the Administration must disseminate information through such media as the newspapers and TV, which the public often come into contact with, so that they know of the benefits of breast-feeding; and the promotion will then be effective.

Besides the promotion through the mass media, another effective way to promote breast-feeding is to introduce breast-feeding to parents of newborn babies at the hospitals. However, the medical staff in Hong Kong do not have sufficient training in this respect. The World Health Organization requires that all hospital staff who will be in contact with babies be given 18 hours of training in breast-feeding. At the moment, a general nurse in Hong Kong only has one to two hours' relevant training. When a mother decides to breast-feed, it is very important that she has the assistance of the medical and nursing staff. A mother who has just given birth gets tired easily and would like to have more time to rest, thus preferring to feed the baby with formula milk. However, once a baby starts on formula milk, it is very hard for it to switch back to breastmilk. My son being able to be breast-fed had a lot to do with the assistance of the hospital nurse. After my wife had given birth, the nurse encouraged her to breast-feed and assisted and taught her the correct posture in breast-feeding. I hope that all pregnant mothers can be as lucky as my wife to have a careful, patient and experienced nurse.

According to the "Ten Steps to Successful Breast-feeding" published by the World Health Organization, having the baby and the mother in the same room helps promote breast-feeding. The reason behind this is very simple, but in 1998 the implementation rate was only 60%, and of nine private hospitals, six did not implement this. When the mother and the baby are separated, the baby will tend to suck more on the nipples, and the hospital staff will also find it hard to help the mother to keep on breast-feeding. Given the lack of a comprehensive policy to promote breast-feeding in the hospitals, it is time for HA to consider a more comprehensive service and a clear policy, including whether to accept donation of formula milk from the manufacturers.

Many mothers after giving birth, though prefer to breast-feed, finally opt for formula milk as a substitute because of insufficient support. A survey of the Baby Friendly Hospital Initiative of Hong Kong Association found that 70% of the mothers breast-feed for a month after their babies were born, but two months later only 50% of the mothers were still breast-feeding, most of whom

were non-working mothers. This shows that working mothers encounter greater difficulty to breast-feed. Though a working mother can still pump out her milk before going to work so that her baby can have breastmilk later, many of the working mothers cannot put by enough milk that can last their babies' consumption for the day. They are thus forced to give up breast-feeding. We should follow the practice of other countries where a nursery is set up at the workplace to enable mothers to breast-feed. This actually can improve these mothers' commitment to their jobs, and their mood would not be affected for worrying about their babies. So, it is also beneficial to economic production.

Apart from the employers, support from other family members is also very important. After giving birth, a mother would feel very tired. If she has to breast-feed at short intervals, or may even have to get up frequently at night to breast-feed, she would not have enough rest. If other members of the family can understand the hardship of the mother by taking over some of the caring duties, for example, changing the nappies or soothing the baby after each meal, or letting the mother make her milk ready so that other members of the family can help with the feeding later, and by giving the mother spiritual support, the mother would not give up breast-feeding so easily. It can therefore be seen that in promoting breast-feeding, the support of the employers and the family is also necessary in addition to government propaganda and the hospitals' work.

Promotion of breast-feeding requires the support of different parties. We see that in countries where breast-feeding is a general practice, they have a lot of matching measures. Over 40 countries have already legislated to implement the code, and the concept of breast-feeding has already been incorporated in the annual plan of many foreign hospitals and maternity clinics. Many universities, schools and health departments also have a baby-friendly plan, whereby, through the support of all parties concerned, the public can have access to the relevant information. Thus the concept of breast-feeding gets popularized in the daily life of the people, and becomes part of the culture. However, such baby-friendly plans and implementation of the code, which are very common in other countries, are, sorry to say, much in wanting in Hong Kong. I hope that before the Secretary retires, she can do as much as possible for the babies by encouraging the hospitals and society to promote breast-feeding.

With these remarks, I support the original motion.

DR TANG SIU-TONG (in Cantonese): Mr Deputy, the medical profession has long recognized that breastmilk is the best food for babies. It is rich in nutrients and contains precious antibodies passed from the mother, and is easy to absorb and digest. It is therefore very important to the healthy growth of babies. Just now Dr YEUNG Sum used his recent experience with his two children to talk about how they absorb nutrients, I think the Secretary may have forgotten the situation as her children have grown up already. What she needs to know now is how her grand children would receive breast-feeding.

The Hong Kong Government has been promoting breast-feeding, only that it has not done enough. We all know of the benefits of breast-feeding, for example, it helps the uterus to contract, burn up the fat, thus helping the uterus to recover and returning the body to a healthy shape. What is more, breast-feeding can also save a mother a lot of time as she does not have to prepare formula milk; the supply is always there and at the right temperature, without fear of scalding the baby or causing other side effects. Breastmilk therefore provides the best nutrient to the babies and the environment is also very good.

However, because Hong Kong is an economically advanced society, many mothers have to work. It would be difficult to have them stay at home to look after their babies. The manufacturers of formula milk therefore exploit this situation to promote how good and how close to breastmilk their products are. Being close to breastmilk, however, does not mean it is the same as breastmilk. Breast-feeding certainly involves some troubles, sometimes lesion may occur to the nipples or mastitis may develop. These are the negative side of breast-feeding. With the continued propaganda of the manufacturers of formula milk, breast-feeding becomes less and less popular. Recently at the Peninsula Hotel, when a mother wanted to breast-feed her baby, a hotel staff member suggested her to do it in a toilet. It can thus be seen that breast-feeding does not have the encouragement of society.

The Hong Kong Progressive Alliance (HKPA) thinks that the Administration should step up its promotion of breast-feeding, especially from the perspectives of education, rights and environmental protection. As the World Health Organization supports breast-feeding, and China, being a member of the Organization, supports the implementation of the International Code of

Marketing of Breastmilk Substitutes, Hong Kong certainly has the duty to promote the relevant effort. As to whether Hong Kong should follow the examples of the Philippines and India to mandatorily implement the code through legislation, the HKPA thinks that great care must be taken in our action. The Administration or the bodies concerned should not go to the extreme by rigidly putting a ban on any advertisement that promotes formula milk, as so doing would be in violation of freedom of information.

Mr Deputy, though formula milk is not as nutritious as breastmilk, if properly prepared and fed, it is still fit for babies' consumption. Formula milk is not cigarettes, spirits, or food that would do harm to the body, so much so that we need to take drastic legislative measures to prohibit any advertisement promoting it. After all, now abound in the market are such canned drinks and processed foods that actually do not do our bodies any good, or they can even do harm to the environment. While promotion of these products is not prohibited, why ban advertisement of foods like formula milk which does have nutritious value? Hong Kong is a free market where consumers' choice is emphasized. As to how breast-feeding can be promoted, it is not advisable to go about with it by compulsion, instead a general discussion of the issue among the public must be encouraged to find out what are the ways to promote breast-feeding, to make it easily accepted by society. Or else, unnecessary conflict may result and blur the message of the endeavour.

In fact, when the Administration and the bodies concerned promote breast-feeding, they should not focus only on the act of breast-feeding. After all, breastmilk comes from the mother, and how the milk is produced is closely related to the diet and living habits of the mother. If a mother takes drug, her breast-fed baby will indirectly take drug; if a mother drinks, her breast-fed baby will indirectly drink; if a mother smokes, her breast-fed baby will indirectly smoke. While we are promoting breast-feeding, we should also encourage the breast-feeding mothers to lead a healthy life, and to be responsible with their own living and to their babies.

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

MR SIN CHUNG-KAI (in Cantonese): Mr Deputy, to me, feeding is a scientific problem; and adducing proof in science needs to be very explicit, which Members have all made very clear. The question that needs to be

debated now is how the Administration should implement something which already has a conclusion.

In its reply to Mr Michael HO today, no, yesterday, the Hospital Authority (HA) said in the second point that it would, on the whole, comply with the suggestion made by the World Health Organization and in the ten-step guideline. I am extremely dissatisfied with this reply. What does "on the whole" mean? I feel that if Mr YEONG Wing-keong of the HA will take up the office of the Secretary for Health and Welfare later, he should implement the ten-step guidelines of the World Health Organization. What is at issue is that, as a government agency, the HA should not give a reply that it would on the whole comply, rather it should "strictly" comply. I expect that the Secretary can "strictly" ask the HA to comply "strictly" with the code of the World Health Organization. This is point number one.

Secondly, I would like the Secretary to consider one thing, which is my suggestion. Though I agree with Dr TANG Siu-tong that formula milk is still a kind of health food, scientific evidence has already proved that in terms of quality, human breastmilk is far superior to any substitute. Can we ask all advertisers, including the manufacturers of formula milk, to state this scientific fact when they advertise their products? It is just like "smoking is hazardous to health", so now all cigarette advertisements carry the warning "smoking is hazardous to health". Can we ask all advertisements of dairy products to state at the end "breastmilk on the whole is superior to formula milk"? I request that all newspapers, magazines, and even TV commercials should carry this message. This has been proved in science. Mr Deputy, being a doctor yourself, you must have a very clear idea of what this is because many medical literature have mentioned this. If the idea is so clear, Mr Deputy, I would like the Secretary, in her reply later, respond to my two questions: First, could the Administration state specifically that it would ask the HA to comply with the recommendations made in the "International Code of Marketing of Breastmilk Substitutes", the joint declaration of the World Health Organization and the United Nations Children's Fund, and the Ten Steps to Successful Breast-feeding; second, could the Administration consider my suggestion that all advertisements must carry the specific statement, which is very clear. I hope that the Secretary can respond to these two questions.

MISS CYD HO (in Cantonese): It is very rare for the discussions of this Council to get so infused with such sentimental warmth, they are no more debates as every one of us throws in his or her support. While speaking, many of us are smiling right from their hearts, it is so sweet.

I hope that today's debate can help promote breast-feeding in Hong Kong. Of course, to families with newborn babies, formula milk is a very convenient substitute for breastmilk and it certainly is very attractive. Practising breast-feeding not only requires persistence on the part of the mother, it also requires the support of every family member for it to be successful. My male colleagues have much experience in this. Because practising breast-feeding requires so much energy and will power from every family member, the mother-and father-to-be should, before the mother gives birth, be given sufficient information as to the benefits of breast-feeding so that they can fully understand these benefits. At the beginning, they may experience some difficulties, but when they see that their babies are growing healthily, they would have saved a lot of unnecessary worries and they can also withstand the barrage of advertisements of formula milk manufacturers. Though at present public hospitals distribute leaflets to pregnant mothers, recommending them to breast-feed, it is not enough. To know is not difficult, to practise is, this is especially so to the first-time parents. Many couples now would like to have only one child. They would be full of fear and trepidation the first one or two days after their baby is born, fearing that the baby may have been not properly fed. Half an hour after a meal, a baby may cry again for being hungry. The parents might suspect if this could be caused by some sort of problem or that it might be because of the poor physique of the mother herself. This may create a sense of guilt in them. If, before the mother gives birth, these first-time parents were not provided with sufficient information to enable them to know what difficulties breast-feeding might involve, or if they were not well-versed with the methods to handle these difficulties, just by distributing one or two leaflets would certainly not help much to resist the barrage of advertisements from manufacturers of formula milk.

Moreover, ordinary medical and nursing staff do not respect the choice of pregnant mothers. When the mothers encounter any difficulty, they would not give any positive assistance or provide any immediate counselling, which may

help alleviate the mother's sense of guilt so that they can persevere with breast-feeding. If a mother does not persevere, especially in the first one or two days after giving birth, the success rate would be very low. Of course, one of the reasons for such a situation may be that the medical and nursing staff do not have sufficient training themselves, and other reasons are heavy workload, shortage of staff or lack of maternity wards. All these make the operation of a hospital work like a production line. What is more, every baby has its own bio-clock, not every one of them will have meal at three o' clock, then another meal at six o' clock. When a breast-feeding mother encounters any problem, the medical and nursing personnel may not be able to promptly come to her assistance and may advise her to give breastmilk substitute to the baby instead. Once a baby takes on breastmilk substitutes and finds that it does not need to suck so hard to be properly fed, it would not want to be breast-fed. This would bring down the success rate greatly. Of course, successful breast-feeding requires both the efforts of the baby and the mother, especially during the first one or two days after birth. The mother must have the stimulus of her baby's sucking to produce sufficient milk. If the medical and nursing staff do not provide active assistance during those one or two days, the chance of success afterwards will be very slim.

Mr Deputy, unfortunately, there is really a class problem with breast-feeding. The manufacturers of formula milk sponsor some nicely produced Chinese nursery magazines, and use a soft approach to market their products, whereas the number of Chinese books and magazines that truly promote breast-feeding are very few. Thus, only those who can read books in foreign language would persistently stick to breast-feeding. I therefore hope that at the maternity talks organized by the Government and other voluntary organizations, more can be said about breast-feeding, so that those mothers from the grassroots level would not miss out on any information about breast-feeding. In the long run, the way in which printed matter and other information is distributed should be improved.

There is also another problem, which can also be classified as a class problem. Now working mothers are working longer and longer hours. At present, the length of maternity leave to which a pregnant mother may be entitled is only four weeks before and six weeks after birth. If a mother insists on breast-feeding, then every evening on returning home, she would have to be

milked like a cow so that she can put by enough of her milk for her baby's consumption the next day. Not every woman can physically sustain such a practice. Once breastmilk is partly supplanted with formula milk, breast-feeding would become a failure.

I would also like to mention that in many of the advanced countries which export formula milk, the rate of breast-feeding is as high as 95%. If such stuff is so good, why do they not use it themselves? Naturally, marketing formula milk is for profits rather than any other reason. I hope that today's debate on breast-feeding can help the public understand more about the benefits of breast-feeding, so that the babies, having brought up from their mother's embraces, can develop better interpersonal relationship when they grow up. Psychologists also said that babies who were often embraced would grow into more gentle persons, whereas deserted babies or those babies who were left in the cradle most of the time could develop ups and downs in their mood easily and their temper would be comparatively bad. If all babies were breast-fed, our society would also become more gentle and peaceful. The warmth as seen in today's debate is a clear indication of this.

Mr Deputy, I support Mr Michael HO's motion.

MISS CHRISTINE LOH: Mr Deputy, I was really worried that no one would want to speak at this debate earlier on, so I am very pleased that so many Members have spoken. In fact, even the male colleagues have said so much about the subject that it really leaves very little for me to add.

But I do wish to say, Mr Deputy, that the word "breast" is very seldom heard in this Chamber, especially women's breasts. I would like to emphasize that feeding of infants is something that comes most naturally. And I do object, like the Honourable SIN Chung-kai, to a lot of advertizing that seem to indicate that milk substitute is as good as mother's milk. I think cow's milk is very good for calves and human milk is very good for human babies, but to try and promote that other forms of milk is as good as human milk is, I think, actually a misrepresentation. And I would also urge the Secretary to consider in advertizing what more stringent measures there could be for Hong Kong so as to actually put greater emphasis on mother's milk.

One other issue, of course, is moving births from home to hospital combined with the mass production of breastmilk substitutes have actually led to the unprecedented drop in the number of breast-fed babies all over the world, including Hong Kong. And I would like to call upon you, Mr Deputy, as you are a member of the Hospital Authority (HA), to explore every possible way to change the procedures in the HA's hospitals to see again what emphasis can be put to making sure that mothers with new born babies are able to breast-feed easily.

Thus, I would just like to add my word to support the original motion.

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

(No Member indicated a wish to speak)

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Mr Deputy, I am pleased to have the opportunity to speak in this Council on the motion on promoting breast-feeding. I am grateful to Honourable Members for the comments and advice they have given on this important topic of breast-feeding which should receive more public attention.

Mother's milk is the best natural food for babies. The nutrition it contains entirely matches with the needs of the baby. The first milk or colostrum secreted from the mother's breasts a few days after giving birth to a baby contains rich protein, vitamin A, antibodies and immunoprotein which can protect the baby against infection and reduce its chances of developing allergy later on. Apart from that, breast-feeding is hygienic and it can greatly reduce the chances of the baby from getting enterogastric infection. Many Honourable Members have mentioned this point earlier.

From a psychological perspective, breast-feeding can foster close relationship between mother and child. When breast-feeding the baby, both the mother and the baby are emotionally fulfilled and the baby can develop a sense of security in the process.

Breast-feeding is beneficial to the mother as well. As the endocrine will be stimulated during the process of breast-feeding, contraction of the uterus is facilitated and the risk of post-natal hemorrhage is reduced. The mother can therefore expect a speedier recovery from childbirth. Medical research has confirmed that a breast-feeding mother is less prone to post-natal obesity and her chance of contracting breast cancer and cancer of the ovary is lower.

Owing to the above merits, the World Health Organization (WHO) ratified the International Code of Marketing Breastmilk Substitutes in its convention held in 1981. The Code extols the advantages of breast-feeding and proposes measures to control the marketing approaches of milk substitutes manufacturers and their sales agents for use as a guideline for the member countries. The Code includes suggestions such as banning all milk formula manufacturers from promoting their products through advertising or to distribute free samples to mothers, medical and nursing staff, or to put up posters or distribute promotion articles in medical or nursing institutions.

Then in 1989, the WHO and the United Nations Children's Fund (UNICEF) made a joint declaration called the Ten Steps to Successful Breast-feeding (Ten Steps). The Ten Steps emphasize that medical and nursing staff should be properly trained to be knowledgeable enough to help mothers breast-feed their babies successfully. The setting up of breast-feeding promotion groups and mutual help groups is also encouraged.

In Hong Kong, as the medical sector has affirmed the merits of breast-feeding, the Department of Health (DH) and the Hospital Authority (HA) have been promoting and implementing the above-mentioned Code and the Ten Steps to these hospitals. A lot of efforts have also been put into health education in this aspect in the front line.

As regards private hospitals, the DH has also issued guidelines which incorporate the above-mentioned Code and the Ten Steps. According to the findings of a survey we have made, private hospitals have made considerable achievements in this respect.

We pay special attention to education and publicity efforts to promote breast-feeding. The DH and the HA use means such as distributing leaflets, putting up posters and setting up hotlines to make the public aware of the merits of breast-feeding and teach them the correct way to breast-feed babies. All

the maternal and child care centres under the DH and public hospitals under the HA provide services and facilities in breast-feeding. These include pre-natal seminars for pregnant women on topics like nutrition requirements of babies and correct methods of breast-feeding. All these are aimed at promoting breast-feeding, helping post-natal women solve problems of breast-feeding, and organizing support groups for mothers to share their experience in breast-feeding. Rooms are also set aside in maternal and child care centres and hospitals to enable mothers to breast-feed their babies in a comfortable environment where guidance from medical and nursing staff is readily available. The HA will also jointly organize education and publicity activities with non-governmental organizations (NGOs) like the Hong Kong Breast-feeding Mothers' Association.

Another NGO, the Baby Friendly Hospital Initiative of Hong Kong Association has been actively involved in the promotion of breast-feeding in the territory since its establishment in 1992. It has organized education activities for the public and training for professionals. Surveys are undertaken regularly to ascertain the implementation of the Ten Steps in hospitals. The findings will be published during the World Breast-feeding Week to be held every August.

According to the findings of a survey conducted by the Association in 1998, most of the hospitals in Hong Kong have adopted the Ten Steps to promote breast-feeding. 85% of the hospitals have already formulated a breast-feeding policy to promote breast-feeding and enable all pregnant women to be aware of the advantages of breast-feeding. Proper training has been given to the medical and nursing staff in this regard and they are aware of the policy which exists in the hospitals and clinics in which they are working. The findings of a survey conducted by the Association annually reveal the percentage of women who have breast-fed their babies before discharge from hospital has been on the rise over the past few years. The percentage went from under 20% in 1992 to about 50% in 1998. The percentage is as high as about 60% on average in private hospitals. For hospitals with the best performance, the percentage has been maintained at 99% throughout the past few years. This is obviously due to the efforts in promotion made by all those concerned. Here I would like to make use of this opportunity to thank all the medical and nursing staff.

In our attempt to promote breast-feeding, we have sought the advice of many experts in countries which are very experienced in this matter. Many developed countries have the experience of women who have to reduce the breast-feeding of their babies due to work, financial reasons or prevailing trends in society. The government, medical profession and voluntary associations in these countries have used all kinds of measures to promote breast-feeding.

International organizations have also been engaging in efforts to promote breast-feeding. The UNICEF and the WHO have launched a worldwide Baby Friendly Hospital Campaign since 1991 to oversee the implementation and the progress of the Ten Steps. The aim of this international movement is to create a suitable environment in hospitals and maternity wards, including proper training for the medical and nursing staff, formulation of a clearly-defined breast-feeding policy and making the necessary arrangements for breast-feeding. All these are meant to ensure that more mothers can breast-feed their babies. Many nations in the European Union, the United States, Canada and Australia and so on all take an active part in the movement. In Hong Kong, the Association was set up in 1992 as I have just mentioned.

According to the information released by some overseas voluntary organizations, the breast-feeding rates among different countries show a great variation. In countries such as Norway, Sweden and Denmark, the breast-feeding rate is close to 99%, the rates for Britain, France and the United States range from 50% to 60%. Some countries have a lower rate, Ireland for example, has only 31%.

There are some criticisms which point out that the different breast-feeding rates reflect the efforts put in by the governments in implementing the Ten Steps. However, analyses made by the WHO point out that the efforts made by voluntary groups to promote breast-feeding and whether medical and nursing staff are committed to implementing the Ten Steps are also very important.

Then what will be the way forward? Pre-natal education, and encouragement and assistance given to mothers immediately after childbirth are also very important. For all these will help make breast-feeding successful. Many Honourable Members have spoken in great details in these aspects just now. We will continue to work hard towards this goal.

In recent years, quite a substantial proportion of pregnant women in Hong

Kong have opted for breast-feeding. This shows that promotional efforts in this respect are beginning to take effect .

For the promotion of breast-feeding to become successful, it should be backed up by supportive social values and matching facilities. At present, hospitals are equipped with nursing rooms, and some public places such as the airport, some department stores and so on have set aside rooms as nursing rooms to facilitate breast-feeding.

In public medical institutions, medical and nursing staff of the HA and the Department of Health all recognize the merits of breast-feeding. A lot of efforts have been paid into promoting breast-feeding. Information and assistance are provided to encourage mothers to choose to breast-feed their babies. But if there are individual mothers who choose not to do so owing to personal reasons, we will also respect their choice. Under such circumstances, hospitals under the HA will provide breastmilk substitutes, which in most cases are milk formulas. We are aware that one of the most important aim of the Code is to prevent the negative impact on the promotion of breast-feeding in hospitals due to efforts made by the manufacturers of milk formulas who supply their products to the hospitals. Therefore, hospitals will provide milk formulas to mothers only when they have decided not to breast-feed their babies. Apart from that, the HA also forbids milk formula manufacturers to engage in any publicity activities in the hospitals, and measures such as changing the milk formulas provided to mothers every two or three months are taken. These are meant to prevent manufacturers from making any unnecessary promotion and competition among themselves. The HA is of the view that milk formulas sponsored by manufacturers can only be accepted if breast-feeding is not affected. The current practice of the HA in accepting the sponsorship of milk formula suppliers should be re-considered and a comprehensive review of this matter should be undertaken. Such a review will be undertaken shortly to implement the Code.

Due to various reasons, no hospital in Hong Kong has become a "baby friendly" hospital yet, but the DH and the HA have been striving hard to implement most of the key points in the Code and the Ten Steps to foster a public awareness of breast-feeding and to cultivate a respect for it. We will continue with our education and promotion efforts to make all pregnant women and their families aware of the advantages of breast-feeding to both the baby and the mother. In the end, it is hoped that they will make a wise choice for this is

one which will have far-reaching effects.

Thank you, Mr Deputy.

DEPUTY PRESIDENT (in Cantonese): Mr Michael HO, you may now reply. You have five minutes 15 seconds out of your original 15 minutes.

MR MICHAEL HO (in Cantonese): Mr Deputy, perhaps we should clarify our concepts. Many people said that breastmilk is better; however, it is not breastmilk being better, it is feeding from a bottle that is not that good. Feeding from a bottle poses other risks. Many studies have pointed out that there are a lot of other risks associated with bottle-feeding.

Many of us have said that we should do a good job with education, some think that it should begin before birth, but this is not appropriate. Doing it before giving birth is already too late. This actually should start in the school curriculum of our social studies. Some colleagues told me that with pictures depicting babies being fed, what we see here in Hong Kong are babies being bottle-fed, whereas in China, they are being breast-fed. We see that many TV advertisements in Hong Kong promote that formula milk is fit for growing babies. However, in Europe and China, you will not see such advertisements. Why? We are all trying to come to a definition. Some dairy products are treated as formula milk suitable for growing babies. I think Members may be aware of advertisements that say that babies more than six months old should switch to a formula milk that is suitable for growing babies. We are using the six-month period as a demarcation line. What the WHO sets down is two years, and the American Academy of Paediatrics sets the standard at one year. Be it six months, one year or two years, it is open to discussion; however, it is clear that there is a difference or demarcation line. Many people may not have known that breast-feeding can be as long as two years. This clearly shows that it is not necessary for a six-month-old baby to switch to a formula milk that is suitable for growing babies, or it is wrong to say that babies have to drop breastmilk and change to something else. This wrong message has been propagated by advertisements and this is why the Code has to impose some sort of restriction on the advertisements. The only issue, I think, that merits any

debate and rebuttal is what Dr TANG Siu-tong said just now that any product that is not injurious to health should not be prohibited, after all they are not tobacco or alcohol and they are just mere advertising stuff. It is exactly such advertisements on which the Code requires restriction to be imposed. It is the purpose of the Code not to allow such inaccurate message to be propagated. If no restriction was imposed, many people receiving such message would be misled. Maybe let me speak a little more. What other facilities can be provided to the mothers, and what else can be used as reference? Staff training, and, as Miss CHAN Yuen-han mentioned just now, the facilities provided by employers, and even the establishment of breastmilk banks is practised in China are all support measures which we can consider. Of course, I do not mean that we have to do tomorrow what I am suggesting now.

I would like to mention one incident. This has to do with our culture. Why should we have an incident like that happened at the Peninsula Hotel? Why could people call into a radio programme, saying that breast-feeding is backward? This is our cultural problem, and culture can be changed overnight. It takes a long process of education to achieve our goal. That is why we have a lot of education work to do before true success can be achieved. Miss CHAN Yuen-han said just now that some nurses told people not to breast-feed, which I think is very regrettable, though I believe none of my constituents would say such a thing. However, we still need to look at our culture. Earlier when my motion was reported in a newspaper, it said that many lady Members of this Council gave their support. There is nothing wrong with lady colleagues of this Council giving their support, but this shows clearly that the public has the concept that breast-feeding is a matter for the ladies. This actually is not only a matter of the ladies, but also the participation of the whole family. It needs the support of the husband, also that of the family. It would be a bad thing if today's motion only has the support of the lady Members, which means that it could not be passed and that our society could not see to it that this initiative would succeed.

Mr Deputy, there must be some positive change in our culture, so must our facilities and education. Miss CHAN Yuen-han also said just now that some matching facilities must be put in place first, but I hope that they can be taken forward at the same time. If we have to wait until all those matching facilities and nurseries are ready, then it would be too late. One more sentence finally, for I find that some supermarkets provide nursery facility which I think is very good. However, there is still a baby bottle in the poster they put up.

Thank you, Mr Deputy. It is about time.

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

(Members raised their hands)

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

(No hands raised)

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

DEPUTY PRESIDENT (in Cantonese): Second motion: Providing major venues for sporting events.

PROVIDING MAJOR VENUES FOR SPORTING EVENTS

MR TIMOTHY FOK: Mr Deputy, a few hours from now, we will observe the second anniversary of our return to the Motherland. Two years ago, our Chief Executive urged us to meet the challenges ahead with pride and faith. I at times wonder whether some might have lost the confidence and the edge as I hear them talk themselves and Hong Kong down. I know, however, the majority of our people have retained that confidence and edge. Two opinion polls, one commissioned by *Ming Pao Daily News* and another by the Democratic Party, indicate that more than 75% of our people are behind the cause on which we are speaking today. I now hope that the Government is with the majority and will

join us in the quest for the Asian Games 2006, a marathon whose first stride has been taken. The question is not really about whether we have the means — of course, we have the means — but whether we have the will. This is why I am moving this motion to get the Government to join us and set up a preliminary committee to assess Hong Kong's situation as a prelude to the Games bid. Ultimately, only the Government has the resources to do the job. Back in 1958, other Asian countries invited Hong Kong to stage the Asian Games, but our Sports Federation and Olympic Committee had to back off because the colonial government would not endorse the cause. More than 40 years later, with Hong Kong as a Special Administrative Region of China, would our Government do what the colonial government did and quash our aspiration?

I have attended every Olympiad, Asian Games and World Cup over the past 30 years. Some doubters say that Hong Kong is going to lose its shirt over the Asian Games and they point to the fiasco of the Montreal Olympics in 1976 — that is, 23 years ago. Well, I remember the Montreal Games vividly. The driver who took me to the Montreal stadium complex said that he and his children, even his grandchildren, would be paying for the expensive folly. He knew what the problem was. The problem was that Montreal had decided to build every venue new and concentrated. After the Montreal Games, no other city was much interested in the Olympics. Then out stepped Los Angeles and Mr Peter UBERROTH, a businessman, who said that the private sector could do a better job and make money from the venture.

I happened to know Los Angeles intimately. I used to be an alumnus of the University of Southern California (USC), which became a focal point for the 1984 Los Angeles Games. Mr UBERROTH did not seek a building spree. He insisted on upgrading many of the existing facilities. He even had McDonald's donate a swimming complex which, after the Games, was given to my school, the USC. He also fashioned a marketing strategy and landed the first ever serious television contract for the Games. Los Angeles subsequently turned a big profit for the 1984 Games and set a precedent for future Games.

Bangkok made money from the Asian Games 1998 despite a severe recession. The Thais even attributed their pulling out of the recession to their hosting of the Asian Games. The Games also gave a focus to the government as it launched a major infrastructure redevelopment of Bangkok — a redevelopment that was necessary with or without the Games. I think Bangkok got a television contract for US\$100 million for the Asian Games in 1998.

Hong Kong, being the media capital of Asia, intends to do a lot better. Hong Kong also intends to use and upgrade existing facilities, an upgrade which is necessary with or without the Asian Games. Our National Sports Associations already have the expertise in hosting major tournaments. Our Amateur Swimming Association only recently staged successful FINA short course world championships and the world diving championships that were televised to a global audience. Our Tenpin Bowling Congress has likewise hosted many regional champion tournaments. In November, Hong Kong is to host the world Martial Arts championships. Now, our National Sports Associations are mobilized and they are inspired. We can do it in style.

I cannot accept and the people of Hong Kong obviously cannot accept that others in the region can do — and the Thais did it four times — what we cannot. A vote against the aspiration of Hong Kong is a vote against the confidence that the people of Hong Kong have in themselves.

The amendment to the motion today tells us that we should have a stadium sometime in the future, but has forgotten about the Asian Games. But I know that sportsmen and the public feel differently. A sportsman goes by the target he sets for himself. A sprinter who sets a target at running the hundred-metre dash in 10 seconds is not satisfied at anything less. This is the competitive spirit which drives sports — and sports are a part of the fast growing industry that last year netted more than US\$250 billion in the United States alone.

I am the elected President of the Sports Federation and Olympic Committee. Last Friday, our Federation submitted a formal application letter to the Home Affairs Bureau expressing our interest in bidding for the 2006 Asian Games. Then on Sunday, at the Olympic Run, our sports leaders and athletes likewise unanimously reaffirmed that interest. We also did more. We told everyone that we had not forgotten what the Chief Executive had appealed to us to do for we would meet the challenges with pride and faith.

Before I go on, let me thank my colleagues for expressing support for the cause that is not only about sports but also about a better future, a future with a superior quality of life. Now, let me talk about why Hong Kong is ready to bid for the Games. Ours is a sophisticated, international city, the charms of which have grown quaint. We can no longer count on selling cheap and talking fast to

get the tourists here. Hong Kong has to join the real world in which tourism is event and experience driven. We have to reinvent ourselves as a happening people in a happening place.

I think that Hong Kong lacks a thriving sports culture which, during colonial times, was thwarted. We must, in this new age, foster such a culture through which our people can assert themselves in more than just academics and commerce. We do not believe it is a coincidence that the most powerful nation in the world — the United States — also happens to be the greatest sporting power. The British also attribute their empire building to their students playing cricket and rugby in their schools. Our nation also traces its lifting of isolation to its return to the Olympic fold at the 1984 Los Angeles Summer Games.

Over the past few years, we have had a surge in sports spending by the Government. On a *per capita* basis, Hong Kong spends, or invests, as much on sports as the Nordic nations of Sweden, Denmark and Finland. We are also blessed that our sports have continued to develop on the sacrifice and contributions of volunteers in the true Olympic spirit. But sadly, a lot of public resources have been channelled away from sports and into bureaucracy, creating division, friction, recrimination and suspicion where none should be.

Our hosting the Asian Games would remedy a lot of those problems because we would learn to appreciate sport and to integrate it into everyday life. Our sports culture would not only build bodies but also character and society. This message should be most poignant to many of our youths who know that in the other communities, sports can make them rich, famous and heroic, whereas here, sports are considered a distraction. I cannot allow the dreams of the promising sportsmen to be dashed or deferred.

Is Hong Kong so bad that our athletes may never have a chance to compete in a multi-sport tournament on their own soil? Why should our athletes forgo the sensation of hearing ovations from their home crowds? If anyone thinks that way, he or she should tell it to our athletes — to Miss LEE Lai-shan, Miss NG Siu-ching, Mr WONG Kam-po, Miss Fenella NG and so on. I have stalwarts from my Federation who remember attending the Tokyo Asian Games in 1958 when Japan had just emerged from the post-war years of foreign occupation and reconstruction. They recall how Japan used the Games to

galvanize the people and to become an economic powerhouse. We cannot be worse off now than 1966 when Bangkok staged its first Asian Games. On a Gross Domestic Product basis, Hong Kong is way ahead of Beijing, which hosted the Asian Games in 1990, or Seoul, which hosted the Olympic Games in 1988. Last year, Thailand, where the Asian financial crisis began, was in very bad shape. For a while, many in the Olympic Council of Asian (OCA) feared that Bangkok would either forfeit the Games or co-host them with another city. But the Thais told the OCA that no matter what, they would stick with the Games as planned because they had confidence that the event would become a catalyst for their recovery in economy and pride. Know what? They were right. Pusan, the next city to host the Asian Games, is splashing out on infrastructure and facilities because it has to. But Hong Kong does not have to, because we have a city that has already invested hundreds of billions in infrastructure. We have an airport that Pusan can only envy. We have a bustling city life that Pusan can only dream about. We already have many sports facilities. The Provisional Urban and Regional Councils together operate more than 76 halls and 33 competition class swimming complexes. In some cases, we need to upgrade them and in other cases, we need to put in temporary stands, springboards, and lifts. These are not major overhauls. Contrary to what the person behind the amendment implies, ours is not Pusan of the south. We are the New York and London of the east.

Some are dismissing our quest on the simplistic argument that a new stadium would be too costly. A new stadium is an essential facility. But is it too expensive? Some 22 years ago, the colonial government promised us a stadium with the capacity of 60 000, but the promise, like many others, turned to dust and was blown away. However, our hope was raised in October when our Chief Executive assured us that his Government would build a stadium and aquatic centre. Already a year and a half ago, a team of architects and consultants began work on the stadium concept, which was unveiled in January and, I think, was reintroduced last Thursday.

Such a stadium plan pales to what Hong Kong has paid for the new airport core projects or will pay for the future Western Corridor Railway. Hong Kong needs such a stadium regardless to replace the Government Stadium that is a liability rather than an asset on the land it occupies in Causeway Bay. We can imagine many ingenious ways of raising the money to pay for the stadium. We can go the Cyber Port route with the Government ceding land in exchange for

private investment. We can opt to sell bonds and arrange other corporate deals, which is how Beijing is paying for its Olympic 2008 ambitions. We can sell the Government Stadium's land. We can allocate a portion of the tobacco levy to cover the building costs since it is the ban on tobacco sponsorships that has deprived sports of so much revenue. We can lease the properties adjacent to the stadium for businesses, particularly those with a sports theme. We can combine the capital money for the building of a future art and culture centre with that for sports. I believe that three in one — art, culture and sport — can complement each other in one location to generate profit and creative energy. We can hitch the stadium project to the Disney scheme, which, if we should land it, would be completed in 2005.

Our Federation members figure that Hong Kong has ample dormitory space at the universities to serve as a Games Village. We can also rely on our efficient Housing Authority, which builds 40 000 units a year, to lend to us an estate for several weeks to cater for the guests. We have hotels galore of a standard unmatched anywhere in Asia and the world. We have a million young people who are keen to volunteer to serve the athletes and officials at the Games. We additionally have, as a backup, other cities and towns in the Pearl River Delta, which are eager to pitch in.

What I am saying is not radical for those who understand sports. Many advanced cities in Europe and North America are financing stadiums in precisely those ways or a combination of them. They are doing it not to splurge but to invest so that they may attract or keep major league franchises, which pay handsome tourist, commercial and civic dividends.

With the Asian Games 2006 as a guiding star, we could motivate ourselves as a people to spruce up the city, repair the damaged environment and learn courtesy. Long after the Games are done, we should have as a legacy an improved society, a society that cherishes the many faceted talents of its people. Hong Kong would then project a more balanced image as a total community rather than just a bazaar, polluted and obsessed with quick riches. We would also move much closer to the ideal that our Chief Executive has expressed for us as a people capable of incredible feats, dignified and purposeful.

Mr Deputy, once again on the eve of our reunification celebration, let us pull ourselves together and pull ourselves up from the pit of despair to the podium of triumph. Some years ago, I asked a delegate, whose small country

always bade in vain for the Olympics, why he never gave up. He told me that he had to do it because the country needed something to look forward to, however distant. I also see new countries from the old Soviet bloc, names of which I cannot even pronounce, trying for everything from major tournaments to international beauty pageants because that is a way for them to be known to billions of other people. Hong Kong is not a sorry place and so we must not act like that. The Asian Games 2006 are not in our dreams. They are within our grasp and so we must reach for them, together with faith and pride.

Your vote today is not just a vote for the sports community but for the whole Hong Kong community, especially the young who need a future to look forward to, a reason to believe. You must not let them down and Hong Kong down. I now move the motion in my name. Thank you.

Mr Timothy FOK moved the following motion:

"That this Council requests the Government to expedite its undertaking to designate land for the building of a multi-purpose stadium and aquatic centre complex adequate for the hosting of the 2006 Asian Games; this Council also urges the Government to consider integrating an art and cultural centre with the complex for the economy of scale, synergy and generation of communal pride, civic identity, quality of life and the development of tourism."

THE PRESIDENT resumed the Chair.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Timothy FOK, as set out on the Agenda, be passed.

PRESIDENT (in Cantonese): Mr Andrew CHENG will move an amendment to this motion, as printed on the Agenda. In accordance with the Rules of Procedure, the motion and the amendment will now be debated together in a joint debate.

I now call upon Mr Andrew CHENG to speak and to move his amendment.

MR ANDREW CHENG (in Cantonese): Thank you, Madam President. Madam President, I move that the Honourable Timothy FOK's motion be amended, as set out on the Agenda.

Madam President, I have proposed an amendment to Mr Timothy FOK's motion not to raise objection to Hong Kong hosting the Asian Games. The Democratic Party holds that the sporting cause that Hong Kong needs to handle includes not only the Asian Games bid but, most importantly, a comprehensive set of policies on sports and a sound administration framework to implement the policies. I will speak on behalf of the Democratic Party our stance on the question of whether Hong Kong should bid for the 2006 Asian Games, while the Honourable Fred LI will expound on the parts regarding the policies and the administrative framework.

To begin with, Madam President, I believe that every member of the public and all the political parties in Hong Kong, including the Democratic Party, will all be glad to see Hong Kong winning the bid for hosting the 2006 Asian Games. Having said that, we still believe we need to have some figures to prove our capability to host international sporting events of this scale. The opinion poll conducted by the Democratic Party last week also confirmed our point. According to the findings of the survey, while more than 77% of the people supported Hong Kong hosting the Asian Games, 46% of the interviewees considered a sufficient number of facilities a prerequisite for hosting the event. Besides, another 28% said they would consider the Games bid only if there were proofs that hosting the Games could bring benefits to our economy.

As a matter of fact, if Hong Kong should bid for the Games, we would need to compete against time. First, we need to indicate our intention to the Olympic Council of Asia (OCA) in November this year and wait for its decision which is due in a year. If Hong Kong should be awarded the right to host the Games, we would need to build many new sporting facilities or renovate the existing ones within six years' time. Moreover, appropriate transport arrangements as well as other support facilities must also be put in place within the same timeframe. Finally, during the two to three weeks when we are actually hosting the Games, we will be holding numerous events in over 30

different venues and receiving a total of 15 000 athletes and administrators from more than 43 countries. Are we really that well-equipped? Moreover, will hosting the Games really bring benefits to the economy of Hong Kong? The Government must assess the possible impact on our economy in considering these issues.

At present, not many of Hong Kong's sports facilities could meet the international standards. The only exceptions are the Hong Kong Stadium, the Hong Kong Coliseum, the Queen Elizabeth Stadium, as well as a few bowling alleys. However, if we are to host the Asian Games, we would need a lot more sports facilities. In Pusan, the city to host the 14th Asian Games, a total of 35 facilities must be put in place by 2002 so that events in 32 sports can be held then. However, the South Korean city has so far only 23 facilities that are up to international standards. In other words, if Pusan is to host the Games successfully, it will need to provide 12 more such facilities in three years' time. As regards the 2006 Asian Games, Hong Kong is not the only city interested in the hosting right, for Malaysia is also considering bidding for it. Bearing in mind that Malaysia has an edge over us in terms of facilities, a great many facilities will need to be built or renovated if Hong Kong should host the Games. I do agree that the Government should build more sports facilities that are up to the international standards to strengthen Hong Kong's position for hosting international sporting events, but if Hong Kong should decide to host the 2006 Asian Games, we must assess the financial implications involved.

Although the prevalent view tends to believe that the hosting of a sporting event of this scale will certainly bring benefits to our economy, what history tells us is another story. Certainly the Los Angeles Olympics held in 1984 was a profitable event for the host city, however if the Games should have been held rashly without any careful studies made beforehand, Los Angeles would have incurred grave economic burdens instead. According to Mr FOK, the international sporting events held since 1984 have all make big profits. Yet we have gathered information quite different from that of Mr FOK's from the Xinhua News Agency's official web page on the Asian Games. For the 1994 Asian Games, Hiroshima turned a deficit of as much as US\$30 million. As regards the Asian Games held in Bangkok last year, partly due to the inefficient management of the hosting body, and partly due to the financial turmoil as well as other factors, the tickets for the Games did not sell as well as expected. In the end, not only the tickets prices had to be cut down to boost sale, the Thai Government were also obliged to provide an additional injection of 1 billion baht

to enable the Games to be held as planned. Certainly, the most catastrophic example should be the 1976 Olympics held in Montreal, Canada. The Mayor of Montreal had been dreaming of bringing the Olympics to the city since the mid-sixties. Although his dream did come true finally, the cost for hosting the Games was much higher than originally estimated. While the cost was estimated at US\$125 million in 1970, a re-estimation made in 1972 raised the figure to US\$310 million. However, due to factors such as poor management on the part of the hosting body, problematic architectural designs and corruption, costs overran hugely and amounted to US\$1.5 billion in the end. Instead of bringing any economic benefits to Montreal, the Olympic Games caused the city to incur an enormous deficit, the impact of which was so grave that the wound is still there after 20 years.

It was exactly because of this unforgettably hurting experience that the Federal Government of Canada formulated a Hosting Policy in 1996 to prescribe the conditions for government support for any future bids for Olympic Games, Pan-American Games, or international events in any single sport. First of all, the hosting of any event must be proved to be able to significantly benefit the city in terms of its sports development, its economy, its community, as well as its culture. In addition, the organization interested in bidding for the hosting right is also required to establish proofs for its ability to hold international events, as well as to assess the cost-effectiveness of the venture in bringing real benefits to the city. Most importantly, apart from capping the government funding for any such undertaking, the Canadian Government also stressed that it would not shoulder any deficits resulting from the hosting of such events. There are of course other factors that the Canadian Government would take into account as well, such as the environmental impact that would be caused by the venture, the effectiveness of the event in promoting gender equality, and its effectiveness in encouraging youth participation in sports.

Coming back to Hong Kong, the Sports Federation and Olympic Committee of Hong Kong (SF&OC) has recently proposed to bid for the Asian Games, but the proposal is still at its inception stage. In this connection, the SF&OC has concentrated on the economic benefits that can be brought by the venture, how the Games could attract more tourists, and how popular the unsold flats of the Housing Society would become after they have been transformed and used as part of the Games Village. However, has the SF&OC ever tried to find out scientifically how many tourists would come to Hong Kong for the Games? Has the Housing Society ever promised to transform the newly completed flats

as Games Village units?

A few days ago, I read in the papers the response of the Secretary for Home Affairs regarding this Asian Games bid. If what I read in the papers was correct, I must say I could not agree more with the Secretary. The Secretary has reportedly said that we should not head for the venture just because we love it, since other factors must be taken into consideration as well, including the sports facilities required and the financial implications involved. For this reason, I believe that the SF&OC, as the organization seeking to bid for the Games, needs to have not only the "aspirations" but also the "calculations". In addition to making calculations of its organization and management ability and prove it to us, the SF&OC should also make detailed calculations of the estimated cost-effectiveness of the venture, so that Hong Kong could avoid the risk of paying a huge price for hosting the Asian Games.

Lastly, Madam President, I should like to respond to the view expressed by Mr FUNG in the papers today. According to Mr FUNG, the think tanker of Mr Timothy FOK, the mover of the amendment to the motion today does not know much about sports policy. I hope Mr Timothy FOK can understand that as Members of this Council, we propose amendments to major social policies simply because we hope to express our views on government policies. While I do not think many of the Honourable Members sitting in this Chamber know a lot about policy on sports, I am sure we would assess important policies in the light of the information provided and the relevant data available. Madam President, I should like to stress that in moving the amendment today, we try to tell Members that while the Democratic Party is in full support of Hong Kong hosting the Asian Games in the future, we believe it is imperative that Hong Kong should have in place a comprehensive policy on sport to encourage the community to attach more importance to the sports culture. This is the major premise. We do know wish to see the case of the Hong Kong Coliseum repeated. As we all know, the Hong Kong Coliseum has held far more pop concerts than sporting events since its completion. And this is attributable to the fact that a comprehensive driving force is lacking in the existing policy on sports. Since both the efforts made by the Government to promote the development of the sports culture and the importance it has attached to sports have failed to achieve the desired effects, the sports facilities are more often than not used for other purposes. The last thing we want after paying a huge price

for hosting the Asian Games is to find in Tung Chung or the foreseeable sports town dozens of facilities similar to the Hong Kong Coliseum.

On behalf of the Democratic Party, Madam President, I beg to move.

Mr Andrew CHENG moved the following amendment:

"To add "," after "a multi-purpose stadium and aquatic centre"; and to delete "complex adequate for the hosting of the 2006 Asian Games; this Council also urges the Government to consider integrating an art and cultural centre with the complex for the economy of scale, synergy and generation of communal pride, civic identity, quality of life and" and substitute with "in line with a comprehensive policy on sports which it should formulate in order to encourage the community to attach more importance to the sports culture, groom excellent athletic talents, and raise the standards of the Hong Kong people in sports, with the objective of strengthening Hong Kong's position for hosting international sporting events, thereby promoting"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment moved by Mr Andrew CHENG to Mr Timothy FOK's motion be passed.

MISS CHRISTINE LOH: Madam President, I do not have any objection to the original motion and I do not really have any objection to the amendment either. It is a pity that we have two sets of wordings that are essentially quite similar. For myself, in choosing what to do today, I have tried to combine the two sets of wording, and I am sure if the wordings had been "that this Council requests the Government to formulate a comprehensive policy on sports in order to encourage the community to attach more importance to sports culture, groom excellent athletic talents and raise the standards of the Hong Kong people in sport, and to expedite its undertaking to designate land for the building of a multi-purpose stadium and aquatic centre, thereby strengthening Hong Kong's position for hosting the 2006 Asian Games and thereby also promoting the development of tourism", maybe we would not have the amendment that we have to face today.

If the objection is that by making a clear statement to support the Asian Games in 2006 that may be jumping the gun, I also believe that by making a

clear statement from the Legislative Council to support 2006, it does not necessarily mean it would happen, but it would perhaps expedite the Government in assessing whether it is possible or not. So, to that extent, I prefer the original motion to the amendment.

I would just like to say first of all that nobody would really want to choose to come to Hong Kong to have an international sports event of this kind of level if we do not make a lot of efforts in the next few years to clean up the environment. I do not wish to belabour the point about clean air. I think we have gone through this many times. But I would wish to remind Members of one story that was told at the Honourable Edward HO's Panel for Lands and Works where the Windsurfers Association came to the panel to say that we would never see windsurfing in Victoria Harbour again because it was just so polluted. They recounted an event whereby the Windsurfers' Association was invited to some sort of charity event, and after two hours of going up and down Victoria Harbour, some of the windsurfers had to throw away their windsurfing boards because the water was that polluted.

So, that is a very sad story, and I think if we are serious about promoting sports in Hong Kong, particularly aquatic sports, even though we may not hold all the aquatic events in Victoria Harbour, it pays for us to clean up our environment.

The only other point I would wish to make, Madam President, is to say a few words about the sports associations in Hong Kong. The sports associations effectively have a monopoly on the sports to which they represent. The sports associations in Hong Kong vary greatly in their management and professionalism. Some are very well organized, but some really, I think, are not very well managed at all. One of the things that I think the Honourable Timothy FOK is trying to do is to make the sports associations more accountable and to increase professionalism, and I think this must continue.

I would call on the Sports Federation and Olympic Committee, however, to iron out its differences with the Sports Development Board. We have witnessed here, Madam President, many times at the Home Affairs Panel open fist fights between the Sports Federation and Olympic Committee and the Sports Development Board, and I do not see that we can really and truly improve sports management and professionalism if these key bodies that have monopolies over sports management in Hong Kong do not really iron out their problems. And I

would also call upon the Sports Federation and Olympic Committee to also come into a new age, be more transparent and accountable, which I believe Mr Timothy FOK is trying to do, and we wish to support him in this effort.

So I would just like to say that, whilst I do not disagree with the amendment, I do feel that it is worthwhile for this Council to make it very clear that we support Hong Kong in trying to win the Asian Games in 2006. We may not win, but I think we need to try and make an effort.

Thank you.

MR CHAN WING-CHAN (in Cantonese): Madam President, while the motion moved by Mr Timothy FOK today urges the Government to "designate land for the building of a multi-purpose stadium for the hosting of the 2006 Asian Games", the SF&OC has also submitted to the Government a letter of intent on bidding for the Asian Games. In this connection, both the Federation of Trade Unions (FTU) and the Democratic Alliance for the Betterment of Hong Kong (DAB) are in support of Hong Kong hosting the Asian Games.

We look forward to hosting the Asian Games, with a view to enhancing the status of Hong Kong in the international community, facilitating the development of sports in Hong Kong, attracting more tourists and giving the tourism industry a boost. Besides, the construction of the many sports facilities including the Games Village will serve to create more job opportunities and give a renewed impetus to the economy of Hong Kong. The DAB believes the Government of the Hong Kong Special Administrative Region (SAR) will carefully consider each and every factor before making the decision to go ahead. Yet, we still wish to urge the Government to consider not only the economic benefits that hosting the Asian Games could bring to Hong Kong, but also the question of how the Games bid could help to promote the development of sports in Hong Kong.

Looking back on the development of sports in Hong Kong, we can see that the Government has not had any forward-looking plans on this throughout the years. Over the past years when the economy of Hong Kong was growing prosperously, the development of sports was lagging further and further behind. To begin with, on the development of sporting hardware, the Government has very rarely constructed large scale multi-purpose stadia to provide athletes with sufficient training venues as well as to host larger scale sporting events. With

respect to the assistance for athletes, it was not until our elite athletes like Miss LEE Lai-shan have attained good results in the Olympic Games and the Asian Games that the rates were visibly increased. Then, on the front of software, an atmosphere conducive to the development of a sports culture is lacking in our community. In this connection, the Government has all along failed to formulate a comprehensive policy for sports development in Hong Kong, nor has it been able to encourage members of the public to become athletes. Perhaps the so-called sports we have in Hong Kong can be rightly regarded as essentially recreational in nature. Having been influenced by a material gain-oriented culture for such a long time, the public at large has formed the view that while participation in sports activities could hardly yield high monetary returns, there is no guarantee that the enormous investment of time and money would necessarily contribute to the attainment of one's ideals or targets. Worse still, when athletes retire from their active sporting life, they have to worry about their livelihood and career. Given the apathetic attitude of the Government, the public disinterest in sports should be easily understandable.

Due to the lack of a comprehensive policy on sports, there has been unnecessary duplication of resources and efforts insofar the promotion of sports development and public recreational activities is concerned. On the other hand, the problem of uneven allocation of resources faced by the various sports associations has also impacted on the efficiency of the efforts to promote the sports activities concerned and to recruit new members. As a result, the development of sports in Hong Kong is disappointingly slow.

As regards the amendment proposed by Mr Andrew CHENG, it holds that Hong Kong is not fit for the Asian Games bid because we do not have a comprehensive policy on sports while more importance has yet to be attached to the sports culture by the local community. However, the FTU and the DAB believe that bidding for the Asian Games and nurturing Hong Kong's sports culture are not mutually exclusive. On the contrary, endeavours in these two directions should be mutually supplementary, since hosting the Asian Games can help to promote the development of Hong Kong sports culture on the one hand, and raise the standards of the local sports players on the other.

As a first step, and also as a response to the community's request for

reforms on the sporting and recreational fronts, the Government should make the Asian Games bid its target and expeditiously consider setting up a special department for it. This special department should take charge of formulating a comprehensive long-term policy on sports, making plans for the provision of large scale multi-purpose sports facilities, popularizing sports activities, actively grooming and supporting elite athletic talents, encouraging public participation in sports, as well as perfecting and rationalizing the resources allocation system. Madam President, even if our Asian Games bid should fail this time, the large scale multi-purpose sports facilities would still be used by the public and as venues for large scale territory-wide or international sporting events. Given that we have accumulated enough experience in hosting sporting events and competitions, and that special care has been taken to groom and support our elite athletic talents, Hong Kong should have a better chance of winning the Asian Games bid the next time around.

With these remarks, Madam President, I support the motion moved by Mr Timothy FOK.

MR HUI CHEUNG-CHING (in Cantonese): Madam President, laying stress on money making and overlooking sports is not only the common failing of Hong Kong people but also the Government. Beginning from last year, when the Government promotes Hong Kong overseas, it makes efforts to present Hong Kong as a dynamic city to attract tourists and investments. However, has the Government ever asked itself how much effort it has made in sports which best embodies dynamism? If the Government only pays lip service to the promotion of sports but remains weak and lifeless, I am afraid that the dynamic Hong Kong will degenerate into a wealthy but weak city.

Madam President, today's motion urges the Government to bid for hosting the 2006 Asian Games and build a large sports complex for this purpose. It intends to use the hosting of an international sporting event as an incentive to turn around the enduring concept of laying stress on money making and overlooking sports. The Hong Kong Progressive Alliance (HKPA) thinks that the Government should actively consider this proposal.

In terms of experience, facilities or standards in respect of sports, some

said that Hong Kong has overrated its own abilities and is wasting human and material resources in bidding for hosting the Asian Games. Take Kuala Lumpur, the strongest opponent competing with Hong Kong for the hosting right, as an example, it has hosted four Southeast Asian Games in the past 35 years and it was the first Asian country that hosted the Commonwealth Games last year while Hong Kong has no experience in hosting integrated sporting events. In view of facilities, the track and field court of the Kuala Lumpur National Sports Centre can accommodate 100 000 spectators but there are only 1 500 seats at the Wan Chai Stadium, the largest track and field court in Hong Kong. Concerning sports standards, Malaysia always ranks higher than Hong Kong in terms of Asian Games medals.

While these criticisms do reflect the distance between Hong Kong and Kuala Lumpur, they also expose the consequence of the Government's indifference to the development of sports. But the difficulties encountered by Hong Kong presently are not at all insurmountable.

Although Hong Kong lacks experience in hosting large scale integrated sporting events, it has hosted international sports tournaments comprising major Olympic events such as swimming, windsurfing, table tennis, squash, volley ball, tennis, badminton and cycling as well as non-Olympic events such as billiard, bowling and martial arts in the past years. The experience so accumulated is the basis on which we will succeed in bidding for hosting the Asian Games.

On the question of facilities, with the efficiency and resolution of Hong Kong people who can complete within six to seven years 10 highly complex core projects including the new airport and the Tsing Ma Bridge, why can Hong Kong not develop within six years a large sports complex and the related infrastructure on the basis of the existing facilities?

Insofar as sports standards are concerned, undeniably, Hong Kong always ranks low in terms of medals won at the Asian Games but our performance has been improving steadily. In the 1994 Hiroshima Asian Games, Hong Kong athletes won six silver medals and seven bronze medals. Four years later, Hong Kong athletes performed better at the Bangkok Asian Games last year and got five gold, six silver and six bronze medals, the best result over the years.

Despite the lack of long-term planning by the Government, seriously inadequate resources and neglect by the community, Hong Kong has produced international champions such as LEE Lai-shan, WONG Kam-po, NG Siu-ching, HUI Cheung-kwok, and FU Ka-chun, and this precisely shows that Hong Kong does have potentials in the development of sports.

Madam President, I am not worried that Hong Kong may not have sufficient talents or facilities in sports to meet the challenge of the Asian Games, but I am most worried that the Government may dare not make the first step or compete with others, that it may have stage fright when bidding for hosting the Asian Games or it may admit failure even before the competition starts. In bidding for hosting the Asian Games, I hope that the Government will show sportsmanship and be bold enough to compete and seek a breakthrough to demonstrate through actual actions its determination to promote sports.

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

DR RAYMOND HO (in Cantonese): Madam President, in last year's policy address, the Chief Executive said that he would strive to encourage sports development in Hong Kong. He thinks that sports can make us healthy and helps develop team spirit. He vowed to continue to give local athletes full support and create opportunities for the public to enjoy recreational and sports activities. The Chief Executive should be applauded for his concern about sports development in Hong Kong. In the past 20 to 30 years, the Hong Kong economy has advanced by leaps and bounds and we have reached world-class standards in many areas. It is a pity that our standards in sports are still fairly humble. Although we have outstanding athletes who won glory for Hong Kong in world competitions, on the whole, our sports development is disproportionate to the scale of our economic development.

In fact, apart from securing political stability and economic achievements, it is equally important for a successful society to develop in other areas such as culture, arts and sports which are associated with the quality of life. In the past, the Government used to attach little importance to sports and invested little in its development. In recent years, the Government has obviously made more efforts and facilitated some outstanding athletes in winning international

competitions. On the whole, however, the Government has not made enough efforts. We must nurture among the young people correct attitudes towards sports and the understanding that sports can be a successful path for self-development too. We must also build good stadia, venues and facilities to aid their development.

To promote sports activities and upgrade the standards of local athletes, the Government should build more sports facilities especially stadia. Given the lack of such facilities in Hong Kong, it is hard to attract the hosting of world-class sports tournaments to Hong Kong. On the contrary, if there are such facilities, we will be able to arrange for the holding of international sporting events in Hong Kong which will make the younger generation more interested in sports. These activities will attract tourists to Hong Kong to watch competitions and will bring Hong Kong substantial financial gains. Besides providing suitable venues for hosting large scale activities, a large stadium of exquisite design, highly innovative engineering and construction ideas can be quite attractive to tourists too. Certainly, a sports venue that can attract tourist from all over the world will be a great pride of local people. For example, the Olympic Games complex in Korea has become a tourist sport of the country.

Now that the Government has stressed time and again that it attaches importance to sports development in Hong Kong, it should really make efforts instead of paying lip service. Building a large stadium is an important project that should be given top priority. If Hong Kong wants to bid for hosting the 2006 Asian Games, the Government must take corresponding actions. Although some people are worried that as it takes time to build large scale sports facilities, we may not be able to complete such constructions before the 2006 Asian Games, and it will certainly be more difficult if the projects involve reclamation. But we have sufficient land in Southeast Kowloon and Kowloon West for this purpose. We should have enough time as reclamation is not involved.

If Hong Kong succeeds in securing the hosting right of the 2006 Asian Games, this will definitely increase local people's interests in sports and stimulate the morale and fighting spirit of local athletes, and they will hopefully win honour for our country and Hong Kong as a host. But we must co-ordinate their efforts with rigorous training. With first-rate and advanced sports facilities, we are in a better position to employ international sports specialists to

train local athletes in Hong Kong.

Furthermore, organizing the 2006 Asian Games also gives Hong Kong a new goal. To greet this great event, Hong Kong will certainly take co-ordinating actions and make improvements to attract more tourists to Hong Kong to witness this international sporting event. First, we must improve our environment and reduce air and noise pollution as well as other environmental problems; second, we must improve our infrastructure and transport network to meet the needs of this great event; third, this large-scale sports activity will definitely attract more tourists, promote the tourism industry and spur the tourism industry on to make corresponding improvements such as enhancing the courtesy culture and services to greet the 2006 Asian Games.

When designing the multi-purpose sports facilities, the Government can consider integrating the facilities with a cultural and arts centre to make the facilities special. This is a cost-effective design, and the economy of scale and more efficient use of public money brought by the integration will be accepted by the public.

With these remarks, Madam President, I support Mr Timothy FOK's motion.

MR CHAN KAM-LAM (in Cantonese): Madam President, the SF&OC of Hong Kong has recently expressed a wish to bid for the hosting of the 2006 Asian Games. However, the Government's response is cool as ever. This reminds us of the controversy years ago about hosting the 1997 World Expo. After the reunification, the tourist industry again raised the issue of holding the World Expo. However, the Government's attitude was all along passive. These incidents show the timidity and lack of vision of the former British Hong Kong Government and the SAR Government in hosting international events.

The most important point in Mr Timothy FOK's motion today is to urge the Government to build an up-to-standard stadium for the hosting of the 2006 Asian Games. Those who have reservations about the motion point out that many countries or cities which have hosted large scale international sporting events including the Olympic Games, the Asian Games and the World Cup have met with failures and their local economy suffered as a result. The most famous example is the 1976 Montreal Olympic Games in Canada. However, we have also seen many successful examples, such as the post-war Tokyo Asian Games, the recent Los Angeles Olympic Games and the 1994 World Cup in the

United States. The hosting countries and cities made a deep impression on people and the events were a great success.

Of course, no one can guarantee that Hong Kong will hit great success in hosting the Asian Games and that they will bring in a lot of profits. However, success very much depends on the Government's assistance and the planning and management of the organizer. We should not give up trying and fighting simply because we are afraid of failure. Furthermore, it is a big mistake to link the success of hosting a sporting event with economic benefits, that is, "promoting sports for the sake of the economy". The promotion of sporting events and enhancing the quality of the people is a basic requirement of a civilized society.

As Hong Kong lacks world-class large stadiums, hosting the Asian Games will give the Government extra incentive to build such facilities. It will not be a big problem for Hong Kong to host the 2006 Asian Games. It would of course be best to build a new stadium for the opening. Otherwise, we can use the existing Hong Kong Stadium. Furthermore, many courts and sports stadia in Hong Kong can be suitably renovated into venues for international games. What must be built from scratch may be some more advanced and up-to-standard track and field venues, stadia for bicycle races and so on.

Madam President, Hong Kong athletes can indeed well measure up to the athletes of other places. In recent years, Hong Kong has had quite a number of outstanding, gold medalists, such as CHEE Kuk-hung, LEE Lai-shan and WONG Kam-po. However, the results of the average athletes have been less than desirable. This is mainly because the Government and the whole community have attached little importance to sports and failed to commit resources or provide systematic training. I believe if Hong Kong should succeed in bidding for the hosting of the 2006 Asian Games, it will be a great boost to the development of sports in Hong Kong. Six years are sufficient for Hong Kong to train a team of outstanding athletes. Moreover, participating in the Asian Games and winning honour for Hong Kong will become a target of the new generation. Encouraging young people to participate in sports will be one of the best solutions to youth problems.

In the United States, for instance, before hosting the 1994 World Cup,

Americans were not at all interested in English soccer. The United States national team was almost considered a loser and its standard was negligible. However, after the United States successfully hosted the World Cup, Americans gradually became interested in soccer. The United States professional league has begun to attract attention. Although the national team — or even the women's football team — is still behind their top counterparts, it can compete with them in international events.

As the saying goes, where there is a will there is a way. If we can grasp the opportunity of hosting the Asian Games, we believe that Hong Kong athletes are good enough to participate and achieve good results in international games. However, if the Government and the athletes fail to take on a proactive attitude, the fate of Hong Kong sports will be like that of Hong Kong football. Once a strong Asian team, the Hong Kong football team has now become a lesser league.

Madam President, the DAB fully supports Mr Timothy FOK's motion today.

DR LEONG CHE-HUNG: Madam President, the original motion today calls for two issues: firstly, to expedite the Government's undertaking to build a multi-purpose stadium and an aquatic centre, and to integrate art and culture into this centre; secondly, to support and to ask the Government to support the bidding for hosting the 2006 Asian Games. The obvious question is, "why do we need to develop sports?". For centuries, and even perhaps in the early days of mankind, sports has been purposely or otherwise promoted. It is on this basis that the Olympics was developed, and has since then gathered momentum and has never looked back. With sports comes with the culture of competition, leadership and comradeship. All these are essential for human progress, societal development, and national and international rapport. Many in this Chamber would have remembered the so-called "ping pong" policy that was used to thaw the frozen Sino-American relationship of the sixties and the seventies. On a smaller scale, the brotherhood, the partnership very much needed in any sports, often helps to direct the young and the adolescents with a more positive way of life. In short, it helps to ease crime, in particular,

juvenile delinquency.

Madam President, few would disagree that sports, in particular proper sports, is very much related to health. Regulated, well-organized sports does much more than to reduce weight or to reduce the much-hated over-sized waistline, but it will help to develop the heart, lower blood pressure and reduce the very much elevated nervous tension so very prevalent in our progressive, affluent society. Proper sports thus promotes health, prevents illnesses and will no doubt cut down the very sizeable healthcare budget spent yearly on medical treatment.

Yet, to organize sports and to promote the game, there needs to be three things: Firstly, a well-defined sports policy to promote the culture to stimulate the training of high-quality personnel; secondly, the need for well-equipped sports centres available and accessible to all for athletes to participate; and finally, adequate funding to promote the sports. For years, sports in Hong Kong is too dependent on tobacco sponsorship. In 1996, for example, it amounts to something like \$30 million. This is ironic, or it makes a mockery, to promote a healthy action and at the same time advertise for a health-damaging product. But this does not need to be the situation. In countries where tobacco sponsorship is banned, where sports is promoted in a big way under a well-defined policy, revenue floods in through corporate sponsorship and marketing. Hong Kong should be no different.

Madam President, the next question must be "why the Asian Games in 2006?". It is human nature to procrastinate, and unless and until there is a defined goal, many seemingly less important issues, be it policy or infrastructure building, are left for further deliberation. The determination to host the Asian Games in six years does create an unchangeable end-point to stimulate if not expedite the development of sports stadium, aquatic centre and other infrastructures for the occasion. As an example, Madam President, Sydney woke up to develop stadium and hotels in preparation of the 2000 Olympics. In Beijing, the building of a new international airport, super highway to connect the airport to downtown areas, and so on, are deal in no small way to the attempt in hosting or in bidding the 2000 Olympics.

Madam President, are all these then putting the cart before the horse? It may well be, yet it is also a fact that nothing ventured, then nothing is gained. In this issue, as a carrot to attract the authority to emerge from its hibernation

hole, the question we ask should not be "why?", but "why not?".

Finally, Madam President, Hong Kong's athletes have never had the chance, indeed even the privilege, of competing for medals in a multi-sports tournament on their own soil and savour the ovation of a home audience. They crave for the opportunity. Even the idea of this possibility brings the blood of local athletes and budding athletes to boiling point and will no doubt bring Hong Kong sports development to new heights.

I support the original motion.

MISS CHOY SO-YUK (in Cantonese): Madam President, "Hong Kong athletes are not rubbish!" is a famous line of LEE Lai-shan, an Asian Games gold medalist from Hong Kong. While her line makes people happy, it also makes them sigh. It makes people happy because although Hong Kong lacks a sports culture and only has part-time athletes, many athletes achieved good results in large international games in the past. Yet, it makes people sigh because that local athletes have seen fit to compare themselves to rubbish shows that they are not respected and the Government neglects sports development.

Madam President, I support building a large stadium and the bidding for hosting the 2006 Asian Games. As an international metropolis, Hong Kong enjoys international status in respect of finance, information and trade, but it is unremarkable in respect of sports. This does not match Hong Kong's status and function as a big city. Today, sports does not only involve performance or athletics but is also closely related to the economy, culture and international reputation of a place. It is a fact that cities that have hosted large scale international sporting events such as the Olympic Games, Asian Games or World Cup will have substantially higher international status, a better image and improved reputation. Let me take Seoul in South Korea as an example. In the 1980s, I visited the place several times on business trips but I found that the place has greatly changed and is almost totally different after hosting the Asian Games and Olympic Games. Moreover, famous international cities have well-known athletes or football teams such as the Chicago Bulls in the United States and the Manchester United in England. In addition to making a city more

famous and giving it a better image, hosting international games also generates great economic benefits. How can Hong Kong lag behind others?

In fact, Hong Kong can easily host the Asian Games under the existing social circumstances. Hong Kong has all sorts of favourable conditions for hosting the Asian Games, such as it being an international metropolis and an international monetary centre, with advanced and developed communications infrastructure, first-rate services industries, and excellent organizing abilities. More importantly, Hong Kong enjoys the advantage of being close to its Motherland and better geographical conditions than most countries and regions in the world. Neighbouring cities in our country such as Guangzhou, Zhuhai, Shenzhen and Macau can provide Hong Kong with sound infrastructure, hotel accommodation, sports stadia and scenic spots, and it only takes one hour to travel from Hong Kong to these cities by car or by ship. How many cities in the world have such superiority?

Perhaps some will think that it is not suitable for Hong Kong to host the Asian Games because it is just a small city going through economic adjustment. But it seems that they have neglected the edge of Hong Kong. Bangkok was badly hit in the financial turmoil but it succeeded in hosting the Asian Games last year. Affected by an earthquake in 1986, Mexico still hosted the World Cup. Hong Kong is not as badly hit as Bangkok in the financial turmoil and it does not have the painful experience of Mexico, and data show that our economy is reviving. How can they say that it is not suitable for Hong Kong to host the Asian Games for economic reasons? When interviewed by the local media, the Asian Games Secretary-General had indicated that he personally found Hong Kong a suitable city for hosting the 2006 Asian Games. A recent survey also shows that 70% of the interviewees support Hong Kong in hosting the Asian Games. With popular support, Hong Kong can almost host the Asian Games. Why does Hong Kong not borrow the east wind from Kongming and take advantage of the situation to build a large sports complex that can enable Hong Kong to make a step forward in sports culture and international status?

I only hope that the Government will note that the large stadium must be practical but not grandiose. We should not appoint foreign consultants and spend enormous public money to build a super deluxe, first-class stadium which will not be fully utilized or will become a useless white elephant at the end. The Government must prudently attend to the management, maintenance and utilization of the large complex and avoid following the same old disastrous road

of the Hong Kong Stadium which attracted high management costs, few audiences at football matches, and complaints when concerts were held, making itself a waste of public money.

Lastly, I hope that the Government will take coupling measures and expeditiously formulate a comprehensive policy on the development of recreation and sports. At present, the Government is actively preparing for the establishment of a new body responsible for the recreational and sports affairs in Hong Kong. This offers a rare opportunity with which we can lay a foundation for the comprehensive development of recreation and sports in Hong Kong. A few months ago, I submitted to the Government detailed proposals on reorganizing the recreational and sports structure, the Government should consider these proposals which are supported by the Urban Council, the Hong Kong Sports Association and the Hong Kong Sports Development Board. I hope that the Government will expeditiously adopt these proposals and actively promote recreation and sports development in Hong Kong in tune with building a large stadium.

With these remarks, Madam President, I support Mr Timothy FOK's motion.

MR NG LEUNG-SING (in Cantonese): Madam President, in last year's policy address, the Chief Executive said that Hong Kong needed a suitable venue for hosting world-class events. To reinforce and enhance Hong Kong's status as an international city, we must organize various activities such as international economic and financial conferences, exhibitions and activities in respect of tourism, entertainment, culture, arts and sports to make Hong Kong an international focus and centre in various areas and benefit Hong Kong in terms of economic and social results. With this important idea, even though Hong Kong has relatively scarce and precious land resources, the Government should actively consider designating suitable land resources for such activities. In the long run, an investment of this type is a capital investment conducive to the continued social development of Hong Kong. As I have said, the Government must consider the social results when it makes capital investment in building large venues for activities. We have to make comprehensive plans for financing arrangements, management, operation and investment return, and

examine from the perspective of a commercial city, the feasibility of the relevant project and consider whether it will have good effects on our economy and achieve the aim of making good use of our valuable land resources and taxpayers' money. We should also consider whether the relevant project can promote the development of culture, arts and sports to the greatest extent. In other words, the investment should contribute to economic prosperity and the prosperity of the sports culture.

As mentioned by the Chief Executive in last year's policy address, the Government will consider building a new stadium and aquatic centre. We should consider this idea against the overall social condition and we should strike a reasonable balance between economic development and the development of culture, recreation and sports. Therefore, the facility should be built not for a one-off activity or one single purpose. It should be used frequently over a long period of time to generate revenue. When we examine the practicality of this project, we must focus on the aim of co-ordinating large sports activities including the ability to hold international games. The project should also have other enduring functions in respect of culture, recreation and sports. For example, it should be a tourist spot, be open for commercial leasing and organization of other cultural and arts activities, and it should attract the general public to participate in various sports training, competition and activities. If a large sports stadium is built with such detailed studies and planning, it will naturally help to improve the standard of local sports and promote the public's sense and practice of participating in sports to improve their physique. With good venues, facilities, management and operation, Hong Kong will really be ready to host international sporting events and the aim of hosting the Asian Games will thus be achieved easily.

The Asian Games held once every four years is a great international sporting event and Hong Kong, as an international city, should fight for hosting the Asian Games when its resources and abilities permit. Firstly, now that Hong Kong is planning to consider building a large sporting stadium and the coupling facilities, it should try its best to attract the hosting of large sporting events such as the Asian Games to give full play to the functions of the facilities and generate the greatest benefits. Secondly, hosting the Asian Games can stimulate the professional sports standard in Hong Kong and further promote the public's participation in sports, while this forms the focus for the Government's sports policy. Furthermore, if the competitions are properly and efficiently organized, the host can make profits and the standard of our infrastructure can

be further improved, adding to this a positive stimulus for the tourism industry and our economy. Therefore, in respect of the proposal to bid for hosting the Asian Games, the Government should not crave for success and do so in a hurry, but it should adopt an open attitude to actively and practically expedite the relevant studies, carry out feasibility assessments and makes the necessary arrangements, with a view to advancing scientific arguments that can make the public understand that when and where to host what international activities will be to the benefit of the SAR.

Madam President, I so submit.

MR HO SAI-CHU (in Cantonese): Madam President, as a world-famous metropolis, Hong Kong has excellent achievements in finance, communications, infrastructure and urban planning. We have held a number of international economic events and activities, but sad to say, our developments in sports and sports infrastructure have lagged far behind our social development.

Talking about football which is the most popular sport in Hong Kong, we have only one venue which is capable of holding international football events. But that stadium is not able to meet the demands of football fans. Many of them want to watch the football game when the team Manchester United comes to play next month, and many of the fans are disappointed because they are unable to hunt a ticket for the match. There are simply not enough seats to house all the fans, not even in the only good stadium that we have got.

For the Division One teams in the local football league, only the South China Athletic Association has a private football field where its team can engage in training. All the other teams have to cram in two or three undersized football fields for practice. For the youngsters and the public, things are even worse. It is a difficult thing for them if they want to have a football game just for fun in the district in which they live. The problem does not just lie in the lack of venues and facilities, but there is also an absence of a long-term policy and programme to promote sports. Many overseas places such as Germany have a nation-wide network to train football players. Children with talents in the sport will be given training in football since childhood. That is why generations after generations of outstanding football players emerge in Germany and this is also why the country has been dominating the international football scene for so many years.

In the days of the British rule, we may blame the Administration for having no incentive to promote sports which would make its people healthy and strong. But after the reunification, I can see no reason why the SAR Government is still not paying sufficient attention to sports. In the world today, sports are not just occasions for competition, they also carry an enormous commercial value. Although some Honourable colleagues may not agree with this point, as we in the Liberal Party are more familiar with the economic aspects of things, we tend to hold such a view. Sports are also closely related to the image of a country and the national dignity. In Brazil, for example, its economy may well be backward, but its amazing samba football is a binding force great enough to hold its people together. It is not true that we have no outstanding athletes, for the Asian Games held in Bangkok last year proved that our athletes had the capabilities to be champions in international sports. What we are lacking are a determination, commitment and investment in sports on the part of our Government.

The Asian Games is a great international sporting event. If we can secure the right to host the 2006 Asian Games, that will surely help the development of local sports and give rise to social zeal for sports. It is my heart-felt wish that the Government will lend its support to the bid and begin the preparation for it as soon as possible.

As regards the amendment proposed by Mr Andrew CHENG, both the Liberal Party and I originally agreed with him in many of his views, such as urging the Government to formulate a comprehensive policy on sports and encouraging the development of sports, but unfortunately Mr CHENG in his amendment has deleted the part in the original motion on bidding for the Asian Games, and that is why we cannot lend him our support. He seems to have a lot of reservations as he mentions the examples of the Asian Games in Hiroshima and the Olympic Games in Montreal which brought financial losses to the host countries. If we follow this line of argument, does it imply that Canada and Japan do not have a sound policy on sports? No, not in the least. But it does not follow that a good sports policy will certainly make big money when large scale sporting events are held in that country concerned. That is another issue. It all depends on how the arrangements and matching facilities are made and how they will work together to achieve the best results. For after all it is another matter to make money out of holding large scale sporting events. Therefore, we cannot support the amendment.

With these remarks, Madam President, I support the original motion on behalf of the Liberal Party.

MR FRED LI (in Cantonese): Madam President, Mr Andrew CHENG has spoken on behalf of the Democratic Party the factors that should be considered in bidding to host the Asian Games. If the Government can formulate sports policies and establish a sound sports framework to allow Hong Kong people to attach more importance to a sports culture and nurture outstanding sports talents at the same time when it builds additional sports facilities and evaluates the effects on our economy, then it will give a greater degree of significance to hosting the Asian Games. I believe Mr Timothy FOK will not disputes this. I note that there was a special report in the press concerning the "Happy Run for the 1999 Olympics" in which, Mr FOK said that "in respect of education, sports is not regarded highly and it is not essential, to change this phenomenon, we must start from culture". Mr FOK continued to say that the resources allocated by the Government for sports affairs are not shared out equally. We agree fully with Mr FOK and this is one of the major reasons why we have moved an amendment to his motion.

In the past years, the Government did not have systematic planning for sports or published any documents on this. The existing arrangement for the Hong Kong Sports Development Board to develop elite sports and the two Municipal Councils to develop intermediate and grassroots level sports is a historical arrangement which has been taken for granted and on which a review has never been made. The Culture, Arts and Sports Services Consultancy Report of Mr LAM Chi-chiu has only touched upon the arrangements for the transfer of administrative power in respect of recreational and sports services after the dissolution of the two Municipal Councils, without offering any solutions to the problems and difficulties of sports scene now.

Rightly as Mr Timothy FOK has put it in the press, sports is not regarded highly in local education. We will be ashamed when we look at the statistical figures for school sports activities. As shown by the survey conducted by the Hong Kong Sports Development Board (SDB) in 1997, less than one third students participate in sports activities after school while most interviewees think that schools in Hong Kong have inadequate and outdated sports facilities. Some also said that it is possible to play ball games, but only with derelict equipment only. The Education Department has not provided adequate

resources or enough support to the development of the sports curriculum.

When we review the achievements of the SDB, no doubt, it has evidently achieved much in training athletes in recent years but its role in the structure has been questioned, and the sports sector is concerned about the arguments for focused sports training, the criteria for allocating funds to the Hong Kong Sports Association as well as the transparency of the operation of the SDB. Ironically, at the Review of District Organizations seminar organized by the Home Affairs Bureau at the end of last year, the Government invited representatives of the sports sector to express their views on the arrangements for sports affairs after the dissolution of the two Municipal Councils, but the representatives who attended the seminar had not made a lot of remarks, on the contrary, they kept asking questions on the transparency of the operation of the SDB as their representatives were present.

Therefore, the Government must review the existing framework for provision of sports services to determine if it still meets the present needs. In my opinion, a review of the existing framework should be made. I note that the SDB and the SF&OC of Hong Kong have made proposals on the restructuring of the sports framework. As we have not gone through the respective proposals, we cannot judge which one is better, but the fact that the quasi-governmental SDB and the non-governmental SF&OC have made such proposals does prove that there is a clear message that the framework should be restructured. Therefore, the principles espoused in the amendment are not contradictory to those of the SDB and the SF&OC for both hope that sports can be developed systematically.

Lastly, I must say that modern-day sports has gone beyond the amateur stage. If the officials in charge of sports policies are still not eager to make progress or think that the framework does not need a review or subjectively think that building sports venues alone can promote sports, how many athletes will be able to achieve good results for Hong Kong even if we have adequate facilities for hosting the Asian Games in 2006? I suggest that we should take advantage of our debate on hosting the Asian Games to ask the Government to establish sound set of sports policies and review the functions of the bodies providing sports services. While we bid for hosting an international sporting events, it will be more meaningful if we can establish a firm sports foundation.

With these remarks, Madam President, I support Mr Andrew CHENG's amendment and the original motion.

MR YEUNG YIU-CHUNG (in Cantonese): Madam President, some say that Hong Kong is a "sports desert" and some others say that Hong Kong is an "economic giant but a sports dwarf". Although the criticisms are harsh, they are not unreasonable. In international sports competitions, Hong Kong athletes are basically also-rans. In recent years, athletes such as LEE Lai-shan, WONG Kam-po and NG Siu-ching won in international games and attracted international attention. But it is an indisputable fact that the sports standard in Hong Kong is not high. This is the result of the Government's enduring neglect of sports and its inadequate investment of resources in sports. For example, in 1994-95, the SDB was allocated \$73.3 million which accounted for 0.04% of the public expenditure of the Government. In 1995-96 and 1996-97, around \$70 million was allocated which was a slight increase. After the establishment of the Special Administrative Region Government, the funding to the SDB has been increased more substantially, and the provision is increased to \$192,800,000 in the 1998-99 Budget. Certainly, compared to advanced countries and regions, the funding for sports in Hong Kong still takes up a relatively small proportion, and we must look for ways to improve the situation.

To change the situation of having "ordinary elite" athletes in Hong Kong, the key is to enhance the standard of group sports activities and improve the physique of the public. However, there are insufficient sports venues in Hong Kong and seriously inadequate facilities, and our per capita sports venue provision is less than that in some Asian countries and regions. This is incompatible with the economic status and international image of Hong Kong where the development of sports in schools as the important basis of sports development is especially disappointing.

School education stresses comprehensive moral, intellectual, physical, social and aesthetic development, but physical education is often the most neglected school subject. Firstly, there are inadequate venues and facilities. A recent survey conducted by the Education and Manpower Bureau shows that almost 200 primary and secondary schools do not have a basketball court and a covered playground and schools can only delete some physical education lessons and borrow external facilities from the Regional Services Council and the Urban Council for such lessons. Secondly, physical education lessons are ineffective with short teaching hours. As teachers dare not make requests that targets be met and set very low standards, such lessons have become lessons for "setting

monkeys free". Students just do some exercises and play during such lessons. No wonder many surveys show that primary and secondary students in Hong Kong have inadequate exercise. Thirdly, students' performance in physical education is not considered for secondary school allocation and physical education is not an Advanced Level Examination subject. Since it is not important whether students entering secondary schools or universities pass in the physical education subject, physical education is not an indispensable subject in primary and secondary schools and it almost exists in name only. It is not hard for us to explain why the physique of Hong Kong students is worse than those in other Asian countries and regions and why there is an especially high proportion of Hong Kong students who wear glasses. To change the fact that sports in Hong Kong lags behind other countries, we must start with school education, enhance physical education teaching and reform the examination system in order to raise the status of sports.

Madam President, it is worthwhile for us to draw on the successful experience of countries that are strong in sports, especially the importance they attach to sports in schools. For example, in the United States, Bruce LI turned from a university student into a world-famous kung-fu star. Besides, many of the NBA football stars have come from the college basketball teams.

A firm foundation must be laid for the pyramid structure of sports talent training. I hope that the SAR Government will start with improving the physique of Hong Kong people, attaching importance to sports development, launching group sports activities and enhancing physical education to make Hong Kong a region strong in sports in the 21st century.

Hosting the Asian Games and building a large sports centre do merit our support as they will stimulate economic growth, revitalize the tourism industry, promote the building of sports facilities in Hong Kong, create a good sports culture in community and promote the development of sports.

With these remarks, I support Mr Timothy FOK's original motion.

Thank you, Madam President.

MR AMBROSE LAU (in Cantonese): Madam President, although Hong Kong is an international city, it has a fairly unitary cultural structure which lacks

diversity.

The cultural structure of a city is closely related to its economic structure. Big cities in the world such as London, New York, Paris, Tokyo and Shanghai pay attention to the development of a pluralistic culture especially sports culture. Some cities even take advantage of hosting international games such as the Olympic Games and Asian Games to stimulate people's morale, enhance the cities' reputation, and develop the tourism, retail and sports product industries closely related to the sports culture, as well as strive to become centres of international competition, exhibition, conference and performing arts. The motion moved by Mr Timothy FOK is strongly significant in allowing Hong Kong to perform its function as a bridge for economic, cultural and social exchanges between the East and the West in the next century and become a metropolis in Asia that is second to none.

Some remark that given Hong Kong is going through a tough economic adjustment in the wake of the Asian financial turmoil, its future policies in respect of transport, communications, housing and infrastructure will have to serve the Asian Games if it hosts the 2006 Asian Games, will this affect the pace of our economic revival and our international competitiveness? We can cite the example of Thailand that hosted the Asian Games last year. Thailand was badly hit by the Asian financial turmoil, and it lacked the capital, infrastructure and communications facilities required by hosting the Asian Games. However, it successfully created the miracle of hosting the Asian Games with the largest number of events and more competitors than the Hiroshima Asian Games, and it also promoted the economic survival and development of the tourism industry of Thailand. Compared to Bangkok, Hong Kong is more superior in respect of capital, transport and communications facilities, and it has an advantage of being the hub for exchanges and tourism between the East and the West, and these are favourable factors for our hosting the Asian Games. More importantly, hosting the Asian Games will quicken the pace of our economic revival, promote diversified cultural and economic developments, consolidate our status as an international metropolis and enhance our international competitiveness.

If Hong Kong should host the Asian Games, the immediate deficiency is the lack of a multi-purpose stadium and aquatic centre complex that can accommodate 60 000 to 70 000 people at the opening and closing of the Asian

Games. Besides being used for the Asian Games, the centre can be utilized for other purposes. Apart from providing Hong Kong athletes with a sound training venue, it can host international sports competitions with single and multiple events and exhibitions. In recent years, the mainstream thinking for the development of sports culture in many international cities in Europe and the United States is building multi-purpose indoor stadia. This thinking also meets our needs of making Hong Kong the leading metropolis in Asia. As to site selection, some people have suggested designating land for building such facilities in Lantau Island in line with the planned construction of a Disney theme park in 2005. With other coupling facilities, Lantau will become a new town developed principally as a centre for tourism, international competition, exhibition, conference and leisure. If Hong Kong succeeds in bidding for the Asian Games, regardless of where the major venue is built, it is reasonable and feasible to integrate the multi-purpose stadium and aquatic centre complex with an art and cultural centre. The integration will achieve economy of scale and synergy, generate communal pride, promote and enhance our status as a centre for international competitions, performing arts, exhibitions, conferences, leisure and tourism which will actively promote diversified economic and cultural development.

Madam President, in terms of communications facilities, Hong Kong is an advanced city in Asia. On the transport front, with the commissioning of the Northwest Railway, Tseung Kwan O MTR extension and Ma On Shan Rail Link and the construction of a western passage linking Shenzhen and a cross-harbour bridge linking Zhuhai, if Hong Kong can provide a large sports venue integrated with a large art and cultural centre, it will help much to improve people's quality of life, revitalize the tourism industry and turn Hong Kong into an international centre for leisure, exhibition, conference and performing arts. Therefore, providing a large sports venue for hosting the 2006 Asian Games can also promote the economic and social development of Hong Kong in the longer term.

Madam President, I so submit.

MR ERIC LI (in Cantonese): Madam President, the names of CHE Kuk-hung, LEE Lai-shan, WONG Kam-po and NG Siu-ching aside, if any single one of the Members who have spoken can also cite the names of other Olympics athletes

like CHEUNG Wai-leung, it would not have been necessary for me to also speak on this motion.

Many Members say that Hong Kong is nothing in the arena of sports competitions, but they have forgotten all about our Special Olympics athletes, who, year after year, add to the glory of Hong Kong as they win dozens of gold medals and hundreds of silver medals and bronze medals. Little do these Members know that Hong Kong is world-famous for its impressive results in the Special Olympics and other similar regional sports competitions held annually. This is something well-known in the Asia-Pacific Region.

These dedicated athletes are of course most qualified to talk about bidding for the Olympics, or even about raising our sports standards to new heights. However, because of the constraints imposed by its geography, resources and other factors, Hong Kong has never had such an opportunity. So, our athletes often have to compete overseas, and every time they do so, they have to pay a lot of expenses. Madam President, I remember that you also once assisted these Olympics athletes in raising funds. I am sure, Madam President, that your memories about all this must still be very fresh and vivid.

All athletes are equal before sports, be they "disabled" or "able-bodied", and Members have already spoken on the many benefits which sports can bring. But still I wish to raise a few points here, such as the fact that if all athletes can compete fairly and equally under the same regulations, and if the training they have received can enable them to stand up again after falling down — to try over and over again, their physical strengths will certainly reach new heights and they will gradually build up their self-confidence.

Sports are useful not only to disabled athletes, for do Members not see that sports can actually cultivate in our young people those very virtues which they so often lack? Such are the benefits which our young people can never expect to get simply by spending all their time on book learning. But the point is that if young people can accumulate such experience, they will develop a greater measure of perseverance.

I do not think that it is fair at all to criticize Hong Kong for lacking a policy on sports development. The past few decades saw first the efforts made

by the Urban Council to promote recreational activities and to popularize sports participation. This was only the beginning. Then, the SDB was set up, and since its inception, it has been engineering quite a number of training programmes for different kinds of sports. Unfortunately, we may have come to a full stop here.

Members may still remember that not too long ago, some athletes approached Members of this Council on the altered uses of the Challenge Gymnasium. Well, as sports develop continuously, more and more people will become interested in them, and more and more people will want to receive training in the hope of achieving progress. But then, having reached a certain stage of progress, they find to their dismay that they do not even have enough training venues. This will probably hinder the development of our sports, I suspect. And, the attainment of higher standards is even more out of the question, I must say.

Hong Kong athletes are not fortunate enough to be able to compete on Hong Kong soil. Every time when Hong Kong athletes return from overseas competitions, with remarkable results, they are invariably greeted by their well-wishers at the airport rather than at sports grounds. Every time, we see them off at the airport, and then hear no more of them until we receive them at the airport upon their return, and until their results are reported in the press.

Hong Kong invests huge resources in maintaining public health, and it has constructed many hospitals, each costing billions of dollars (I am sure that Dr LEONG Che-hung will certainly agree) without even raising an eyebrow. But with investments in sports, it is a completely different story. I do not want to look at the matter from the economic perspective as other colleagues do, and I even think that health is priceless. But still I must say that if only we could be half as enterprising as we have constructed our hospitals, there would be unlimited prospects for sports development. We have all the conditions, all the financial capabilities.

Madam President, I hope that one day, our athletes can receive the cheering and applause of the people of Hong Kong at the stadia constructed by

ourselves.

I support the original motion. Thank you, Madam President.

MR HOWARD YOUNG (in Cantonese): Madam President, the Asian Games held once every four years is a major international sporting event. To any country or place, it is an honour to be the host of the Asian Games.

Hong Kong is a world-famous international city in the Asia-Pacific Region, noted for its advanced town planning and admirable economic success. Whether in terms of financial capability, accommodation, communications, facilities, transport infrastructure and quality of manpower, Hong Kong can fulfil all the basic requirements of hosting a large-scale international games meet. Its only deficiency perhaps lies in its long-standing shortage of large scale stadia. However, with the world-renowned high efficiency of Hong Kong people, I am sure that six years will be sufficient for them to construct new sports facilities and improve existing ones. That is why the Liberal Party agrees that it is feasible for Hong Kong to bid for the hosting of the 2006 Asian Games.

In fact, the Asian Games can bring many benefits to the host country. First, it can bring economic benefits. The Asian Games is usually attended by more than 10 000 athletes and administrators from over 40 countries, and hundreds and thousands of tourists will also travel to the host country to support the athletes of their own countries. So, it can be envisaged that in addition to the direct income derived from admission fees, the host country will definitely be able to reap other benefits from its tourism industry, retail businesses, catering industry and hotel industry. The experience of foreign countries shows that if a country or city hosts some large scale sports events or big functions, its Gross National Product will certainly increase for some time in the short run, just as was the case in Hong Kong with the reunification and banking conferences in 1997. Hong Kong is currently reorganizing the long term development of its tourism industry by developing a larger number of tourist attractions. The hosting of the 2006 Asian Games will definitely help promote our tourism industry.

Another benefit of hosting the Asian Games is that it can further promote the reputation and image of Hong Kong in the world. This is an intangible benefit which can neither be concretely assessed or quantified. The Liberal

Party has always maintained that we need to show the world how things are going on in Hong Kong after the reunification, to let the people of other countries know the real situation here. The Liberal Party has always maintained that the SAR Government must make some proactive efforts overseas to market Hong Kong directly to the people there, so as to attract them to Hong Kong for visits and sight-seeing. The hosting of major international events is one of the means to achieve this purpose. If Hong Kong can bid successfully for the hosting of the 2006 Asian Games, it will do immense good to its own image. So, Hong Kong should really try hard to grasp this opportunity.

Mr Andrew CHENG of the Democratic Party appears to be rather sceptical about the ability of Hong Kong to host the 2006 Asian Games, because he said that Hong Kong should first improve its sports infrastructure and raise the sports standards of its people. But I can tell Members that in the rest of the world, people will usually set down the goal of hosting a major international sporting event before seeking to improve their sports infrastructure; rarely do people, as advocated by Mr Andrew CHENG, make preparations before deciding how to bid for the hosting of the event. The timing factor is also important. Very often, preparations are made only after the goal is set, and in some countries, athletes' quarters, for example, will be turned into public housing later. So, there must also be back-up from property development. Once the goal is set, all involved parties should work together to achieve it. Only this can avoid any waste of resources.

With these remarks, Madam President, I support the original motion but oppose the amendment on behalf of the Liberal Party.

MR AMBROSE CHEUNG (in Cantonese): Madam President, I am very pleased that we have this opportunity today to discuss these two topics: bidding for the hosting of the Asian Games and improving our sports policy. Basically, these two topics are equally important and can be considered together. That is why I tend to think that the original motion and the amendment are actually complementary. And, I also think that the Government should really review its policies very carefully, because it has always been lagging behind the realistic situation insofar as the implementation and perfection of its sports policies is concerned. There was of course a political consideration behind the lukewarm sports policies of the British Hong Kong Administration, because sports policies are political in nature, always involving the solidarity of the people and their sense of belonging. After the reunification, however, the SAR Government

should be duty-bound to actively promote our sports development. Unfortunately, the Government still fails to grasp the golden opportunity offered by its review of district organizations; its position concerning the review is that the terms of reference of the consultant commissioned to review the framework of district organizations should not cover the sports policies of the Government. This is a major drawback.

The original motion and the amendment today, if allowed to form a complementary partnership, will enable us to set down a goal for perfecting our sports policy. Besides, with the impetus provided by the hosting of the Asian Games, we will be able to lay down a specific schedule of progress for individual kinds of sports. I am confident that we will be able to achieve our goal. Hong Kong is a famous international city. So, in addition to trying to achieve success in our industries, commerce, financial businesses, academic research and technologies, we must also aim to raise the standards of our arts and cultural activities. And, of course, we must not ignore the importance of raising our sports standards too. Only by so doing can we possibly turn this international city of ours into one with all-round achievements.

We now have many sports facilities, and at least two of them can already meet the required international standards to a certain extent — though I must hasten to add that there are still some limitations. The first one is of course our Hong Kong Coliseum. As we all know, the utilization of the Hong Kong Coliseum is now already near saturation, but most of the time it is used for various performances and concerts rather than sporting events. The number of sports functions held at the Coliseum is, ironically, significantly smaller than that of arts performances. Another example is the Hong Kong Stadium. The British Hong Kong Administration indeed wanted to use the Hong Kong Stadium as a venue for staging a wide variety of international performances. But as we can all see, the Government committed a grave planning error when implementing the development project. If the Hong Kong Stadium is used for performances, there will arise a lot of noise pollution problems. If it is used as a sports venue, it should be capable of hosting track and field events. But then, the Government decided to remove the only track in the Stadium. We can all remember that before its reconstruction, the Hong Kong Stadium was the only venue where the joint-school athletic meet could be held. The thinking of the Government at that time was that other facilities could be upgraded for the purpose, and that there were other new facilities such as the one at Siu Sai Wan. However, the Government itself knew that more often than not the results of the

sports meet held at Siu Sai Wan, for example, were not recognized because of wind speeds and other problems with the facilities there. This was the policy of the Government before 1997, but it can be changed now.

Many Members are worried about some technical problems, such as the adequacy of time for preparations. They are worried that we may not be able to make all things ready before 2006. Let us look at the new airport programme. We had to complete as many as 10 core projects, including the new airport proper, within a matter of just five, six, or seven years. The new airport programme involved billions of investments, but in the end, we still made it without any major problems. If Members are worried about the facilities, we can actually improve and upgrade our existing facilities. I think that by doing so, we can certainly achieve the standards required both in terms of quality and quantity. Members are also worried about the problem of resources, but I would say that the "four-in-one" approach advocated by Mr Timothy FOK is highly desirable — a "four-in-one" approach for culture, arts, sports and tourism.

The notion behind this approach can be embodied in our aspired construction of an international cultural and arts performance venue at the southern tip of West Kowloon within the next five years. And, the construction of a sports and aquatic centre in Southeast Kowloon can also provide support. Then, there is the Disney theme park, the first stage of which can hopefully be completed in the next five years and the second in the next seven years. This can also provide additional support in time for the Asian Games. If the cruise terminal can be constructed by private developers, it can be completed even more quickly.

Given that all these large scale projects are presumably to be completed within the next five to seven years, the most demanding task for the Government is thus how best it can achieve the "multiplier effect" by means of overall planning and co-ordination, so as to elevate our cultural, arts and sports standards to new heights. And, our objective is of course the 2006 Asian Games. The Asian Games is not our only objective; it is simply one of the many intermediate stops leading to our long-term goals. When we are able to reach one intermediate stop after another, we will be able to enhance our dignity as a city, our national dignity, and our status in the world will elevate to another new level. I hope that we can reach this level in the first few years of the new millennium. Thank you, Madam President.

MR BERNARD CHAN: Madam President, I am obliged to speak on this motion because I am fully convinced of the importance of sports.

An impressive picture is imprinted in my mind. While I was jogging down the track in the centre field of the Happy Valley racetrack, a group of uniformed Japanese kids, about seven or eight years old, were having a soccer training session in the football field. They were being coached on personal skills and game tactics. What amazed me was the exceptional concentration and commitment that they have exhibited. Their mothers were equally involved by providing all sorts of support to the little players.

Every time I meet those kids, I am reminded of the seriousness of sport and the devotion it deserves. I realize it is no surprise that Japan has become an Asian superpower in soccer in the last few years. Sport gives life to our soul and body. It nurtures team spirit and a culture of persistence and discipline. Sport is a game, but it is more than a game. It can even make up a nation.

I am sure that everyone who has taken a serious part in sport has glimpsed its magic to some extent. To me, it is not only my sole hobby, but also my source of power, passion and vitality. The marvelous reward from sporting games transcends material satisfaction. Our kids have indulged in enough materialistic enjoyment. They ought to be inspired of the true value of life, and sport is able to give them that taste of life.

I cannot agree more with the Honourable Andrew CHENG. I also support hosting the 2006 Asian Games if it is viable. I believe that an international sporting event is a business opportunity and also a catalyst for bringing out people's interest in sports. If the Games succeed in serving these two purposes, the huge input into the event is justifiable. I trust that efforts to cultivate a sports culture will in the end bear fruits.

I would like to add one point to the motion, that is, sport is a matter of life and growth. It should be promoted as a bridge between parents and kids.

If parents spend time coaching their kids in sports, they will actually be participating in their children's process of growth. Through sports, parents

and children can share the fun of games as well as the frustration of failure. They can stimulate in their children an admiration for excellence and a dedication to discipline. These are valuable assets to their life, as well as driving forces for academic and career accomplishments.

But the fact is, sport is alien to most local parents. Horse-racing is taken as a popular form of betting rather than a sport. Parents are busy with the horse betting and Mark Six throughout the week and their children prefer playing electronic games to physical exercise. As we find that obesity is prevalent in adults, it is illogical to think that the kids can avoid it without a change in public policy.

Up to this date, I still spend a few hours a day to work out and do sports in the early morning. I treasure very much the peace of mind and the strength that I obtain from exercising my body. My father occasionally joins me in working out and playing volleyball on the beach. I deeply believe that we should develop a cultural interest in sport and that it deserves a prime position in our policy.

Madam President, my foremost concern with Hong Kong's sports culture moves me to support both the original motion and the amendment. Thank you.

MISS CYD HO (in Cantonese): Madam President, sportsmanship is extremely important to the sound development of a man's character. Drills and competitions require athletes to constantly outdo themselves, to seek continuous progress. Athletes also have to learn how to handle victory and defeat — when they win, they must not become arrogant and hurt the feelings of their opponents; when they lose, they must not be despair, but must train themselves up again for future competitions. Madam President, I know that you like ball games as well. So, I am sure that you also know what an athlete is all about. When taking part in a competition, an athlete must not allow himself to be influenced by the prospects of victory or defeat. He must always remain clear-headed and devote his full concentration to the game, because a preoccupation with victory will only achieve the opposite result of upsetting his performance. Sportsmanship should have nothing to do with such a preoccupation. Instead, an athlete must concentrate wholly on how he performs in a game, because each and every move he makes will inevitably affect the effectiveness of his next move. He must not think too much about

how he performed; he must concentrate on the present moment. If the people of Hong Kong can have such a quality, such a spirit of concentration, they will be able to challenge their own records constantly. And, I am sure that our society will certainly be able to make quick progress. For this reason, the Frontier supports Mr Andrew CHENG's amendment, which urges the Government to draw up an integrated sports policy, so as to raise people's concern for sports development.

Having said that, I must also add that we do have some reservations about the idea that Hong Kong should bid for the hosting of the Asian Games, because we think that if we are really to attach any importance to sports, we will have to do much more than simply asking people to watch ball games together. We will also have to popularize sports participation in our community, by asking many many more common people to practise sports themselves. The topic of bidding for the hosting of the Asian Games no doubt merits our discussion, but to the community at large, this is after all a rather new suggestion. The sports sector may have considered the idea for quite some time, and it may also have made a lot of preparations. But the broad masses have not even heard of it until several weeks ago. Moreover, let us not forget that the media coverage on this proposal has been relatively scant, because a lot of media attention has been drawn to the many other things which occurred in Hong Kong over the past few weeks.

If we look at our schools, we will see that the facilities for providing basic sports training to our young people are actually far from being adequate. So, we really think that if we neglect basic sports training and suddenly channel all our resources to the preparations for hosting the Asian Games, the problem of uneven resources allocation may arise. The consultancy study commissioned by the Home Affairs Bureau surveyed 494 primary schools and 384 secondary schools, and the consultancy report shows that as many as 168 primary schools and 26 secondary schools are not equipped with any basketball courts and covered playgrounds. In other words, as many as 200 schools are not equipped with any sports facilities at all, and in order to conduct their physical education classes, they either have to book the facilities of other institutions such as the indoors games halls of the Urban Council, or simply have to make do with fewer physical education lessons. We have repeatedly raised this matter in the relevant panels of the Legislative Council. Whenever the construction of a school is discussed, we will invariably ask questions on how much room for activities is available to a primary school student. The answer we usually get is

a mere two sq m. When a primary school student has only two sq m for activities, how can we expect our primary schools to provide any substantial sports training?

I hope that the people of Hong Kong will refrain from thinking that the conditions are ripe just because a few local sports stars have recently emerged. I very much hope that we can first achieve the objective of popularizing sports participation. That is why we will abstain when the motion is put to the vote. But let me also reiterate that this topic should merit continued discussions because of its many potential benefits to our tourism industry and economy. The only thing is that the community at large may need more time for discussions. Thank you, Madam President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr Timothy FOK, you may now speak on Mr Andrew CHENG's amendment. You have five minutes to speak.

MR TIMOTHY FOK: Madam President, I thank everyone for speaking for and against the motion, which is not my motion as much as the wish of the people. To those, I thank for the confidence they have expressed in Hong Kong. A few years from now, you will reflect upon today as a watershed, making the evolution of a sports culture and a society that cherishes the multiple talents of its youth. You will watch Hong Kong's flag fly, with the national anthem ringing out as well as the roar of the home crowd in salute of their athletes. You will take solace in the fact that you have played a part in all the pageantry. You will be proud that you have allowed Hong Kong to show its face of competition, hospitality, friendship, optimism and courage to the world. To those, again, I thank them too because they have given us the motivation to try harder to educate others who may not appreciate what sport can do for our identity, character and community.

When we were growing up, our teachers asked us to seize the hour. Well, the hour is here. We must not be afraid. We must have faith, a faith

that other members of the Olympic Committee of Asia have in us as they invite Hong Kong to make a bid for the Asian Games. We must now convince the Government to join us in the endeavour and not disappoint the people who aspire, not just for the Games, but for Hong Kong that has no cap on its possibilities as no pin that pierces dreams.

I reckon that the speech explaining the rationale behind the motion has done much to clarify the misconception about the cost and effect of the Asian Games. I shall not repeat the eloquent words of my colleagues in the Council and my associates from the Sports Federation and Olympic Committee who stand ready to answer further questions in depth. To me, the best individuals to talk about the actual Asian experience are the athletes. Many of them may not be competing in seven years time in the Hong Kong Asian Games and yet, they are resolved to bring the Games here so that their successors can savour what they can and what they yearn for.

There is just one more point that I would like to add, and that is we, the Council, should not be just voting for the Asian Games but for the youth and the future. Just think about the young people and the gleam in their eyes as you vote. Please do not turn their hope into despair. Thank you.

SECRETARY FOR HOME AFFAIRS: Madam President, I am very glad that today's motion debate has generated so much interest. If my counting has not been mistaken, I think we have as many as 19 Members having spoken on this subject. It shows that Hong Kong people, including our legislators, are very interested in sport and Hong Kong is definitely not a desert insofar as sport is concerned.

I should like first of all, if I may, to take the opportunity to correct a misconception which is often reported in the media on occasions, and which might affect the thinking of some Honourable Members today in their deliberations. And the misconception is that the Government has spent too little, has done nothing for sport in Hong Kong, and that Hong Kong has not done enough insofar as sport is concerned.

Let me give you some facts. Not counting the contributions made by the two Municipal Councils insofar as provision of facilities and services for sports

and recreation is concerned, the Government's direct subvention to sport channelled through the Hong Kong Sports Development Board (SDB), has increased by 150% from \$78 million in 1996-97 to \$200 million in the current financial year, that is 1999-2000, that is, in the past three years. And I think we have also seen some good results, as pointed out by Honourable Members just now. In the Asian Games held recently in Bangkok, Thailand, Hong Kong has won five gold, six silver and six bronze medals. As the Honourable Eric LI has also pointed out, we did very well in the Paralympic Games and in the Far East and South Pacific (FESPIC) Games, in other words, the Games for the disabled.

Now, I shall turn back to the Asian Games. The Asian Games is one of the region's most prestigious and widely-watched events. Once every four years, for a two-week period, the eyes of hundreds of millions of sports enthusiasts throughout Asia and beyond are focused on the Games and on the host city. Generally speaking, there is tremendous potential for that city to gain significant social and economic benefits from its hosting of the Games.

The award of the right to host the Asian Games is, therefore, often considered a great honour for any city. It creates opportunities not only for sporting development, but also for social and economic advancement and tourism growth. It is, therefore, understandable that there is keen competition among Asian cities to bid for the right to host the Games. It is equally understandable that in order to secure this right, a city must meet a very high standard, not only in terms of facilities for the Games themselves, but also in terms of cultural, economic and, I am sure the Honourable Miss Christine LOH would like to hear, environmental conditions.

The Hong Kong Special Administrative Region (SAR) has an excellent range of good quality sports facilities, developed primarily to meet the recreational needs of our citizens. While the SAR's geographical limitations make it difficult to cater for the full range of sports enthusiasts' interests, nonetheless, most popular sports are well catered for. In addition, we have venues capable of holding world-class for individual sports events, and in recent years, we have hosted such events in sports as diverse as swimming, rugby and taekwondo.

It is one thing to have a range of good quality facilities which meet the recreational and sporting needs of the community. However, it is another thing entirely to provide venues of the nature, variety and calibre required for the hosting of full-scale events such as the Asian Games.

For the recent 1998 Asian Games held in Bangkok, a large number of the main sporting events were held at a purpose-built facility occupying a site of some 45 hectares. Other events took place in venues elsewhere in the city and at locations outside Bangkok itself. Numerous events in over 30 different sports took place almost simultaneously over the period of the Games. Clearly, hosting an event of this nature is an enormous undertaking, involving a considerable commitment in terms both of finance and of human resources. In Hong Kong, we are renowned throughout Asia and beyond for our financial expertise and the dynamic and resourceful qualities of our workforce. In short, we have a justifiable reputation for getting things done. Nonetheless, planning and building facilities up to the standards likely to be required for hosting the Asian Games would present a major challenge, particularly if timing were also a key issue.

In this context, we are aware that the Sports Federation and Olympic Committee of Hong Kong, China (SF&OC) is considering bidding for the 2006 Games, and that it hopes to indicate its intentions to the Olympic Council of Asia before the end of the year. We have, therefore, written to the SF&OC asking for an indication of the likely facilities required for hosting the Games, and have in the past few days received their reply, outlining in brief terms some of the basic requirements. We are now studying this with a view to developing a clearer picture of the commitment needed to host the Asian Games.

Having regard to the benefits that hosting the Asian Games could bring to the SAR, which I described earlier, the Government takes a positive attitude towards the proposal to bid for the Games, and supports this in principle. Indeed, we welcome the SF&OC's ambitious initiative in this regard. But we are anxious that such a bid should be a credible one, and one that has a strong chance of succeeding in bringing Asia's biggest sporting event to Hong Kong. We, therefore, need to be sure that we can meet the likely requirements of the Olympic Council of Asia in assessing bids, before committing the SAR to the

aim of hosting the Games in 2006.

To this end, we are already studying the question of land availability for the building of strategic recreational sporting facilities. In his motion, the Honourable Timothy FOK refers to the designation of land for the building of certain specific facilities. The Honourable NG Leung-sing just now also expressed his concern about adequate land allocation for the provision of sports and recreational facilities. As a matter of fact, the recently revised Chapter 4 of the Hong Kong Planning Standards and Guidelines notes that four sites have been reserved for the provision of stadiums. In addition, a 10-hectare site on a future reclamation in Tai Po District has recently been designated for strategic recreational use.

Given that we already have a number of sites presently earmarked for the development of major sports and recreational facilities, we will study potential uses for these sites, bearing in mind the various constraints involved. These constraints include the size, environmental considerations, traffic implications and the timetable for the likely availability of these sites. Once we have more precise information on the parameters for a successful Asian Games bid, we will be in a better position to assess the initial feasibility of building new facilities for such an event, and where necessary renovating existing facilities in order to meet the necessary standards.

Quite apart from this issue of site availability, we will also have to consider the financial implications of providing major new sports facilities within a defined timeframe. The long-term viability of such facilities is also an issue. It is essential that such venues should be able to serve a public need beyond the hosting of occasional major sports events. In this regard, I note Mr Timothy FOK's suggestion to integrate these facilities with arts and cultural venues. While I will agree that this is an idea worthy of further detailed consideration, we should also bear in mind that the needs of the arts and cultural community may well be very different from those of our athletes and their sports associations. We also need to consider how a stadium facility might be integrated with an aquatic centre. The importance of careful planning and co-ordination of facilities must certainly not be overlooked.

Looking beyond the question of facilities provision *per se*, there are many other questions which have to be addressed in considering support for an Asian Games bid. More than 10 000 athletes, some Honourable Members just now

mentioned 15 000 athletes, coaches and administrators could be expected to take part in such Games, and a package of appropriate accommodation and transportation arrangements will have to be put in place to meet their needs. We have to consider the longer-term effects on the economy of preparing for and hosting an event of this scale, with regard to our tourism industry, the environment, planning considerations, allocation of public resources and so on. A number of different government bureaux and departments will be involved in assessing all these factors.

There is also the question of how hosting the Asian Games might help to shape our development of a comprehensive policy for Hong Kong's sports development. Since the setting up of the SDB in 1990, we have relied heavily on the SDB to support the development of sport in Hong Kong. This has involved improving the standards of our coaches, athletes and administrators, as well as supporting the National Sports Associations. While the results which have been achieved over the past few years attest to the success of the SDB's approach, we need to consider how we can maintain momentum which has been built up, and where possible make further improvements.

In this regard, I note the amendment to the original motion proposed by the Honourable Andrew CHENG, which focuses on a formulation of a comprehensive sports policy for the SAR. Members are aware that in recent months, we have been conducting thorough consultation on the future administrative framework for sport following publication of our consultant's report in mid-March. This has included discussions with the sports organizations concerned and with the Panel on Home Affairs of the Legislative Council. The development of a new administrative structure for sport will give us an opportunity to formulate an integrated sports and recreational policy for Hong Kong. Such a policy could lay down firm principles for sports development from the junior entry level right up to the training of elite competitive athletes.

A week from today, I shall introduce into this Council a bill seeking to expand the membership of the SDB. This will include increasing the SF&OC's representation on the Board. With this expansion, the SDB will be better placed to provide advice to the Government on a wide range of policy issues related to sports and recreation. I look forward in due course to developing a comprehensive sports policy for the early years of the new century, in consultation with the SDB, the SF&OC and other stakeholders in the sports community. Without question, this policy must include reference to the

adequacy of our facilities to meet our future sports and recreational needs, as well as to how to encourage greater participation and raise sporting standards and awareness in Hong Kong.

In conclusion, I thank Honourable Members for their views on this issue. I look forward in the coming months to studying further the SAR's real needs as regards the provision of sports and recreational facilities and to promoting the development of a comprehensive policy in this area. We will seriously assess the SF&OC's proposal to host the Asian Games, and I can assure Members that we will co-operate closely with the sports community and other interested parties in this important task.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the amendment moved by Mr Andrew CHENG to Mr Timothy FOK's motion, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr Andrew CHENG rose to claim a division.

PRESIDENT (in Cantonese): Mr Andrew CHENG has claimed a division. The division bell will ring for three minutes.

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

PRESIDENT (in Cantonese): If there are no queries, I declare that voting shall now stop. The result will be displayed.

Functional Constituencies:

Mr Michael HO, Mr CHEUNG Man-kwong, Mr Ambrose CHEUNG, Mr Bernard CHAN, Mr SIN Chung-kai and Mr LAW Chi-kwong voted for the amendment.

Mr Edward HO, Dr Raymond HO, Mr Eric LI, Mr LEE Kai-ming, Dr LUI Ming-wah, Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Mr CHAN Wing-chan, Dr LEONG Che-hung, Mrs Sophie LEUNG, Dr Philip WONG, Mr Howard YOUNG, Mr LAU Wong-fat, Mrs Miriam LAU, Mr Timothy FOK and Dr TANG Siu-tong voted against the amendment.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr Albert HO, Mr LEE Wing-tat, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Miss Emily LAU, Mr Andrew CHENG and Mr SZETO Wah voted for the amendment.

Miss CHAN Yuen-han, Mr Jasper TSANG, Mr TAM Yiu-chung, Mr David CHU, Mr HO Sai-chu, Mr NG Leung-sing, Mr CHAN Kam-lam, Mr YEUNG Yiu-chung, Mr Ambrose LAU and Miss CHOY So-yuk voted against the amendment.

Miss Christine LOH abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 22 were present, six were in favour of the amendment and 16 against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 23 were present, 11 were in favour of the amendment, 10 against it and one abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negated.

PRESIDENT (in Cantonese): Mr Timothy FOK, you still have 23 seconds, do you wish to reply?

(Mr Timothy FOK indicated that he did not wish to reply)

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

(Members raised their hands)

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

(No hands raised)

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

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 7 July 1999.

Adjourned accordingly at twenty-five minutes to Ten o'clock.

WRITTEN ANSWER

Translation of written answer by the Secretary for Health and Welfare to Mr Ambrose CHEUNG's supplementary question to Question 1

According to the records kept by the Department of Health, figures for the past three years are as follows:

<i>Year</i>	<i>1996</i>		<i>1997</i>		<i>1998</i>	
	<i>Competent Authority</i>	<i>Incompetent Authority</i>	<i>Competent Authority</i>	<i>Incompetent Authority</i>	<i>Competent Authority</i>	<i>Incompetent Authority</i>
No. of samples taken	325	25	268	16	294	170
No. of samples found unsatisfactory	0	0	0	0	0	7*

* Drugs such as Clenbuterol are found in those meat.

At present, over 90% of the meat imported into Hong Kong comes from places which have become "competent authority". This explains why more samples of meat from these places are taken. In the course of sampling, the Department of Health will immediately destroy the whole batch of meat once unsatisfactory samples are discovered and will urge the authority of the relevant place of export to take corresponding improvement measures.