

**立法會**  
**Legislative Council**

LC Paper No. CB(2)2200/98-99

(These minutes have been  
seen by the Administration)

Ref : CB2/PL/HA

**LegCo Panel on Home Affairs**

**Minutes of meeting**  
**held on Monday, 10 May 1999 at 4:30 pm**  
**in the Chamber of the Legislative Council Building**

- Members Present** :
- Hon CHOY So-yuk (Chairman)
  - Hon Albert HO Chun-yan (Deputy Chairman)
  - Hon Cyd HO Sau-lan
  - Hon Edward HO Sing-tin, JP
  - Hon LEE Wing-tat
  - Hon MA Fung-kwok
  - Hon Ambrose CHEUNG Wing-sum, JP
  - Hon Mrs Sophie LEUNG LAU Yau-fun, JP
  - Hon Andrew WONG Wang-fat, JP
  - Hon Jasper TSANG Yok-sing, JP
  - Hon Emily LAU Wai-hing, JP
  - Hon Andrew CHENG Kar-foo
  - Hon Timothy FOK Tsun-ting, JP
  - Hon LAW Chi-kwong, JP
- Members Absent** :
- Hon James TO Kun-sun
  - Hon Christine LOH
  - Hon Gary CHENG Kai-nam
  - Hon LAU Wong-fat, GBS, JP
- Member Attending** :
- Hon SIN Chung-kai

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**Public Officers : Item IV  
Attending**

Mr John DEAN  
Principal Assistant Secretary for Home Affairs

Mr WONG Wai-man  
Deputy Departmental Secretary  
Home Affairs Department

Mr Peter LAI Pong-woon  
Departmental Secretary  
Information Services Department

Mr Terence YU  
Senior Information Officer  
Information Services Department

Item V

Mr Arthur NG  
Deputy Secretary for Home Affairs (Culture & Sport)

Mrs Erika HUI  
Assistant Commissioner for Tourism

Item VI

Mr David TSUI  
Deputy Secretary for Home Affairs

Mr LUI Hau-tuen  
Deputy Director of Home Affairs

Mr Parrish NG  
Principal Assistant Secretary for Home Affairs

**Attendance by : Item IV  
Invitation**

Office of the Privacy Commissioner for Personal Data

Mr Stephen LAU Ka-men  
Privacy Commissioner for Personal Data

Mr Tony LAM Wing-hong  
Assistant Privacy Commissioner for Personal Data

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Equal Opportunities Commission

Mr Michael CHAN  
Director (Administration)

Mr FUNG Man-hei  
Assistant Computer Officer

Item V

Ocean Park Corporation

Mr Frank PONG  
Deputy Chairman, Board of the Ocean Park Corporation

Mr John CORCORAN  
Chief Executive

Mr Matthias LI  
Finance & Administration Director

Mrs Shirley CHUNG  
Marketing Director

**Clerk in Attendance** : Mrs Constance LI  
Chief Assistant Secretary (2) 2

**Staff in Attendance** : Miss Flora TAI  
Senior Assistant Secretary (2) 2

Mr Raymond LAM  
Senior Assistant Secretary (2) 5

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As the Chairman and Deputy Chairman were engaged in some urgent business, Ms Emily LAU was elected by members to chair the discussion of items I and II.

**I. Confirmation of minutes of meeting**  
(LC Paper No. CB(2)1803/98-99)

2. The minutes of the meeting held on 8 February 1999 [LC Paper No. CB(2)1803/98-99] were confirmed.

**II. Information papers issued since the last meeting**

(LC Paper Nos. CB(2)1689/98-99, CB(2)1730/98-99, CB(2)1841/98-99 and CB(2)1843/98-99)

3. Members noted the following information papers issued since the last meeting -

- (a) letter of 10 April 1999 from the Hong Kong Sports Development Board providing information on its staff retreat meeting expenses [LC Paper No. CB(2)1689/98-99];
- (b) an opinion survey on municipal services conducted by the Provisional Urban Council and Provision Regional Council [LC Paper No. CB(2)1730/98-99];
- (c) an information paper provided by the Administration on the submissions to the Obscene Articles Tribunal for classification regarding newspaper and magazine articles [LC Paper No. CB(2)1841/98-99]; and
- (d) an information paper provided by the Equal Opportunities Commission on its advice to the Administration on discrimination issues [LC Paper No. CB(2)1843/98-99].

**III. Items for discussion at the next meeting**

(Appendix I to LC Paper No. CB(2)1839/98-99)

4. The Chairman resumed the chair for discussion of this item. Members agreed to discuss the following issues at the next meeting on Monday, 14 June 1999 -

- (a) Work of the Office of the Privacy Commissioner for Personal Data;
- (b) Difficulties encountered by divorcees in collecting maintenance payments; and
- (c) Proposed amendments to the Gambling Ordinance.

(*Post-meeting note* : Discussion of this item on “Proposed amendments to the Gambling Ordinance” was subsequently deferred at the request of the Administration.)

**IV. Progress of Year 2000 compliance exercise in Government, Government-funded and Government-regulated organizations**  
(Appendix II to Paper Nos. CB(2)1839/98-99(01) - (03))

5. The Deputy Chairman chaired the discussion of this item. At the invitation of the Deputy Chairman, Principal Assistant Secretary for Home Affairs (PAS for HA) briefed members on the Administration's paper which set out the latest position of Year 2000 (Y2K) compliance in the Home Affairs Bureau (HAB), government departments under the purview of HAB and non-government organizations (NGOs) regulated by HAB and providing essential services to the public. He informed members that the computer systems of HAB, Home Affairs Department (HAD), Information Services Department (ISD), Equal Opportunities Commission (EOC) and Office of the Privacy Commissioner for Personal Data (PCO) were independent systems not linked to each other. None of these systems were related to public health and safety or revenue collection. PAS for HA said that Secretary for Information Technology and Broadcasting (S for ITB) was co-ordinating all Government activities on the Y2K problem and HAB mainly served as an interacting post-office in relation to departments and NGOs under the purview of HAB. As the subject officer responsible for Y2K compliance in HAB, PAS for HA collated monthly returns of Y2K compliance from departments and NGOs under the purview of HAB and raised queries where inconsistency was found in the returns. If he was satisfied with the returns, he would pass them to the Secretary for Home Affairs (S for HA) for signature and onward transmission to the Information Technology and Broadcasting Bureau (ITBB). As regards the computer systems of HAB, PAS for HA informed members that the Local Area Network (LAN) would be replaced next month by a new network that was Y2K compliant.

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6. The Deputy Chairman enquired whether HAB would announce to the public the progress of Y2K compliance of departments and organizations under its purview. PAS for HA agreed to consider the suggestion. He said that one possibility was to upload such information onto the web site of HAB. However, he was doubtful about the level of public interest in such information.

*Verification of returns from departments and organizations*

7. Miss Emily LAU said that the LegCo inquiry into the problems surrounding the new airport in Chek Lap Kok revealed that signatures by senior government officials were no guarantee that the systems would be in order. She enquired whether there was a mechanism to verify the information before S for HA signed the returns. PAS for HA said that S for HA and himself were no experts in computer systems, and they had to rely on the information provided by the team of Y2K experts who compiled the returns for

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the respective government departments and organisations. In submitting the returns to HAB, the head of the concerned organization or department should have verified the contents. If PAS for HA detected any inconsistency in the returns received, he would seek explanation from the organisation or department concerned. In many cases, Y2K compliance was achieved through the replacement of an old system with a new one that was Y2K compliant. Miss LAU commented that although S for HA and PAS for HA were not experts in computer systems, they should take steps to verify and scrutinize the information provided before signing on the returns. PAS for HA said that the Y2K teams were responsible for checking the information in the returns, and HAB would have no reason to question the assurances of these experts.

8. Miss Cyd HO enquired about the number of returns that had been signed by S for HA and the number that had been checked. PAS for HA responded that he did not have the requested statistics in hand. Since he took over the exercise, he had personally examined each return submitted, which were standard forms containing specific questions. He would investigate if inconsistency was spotted. If the return was in order, he would submit it with his recommendations to S for HA. The latter had not raised any queries so far. Miss HO was of the view that some random checking on the returns should be performed before S for HA signed the returns, otherwise his signature would be meaningless. PAS for HA reiterated that as S for HA was not a computer expert, expert teams had been appointed to carry out the checking. It was impractical to require policy secretaries to personally check the hard disks and related software. The signature of S for HA on the monthly returns indicated that he was content with the progress being made. If he was not satisfied with the progress, S for HA could indicate on the return concerned. PAS for HA said that the Y2K conformity process, by its very nature, did not permit of firm guarantees. What policy bureaux could do was to take every reasonable step to ensure the success of the exercise. Despite the explanation of PAS for HA, Miss Cyd HO remained concerned that other Bureau Secretaries might also not check the returns involving computer systems which were mission-critical. The Deputy Chairman said that this was a general issue and suggested members to raise it with the Panel on Information, Technology and Broadcasting.

Member/Clerk

Home Affairs Department (HAD)

9. In response to Mr TSANG Yok-sing, Deputy Departmental Secretary of Home Affairs Department advised that most of the computer systems of HAD were standalone personal computers not linked to each other. All personal computers in use were tested and confirmed to be Y2K compliant.

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Office of Privacy Commissioner for Personal Data

10. Privacy Commissioner for Personal Data (PC) informed members that PCO started addressing the Y2K issue in July 1998. Following an independent risk assessment to assess PCO's computer system against Y2K compliance requirements, rectifications were made to areas requiring enhancement or upgrading. Apart from a Chinese Window 95 software for which Y2K patches from the supplier were still awaited, all the non-Y2K compliant systems had been rectified. He added that as there was no guarantee from the suppliers on the Y2K compliance of the rectified systems, PCO had taken further steps to safeguard the systems against unexpected Y2K problems. These included conducting a series of compliance tests and the development of a contingency plan by June 1999.

11. As regards the progress on Y2K compliance testing of the Complaints Handling System, PC informed members that the following tests were carried out in addition to those already performed by the suppliers -

- (a) test planning- completed at the end of April;
- (b) test execution- scheduled for completion by 21 May 1999; and
- (c) post testing review- scheduled for completion by 28 May 1999.

He said that satisfactory progress had been made so far. If problems were identified during the tests in May, there would still be ample time for rectification. He added that the Chinese Windows 95 software would be replaced with a new software, if necessary.

Equal Opportunities Commission (EOC)

12. Director (Administration) of Equal Opportunities Commission (D(A) of EOC) informed members that there were four computer and embedded systems in EOC and the Y2K compliance of these systems were reviewed in May 1998. Of these systems, a computerized Complaint Handling System and a Windows NT server for the accounts office were found to be Y2K compliant. Of the other two systems, the telephone voice mail system had been upgraded to a new Y2K compliant system, while testing was being carried out by the Assistant Computer Officer (ACO) of EOC on the Novell server for the LAN of EOC. All personal computer workstations linked to the Novell server had passed the hardware tests at the end of February 1999 while software tests were being carried out. It was expected that all systems of EOC should be Y2K compliant by June 1999.

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13. In response to Hon CHOY So-yuk's question about the costs for the contingency plans of EOC, ACO of EOC advised that rectification work to the Novell server started from October 1998 and was expected to be completed by end of May 1999. If the server was not Y2K compliant despite rectification, a new platform costing less than \$100,000 would be installed. The deadline for switching to a new platform was August so that there would still be time for further testing. The new platform had already been confirmed by other users to be Y2K compliant.

**V. Proposed \$500 million loan to support Ocean Park Corporation's Lowland Redevelopment Project**  
(Paper No. CB(2)1895/98-99(01))

14. The Chairman took over the chair of the meeting from the Deputy Chairman. At the invitation of the Chairman, Deputy Chairman of the Board of Ocean Park Corporation (DC of BOPC) and Chief Executive of Ocean Park Corporation (CE of OPC) briefed members on the re-development plan of the Ocean Park's Water World and part of its Lowland Area for which a \$500 million Government loan to the Ocean Park Corporation (OPC) would be required. The following points were highlighted -

- (a) In 1998, OPC started developing a strategic plan for Ocean Park to attract more tourists in view of the drop in tourist arrivals in Hong Kong last year. A \$500 million Government loan was required to advance the commencement of the Lowland Redevelopment Project (the Project) to promote tourism in Hong Kong.
- (b) The Project involved the transformation of 300 000 to 400 000 square feet of area occupied by Water World into a brand new themed area called "Adventure Bay" by the year 2002. It would comprise three anchor attractions including a "Marine Encounter" providing a venue for Ocean Park's marine mammal presentation, a "Wild Voyage" providing visitors a thrilled ride through wild waves and radical river rapids, and a "Seaport Village" which was a themed village for shopping and dining in a fun-filled nautical atmosphere. "Adventure Bay" would be suitable for both day and night operations. It would join Ocean Park's new Giant Panda Habitat and Sealion Fun Time attractions in making Ocean Park an exciting travel destination in Hong Kong.
- (c) The Project would have a positive impact on the economy of Hong Kong. In addition to the direct economic benefit

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generated by the construction works and employment opportunities, there would also be indirect benefits such as increase in tourists' expenditure due to longer stay in Hong Kong.

- (d) The Project had a dual mission of providing education and entertainment to visitors. Ocean Park was committed to its mission of promoting conservation of marine life and animals through public education and participation.
- (e) The proposed loan was interest-bearing, to be repaid to Government by 10 equal instalments after the final drawdown of the loan from the year 2004.

Interest rate on the loan

15. Members noted that the loan would be subject to a simple interest rate of 5%. In this connection, Miss Cyd HO asked whether the Administration usually adopted the "no-gain-no-loss" policy in fixing the interest rate of Government loans to organizations. If that was the case, the interest rate should be about 6% instead of 5%. She asked why Government was to apply a lower interest rate to OPC similar to the loan arrangements for statutory bodies such as Hong Kong Housing Society and Hong Kong Tourist Association (HKTA). Deputy Secretary for Home Affairs (Culture and Sport) (DS for HA(C&S)) said that the terms and conditions of the loan were drawn up in consultation with Finance Bureau (FB) with reference to previous cases. The proposed loan was necessary as commercial borrowing was not a viable option for OPC. DC of BOPC added that the proposed 5% interest rate was reasonable. At the request of Miss Cyd HO, DS for HA agreed to explain in the Finance Committee paper the reasons for setting the interest rate at 5%.

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Projected number of tourists visiting Ocean Park

16. Mr TSANG Yok-sing was concerned that the projected increase of visitors to Ocean Park from 822 000 to 1.4 million in 2002-03 might be too optimistic. DC of BOPC and Marketing Director of OPC (MD of OPC) said that although there had been a drop in the number of tourists visiting Hong Kong last year, there should be a stable increase in the number of tourists in the long term. A survey conducted by HKTA revealed that one out of five tourists visiting Hong Kong expressed interest in visiting an international theme park in Hong Kong. Among them, only 22% had visited Ocean Park. With about 10 million tourists to Hong Kong each year, there would be about 1.5 million tourists interested in visiting Ocean Park. As regards the ratio of tourists to local visitors, MD of OPC said that 30% of the people visiting Ocean Park were visitors from outside Hong Kong, 60% of which came from

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the Mainland, 15% from Taiwan, 20% from Southeast Asian countries and 5% from other countries. The number of local visitors to Ocean Park was already very high. OPC hoped to maintain the current number of local visitors while increasing the number of tourists visitors to about 40% of the total number of visitors to Ocean Park. AC for T advised that OPC had worked together with HKTA on the visitor statistics. OPC would need to step up marketing efforts with HKTA to increase the proportion of overseas visitors to 40%.

Repayment ability of OPC

17. In response to Mr TSANG Yok-shing and Mr MA Fung-kwok, DC of BOPC informed members that OPC had sound financial management and had cash surplus over the past eight years. Despite the decrease in tourist arrivals last year, OPC was still able to maintain a balance in income and expenditure. He considered that an organization's repayment ability was dependent on the long term viability of the business engaged and the dedication of the board of directors and staff. In this respect, OPC had maintained cash surpluses for many years, and its staff was dedicated as reflected in the low staff turnover rate. He was confident of the repayment ability of OPC. DS for HA (CS) said that HAB and FB had carefully examined the business forecast and financial position of OPC, and had no doubt about its repayment ability on the basis of the projections provided by the Ocean Park. He emphasized that the proposed Government loan was only to enable OPC to start the Project as early as possible.

18. Mr MA Fung-kwok asked whether the proposed construction of an international theme park in Hong Kong would have an adverse impact on the business forecast and repayment ability of OPC. In this respect, Assistant Commissioner for Tourism (AC for T) advised that experience in the United States showed that while the opening of new theme parks might have some impact on patronage at existing theme parks initially, such new facilities had served to boost visitor arrivals overall in the long run. She stressed that the Project was consistent with HKTA's long term objective of attracting more tourists to Hong Kong. CE of OPC added that, based on his 30 years' experience in theme park business and his observations, the construction of new theme parks in the neighbourhood of an existing theme park in South California and Orlando had attracted more visitors to the area. He considered that if an international theme park was to be constructed in Hong Kong, it would attract more tourists to Hong Kong and hence more visitors to Ocean Park.

19. Noting that the proposed loan was repayable by ten equal instalments of \$50 million each plus interest, the Chairman enquired about OPC's average annual cash surplus and the projected profits from the year 2004 onwards. Finance and Administration Director of OPC advised that over the past eight years, OPC had generated approximately \$100 million cash from its operations

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annually except last year. When "Adventure Bay" was opened to the public in the year 2002-03, about \$120 million of cash would be generated. The projection for 2007-08 would be \$470 million when the number of visitors was expected to rise to 6 million, and the balance of government loan then would be \$250 million. OPC was therefore very confident of its repayment ability.

Other options of financing the Project

20. Mr TSANG Yok-sing questioned why it was difficult for Ocean Park to obtain a commercial loan with its good record of generating cash surpluses. DC of BOPC explained the present position of Ocean Park. He said that Ocean Park became an independent non-profit statutory body on 1 July 1987. While Ocean Park had cash surpluses in previous years, the surpluses had been re-invested in its facilities to maintain their high quality. The loan was necessary for advancing the commencement of the Project which was originally scheduled to start at a later time. Commercial banks normally required security for such a substantial loan, and the only property which could be used as security by Ocean Park would be the special purpose equipment and buildings that would not be given a high loan value. Commercial borrowing was therefore not a viable option for Ocean Park. DC of BOPC added that Ocean Park had also approached the Hong Kong Jockey Club for funding support but was unsuccessful on this occasion.

21. Mr TSANG Yok-sing asked whether Government would consider privatising OPC to facilitate it to obtain commercial loans in future. He was of the view that there should be no conflict between the education mission of OPC and its operation based on commercial principles. DS for HA(CS) responded that Government considered it inappropriate to privatise Ocean Park given the latter's mission of public education. Mr TSANG Yok-sing asked whether the approval of the proposed loan would set a precedent for future loans to Ocean Park. DS for HA(CS) said that this would not constitute a precedent, as each application would be examined on the basis of its merits and circumstances.

Total project cost

22. Mr Edward HO expressed support of the proposed loan, as OPC had been successful in providing recreation and education to the public and had maintained cash surpluses for many years. To facilitate consideration of the proposal by the Finance Committee, he suggested that the paper should include information on the total project cost, the intended use of the \$500 million loan and the cost control measures to be adopted by OPC. DC of BOPC advised that the approximate total project cost was more than \$1,000 million and the cash flow requirements in the next few years would be around \$800 million. The Administration agreed to provide the information in the Finance Committee paper.

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Co-ordination of tourism infrastructure projects

23. Mr Ambrose CHEUNG enquired whether the Administration would consider co-ordinating the Project with other tourism infrastructure projects such as the proposed fisherman's wharf and the international theme park on Lantau Island. If a ferry pier was to be set up near Ocean Park, there could be sea cruises from the Ocean park to the proposed Disney Land and other tourist spots along the coastline. AC for T said that the fisherman wharf study would look into co-ordination with other tourism infrastructure projects in the area. Mr CHEUNG's suggestion could be considered in the study. CE of BOPC said that Ocean Park would welcome the opportunity to participate in the co-ordinated plan for promoting tourism in the area.

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24. The Chairman advised the Administration to take note of members' comments and incorporate the requested information in the Finance Committee paper for discussion on 21 May 1999.

**VI. Rural elections**

[Paper No. CB(2)1839/98-99(04)]

25. At the invitation of the Chairman, Deputy Secretary for Home Affairs (DS for HA) briefed members on the progress of the Working Group on Rural Elections (the Working Group) which was set up in April 1999 to ensure that rural elections were conducted in a fair, open and clean manner. He informed members that the Working Group had already convened meetings to review the "Model Rules" promulgated by Heung Yee Kuk and the scope of legislation to regulate the conduct of Village Representative (VR) elections. A site visit was also conducted to examine the election practices adopted by "indigenous" and "non-indigenous" villages. While the "Model Rules" had the merit of being simple and easy to implement, the Working Group considered that these Rules had not adequately taken into account modern development in the society in recent years. The simplicity or inadequacy of the Model Rules had led to disputes requiring adjudication in court. While the court rulings or case law could provide reference for future interpretation of the Model Rules, the Working Group considered that having specific legislation for VR elections would provide greater clarity in the regulation and monitoring of such elections. In examining the scope of legislation for regulating VR elections, the Working Group had noted that there were different types of villages, and that the "indigenous" villages involved complicated issues which would need careful and detailed examination. In this respect, the Working Group had made reference to a master's degree thesis which contained detailed information on the tradition and history of rural elections, written by Mr H H LO in 1975.

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26. Mr Andrew WONG said that a number of problems were found in VR elections recently. He asked about the Government's current views on VR elections and whether the Working Group would examine the need for including VR elections in the Corrupt and Illegal Practices Ordinance (CIPO) which regulated the elections of Heung Yee Kuk and Rural Committees. Mr WONG considered it necessary to review the current rural election mechanism and to designate a body such as Heung Yee Kuk or Electoral Affairs Commission or Home Affairs Department (HAD) to ensure that consistent criteria were adopted in respect of voting rights and candidature in VR elections. He suggested that the Working Group should also examine the demarcation and composition of villages, and rationalise the differences between "indigenous" and "non-indigenous" villages. In this connection, he said it was also relevant to examine whether Heung Yee Kuk represented the entire New Territories, or only the villages (or just "indigenous" villages) in the New Territories.

27. DS for HA responded that all the issues raised by Mr WONG were within the scope of the Working Group. To ensure fair, open and clean rural elections, the Working Group had agreed that VR elections should also be subject to CIPO. However, a proper election mechanism would have to be put in place before VR elections could effectively be brought under the regulation of CIPO. The legislative framework would be further deliberated by the Working Group. As regards the monitoring of VR elections, the Working Group was of the view that this should be carried out by a neutral body other than HAD, to avoid possible conflict of interest in the conduct of daily business affecting the villages. On the issue of "indigenous" villages (i.e. villages existed before 1898), DS for HA said this was the most complicated part of the review. He pointed out that Article 40 of the Basic Law had provided for the protection of the lawful traditional rights and interests of the indigenous inhabitants of the New Territories. In this respect, HAB was working with the Department of Justice on how this would be implemented to ensure consistency between any proposed legislation on VR elections and Article 40 of the Basic Law. On the representativeness of Heung Yee Kuk, he informed members that according to a recent court ruling, Heung Yee Kuk represented the entire New Territories. As the ruling differed from the usual interpretation adopted by Government, legal advice was being sought as to whether an appeal should be lodged against the ruling. One of the purposes of the appeal was to clarify the role of the Heung Yee Kuk in view of the urbanisation of the New Territories and the fact that many city-dwellers had moved to live in the New Territories.

28. Deputy Director of Home Affairs (DD of HA) supplemented that the Working Group considered that the three-tier elections in the rural sector (i.e. Heung Yee Kuk, Rural Committees and VR elections) should be subject to CIPO. However, in view of the large number of VRs (about 1 000 VRs) involved, a legal framework would have to be set up to regulate the election of

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VRs. He pointed out that the issue of “indigenous” villages was very complicated. For example, Lung Kwu Tan Tsuen and Sam Tung Uk Tsuen were indigenous villages but some villagers had rented their houses to outsiders. As regards Tong Yan San Tsuen, it only comprised non- indigenous villagers. On the other hand, many indigenous inhabitants of Cheung Chau and Peng Chau were fishermen who did not live on land had not been classified as indigenous villagers. Mr Andrew WONG said that the situation in Po Toi O was similar to that of Cheung Chau and Peng Chau. He considered that indigenous inhabitants who did not live on land should still be regarded as indigenous villagers. DD of HA noted the comments.

29. Mr LEE Wing-tat sought clarification from the Administration as to whether it supported inclusion of VR elections in CIPO or the Election (Corrupt and Illegal Conduct) Bill which was now under LegCo scrutiny. Mr LEE said that he was considering moving a Committee Stage amendment to include VR elections in the Bill. If the Administration decided to expand the scope of the Bill to cover VR elections, he would not move the amendment. DS for HA responded that the Administration supported in principle that VR elections should also be subject to CIPO or the Bill, since VRs could be elected as Chairmen of Rural Committees and became ex-officio members of the District Councils. However, a proper election mechanism would have to be established for VR elections and the Working Group intended to replace the “Model Rules” by specific legislation. In formulating the legal framework, the Working Group would have to resolve issues such as the ratio of number of VRs to village population, demarcation of village boundaries, and issues relating to “indigenous” villages and fishing villages. DS for HA said that the most difficult task was to determine what were the lawful traditional rights and interest of the indigenous inhabitants in the New Territories that should be protected under Article 40 of Basic Law. He pointed out that in some villages, there were very few or even no indigenous villagers, and most of the residents only moved to live in the villages after 1898. The Working Group would have to carefully consider the implications of these issues and strike a balance when formulating views on the eligibility of a voter or a candidate in VR elections.

30. Ms Emily LAU was pleased to note the Administration’s support to include VR elections in CIPO. As the issue had been discussed by LegCo Panels for years, she wondered when the Administration had taken the current view. DS for HA said that the Administration formed the current view when examining the need to regulate VR elections by legislation. As regards Miss LAU’s question of whether the Administration would consider incorporating VR elections in the Bill, DS for HA advised that the Working Group would need six months to complete the review before legislation could be introduced to regulate VR elections.

31. Miss Emily LAU referred to a recent report that HAB and the Secretary for Justice held different views on the procedures for rural elections and

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enquired whether the differences had been resolved. DS for HA and DD of HA responded that it was not uncommon for different officials to have different opinions on issues during deliberations.

32. Responding to Miss Emily LAU's enquiry as to whether re-election of VRs was necessary upon enactment of the legislation governing VR elections, DS for HA and DD of HA said that re-election of VRs had just been completed and their term of office was four years. Re-election would not be required during the term unless a particular election was found by court as illegal upon appeal.

33. The Chairman thanked representatives of the Administration for attending the discussion.

**VII. Any other business**

34. As the House Committee would hold an urgent special meeting on 14 May 1999, members agreed to re-schedule the three special meetings of the Panel scheduled for 14, 18 and 20 May 1999, as follows -

<u>Date</u>	<u>Time</u>	<u>Remarks</u>
14 May 1999 (Friday)	10:45 am - 12:45 pm	Cancelled
18 May 1999 (Tuesday)	10:45 am - 12:45 pm	To discuss with the Consultant, the Administration, and arts/culture/sports organizations on the Consultancy Study on Culture, the Arts, Recreation and Sports services.
20 May 1999 (Thursday)	2:30 pm - 4:30 pm	(a) To discuss with members of the two Provisional Municipal Councils, and sports organizations on the Consultancy Study on Culture, the Arts, Recreation and Sports services.  (b) To discuss the proposed Centre for Youth Development.

*(Post-meeting note : The special meeting on 20 May 1999 was subsequently re-scheduled to 27 May 1999.)*

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35. The meeting ended at 6:45 pm.

Legislative Council Secretariat

7 June 1999