

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 26 January 2000

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, S.B.S., J.P.

THE HONOURABLE CYD HO SAU-LAN

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

THE HONOURABLE ALBERT HO CHUN-YAN

THE HONOURABLE MICHAEL HO MUN-KA

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

THE HONOURABLE LEE WING-TAT

THE HONOURABLE LEE CHEUK-YAN

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

THE HONOURABLE LEE KAI-MING, S.B.S., J.P.

THE HONOURABLE FRED LI WAH-MING, J.P.

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

THE HONOURABLE NG LEUNG-SING

PROF THE HONOURABLE NG CHING-FAI

THE HONOURABLE MARGARET NG

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

THE HONOURABLE RONALD ARCULLI, J.P.

THE HONOURABLE MA FUNG-KWOK

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

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, J.P.

THE HONOURABLE SIN CHUNG-KAI

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

DR THE HONOURABLE PHILIP WONG YU-HONG

THE HONOURABLE WONG YUNG-KAN

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

THE HONOURABLE LAW CHI-KWONG, J.P.

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

THE HONOURABLE FUNG CHI-KIN

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

MEMBERS ABSENT:

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

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

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE DONALD TSANG YAM-KUEN, 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 AND LANDS

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

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

MR LAM WOON-KWONG, J.P.
SECRETARY FOR THE CIVIL SERVICE

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

MRS LILY YAM KWAN PUI-YING, J.P.
SECRETARY FOR THE ENVIRONMENT AND FOOD

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

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

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

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

TABLING OF PAPERS

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

| Subsidiary Legislation/Instruments | <i>L.N. No.</i> |
|--|-----------------|
| Legislative Council (Formation of Election Committee) (Appeals) (Amendment) Regulation 2000 | 13/2000 |
| Legislative Council (Subscribers and Election Deposit for Nomination) (Amendment) Regulation 2000 | 14/2000 |
| Distribution of Number of Members Among Designated Bodies (Election Committee) (Legislative Council) Order 2000..... | 15/2000 |
| Maximum Scale of Election Expenses (Legislative Council) Order 1997 (Amendment) Order 2000 | 16/2000 |
| Estate Agents (Registration of Determination and Appeal) Regulation..... | 17/2000 |
| Census and Statistics (Labour Earnings Survey) Order .. | 18/2000 |
| Companies Ordinance (Amendment of Eighth Schedule) Order 2000..... | 19/2000 |

Other Papers

- No. 63 — Occupational Deafness Compensation Board
Annual Report 1998-99
- No. 64 — Employees Compensation Assistance Fund Board
Annual Report 1997/98
- No. 65 — Annual Report of the Protection of Wages on Insolvency
Fund Board 1998-99

- No. 66 — Pneumoconiosis Compensation Fund Board 1998 Annual Report
- No. 67 — Hong Kong Arts Development Council Annual Report 1998/1999
- No. 68 — The Hong Kong Academy for Performing Arts Annual Report 1998-1999
- No. 69 — The Hong Kong Academy for Performing Arts - Financial Statements and Auditor's Report for the year ended 30th June 1999
- No. 70 — Li Po Chun Charitable Trust Fund Annual Report for the period 1 September 1998 to 31 August 1999

Report of the Bills Committee on Hong Kong Arts Development Council (Amendment) Bill 1999

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Review of the Youth Pre-employment Training Programme

1. **MR YEUNG YIU-CHUNG** (in Cantonese): *Madam President, in view of the imminent completion of the six-month Youth Pre-employment Training Programme, will the Government inform this Council:*

- (a) *of the respective preliminary comments on the Programme given by the organizations offering the workplace attachment places and the Programme participants, as well as the criteria it will adopt for evaluating the effectiveness of the Programme;*
- (b) *how it will assist the participants who have completed the Programme in seeking employment; and*

- (c) *given that the age profile of the unemployed population in Hong Kong is becoming younger, whether it has assessed if the Programme is effective in tackling the problem of youth unemployment?*

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

- (a) During the implementation of the Youth Pre-employment Training Programme, the Government has kept in close touch with the participating organizations and the Programme trainees to collect their opinions with a view to keeping the operation of the Programme under review and implementing improvement measures. Early this month, the Youth Pre-employment Training Programme Co-ordination Office of the Labour Department has started the mid-term review of the Programme. Besides making reference to the comments received in the past, the review also collated the opinions from a small-scale sample survey of trainees, training providers, youth organizations providing case management service as well as organizations providing workplace attachment places. According to the preliminary findings of the survey, all organizations providing workplace attachment places and 99% of the trainees surveyed considered that the Programme was worth implementing.

We will conduct a comprehensive review of the Programme upon its completion in March this year to evaluate its effectiveness in two major areas: (1) whether the participants themselves approve of the Programme and whether they consider their self-confidence, job search and interpersonal skills as well as job-specific skills have been enhanced through participation in it; (2) whether the training providers and organizations providing workplace attachment places consider that the participants have shown improvement in various aspects, including their employability, on completion of the training.

- (b) The objective of the Youth Pre-employment Training Programme is to add value in the participants by enhancing their employability and competitiveness through the provision of a series of employment-related training courses and workplace attachment training, and to make them better prepared for future employment during the economic upturn. We do not expect all of them to be able to secure jobs immediately upon completion of the Programme, but we will take measures to help them enter the job market. These measures include:
- (1) To provide training courses and workplace attachment training in collaboration with certain sectors: For example, under the Youth Pre-employment Training Programme, we have jointly organized training courses and workplace attachment training in retailing and catering with the Hong Kong Retail Management Association and the Association of Restaurant Managers respectively. The participating organizations have expressed interest in employing those trainees who perform well after the attachment.
 - (2) To hold employment seminars: For example, an employment seminar on assistant hair stylist was held in early January under the Youth Pre-employment Training Programme. Another seminar on hotel housekeeping will be held in mid-February.
 - (3) Employment Exhibition: The Labour Department will run an "Employment Information Workshop" in mid-February for the first time for trainees who have completed the training to provide updated information on the job market, display job vacancies, provide employment service and so on.
 - (4) Employment Service: The Local Employment Service of the Labour Department will set up a special counter to provide employment service for the trainees. The Department will also send letters to participants to invite them to post their personal particulars and resumes on the Department's website through which employers may find suitable candidates for interviews.

Apart from the abovementioned, the Co-ordination Office also encourages training providers to assist participants in seeking employment so as to enhance their employment opportunities.

- (c) The problem of youth unemployment is a complicated issue. It relates to the availability of employment opportunities in the job market at different times, the matching of the curricula and mode of secondary education with the needs of the labour market, the ability of young people to keep abreast of the changes in the market and to grasp the most up-to-date information, the eagerness of youngsters in seeking employment as well as their ability to meet the needs of the market in their mentality, sense of responsibility, interpersonal skills, power of expression and such basic job skills as computer application. Youth Pre-employment Training Programme is a value-added plan which aims to add value in certain key areas on top of the existing knowledge of the trainees and to bring home to them the importance of life-long learning and self-improvement.

By helping young people to fortify their self-confidence and improve their interpersonal and job search skills and by offering them opportunities for basic skills training and workplace attachments, their employability will surely be enhanced. The Programme, therefore, plays a positive role in addressing the issue of youth unemployment. On completion of the Programme, a comprehensive assessment will be conducted to evaluate its effectiveness and explore the most effective means of providing pre-employment training for young people with a view to enhancing their employability and alleviating the problem of youth unemployment.

MR YEUNG YIU-CHUNG (in Cantonese): *Madam President, the Youth Pre-employment Training Programme is actually a "remedial" measure. In paragraph (c) of the main reply, the Secretary talked about the matching of the curricula and mode of secondary education with the needs of the labour market. In this respect, will the Government inform this Council of its solutions or proposals for improving the situation?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I will answer this question from several aspects. First, in the long run, the question relates to how we should push through education reforms in primary and secondary curricula to nurture students so that they will be better able to adapt to our knowledge-based society. This is a key component of our education reforms. As a short- and medium-term measure, we conducted a review of the curricula of prevocational schools two years ago and updated the curricula to make them better meet the needs of the market. In the meantime, a great variety of courses are provided by the Vocational Training Council (VTC) to offer training lasting one to two years to Secondary Three and Secondary Five graduates with a view to enabling them to grasp basic language or computer skills to cope with the demands of society.

PROF NG CHING-FAI (in Cantonese): *Madam President, it was recently reported that 40% of the trainees of the Youth Pre-employment Training Programme refused to accept the support and counselling services provided by social workers. Will the Government inform this Council whether it will, in planning for extending the Programme, make an appropriate assessment of the part concerning the services provided by social workers with a view to changing this mode of counselling?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, the report is not accurate. According to the information we have gathered, only about 5% of the Programme trainees refused to be counselled. I have mentioned in the main reply that we will conduct a comprehensive review of the Programme upon its completion in March. The review will of course include an evaluation of whether the counselling and support services are effective and whether there is any need to make improvement. We will definitely consider these issues in the review.

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, the Secretary said he was prepared to conduct a comprehensive review. He also said the Programme had won appreciation from both the trainees and training providers and it was therefore highly probable that the Programme will be continued. Will the Secretary inform this Council whether there will be changes to the contents of the Programme on the current basis? As far as I know, the Programme currently contains four units such as discipline training, skills training, computer training and so on. Will the Secretary inform this Council*

whether there will be changes to the contents of these units and of the specific details?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, as the comprehensive review has not yet started, it is difficult for us to predict the outcome at the moment. Nevertheless, the preliminary opinions indicate that, as far as the four units mentioned by Miss CHAN are concerned, some people find the computer course too short and some courses too simple. Therefore, I will definitely not rule out the possibility of improving the contents of the four units in the course of conducting the review in future. In the meantime, in addition to the contents of the training courses, we will review the workplace attachment arrangement and examine how we can make good use of the this training to enable the Programme trainees to secure jobs successfully upon completion of the Programme.

MR ANDREW CHENG (in Cantonese): *Madam President, concerning the report that the absence rate of the Programme was more than 30%, will the Secretary inform this Council whether or not this report is accurate? If so, were these absentees unable to attend courses after registration or unable to take part in attachment training after attending the courses? The Secretary mentioned in the main reply that most organizations providing workplace attachment places and training providers had commended the Programme. But given such a high absence rate, can the Programme really achieve its desired effects?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, according to the information we have collected, the attendance rate of the Programme was 84% and the absence rate was not as high as the rate Mr CHENG mentioned just now. I hope Members can understand that the Programme is a new attempt for both the Government and the young people. For various reasons, some young people failed to show up when the Programme was first started. We will definitely conduct a comprehensive review and explore this issue in an in-depth manner. Nevertheless, as I said in the main reply, the findings of the preliminary survey indicate that all Programme trainees have shown great support for the Programme and expressed the hope that it can be continued.

MR LEE CHEUK-YAN (in Cantonese): *Madam President, Members should all know that the Programme lasts only six weeks. Will the Secretary inform this Council whether a comprehensive review will be conducted for the On-the-Job Training Scheme provided by the VTC for young people who have completed Secondary Three education in addition to the Youth Pre-employment Training Programme? I am worried that, in reviewing the Programme at the expense of the whole vocational training package, the Government might end up reviewing a six-week plan, without giving consideration to whether the quota for certain one- or two-year courses should be expanded. Will the Secretary consider from a broader perspective expanding the quota for the one- or two-year courses provided by the VTC so that the young people can attend courses lasting more six weeks?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): *Madam President, the main objective of the Youth Pre-employment Training Programme is to let young people who have completed formal education to add value in certain areas before entering the labour market. Therefore, we will basically not conduct a comprehensive review of the full-time formal courses provided by the existing schools or the VTC. Nevertheless, we will look at the contents of the training courses to examine, for instance, whether training in computer skills or vocational skills can better match with the formal courses currently provided.*

DR RAYMOND HO (in Cantonese): *Madam President, in part (c) of the main reply, the Secretary mentioned that the problem of youth unemployment is a very complicated issue. As a matter of fact, by organizing these activities jointly, several organizations have aimed at helping young people, particularly those who have worked for eight to 10 years, for their unemployment problem is quite serious. Previously, the Employees Retraining Board (ERB) only accepted trainees of over 30 years of age. Has this age restriction been lowered?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): *Madam President, the ERB has no direct bearing on the Youth Pre-employment Training Programme. But still I will answer this question incidentally. The ERB is of course targeted on unemployed people aged above 30. But given the fact that a substantial number of young people have lost their jobs over the last*

one or two years, the ERB has adopted a flexible approach by allowing unemployed people aged below 30 to apply for relevant courses.

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, the Labour Department has frequently not taken into account the wishes of the Youth Pre-employment Training Programme applicants by failing to offer them vocational training in their desired occupations, thereby undermining their incentive in attending courses. Will the Government inform this Council whether it will take into consideration the characteristics of young people in this review? Will counselling or simulated courses be offered to disinterested young people who have completed secondary education to arouse their interests in receiving such alternative education?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): *Madam President, we will basically arrange young people to attend the Youth Pre-employment Training Programme in accordance with their wishes. For instance, we will arrange those who are interested in learning computing to attend computer courses. We will basically not act against their wishes. If sometimes they are unable to make up their mind (we understand they will easily change their mind at this age), we will give them counselling. If Miss CHAN is aware of any individual problems arisen in the course of implementing the Programme, I should be grateful if she could let me know after the meeting. I will be very pleased to include the problems into the comprehensive review.*

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. The Programme contains four units, one of which is related to tests on vocational skills. The Labour Department is often found to ignore the wishes of young people and change the occupations they have chosen to something else. Feeling extremely discontented, these young people have even shown no interests in attending courses. Will the Secretary consider the characteristics of young people in making the assessment? I have received complaints related to the problem mentioned above.*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, actually I have answered Miss CHAN's question. What I mean is the spirit of the Programme is not to go against the wishes of young people. If they are not willing to receive training on certain vocational skills, we will not force them to do so. If Miss CHAN did receive complaints and find that such a situation did exist, I will be very pleased to take follow-up action and examine the issue in the comprehensive review.

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

Permitting Cyclists to Practise in Country Parks

2. **MR TIMOTHY FOR** (in Cantonese): *Madam President, will the Government inform this Council whether there are plans to make certain trails in the country parks available to down-hill and track cyclists; if so, of the details; if not, the reason for that?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, I wish to thank Mr Timothy FOK for his question and my reply is as follows:

There are eight designated trails/sites within the country parks which are open for cyclists under a permit system. Athletes as well as members of the general public may apply for annual permits from the Agriculture, Fisheries and Conservation Department (AFCD) to use the designated cycling trails/sites for training and competitions of down-hill mountain biking and other cycling activities.

Over the years, there were requests from the public, including young people, for opening up areas in country parks for cycling activities. After consultations with the relevant organizations including the Hong Kong Cycling Association (HKCA) and the Hong Kong Mountain Bike Association (HKMBA), the AFCD introduced four designated trails/sites within country parks for cycling in February 1997 under a permit system on an annual basis.

The designated cycling trails/sites under the permit system has proved to be useful in balancing the diverse interests of the various country park users including hikers, picnic-goers and other users. Therefore, in February 1999, the AFCD further opened up another four designated trails for cycling.

Besides, the AFCD will also consider sports organizations' needs in organizing large scale events in country parks and grant permissions to the relevant sports organizations at their requests to hold various cycling activities. In 1999, the AFCD granted 13 one-off permissions for those organizations (including the HKCA and the Hong Kong Triathlon Association) to organize cycling road races, down-hill and cross-country mountain bike races and triathlon events within country park areas. The one-off permission allows access to the relevant site by many members of an organization on a one-off basis to participate in the event organized by the organization concerned.

MR TIMOTHY FOK (in Cantonese): *Madam President, I suppose the Secretary, who is so safety-conscious, will not take part in these sports. But in the last Asian Games, we won some medals in these sports. Take mountain bikes as an example. There are now over 5 000 young people engaging in this sport. I hope the Secretary can understand that these sports are challenging so that consideration can be given to streamlining the relevant procedures in future*

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

MR TIMOTHY FOK (in Cantonese): *I hope that the Government can step up efforts in this area of*

PRESIDENT (in Cantonese): Mr FOK, are you asking the Secretary whether the procedures can be streamlined in future?

MR TIMOTHY FOK (in Cantonese): *Yes, I hope that the Secretary can streamline the procedures in future to cut the red tape involved, and also make available more sites to facilitate the development of these sports.*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, to put it simply, I can give Mr FOK a very positive reply to his supplementary question. We will certainly take vigorous steps to develop more sites for those young athletes in need to do these sports. In fact, we opened up four cycling trails in 1997 and made available four additional trails for the purpose in 1999. We will be happy to further discuss with the relevant organizations and NSAs, if necessary, to see where we can open up more cycling trails. We will follow up this matter actively. As regards future development, I am very optimistic about it.

MR MA FUNG-KWOK (in Cantonese): *Madam President, in the main reply the Secretary said that the Administration will issue permits to those people in need. But are these permits issued to individual citizens or organizations? The last paragraph of the main reply stated that the Administration had granted 13 one-off permissions for organizations to organize competitions. If an ordinary citizen wishes to apply for a permit, can he do so in a personal capacity? How much is the fee for application? Will the Government please give us an answer?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, just now I was referring to those eight cycling trails. An individual person who is granted the permit is allowed to use those cycling trails for training or even for competitions within a period of one year. Between 1997 and 1999, 1 380 valid permits were granted. Holders of this permit can have access to those trails at any time for training purposes. As for the 13 one-off permissions that I spoke of earlier, they were exclusively granted for organizations which planned to organize large scale events. The locations of such events are negotiable and do not necessarily have to be those eight cycling trails. As I said in the main reply, the permission allows access by tens of participants provided that the organization clearly stated this in its application. With regard to the application fees, both the one-off permission and one-year permit are free of charge as far as I know.

PRESIDENT (in Cantonese): Mr MA Fung-kwok, which part of your supplementary question has not been answered?

MR MA FUNG-KWOK (in Cantonese): *Madam President, actually I would like to know whether the Administration has ever rejected any application for the permit and what are the reasons for such rejections?*

PRESIDENT (in Cantonese): In that case, you would have to wait for a second turn for there are still many Members waiting for their turns to ask a question. If time allows, I will let you ask a supplementary question again later on.

MR HOWARD YOUNG (in Cantonese): *Madam President, as far as I know, the one-year permit for individuals that the Secretary mentioned just now should be well-received by young people who are either working or attending school. However, the Secretary said that the relevant applications should be lodged with the AFCD, which means that they must be submitted during office hours. Is this an application channel that suits those who are fond of these sports? Will arrangements be made in respect of the time for the convenience of the applicants?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, as we all know, country parks are under the purview of the AFCD so it is just appropriate that such permits must be applied with the AFCD. So far, I have not heard of any difficulties in relation to application. But if there is anyone who finds it difficult, I believe that we can certainly find a solution so long as he notified the Administration of his problems. Incidentally, I can also give a reply to the supplementary question raised by Mr MA Fung-kwok earlier on. As far as I know, no application for such permit has been rejected by the Administration so far.

MR LAU KONG-WAH (in Cantonese): *Madam President, this application requirement gives an impression that many limitations are attached. That is, visitors going to the country parks for leisure are subject to many limitations, and the permit is valid only for one year. However, many visitors actually go there for leisure spontaneously. In this connection, will the Secretary consider allowing visitors to apply for entry on a one-off basis, similar to the arrangement for motor cars?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, insofar as those eight cycling trails are concerned, they are specifically designed with slopes and so on to cater for the needs of down-hill mountain biking. Therefore, we will closely liaise with the NSAs in respect of those trails and we may not be able to allow entry of ordinary visitors whose interests in cycling are spontaneous. Those eight cycling trails are meant for athletes to learn or improve their skills. As for those who wish to do biking on the spot, there are actually places where they can do so. As far as I know, there are some trails in the country parks which are open to bicycles, visitors and motor cars. There are seven such trails in Hong Kong, the locations of which include Shing Mun, Golden Hill Road, Tai Mong Tsai (where there are two such trails), and so on. These trails are also open to motor cars and they are located at places where hikers, picnic-goers or cyclists frequent. Nevertheless, any person who wishes to gain access to trails designated for a certain sport is required to seek prior approval, or may do so by participating in events organized by sports organizations under a one-off permission which allows collective participation by tens of or even a hundred people.

PRESIDENT (in Cantonese): Mr LAU Kong-wah, which part of your supplementary question has not been answered?

MR LAU KONG-WAH (in Cantonese): *Madam President, we cannot say that something is regarded as a sport only if we engage in it throughout the year. It can be a sport even if we do it on a one-off basis. So, the Secretary has not answered my supplementary question as to whether permission will be granted to one-off entry?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, as I said just now, one-off entry to those eight designated cycling trails is not allowed. Yet, there are still seven trails in the country parks which are open to visitors and motor cars. I can tell Mr LAU Kong-wah the locations of these trails later. (Annex) Visitors may have access to those seven trails at any time.

MR HO SAI-CHU (in Cantonese): *Madam President, has the Government made assessments to find out the ideal number of users of the various cycling trails currently open to cyclists? If the number of applications exceeds the ideal number of users, will the Government consider opening up additional cycling trails?*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, we have so far granted a total of 1 380 one-year permits. Permit holders can have access to the relevant cycling trails at any time, every day, or for many times a day throughout the year. As I said in the main reply, four cycling trails were opened in 1997 and four more in 1999. We will be very happy to follow up this matter if necessary, but very often consultations with the NSAs are required. In my opinion, the development that has been made so far is pretty good.

PRESIDENT (in Cantonese): Last supplementary question.

MR ANDREW WONG (in Cantonese): *Madam President, I am concerned about the safety of down-hill or cross-country mountain biking instead. In fact, cycling either on roads or cycling trails are already very dangerous, but down-hill mountain biking is even more dangerous. I have three mountain bikes and I have fallen over once. Does the Administration have any plan to require cyclists to wear helmets at prescribed locations by legislation? I wonder if ambulancemen will be deployed at those sites to provide immediate first-aid services in order to reduce casualties.*

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, those eight cycling trails for down-hill mountain biking are meant for athletes exclusively. They are not open to ordinary visitors, except those who are minded to receive training to become down-hill cyclists, in which case they are usually under the instruction of qualified coaches or they should have learned from books that they must put on helmets, protection shields, and so on. Down-hill mountain biking is a sport for athletes or those who wish to be trained to be athletes in this field. I dare not say that it involves no danger for all kinds of sports do involve dangers. But we are unable to have ambulancemen stationed there permanently for this is too impracticable. However, emergency

relief services can usually be arranged more easily in large scale competitions or events organized under a one-off permission.

PRESIDENT (in Cantonese): We have spent more than 18 minutes on this question. We now proceed to the third question.

Reducing Styrofoam Waste

3. **MR CHAN KAM-LAM** (in Cantonese): *Madam President, according to the press, the State Economic and Trade Commission has decided to phase in from this year a total ban on the use of styrofoam containers for storage of food. In this connection, will the Government inform this Council:*

- (a) *whether it has plans to follow the Mainland's practice of prohibiting eateries from using styrofoam containers for storage of food; if it has no plans, of the reasons for that;*
- (b) *of the specific measures in place to encourage eateries to use more environmentally friendly tableware; and*
- (c) *whether it has plans to levy a surcharge on styrofoam products payable by manufacturers to cover the costs for the eventual disposal of such styrofoam products and also to reduce the use of styrofoam?*

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

- (a) We have no plan to prohibit eateries from using styrofoam containers for the storage of food. Whilst styrofoam products do cause some concern from the littering and waste disposal perspectives, it has fewer drawbacks than other materials. However, we do encourage eateries to avoid the use of disposable items where possible and, where this cannot be avoided, to dispose of such items properly.

We have no plan to impose a ban on styrofoam for a number of reasons. First, the safety and suitability for use as food containers of alternative products available in the market have to be carefully assessed. Secondly, although styrofoam is not biodegradable, it does not cause any significant damage to the environment: 98% of styrofoam is air and 2% polystyrene; CFCs, which cause damage to the ozone layer, are no longer used in the production process. Unlike many other materials, styrofoam does not leak and pollute underground water, it does not produce methane and other greenhouse gases and it does not produce harmful substances on incineration. Furthermore, manufacturing styrofoam products requires less energy, steam and raw materials than similar paper products.

- (b) To discourage the use of styrofoam and other disposable food containers, the Environmental Protection Department has distributed circulars to primary and secondary schools, and licensed restaurants and food caterers. The Department will continue to contact suppliers of school lunches, fast food chains and the restaurant trade to urge them to reduce the use of disposable food containers.
- (c) We do not consider it appropriate to introduce a surcharge on styrofoam products. Styrofoam currently makes up only about 0.5% of landfill waste. Our primary aim is to encourage waste reduction. In this regard, together with the Waste Reduction Committee and its relevant sectoral task forces, we are looking into various ways of reducing the use of packaging material.

MR CHAN KAM-LAM (in Cantonese): *Madam President, we know that many advanced countries in the world are very active in environmental protection and adopt measures to impose a ban on or restrict the use of containers that are not environmentally friendly. But the reply of the Secretary seems to suggest that there is nothing wrong with styrofoam containers. Would the Secretary inform the Council if the Government has explored the different reasons why other countries adopt this measure before drawing this conclusion?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, as far as we know, no other country in the world has imposed a ban on the use of styrofoam products. When we consider other alternative products, we must consider a few very important requirements. Firstly, the alternative product must be perfectly safe, especially if the product is used for storing food. Will it undergo chemical changes in the heating process? I think safety is the most important requirement. Secondly, are the environmentally friendly claims founded? Thirdly, does the alternative product meet the requirements of the users? I have just mentioned two important factors. First, it does not leak because food often contains juice or soup such as noodles in soup. If a container will leak, it basically does not meet the needs and requirements of a user. If an alternative product fails to meet one of the three requirements, it will not be accepted by the public.

I have also stressed that the primary aim of our policy is to encourage waste reduction. Circumstances permitting, the public and eateries should try their best to use recyclable tableware, and they should use disposable tableware only when it is not feasible to use recyclable ones. The Government is definitely not defending styrofoam. When we discuss about environmental protection, our general impression may generally not tally fully with the facts.

MR LAW CHI-KWONG (in Cantonese): *Madam President, part (b) of the Government's main reply has not directly answered Mr CHAN's question. Mr CHAN has asked if the Government has any specific measures for encouraging eateries to use more environmentally friendly tableware, but the Government has only stated in its reply that it will distribute circulars and contact the relevant parties without stating directly the measures that will be taken to encourage the relevant parties to do so. For instance, when the Government considers contracting out the operation of restaurants and canteens within government buildings, will it give priority to tenderers that use environmentally friendly containers?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, I must stress once again that our primary aim is to encourage the public to use recyclable tableware. We also hope that there will be facilities in schools that allow the school authorities or senior students to wash used tableware in order to facilitate recycling.

The second part of Mr LAW's question asked if more environmentally friendly food containers can be used. Although I did not speak in defence of styrofoam just now, I did state some facts. Although styrofoam is not biodegradable, from the environmental protection point of view, its manufacturing process or its disposal in a landfill after use is barely acceptable in the absence of any popular alternative products.

I also want to explain to Members that the Environmental Protection Department, the Consumer Council, the Hong Kong Plastics Technology Centre, the Hong Kong Standards and Testing Centre and the Styrofoam Association of Hong Kong are examining the guidelines for standard tests. These guidelines will be made, taking account of the requirements of alternative products in terms of safety, environmental impact and consumers' needs. Having confirmed such standards, I believe that manufacturers will have something to base on when they manufacture alternative products or launch such products onto the market. Before the completion of these tasks, I believe that we can only educate and contact schools and eateries as to how they can recycle tableware as well as use environmentally friendly tableware. At the moment, we can only give encouragement and advice.

MR LAW CHI-KWONG (in Cantonese): *Madam President, I asked just now what methods will be adopted to give encouragement if environmentally friendly tableware is already used. The Secretary has only said that eateries will be encouraged to do so, but when we continue to ask how encouragement will be given, the Secretary only said that encouragement will be given. Madam President, has the Secretary answered my question?*

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

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, I have nothing to add as I have already given Mr LAW a very detailed answer.

MR CHAN KWOK-KEUNG (in Cantonese): *Madam President, will the Secretary inform this Council how the other countries dispose of styrofoam products and the kinds of disposal methods available?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, as far as we know, some countries encourage the recycling of styrofoam. I believe Members will recall that at the meeting held on last Wednesday, (I do not know whether I should say Wednesday or Thursday because the motion debate had taken a very long time and I thought that I should say before dawn on Thursday), I thanked Members for their views on recycling and the recycling industry, and indicated the Government would actively consider the ways in which it could give the industry encouragement. However, I would like to reiterate that the information we have shows that other countries have not put a ban on the use of styrofoam.

MR JAMES TIEN (in Cantonese): *Madam President, the Secretary has only touched upon the merits of styrofoam containers in her reply and she seems to be saying that we should use styrofoam containers. It is stated at the very beginning of Mr CHAN Kam-lam's main question that the State Economic and Trade Commission has decided to phase in from this year a total ban on the use of styrofoam containers for storage of food. Does the Secretary know why the State has made such a decision?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, now that the Member has such an impression, I have no alternative but I can only reiterate that the aim of the government policy is to encourage the public to use recyclable tableware as far as possible but not to recommend the use of styrofoam containers.

As to why the Mainland has formulated this measure, I can only say that — I cannot guarantee that this is the truth on the basis of the information we have — it may be because styrofoam food containers have caused very serious littering problems in the Mainland. For example, there are many unwanted styrofoam containers on both sides of the railway. However, the available information indicates that the measure for a total ban on the manufacture of styrofoam products only targets on local manufacturers in the Mainland while styrofoam

manufacturers with foreign investment can continue their production. In fact, the information we have shows that many of the styrofoam products in circulation in Hong Kong are manufactured in the Mainland. Yet, I have to state once again that this is the information we have, and we are not sure of the actual reasons.

DR YEUNG SUM (in Cantonese): *Madam President, this is the first time that I heard the Government make a positive evaluation of the use of styrofoam containers. The Government has just said lightly that styrofoam is not biodegradable but it does not cause any significant damage to the environment, so it is acceptable. So long as the Government finds it acceptable, why does it have to contact and write to so many institutions to encourage them to reduce the use of styrofoam? Is the Government contradicting itself?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): The Government has definitely not been self-contradictory. I have to reiterate for the fifth time that the primary aim of the Government is to advise and encourage the public not to use disposable products. Earlier, I only briefed Members on the nature of styrofoam on the basis of scientific information.

I have said why we cannot take stronger actions such as putting a ban on the use of styrofoam. The major reason is that there are not many alternative products in the market that meet all our requirements. Although there are few alternative products and we have to carry out tests on them one by one, we still think that we can consider together with the Consumer Council and the trade if there are other more positive methods to encourage the launch of suitable alternative products that meet the requirements of users onto the market.

MR CHAN WING-CHAN (in Cantonese): *Madam President, it is stated in part (a) of the main reply that styrofoam does not cause any significant damage to the environment, but styrofoam containers actually have many drawbacks, for instance, they are hardly degradable. Does the Government have any measures, methods and incentives that will encourage manufacturers to manufacture and users to use existing degradable styrofoam containers to improve the environment?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, firstly, as I have stated in part (c) of the main reply, together with the Waste Reduction Committee and its relevant sectoral task forces, the Government is looking for ways to reduce the use of styrofoam as food containers and the use of packaging material. We will only put any specific methods into practice after the Waste Reduction Committee and its relevant sectoral task forces have drawn a conclusion and made suggestions.

PRESIDENT (in Cantonese): Although five Members are still waiting to ask questions, as we have spent more than 17 minutes on this question, we shall proceed to the fourth question.

Practice of Euthanasia in Hong Kong

4. **MISS EMILY LAU** (in Cantonese): *Madam President, regarding the practice of euthanasia in Hong Kong, will the executive authorities inform this Council whether:*

- (a) *they have conducted studies on this issue; if so, of the findings; and if they have plans to consult the public on whether euthanasia should be allowed;*
- (b) *they know the guidelines issued by the Hospital Authority (HA) to health care personnel on matters relating to the treatment of patients who have little chance of recovery; and*
- (c) *they know if the details of the amendments recently made by the Medical Council of Hong Kong (MCHK) to the Professional Code and Conduct for the Guidance of Registered Medical Practitioners (Professional Code and Conduct), which permit doctors to perform passive euthanasia, and the reasons for making the amendments?*

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

- (a) The Government has studied the issue of euthanasia which has been a subject of public debate in many other countries. Euthanasia is a controversial issue with considerable medical, social, moral, ethical and legal implications. Euthanasia literally means "a good death" but has been used to signify the act of deliberately ending the life of patients with terminal illness. It should be noted that there are variations in the definition of euthanasia, and therefore we must exercise due care when using the term to describe a particular act or situation to avoid misunderstanding.

The definition of euthanasia which I intend to use for discussion here is "a deliberate act with the primary intention of ending the life of an individual, as part of the medical care offered". This is usually applied in the context of a terminally ill patient and may be at the request of the patient or family members.

The definition of euthanasia used does not apply to the withholding or withdrawal of resuscitation procedures or life prolonging treatment for terminally ill patients. All patients are treated according to their own circumstances, having regard to the patients' benefits, clinical judgment on the futility of treatment, and the wishes of the patients and family. As in other advanced countries, if further medical treatment is deemed to be futile, it is accepted medical practice for the doctor to withhold or cease treatment and allow nature to take its course. Such acts have been tested in courts under other common law jurisdictions and have been upheld as lawful. These acts must be distinguished from euthanasia as understood here.

Although the term euthanasia is not used in our local statutes, the acts involved in euthanasia are illegal in Hong Kong by virtue of the provisions in the Offences Against the Person Ordinance (Cap. 212) which provides that a person "aids, abets, counsels or procures the suicide of another to commit suicide, shall be guilty of an offence".

A person also commits the crime of murder if he unlawfully kills another person with the intent to kill or cause grievous bodily harm. In addition, euthanasia is opposed by the World Medical Association as it is considered a violation of professional ethics and conduct.

As far as we know euthanasia is prohibited by the law codes of almost all countries, except for the State of Oregon in the United States. The Netherlands has relied on court rulings to invoke a defence of necessity based on conditions set down by the court without amending the law to permit euthanasia. There have been strong objections to changing the laws governing euthanasia as it seeks exemption, on medical grounds, to the prohibition of intentional killing. That prohibition is regarded as the cornerstone of law and of the relationships of individuals with society, and any changes made to it would have serious and widespread repercussions.

Most of the public discussions in Hong Kong have centered on circumstances which would justify the withholding and withdrawal of resuscitation and life prolonging treatment for patients with terminal illness. There has been very limited discussion on euthanasia as I have defined today. I believe there needs to be much more informed discussion on the subject and we will facilitate the discussion. We will monitor public sentiment and will re-visit the issues if we detect a convergence of societal values and attitudes toward these issues.

- (b) The HA issued the "Guidelines on In-Hospital Resuscitation Decision" (Guidelines) in July 1998. It is essentially a set of clinical guidelines to enable clinicians to arrive at a professionally and ethically sound resuscitation decision which will safeguard the best interest of the patient and that of the clinician. It serves to give health care professionals guidance in decisions to administer or withhold cardio pulmonary resuscitation (CPR) based on the patient's medical conditions, the overall treatment plan; the likelihood of the patient benefiting from the resuscitation; and the patient's expressed wishes. The attending physician should exercise clinical judgment in the best interest of the patient.

- (c) The MCHK published in its newsletter in October 1999 a section of "Care for the Dying and Euthanasia" as a new section to be included in the Professional Code and Conduct. This section focuses on the guidelines for withholding of resuscitation procedure which is closely in line with the established policy of the HA. Nothing therein amounts to the performance of euthanasia.

The MCHK is now at the stage of consultation with the profession on the proposed revised Professional Code and Conduct and the section in question is subject to revisions. It is the responsibility of the MCHK to provide guidance on medical ethical issues to registered medical practitioners.

MISS EMILY LAU (in Cantonese): *Madam President, according to the definition provided by the Secretary in the main reply, "euthanasia" is "a deliberate act with the primary intention of ending the life of an individual". It is also pointed out in the main reply that some doctors might withhold or withdraw the resuscitation procedures for terminally ill patients according to their own circumstances. I should like to ask the Secretary whether the hospitals or doctors in Hong Kong would approve of this practice: Supposing a patient is seriously ill and reckons that he could not live much longer. When this patient is still conscious, could he write and sign any instructions telling the doctors concerned that he would not wish to have his life prolonged, and asking them not to apply to him any resuscitation procedures should he fall unconscious? Could the Secretary inform this Council whether the people of Hong Kong have now the freedom to choose to live in dignity or to choose to end their lives in dignity?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): *Madam President, actually the Guidelines issued by the HA in 1998 precisely seek to deal with cases like the one raised by Miss Emily LAU just now. In the past, how the cases were handled would depend on the different practices of individual doctors, but many doctors just followed the practice generally adopted by the medical sector. As I explained earlier, it all depends on whether the patient would benefit from the treatment. If further medical treatment should be deemed to be futile, doctors in general would cease treatment. Naturally, the decision to cease treatment must be explained to the patients concerned and their family members and be taken only after obtaining their consent.*

To clarify all the procedures concerned, the HA issued the Guidelines in 1998 to enable doctors to understand clearly the circumstances under which they could withhold CPR and those under which they could not. At present, the MCHK is also handling the various situations in accordance with the Guidelines issued by the HA, and medical practitioners are all fully aware of the contents contained therein.

In the case mentioned by Miss LAU just now, the patient is terminal and has indicated his wish to cease medical treatment. Under such circumstances, normally doctors will respect the wish of their patients. If any patients should indicate their wishes to not receive any medical treatment, we would cease treatment according to their wishes. Generally speaking, however, we would endeavour to make the patients concerned to have a better understanding of their conditions first. As a matter of fact, there are many ways to take care of patients with terminal illness. Our colleagues responsible for hospice care service are strongly opposed to the concept of euthanasia. In their opinion, the pains suffered by many patients could be minimized by means of medical treatments; as such, patients really should not ask for euthanasia just because of the pains they suffer.

MRS SOPHIE LEUNG (in Cantonese): *Madam President, in the last paragraph of part (a) of the main reply, the Secretary said, "There needs to be much more informed discussion on the subject and we will facilitate the discussion." Apart from that, the Secretary has also referred to the different views and practices adopted by the State of Oregon in the United States, the Netherlands, as well as other countries. May I ask the Secretary whether he was meaning that the Government would enable the community to discuss more the subject when he said we would facilitate the discussion? In this connection, could the Secretary inform this Council how the Government is going to help members of the community to have more discussions in this respect and of the scopes of the discussions concerned? Besides, could the Secretary also inform this Council whether the different viewpoints held by places that are more open-minded and places that are more conservative would also be discussed; and whether even the importance of the personal wishes of the patients concerned could be brought into the discussions? For example, some people who are in their fifties and in good health have indicated that they would not want to receive medical treatment if they should suffer from senile dementia in the future. Could subjects of this kind be raised in the discussions? Actually, Hong Kong could take the lead rather than following other places in having discussions in this respect. I already raised a similar question at a panel meeting chaired by Dr LEONG Che-hung four years ago.*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, I said we would facilitate the discussion because we have noticed that when people talk about euthanasia, they seem to be talking about very different matters. Being clearly aware of the very sensitive nature of the subject, the HA issued, as a first step, the Guidelines to provide doctors and nurses with guidance in taking care of certain patients with terminal illness. In the event that further treatment is deemed to be futile, if the heart and lung of the patients concerned should cease to function, there would be no need for doctors and nurses to painstakingly apply CPR. However, we must make the circumstances clear to the patients concerned and their family members beforehand.

As regards the case raised by Mrs Sophie LEUNG just now, which is a question of whether or not a certain treatment procedure should be terminated or deliberately withheld for patients who have already received emergency treatment. This is a rather controversial issue. As indicated in the papers of a survey conducted recently by a university, the public understanding of this issue is very confusing. Some members of the public agreed that patients could be given medicines to end their lives, but then they were opposed to withholding treatment for patients with terminal illness. Actually, if discussions should be allowed to continue in this manner, the result would be very confusing as well. For this reason, we need to enable the public to gradually understand the issue and the respective kinds of treatment to be given under different circumstances. The first situation is one in which the patient knows clearly that he is dying. In which case we would withhold the resuscitation procedures concerned and cease any emergency treatment. In a second situation, we have to decide when to cease medical treatment for patients who have received emergency treatment. This is a very sensitive issue. Generally speaking, patients and their family members may not be able to understand or accept the fact that there is zero or very little chance of recovery. On the part of the hospitals, they would have difficulty deciding how long should the observation period last. If any patient is in a coma and has been comatose for more than six months, the chance for the patient to regain consciousness would be considered very slim in many places. That being the case, would it imply that hospitals in Hong Kong should observe their patients concerned for six more months before making any decisions? This is indeed very controversial. For these reasons, we need to define the subject "euthanasia" we are going to discuss beforehand, so as to enable the public to have more meaningful discussions in this respect.

DR LEONG CHE-HUNG (in Cantonese): *Madam President, in addition to explaining very clearly the definition of "euthanasia", the Secretary has also mentioned in his main reply that euthanasia is unlawful in Hong Kong and is considered a violation of professional ethics by the medical world. We certainly agree with him on this.*

However, the Secretary did not directly provide this Council with a reply together with his definition of "passive euthanasia", an issue which Miss Emily LAU has also referred to in her main question. I think this could be very confusing. Hence, I should like to ask the Secretary his definition of "passive euthanasia" and whether he considers "passive euthanasia" should be allowed or not — this, I think, may perhaps be even more confusing. May I ask the Secretary to explain that to us in detail?

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): *Madam President, I intentionally avoided using the term "passive euthanasia" because I believe the term would give rise to considerable misunderstanding and confusion. Generally speaking, the medical circle and the legal profession in Britain also consider this term not very useful, while conducive to confusion. For this reason, we have defined "euthanasia" as I have referred to before, which is a definition adopted by other places in general; but we will not add any adjective like "passive" or "non-passive" to the term.*

MR MICHAEL HO (in Cantonese): *Madam President, it is mentioned in the Government's main reply that both the HA and the MCHK have issued guidelines in relation to "euthanasia". However, "euthanasia" is a subject affecting not only the HA, medical practitioners or other medical professionals, it should also be discussed by the community. Could the Secretary inform this Council what measures other than the guidelines issued respectively by the HA and the MCHK would the Health and Welfare Bureau adopt to ensure that doctors and nurses of the HA, the Department of Health and private hospitals could have similar guidelines and understanding, so that the MCHK and the Nursing Board do not have to conduct discussions on their own?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, I agree with what Mr Michael HO said just now. The HA has already compiled a set of guidelines for examination by the MCHK. If this set of guidelines should be accepted by the medical sector in general, then members of the sector, regardless of whether they work in private hospitals, the Department of Health, the HA or private medical clinics, would have to abide by the guidelines. I also agree with Mr Michael HO in that the medical sector as a whole should be aware of the content and intent of this set of guidelines. As such, we will continue to provide assistance to enable members of the medical sector to receive the messages concerned.

PRESIDENT (in Cantonese): Last supplementary.

MISS CYD HO (in Cantonese): *Madam President, according to parts (b) and (c) of the Secretary's main reply, the HA has issued a set of guidelines while the MCHK is now at the stage of consultation with the profession on its proposed Professional Code and Conduct. Although the views of the HA and the MCHK on the subject are quite similar, they are not exactly the same. In this connection, could the Secretary inform this Council of the difference between their views? May I ask the Secretary whether the HA has, in its capacity as the employer, tried unilaterally to force the Guidelines on its employees; and whether the MCHK has proposed to revise the Professional Code and Conduct because it does not agree with some of the guidelines issued by the HA? Further still, could the Secretary also inform this Council whether the HA is willing to amend the guidelines if the consultation results do not support the content of the Guidelines?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, actually, the views held respectively by the HA and the MCHK do not differ very much from each other. With regard to the part of the Guidelines on withholding or ceasing resuscitation procedures, the views held by both parties are exactly the same. As regards the difference in opinions, it lies in the term "passive euthanasia" mentioned by Dr LEONG Che-hung just now, as the MCHK has used the term to refer to the situation in which a hospital indirectly ceases giving emergency treatment to a patient. We will further clarify the definition of the term with the MCHK later. As such, the views held by the parties are basically the same, only that the MCHK's Professional Code and Conduct are shorter, compared to the more detailed Guidelines issued by the HA comprising some six to seven pages. Although the Professional Code and Conduct set out by the MCHK are comparatively shorter in length, the contents contained therein are more or less the same as that of the Guidelines issued by the HA.

PRESIDENT (in Cantonese): We have spent more than 21 minutes on this question. We will now move on to the fifth question.

Senior Government Officials Attending Commercial Promotional Events

5. **MR SIN CHUNG-KAI** (in Cantonese): *Madam President, will the Government inform this Council of:*

- (a) *the number of occasions on which government officials of the rank of department Head or above attended commercial promotional events organized by commercial organizations within their respective purviews in the past year;*
- (b) *the guidelines governing attendance by senior officials at such events, and whether such guidelines require the officials concerned to declare their attendance at such events; and*
- (c) *the measures in place to ensure that attendance by senior officials at such events will not give rise to any misunderstandings by the public that the products or services of the organizations concerned are endorsed or recommended by the Government?*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, my reply is as follows:

- (a) According to the information provided by the bureaux and departments, government officials of the rank of departmental Head or above attended, in the past year, commercial promotional events within their respective purviews on a total of 56 occasions.
- (b) Although there is no prescribed requirement for senior officials to report their attendance at these events, we have provided specific guidelines for such attendance as follows:
 - (i) the attendance should not conflict with the government interest;
 - (ii) the attendance would not place the officers concerned in an obligatory position towards the organizer and hence influence their judgment or decision in future performance of their duties; and
 - (iii) the attendance would not adversely affect the image of the Government or call into question the impartiality of the Government.
- (c) As Heads of department, the officials concerned should be fair and impartial in their official dealings, including those with commercial organizations. Government officials, before deciding to attend a commercial promotional event, would consider very carefully the background of the organizing organization, the nature of the event and related publicity arrangements as well as the role and the extent of participation expected of them at the event. The officers' role at the event must be compatible with what is expected of a government officer, and should not give rise to any misunderstanding of dishonesty or unfairness by the public.

MR SIN CHUNG-KAI (in Cantonese): *Madam President, the practice as spelled out in part (c) of the main reply given by the Secretary is in itself very impartial, but the question is how this policy can be put into practice. For example, when considering the background of commercial organizations, there is a tendency for government officials to attend events organized by organizations of a greater instead of smaller scale. Does this reflect the existence of other requirements or policy guidelines? In the information technology sector, many new companies were formed in recent years, and there may be cases where some big employers with the surname of LI or KWOK who phoned up some senior government officials and ask them to attend some activities organized by them and it is very likely that the government officials concerned will attend these events. I am not very clear on that since the Government has not given us the relevant records. On the other hand, there may be some 25 or 26-year-old young people in Kwun Tong who have written some web pages and they hope some senior officials would come to their company to officiate at a ribbon-cutting ceremony. So how can the policy be really put into practice without compromising the principle of fairness? For it is very likely that the invitation letter of these young people may never get into the hands of the secretaries of these senior government officials. So how can the policy be really enforced in a fair and open manner?*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, we are talking about senior officials and they all have considerable experience in their official dealings. I do not think they will make any rash judgment in this respect. From my personal experience, the first thing we consider is that when we attend this kind of events in our capacity as government officials, will this be of any help to the overall image and interest of the public and the Hong Kong Government? Sometimes we decide to attend these events not simply because these companies are large or small in scale, but because their products or services are innovative or represent any kind of breakthrough and that our attendance is something we can be proud of, then normally we would do so. But there are also times when we would also accept invitations to attend a certain event if it is of a charitable nature and that it is beneficial to public interest. Having said that, ours is still a very transparent society, and should any one of our colleagues have made an improper or wrong judgment, I believe the public and the media would be able to point out the problem in no time.

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, at present government officials of the rank of department head or above are not required to declare their attendance at commercial events, however, does the Government have any plans to require these officials to disclose their attendance of commercial activities in the websites of their respective departments afterwards, so as to enhance the so-called "sunlight effect" and enable the public to monitor the officials to see if they have shown any misunderstanding of dishonesty, conflict of government interest or adverse effect on the reputation of the Government?*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): *Madam President, as I have indicated in the main reply, in general, the occasions which government officials attend are public occasions. Therefore, it is open to question if such events need to be disclosed in the websites. My personal view at the moment is that there is no such need for that. If the event is in itself devoid of any promotional value, I would think that the commercial organizations will not consider inviting any one to officiate at any ceremony.*

MR NG LEUNG-SING (in Cantonese): *Madam President, according to the reply given by the Secretary, government officials are not required to make any declarations when they attend these activities, but he could, however, tell us that government officials of the rank of Head of department or above attended such events on 56 occasions last year. As Hong Kong is a commercial city, the fact that all our officials of the rank of Head of department or above attended such events on only 56 occasions throughout a whole year seems to be quite below our expectations. In part (c) of the main reply, the Secretary indicates that the background of the host organization and the nature of the event should be carefully considered. But that point is not listed under the three specific guidelines given in part (b). Would the Secretary consider including this specific requirement into the guidelines so that the people concerned can pay more attention to it?*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): *Madam President, according to our guidelines, the basic consideration which government officials will make is whether the attendance will cause any conflict of interest with public office. Part (c) of my main reply is meant to make further elaboration. The*

consideration to be made upon receipt of an invitation will include factors like the background of the organizers and the nature of the event. And these are almost for sure. For example, if we are fully aware that an organizer is involved in a criminal suit, government officials should consider carefully if they should take part in the event. Or when an event is totally of a commercial nature and it is not related in any way to the overall interest of Hong Kong or to any charitable purpose, I think government officials should also consider carefully whether to accept these invitations or not.

MR SIN CHUNG-KAI (in Cantonese): *Madam President, for events of a charitable nature, I do not think I would want to raise any objections, for it is a right thing for the Government to lend its support. However, as the Civil Service Bureau does not maintain any records in this respect, how can the Government discharge its duty and oversee the attendance of the officials of the rank of Head of department or above at these meetings and determine whether or not these officials have contravened the three-point guidelines given by the Secretary in the main reply? Had I not raised the question, the Secretary would not have looked into the question of whether or not the officials have contravened the three-point guidelines on these 56 occasions. Would the Secretary tell us whether in his scope of work, there are any mechanisms which monitor the attendance of government officials at these events to see whether they have violated the guidelines laid down by the Secretary?*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, we rely on the surveillance by the highly transparent society we have in these matters. As a matter of fact, often times some Heads of department would ask us in writing or call us in the Civil Service Bureau for our advice when they have to decide whether or not to accept an invitation. They ask us whether it is proper to accept the invitation. My colleagues and I often give them advice in this respect. As I have mentioned in my answer to the first supplementary question, if any official makes a wrong or totally improper judgment, when the problem is exposed, the official will be penalized according to Civil Service Regulations should the case proved to be serious.

MISS EMILY LAU (in Cantonese): *Madam President, just now the Secretary mentioned the point of news value in his reply. Since there will be news value if an official of the rank of Head of department attends an event, would that become one of the factors that should be considered? If a commercial organization invites one such official to attend its promotional activities, would the Government consider the possibility that the commercial organization is making use of the attendance of the government official to achieve its promotional purposes? Is this factor one of the key points that should be considered?*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, that should be one of the key points of consideration. But speaking from my personal experience, often when I attend some activities which I think are worthwhile, the media will not care about the nature of the activity I am taking part, they will only ask me questions which they think should be raised and concerning what happens on that day.

MR NG LEUNG-SING (in Cantonese): *Madam President, in part (c) of his main reply the Secretary mentions the officers' role at the event must be compatible with what is expected of a government officer. May I ask what kind of role is usually played by officers at such events and what kinds of role should not be played by officers?*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, for example, if the event is about publicizing some achievements of the territory and the organizers have invited the officer to be a guest of honour and officiate at the ceremony and make a speech, then according to our guidelines, the role played by the officer as a guest of honour is appropriate. If the nature of the event is to promote the new products of that company and the products are not some kind of a breakthrough for Hong Kong but purely the new products of that company, then if the officer attends such promotional activities, it definitely will be inappropriate.

MISS EMILY LAU (in Cantonese): *Madam President, I would like to follow up the supplementary question I have just raised. The Secretary said that the media would not care about the nature of the event he attends, but they would*

only ask him what happened on that day. That is a matter of course. If the Secretary has got some points which he wishes to make, he can hold a press conference and there is no need for him to make use of other people to tell the media what he has got in his mind. But the question is: On a commercial occasion, there will be people who take photographs and videotape the event, and that is to say, there will be chances for officers to appear before the limelight. In this connection, does the Secretary think that he has to be mindful of the fact that commercial organizations might want to make use of the officers to attract media coverage. For it does not matter how many reporters there are, they can help to promote that organization. Would the Secretary think that should be one of the points of consideration?

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, my answer to that is the same: that is something we need to consider. However, let me quote an actual example. I have attended an event organized by a telecommunications company and that is about the provision of quite a lot of facilities by that company for educational purposes. These facilities are provided free of charge to schools. Teachers can bring their students there and use the facilities. In so doing, they can gain a better understanding of information technology. In these circumstances, my judgment at that time was that it was appropriate to attend this event. Even if my attendance would have some promotional effect on the telecommunications company, but when I thought that my attendance would benefit the educational sector as a whole, I would still think that it was proper to attend the event.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, the reason why Honourable Members raised this question for discussion today was because they were concerned about whether or not the attendance of public officers at the events organized by commercial organizations would help promote the business of these organizations, directly or indirectly. That is what concerns us the most. In this respect, would the Secretary consider laying down some more specific guidelines to prevent such things from happening? For as far as I know, there have been cases where some organizations invited some officials to officiate at the ribbon-cutting ceremony and the photographs taken of these officials with the company managers are later framed and put up as promotional articles, showing that certain officials have paid a visit to their company. From an objective perspective, the organization has been helped in its promotional activities.*

Would the Government permit such things, if so, why? If not, how can such things be stopped?

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, if that event concerned is purely held for the purpose of promoting the image of that commercial organization or its products in general, then according to our guidelines, officers should not accept the invitation. If an official has attended an event which in the judgment of that official at the time is something which would help further public interest, but if the photographs or other records of that event are later used for commercial promotion purposes, I think the official or the department concerned should follow it up with that commercial organization.

PRESIDENT (in Cantonese): Sixth question.

Workplace English Campaign

6. **MR LEUNG YIU-CHUNG** (in Cantonese): *Madam President, the Steering Committee on the Workplace English Campaign (the Committee) plans to promote benchmark tests for workplace English standards among employees of various occupations. In this connection, will the Government inform this Council:*

- (a) *given that the labour sector is not represented on the Committee, how it will ensure that the opinions of basic level workers are considered by the Committee;*
- (b) *of the measures in place to prevent employers from reducing or freezing the employees' salary, or even making them redundant, on the pretext that the employees' command of English is not up to the standards set by the benchmark tests; and*
- (c) *whether it will require employers to grant paid leaves to enable employees to attend English courses in preparation for the tests; if it will, of the details; if it will not, the reasons for that?*

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

- (a) First, let me explain that the Committee has adopted an objective method to set benchmark standards for workplace English. At the end of last year, 2 000 employees in four job types, namely, secretaries, receptionists, front-line service personnel and clerks, were invited to take part in a pilot testing exercise to set English-language benchmarks suitable for the Hong Kong workplace. The pilot tests were run by four independent, international examination bodies, and they were responsible for their testing results. The Committee then compiled the results upon which English-language benchmarks for the four job types were set. The Committee also plans to set a benchmark for other job types which require a higher proficiency level of English. When the benchmarks are established, we will publicize them through various means, including working with labour groups, to let employees know of the benchmark standards concerning their job types.

In parallel, the Committee has been collecting opinions on the Campaign from employees of various sectors (including grass-roots workers) through different channels. These channels include our inquiry hotline, website and media reports. In fact, as reflected from media reports, quite a number of employers and employees have expressed their support for the Campaign since the introduction of the benchmarking exercise. They think that improving English standards would not only help Hong Kong maintain its competitive edge, but would also enable the employees to know the expected English requirements of different sectors or occupations, thereby encouraging them to upgrade their standards for better career development.

- (b) The Workplace English Campaign aims to raise the English standard of our workforce. Benchmarks serve as a reference for employers in recruitment and staff development. Employees will also get to know employers' expectations of their English standards and use these benchmarks as self-improvement targets for career growth.

I have to emphasize that English-language benchmarks and employees' rights are two separate issues. When deciding on redundancy, reducing or freezing an employee's salary, employers have regard to a number of factors, including the operating conditions of the organization, changes in posts, employees' performance and the terms of employment contracts. If an employee thinks the employer's decision is not reasonable, he/she could lodge a complaint to the Labour Relations Division of the Labour Department, which provides mediation services to help resolve such problems.

- (c) We have no intention to require employers to grant paid leave to employees for attending benchmarking tests or English training courses. We believe that the most effective arrangement should be worked out through discussions between employers and employees. There are at present many evening courses and distance learning courses on English-language training which employees may take after office hours.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, we all agree without reservations that the English standards of employees should be improved. The question is how to go about doing it. Our another concern is whether employees would be dismissed for English standards short of the required standards. In paragraph (c) of the main reply, it is said there are at present many evening courses and distance learning courses on English-language training which employees may take after office hours. However, many employees are already working very long hours, for instance, up to 10 hours, 12 hours, 13 hours or more. If they are required to study after office hours it would cause extra pressure and it is questionable if they would be motivated. Therefore, time for on-the-job training is provided in some countries.*

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

MR LEUNG YIU-CHUNG (in Cantonese): *May I ask the Secretary whether Hong Kong would model on other countries (such as Denmark) by asking employees to leave their jobs for a period so that they can learn English and substitutes are employed to fill their vacancies while they are absent from their work? Thus we may kill two birds with one stone because this may create more job opportunities.*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, we do not have concrete ideas about requiring employers to provide training time for their employees. But the aim of the entire Workplace English Campaign on the one hand is to encourage employees to improve their English standards and on the other to encourage employers to provide opportunities for their employees, including opportunities of learning. Specifically, we will set aside a sum of \$50 million from the Language Fund to encourage employers or employees to join the Campaign for training, with a view to helping participants to pass the tests. Through this kind of encouragement — employers need to pay only half of the fees and the Language Fund meets the other half — employers can have a greater incentive to give assistance to their employees, including half-day to whole-day leave per week, to learn English. Any enhancement in the language level of employees is a direct help to employers.

MR HO SAI-CHU (in Cantonese): *Madam President, I agree with the points made in paragraph (b) of the main reply. In freezing employees' salary or in dismissing employees, employers have to make many considerations, and learning English is not related to such considerations. That is what I think. But may I ask the Secretary whether there have been complaints in this connection? If yes, how many? I do not believe there have been any such complaints, but even if there are, the number should be small.*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, our English-language benchmarks have not been set yet. Therefore we certainly have not received any such complaints.

DR RAYMOND HO (in Cantonese): *Madam President, in paragraph (b) of the main reply, it is said the Committee also plans to set a benchmark for other job types which require a higher proficiency level of English. Target learners of workplace English should indeed include grass-roots workers, semi-professionals and professionals, and I have given lessons to the professionals. Since there are such a large number of areas, will the Government inform this Council whether a unit has been set up to co-ordinate the work? To cope with the future demand from the Disney theme park or the Cyberport, or if we are successful in hosting the Asian Games, the demand will greatly increase. Which unit will be responsible for co-ordination work?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): *Madam President, basically the Government will be promoting the Workplace English Campaign in the short term and we expect it to last a year only. In the long term, I think the business sector should promote the Campaign, as it is the business sector which has a greater responsibility to train up their employees. Nevertheless, we have selected several job types for trial, namely, front-line service personnel which of course includes employees in the retail or tourism business or employees whose major duties will be serving customers in the future Disney theme park. If the benchmarks set are recognized by employers, they should be very helpful.*

PRESIDENT (in Cantonese): *Question time shall end here.*

WRITTEN ANSWERS TO QUESTIONS

Control the Spread of Influenza

7. **MR WONG YUNG-KAN** (in Chinese): *Madam President, there have been outbreaks of influenza in a number of countries recently, and the number of influenza cases in Hong Kong recorded by the influenza-like-illness surveillance mechanism of the Department of Health (DH) has also been on the rise. In this connection, will the Government inform this Council:*

- (a) *of the number of persons aged 60 or above who were given influenza vaccination by the DH in each of the past three years; the respective percentages of these numbers in the population of this age group in the corresponding years;*
- (b) *of the plans of the DH to co-ordinate public and private medical institutions to cope with the seasonal peaks of influenza; and*
- (c) *whether it knows the contingency plans of the Hospital Authority for coping with massive hospitalization of influenza-infected persons?*

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

- (a) The estimated number of people aged 60 or above is around 1 million of which about 40 000 are living in residential care homes. In accordance with the recommendation of the Advisory Committee on Immunization, the DH has, since February 1998, offered vaccination against influenza on a voluntary basis every winter to all elderly living in residential care homes. Taking into account the local epidemiology of influenza and its complications, the residents of elderly homes constitute a high risk group because of the institutional setting which is conducive to the spread of influenza, and many of the residents are frail elderly who are more prone to develop complications after contracting flu. In the past three influenza vaccination campaigns, over 80% of those living in residential care homes were vaccinated, representing 3.3%, 3.4% and 3.9% respectively of the total number of people aged 60 or above. Detailed statistics are as follows:

| <i>Date</i> | <i>No of Vaccinees</i> | <i>Coverage rate of elderly living in residential care homes</i> | <i>Coverage rate of all people aged 60 or above</i> |
|---------------|----------------------------|--|---|
| February 1998 | 31 559 | 83% | 3.3% |
| November 1998 | 33 900 | 83% | 3.4% |
| November 1999 | 38 775 | 84% | 3.9% |

- (b) The Department monitors the trend of the disease through the Influenza Surveillance Programme, under which statistical data on the number of influenza cases are collected from the private practitioners participating in the Programme and the Department's general out-patient clinics. The information obtained is disseminated weekly through the Department's homepage to all health care providers in the public and private sectors to provide them with timely advice about the incidence of influenza to enable them to prepare for any upsurge in the number of influenza patients. Other relevant information is also disseminated as appropriate. For example, advice on the influenza vaccine composition recommended by the World Health Organization for 1999-2000 is disseminated to all doctors in Hong Kong through the Department's homepage and the Public Health and Epidemiology Bulletin published by the DH.

In addition to these, health messages on influenza are promulgated by the DH regularly to alert the public of the means to prevent influenza. Appropriate self-care in the community would help to reduce the number of influenza cases.

- (c) The Hospital Authority has in place a multi-disciplinary Influenza Taskforce which monitors the influenza situation in Hong Kong and recommends appropriate clinical management and infection control guidelines. It is also responsible for co-ordinating contingency measures among the public hospitals to cater for an upsurge in demand for hospital inpatient services as a result of influenza. Contingency plans, which include the deployment of staff and resources within and across hospitals, are in place to ensure provision of adequate isolation facilities, beds and medicines should there be massive admission of influenza-infected patients.

Taxing the Profits Derived from International Commercial Activities Conducted Electronically

8. **MR JAMES TIEN** (in Chinese): *Madam President, at present, international commercial activities conducted by electronic means are increasingly common, and there are reports that there are difficulties in levying*

taxes on the profits derived from such activities. In this connection, will the Government inform this Council of the difficulties in levying taxes payable in respect of such commercial activities, and of the Administration's plan to overcome such difficulties?

SECRETARY FOR THE TREASURY (in Chinese): Madam President, many taxation administrations are considering the implications on their taxation regimes of conducting businesses by electronic means. Important international fora such as the Organization for Economic Co-operation and Development (OECD) are doing likewise. Some issues already identified which may have relevance for, but not unique to, Hong Kong's Profits Tax regime include:

- (a) a change in the characterization of business transactions, for example, software which used to be distributed in the form of an ordinary sale and purchase transaction may now be distributed electronically with the end-user paying a licensing fee;
- (b) a tendency towards disintermediation, for example, manufacturers or vendors of goods terminating their physical presence in Hong Kong and operating through a "virtual" shop front;
- (c) a possibility of onshore operations moving offshore, for example, conventional businesses operating in Hong Kong moving, in an e-commerce situation, their server offshore;
- (d) a chance of non-taxation, or double taxation, of profits occurring with respect to business conducted electronically because profits may totally escape any liability to tax or be subject to taxation in more than one jurisdiction;
- (e) a growing trend for electronic record keeping, transfer pricing arrangements and more complex audit trail, rendering the assessment and verification of tax payable more complicated and difficult; and
- (f) a potential burgeoning of new businesses brought about by e-commerce, some of which may give rise to profits liable to Profits Tax.

No uniform approach to resolving these and other issues has emerged universally. With globalization and the disappearing importance of physical boundaries for businesses conducted electronically, it is important for a consensus approach to be developed and adopted by most taxation administrations so that tax revenues arising from businesses conducted through electronic means may be reasonably and equitably assessed and collected by the relevant tax administrations.

Hong Kong must ensure its approach to taxing profits arising from businesses conducted electronically is consistent with that adopted by our major international counterparts. We need to await the development of international standards and formulate our own guidelines accordingly. In the meantime, we are keeping a close watch on discussions and emerging views in the OECD and major taxation administrations. Where appropriate, we participate in discussion groups and seminars organized by the OECD on taxation and e-commerce. In addition, the Inland Revenue Department has specifically been tasked with closely monitoring developments in e-commerce, from a taxation perspective, as they arise within Hong Kong. It is also interfacing with taxation practitioners in Hong Kong to identify potential problems and possible resolutions relating to taxation of profits on businesses conducted through electronic means.

Regulation of Health Food Products

9. **MR YEUNG YIU-CHUNG** (in Chinese): *Madam President, will the Government inform this Council whether:*

- (a) *it has plans to regulate through legislation the trade descriptions of the composition and curative effects of health food products, and to conduct tests on the claims of such trade descriptions; if it has, of the details of the plans; if not, the reasons for that; and*
- (b) *it has a mechanism for investigating claims that certain health food products have been accredited by overseas food authorities; if it has, of the details, and the number of prosecutions instituted against persons making false claims of this kind in the past three years; if not, whether it will consider establishing such a mechanism?*

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

- (a) Health food products are at present regulated as follows:
- (i) Health food products as general commodities are subject to the regulation of the Trade Descriptions Ordinance (Cap. 362) which provides that any person who, in the course of any trade or business, applies a false trade description to any goods commits an offence. The Ordinance is enforced by the Customs and Excise Department whose action is mainly targeted at counterfeit products to safeguard the interests of trade mark proprietors and consumers.
 - (ii) Health food products as general food products are subject to the regulation of the Public Health and Municipal Services Ordinance (Cap. 132) which provides that manufacturers and sellers of food have a responsibility to ensure that their products are fit for human consumption. The Ordinance also makes it an offence for any person to give or to display a food label which falsely describes the food or is calculated to mislead as to its nature, substance or quality. The Food and Drugs (Composition and Labelling) Regulations made under the Ordinance set out the labelling requirements for prepackaged food. The Food and Environmental Hygiene Department is responsible for enforcing these provisions. The Department tests samples of various types of food, including health food products. If illegal or harmful substances in the food are detected or false descriptions are found in the labels, prosecution may be instituted.
 - (iii) The Pharmacy and Poisons Ordinance (Cap. 138) provides for a registration system for pharmaceutical products to safeguard the safety, quality and efficacy of products, and includes the requirement that claims in the product descriptions must be truthful. The Pharmacy and Poisons Regulations made under the Ordinance also provide that medicines should be labelled with detailed description of the dosage and the route and frequency of administration.

Health food products which contain such medicines are subject to the same control. Inspectors of the Department of Health inspect thousands of pharmacies and medicine shops every year. They check the validity of product descriptions and descriptions which differ from those approved when the products were registered.

- (iv) The Chinese Medicine Ordinance (Cap. 549) which was passed last year provides for a regulatory framework for monitoring the safe use of proprietary Chinese medicines, including health food products which contain Chinese medicines. According to a survey by the Department of Health in 1997, some 70% of the health food products available on the market contain Chinese medicines. The Ordinance makes it clear that in future proprietary Chinese medicines will have to be registered before they can be manufactured or put on sale in Hong Kong. Subsidiary legislation to implement the registration system is expected to be introduced later this year. In considering applications for registration, the safety, quality and efficacy of the medicines, including the truthfulness of the claims in the product descriptions, will be examined. Manufacturers and wholesalers must obtain a licence before manufacturing or selling such medicines.
- (v) The Undesirable Medical Advertisements Ordinance (Cap. 231) provides that no person should publish any advertisements (including trade descriptions and labels) claiming that any medicine or treatment has curative or preventive effects on any of the diseases as specified in the Ordinance. This Ordinance also applies to health food products.
- (b) The Food and Environmental Hygiene Department has established effective communication channels with a number of overseas food control authorities. If the Department has any doubt about the claim made by any health food product that it has obtained accreditation from overseas food control authorities, it will verify the claim with the authorities concerned.

Over the past three years, the Department of Health, which was responsible for monitoring food safety before the reorganization of municipal services, handled 13 cases concerning false trade descriptions in food labels. These cases are still under investigation by the Food and Environmental Hygiene Department.

School-Based Support Scheme

10. **MISS CHRISTINE LOH:** *Madam President, the School-Based Support Scheme provides grants to schools for intake of children who were born in and have newly arrived from the Mainland. In this connection, will the Administration inform this Council:*

- (a) of the reasons for excluding newly arrived children (NAC) who were not born in the Mainland from the Scheme, and whether it will consider including them in the Scheme;*
- (b) of the measures it has taken and will take to meet the special education needs of those NAC who have been excluded from the Scheme; and*
- (c) whether it has assessed if the exclusion of non-mainland-born children from the Scheme is in breach of the relevant provisions in the Hong Kong Bill of Rights Ordinance (Cap. 383); if the assessment result is in the negative, of the rationale for that?*

SECRETARY FOR EDUCATION AND MANPOWER: Madam President,

- (a), (b) and (c)

At present, we provide a series of tailor-made support programmes to NAC to help them integrate into the local education system as early as possible. These services include running Induction Programmes, English Extension Programmes and Short-term Full-time Preparatory Courses, as well as providing schools with block grants to enable them to run school-based support programmes.

With respect to NAC who were not born in the Mainland, the Education Department (ED) has published an information leaflet specially for them, providing information about schools which suit their needs. The ED will also assist these children to find school places. Furthermore, we are actively planning to provide them with support services similar to those received by NAC. New elements, such as support programmes to improve their Chinese proficiency, will be incorporated to cater for the special needs of these children. We will announce and implement the plan as soon as details are finalized.

As mentioned above, apart from providing support services to NAC to help them integrate into the local education system as early as possible, we will also provide similar services to newly arrived children who were not born in the Mainland. Therefore, there should be no question of whether the present arrangements are in breach of the Hong Kong Bill of Rights Ordinance.

Measures against Drink Driving

11. **MR LAU KONG-WAH** (in Chinese): *Madam President, in connection with drink driving, will the Government inform this Council:*

- (a) *of the respective numbers of persons who were required by the police to undergo screening breath tests within the three months before and after the new drink driving legislation came into operation on 1 October 1999, and among them, of the respective numbers of persons who were found to have alcohol concentrations exceeding the prescribed limits under the then effective legislation; of the respective numbers of persons whose breath specimens obtained in screening breath tests were found to contain 21µg to 25µg; 26µg to 30µg; 31µg to 35µg; and more than 35µg of alcohol per 100 ml of breath in the three months after the new legislation had come into operation;*
- (b) *of the number of persons who were found to have alcohol concentrations exceeding the new prescribed limits during the last Christmas and New Year holidays, the percentage of this number in*

the total number of persons who were subjected to screening breath tests during that period; how the number and the percentage compare to the corresponding figures for the previous Christmas and New Year holidays;

- (c) *of a monthly breakdown for the past year, by age groups of five-year bands, of the number of persons found to have alcohol concentrations exceeding the prescribed limits then in effect; whether these figures indicate that the average age of such offenders is getting younger; if there is such a trend, whether the Administration will step up its efforts to promote the message that "drive-and-drink should-not-mix" among young drivers; and*
- (d) *whether there are plans to step up publicity efforts to caution the public about the risk of drink driving?*

SECRETARY FOR TRANSPORT (in Chinese): Madam President, in the three months (that is, July 1999 to September 1999) before the tightening of the drink driving legislation, 10 904 drivers were requested by the police to take the screening breath test. Among which, 252 (2.31% of the total number of drivers tested) were found to have the proportion of alcohol in their breath exceeding the then prescribed limit. In the three months (that is, October 1999 to December 1999) following the enactment of the new drink driving legislation, 11 132 drivers were requested to take the test, among which 308 (2.77%) were found to have the proportion of alcohol in their breath exceeding the new prescribed limit. A breakdown of the results of the screening breath test for the three months following the implementation of the new prescribed limit is set out in the following table:

| <i>Month</i> | <i>Concentration</i> | | | |
|-----------------------------|---|--|---|---|
| | <i>21μg to 25 μg per 100 ml</i> | <i>> 26μg to 30 μg per 100 ml</i> | <i>31μg to 35 μg per 100 ml</i> | <i>> 35 μg per 100 ml</i> |
| October to December 1999 | 36 drivers | 33 drivers | 23 drivers | 228 drivers |

Twenty-eight drivers (4.5% of the total number of drivers tested), when undergoing the screening breath test, were found by the police to have an alcohol level above the prescribed limit during the last Christmas (that is, 25 to 27 December 1999) and New Year (that is, 1 to 3 January 2000) holidays, compared with 15 drivers (2.6% of the total number of drivers tested) caught during the same period in December 1998 and January 1999.

Based on the age of drivers found to have an alcohol level in their breath exceeding the old or new prescribed limits in 1999, there is no statistical evidence to suggest that the average age of offenders of drink driving was getting younger. While the total number and the percentage of younger offenders who violated the drink driving legislation in October and November 1999 were slightly higher, this could be attributed to the tightening of the legislation after 1 October 1999. The situation in December 1999 showed that the percentage of younger offenders among the total number of offenders was similar to that in the earlier months of 1999. A table showing the number of drivers, divided into five-year age groups, who have violated the drink driving legislation is at Annex.

To advise drivers not to drive if they drink is one of the main themes of the current publicity campaign of the Road Safety Council. Publicity materials including a new Television Announcement in Public Interest (TV API), a new radio API, and some new leaflets have been produced to advise drivers on the risk of drink driving. A new poster on drink driving is being prepared and will be available for display by February 2000. In addition, publicity to advise drivers against drink driving will be strengthened prior to festival seasons through the media and other appropriate channels.

Annex

Number of drivers violated drink driving legislation in 1999

| 1999 | <i>Age Group</i> | | | | | | | | | | | <i>Total</i> |
|----------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---------------------------|--------------|
| | <i><20</i> <i>year</i> | <i><25</i> <i>year</i> | <i><30</i> <i>year</i> | <i><35</i> <i>year</i> | <i><40</i> <i>year</i> | <i><45</i> <i>year</i> | <i><50</i> <i>year</i> | <i><55</i> <i>year</i> | <i><60</i> <i>year</i> | <i><65</i> <i>year</i> | <i>⇒65</i> <i>year</i> | |
| January | 1 | 14 | 23 | 11 | 19 | 6 | 3 | 2 | 0 | 0 | 0 | 79 |
| February | 1 | 13 | 18 | 15 | 14 | 5 | 4 | 1 | 0 | 1 | 0 | 72 |
| March | 2 | 9 | 22 | 16 | 22 | 11 | 9 | 3 | 0 | 0 | 0 | 94 |
| April | 3 | 17 | 18 | 11 | 12 | 11 | 4 | 3 | 1 | 0 | 0 | 80 |

| 1999 | Age Group | | | | | | | | | | | Total |
|-----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------|
| | < 20 year | < 25 year | < 30 year | < 35 year | < 40 year | < 45 year | < 50 year | < 55 year | < 60 year | < 65 year | ⇒65 year | |
| May | 0 | 16 | 27 | 16 | 17 | 13 | 5 | 5 | 1 | 1 | 0 | 101 |
| June | 1 | 15 | 23 | 13 | 15 | 9 | 3 | 1 | 0 | 0 | 0 | 80 |
| July | 4 | 12 | 20 | 20 | 10 | 12 | 9 | 3 | 1 | 1 | 0 | 92 |
| August | 0 | 9 | 24 | 18 | 20 | 14 | 5 | 3 | 2 | 1 | 0 | 96 |
| September | 2 | 10 | 12 | 16 | 6 | 6 | 6 | 5 | 1 | 0 | 0 | 64 |
| October | 3 | 27 | 28 | 23 | 21 | 15 | 1 | 4 | 1 | 0 | 0 | 120 |
| November | 2 | 23 | 18 | 5 | 11 | 6 | 5 | 4 | 1 | 0 | 0 | 75 |
| December | 0 | 21 | 29 | 17 | 24 | 9 | 6 | 7 | 0 | 0 | 0 | 113 |
| Total | 19 | 186 | 259 | 181 | 191 | 117 | 60 | 41 | 8 | 4 | 0 | 1 066 |

Change of Name of Xinhua News Agency

12. **MISS EMILY LAU:** *Madam President, in connection with the change of name of the Hong Kong Branch of the Xinhua News Agency, will the executive authorities inform this Council:*

- (a) *whether they know if the functions of the renamed organization have been changed;*
- (b) *whether the renamed organization will still be recognized as an organ of the Central People's Government (CPG) or accorded the status as such;*
- (c) *whether the organization has sought the consent of the Government of the Hong Kong Special Administrative Region (HKSAR) for it to change its name, in accordance with the spirit of Article 22 of the Basic Law, which has a stipulation that the consent of the Government of the HKSAR must be obtained for departments of the Central Government, or for provinces, autonomous regions or municipalities directly under the Central Government to set up offices in the HKSAR; if it has not, of the reasons for that; and*

- (d) *of the measures the executive authorities will take to ensure that the renamed organization will only engage in liaison work, so as to avoid giving the public the impression that it has a higher authority than the Government of the HKSAR or is in effect an alternative centre of power in Hong Kong?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Madam President, the reply to Member's question is as follows:

- (a) The Liaison Office of the CPG in the HKSAR (Liaison Office) is discharging basically the same responsibilities as the former Xinhua News Agency (Hong Kong Branch).
- (b) The Liaison Office will discharge responsibilities in Hong Kong as authorized by the CPG. It is one of the three offices established by the CPG in the HKSAR.
- (c) The Liaison Office, formerly known as "Xinhua News Agency (Hong Kong Branch)" is already an existing organization in Hong Kong and not one to be newly established. Nevertheless, the CPG did consult the Government of the HKSAR on the change of office title, and we did not hold a different view on the matter.
- (d) The responsibilities to be discharged by the Liaison Office in Hong Kong as authorized by the CPG have been set out clearly. They do not impinge on the autonomy of the HKSAR. As an office established by the CPG in Hong Kong, the Liaison Office and its staff will strictly abide by the Basic Law and the laws of the HKSAR. The full and faithful implementation of "one country, two systems" in the HKSAR is a well-established policy and strategic direction that will remain unchanged.

Initiatives Taken to Eliminate Discrimination against Women

13. **MISS CHRISTINE LOH:** *Madam President, regarding the Government's effort to eliminate discrimination against women, will the Administration inform this Council:*

- (a) *of the women's issues discussed last year by the Policy Groups which are chaired by the Chief Secretary for Administration and attended by senior representatives of policy bureaux;*
- (b) *of the conclusions reached and recommendations made in these discussions, and the new initiatives taken to implement such recommendations; and*
- (c) *of the Policy Groups' timetables for discussing the removal of the reservations and declarations entered by Hong Kong to the Convention on the Elimination of All Forms of Discrimination against Women in its application to Hong Kong?*

SECRETARY FOR HOME AFFAIRS: Madam President,

(a) and (b)

The Government attaches great importance to women issues and is committed to promoting the interests of women, addressing their needs and concerns, in addition to seeking remedial measures to eliminate discrimination against women. Issues of concern to women are deliberated and followed up at different fora within the Administration. Given the need to achieve our policy objectives on a broader front, Policy Secretaries together with department heads are responsible on an on-going basis for developing policy and legislative initiatives and implementing them often with the participation of non-governmental organizations (NGOs) and other relevant sectors in the community to meet the changing needs of women. Where necessary, particularly in issues involving several bureaux, the matter could be referred to the Policy Groups chaired by the Chief Secretary for Administration for consideration. Over the years, a wide range of administrative and legislative measures have been initiated and implemented through different government bureaux and departments or NGOs to meet the diverse and changing needs of women in various areas, such as social welfare, health care, child care, retraining and so on.

For example, a Working Group on Battered Spouse has been set up to strengthen the co-ordination of efforts and services for victims of domestic violence. These include the provision of women refuges, compassionate rehousing, legal aid, counselling, medical services and so on. The Social Welfare Department and NGOs also provide counselling and related services to single parents in need.

To promote equal opportunities for women, we enacted the Sex Discrimination Ordinance and established the Equal Opportunities Commission. The United Nations Convention on the Elimination of All Forms of Discrimination against Women was extended to Hong Kong in 1996. In addition, we enacted the Family Status Discrimination Ordinance to extend protection to persons, who have the responsibility to care for their immediate family members, such as single parents, against discrimination.

To render assistance to women, and in particular, working mothers, legislative amendments to the Child Care Services Ordinance were made to facilitate the formation of mutual help child care groups and improve the quality of care in child care centres. The Attachment of Income Order Rules was enacted to improve the enforcement of maintenance orders made in matrimonial proceedings. Last year, a Bill was introduced into the Legislative Council to propose amendment to the Evidence Ordinance to abolish the corroboration rules in sexual offence cases.

Apart from legislative measures, a number of Maternal and Child Health Centres and Women Health Centres provide a comprehensive range of promotive and preventive care for women. Some 80% of the trainees in courses offered by the Employees Retraining Board are women. These training courses help to enhance women's employability by equipping them with skills to keep pace with changing economic circumstances. The placement rate of women trainees in full-time courses is about 70%. Through circulars and workshops, schools are reminded that all students should be given equal opportunities in participating in all aspects of the educational process.

The above measures and initiatives are examples demonstrating the Administration's commitment towards promoting women's interests and well being on an on-going basis. We shall continue to uphold gender equality and to address women's needs in all policy areas.

- (c) The Administration is in the process of carefully reviewing our reservations and declarations entered under the Convention on the Elimination of All Forms of Discrimination against Women. We are committed to completing the review as soon as possible, bearing in mind the complex policy and legal implications involved.

Emergency Plans for Fires Occurring in MTR Premises

14. **DR RAYMOND HO** (in Chinese): *Madam President, a fire broke out on 7th this month in a Congestion Relief Works site at the North Point Station of the Island Line of the Mass Transit Railway Corporation (MTRC). In this connection, will the Government inform this Council:*

- (a) *of the number of fire outbreaks since the Mass Transit Railway (MTR) came into operation and the resultant casualties; and*
- (b) *whether it knows:*
- (i) *if the MTRC has formulated plans for evacuating passengers in case of fire; if it has, the details; if it has not, the reasons for that; and whether the MTRC has made reference to overseas experience in formulating the plan; if it has not, the reasons for that;*
- (ii) *if the MTRC has carried out regular drills on fire safety and passenger evacuation; if it has not, the reasons for that; and*
- (iii) *the channels adopted by the MTRC to instruct passengers of the means of escape in case of fires; if no such instructions have been made, the reasons for that?*

SECRETARY FOR TRANSPORT (in Chinese): Madam President, since the commencement of the operation of the MTR system in 1979, there were 610 cases of smouldering or fire at MTR premises. All of these were minor incidents. Only three MTR staff and one canteen staff sustained minor injuries in three separate incidents.

The MTRC has put in place emergency plans for crowd control and evacuation of passengers to deal with fire incidents. In case of fire, passengers in the station will be guided to the normal or emergency exits by announcement through the public address system, in-station signages, as well as assistance from MTRC staff members. Passengers on board will be detrained, if appropriate, in a safe manner as soon as possible and evacuated onto the street or podium where fresh air is available. Passenger Information Display System at station entrances will display warning messages with siren to stop passengers from entering the stations. These emergency plans have been drawn up and constantly reviewed with references to experience and practices elsewhere.

The Corporation also carries out regular exercise in conjunction with the Fire Services Department, the police and the Civil Aid Service. In addition, the Corporation conducts annual safety awareness programme to educate passengers on how to travel on the MTR properly and safely. Educational safety booklets containing safety messages, including safety guide during incidents, are available free of charge at all MTR stations. Safety information packages specially designed for the students and the elderly are also distributed to schools and elderly centres.

Computer System Failure of Hong Kong Futures Exchange

15. **MR SIN CHUNG-KAI** (in Chinese): *Madam President, it was reported that a computer system of the Hong Kong Futures Exchange (HKFE) had failed on the 4th of this month. In this connection, will the Government inform this Council whether it knows:*

- (a) *the details and causes of the computer system failure;*
- (b) *the measures in place by the HKFE to prevent the recurrence of similar incidents; and*

- (c) *the basis on which, in the event of a computer system failure, a financial institution regulated by the Securities and Futures Commission (SFC) decides if the incident should be announced immediately, and whether the relevant institution should consult or seek approval of the SFC before making such a decision?*

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

- (a) Soon after the market opened on 4 January 2000, the HKFE reported to the SFC that the options pricing system of the open outcry system for the trading of Hang Seng Index (HIS) options contracts had encountered a problem. The SFC also subsequently informed the Financial Sector Emergency Co-ordination Centre operated by the Financial Services Bureau of the incident when it was identified as Y2K-related.

The incident was related to the incorrect calculation of the number of days between the trading day and the expiration dates of each series of options traded. This resulted in discrepancies in the duration of the options and affected the accuracy of the HIS options indicative prices generated by the Theoretical Indicative Price System (TIPS) of the HKFE. Such prices are normally used by the traders as a reference price to facilitate trading.

Upon discovery of the problem, the HKFE immediately invoked its back-up plans and manually compiled the theoretical options prices in accordance with its standard policies and procedures. The cause of the incident was identified and an automated workaround was devised at about noon, well before the opening of the second trading session on that day. When the incident occurred, the HKFE could not ascertain instantly if it was Y2K related. However, once the HKFE identified the cause of the incident, it became clear that the incident was Y2K related.

The assessment by the HKFE was that the incident would not affect the normal trading operations and was therefore considered not critical. The prices affected were not the actual traded prices but indicative prices for general reference.

- (b) Like all other market operators of major shared financial systems, the HKFE takes primary responsibility of the robustness of its computer systems. The HKFE has developed comprehensive procedures and contingency plans to deal with any potential computer problem which may occur to its systems. According to the HKFE, the incident was quickly corrected before the start of the second session at 2.30 pm on that day. A software solution was later devised after the cause of the incident was identified. The software solution was tested for effectiveness which included the testing of the dates of end January and the leap year rollover. Positive results were achieved before its introduction into the production system. The HKFE is confident that the same problem would not happen again.
- (c) As part of the normal process in managing their operations, the market operators of the major shared financial systems in the securities and futures industry (that is, the Stock Exchange of Hong Kong, HKFE and Hong Kong Securities Clearing Limited) have set up comprehensive procedures and contingency plans to deal with computer problems which may occur to their systems. In the event of a computer breakdown, the affected organization would follow its own procedures and contingency plans to deal with the problem. Existing procedures require an affected organization, if a problem causes a disruption to the normal operation of the market, to inform the SFC and their own members or participants of such an incident. Where the incident is critical, the organization will consider issuing a separate press release to inform the public. Each organization's management is responsible for making the decision and the corrective measures to remedy the problem as well as handling the publicity surrounding the matter. In the event that the SFC considers that the measures taken by the affected organization to handle the matter are not adequate under the circumstances, it will require the affected organization to take further steps to resolve the issue.

Combating Regional Air Pollution Problem

16. **DR DAVID LI:** *Madam President, the Air Pollution Indexes recorded by general and roadside monitoring stations reached record level on 30 December last year and for several days following that. It was learnt that the poor air quality was caused by a very still wind condition and incoming air pollutants brought in by an air stream from the Pearl River Delta Region. In this connection, will the Government inform this Council of the concerted efforts that the Hong Kong Special Administrative Region Government and the Guangdong Provincial Government have made or will make in combating regional air pollution?*

SECRETARY FOR THE ENVIRONMENT AND FOOD: Madam President, Hong Kong is confronted with two air pollution problems. The first is an acute street level air pollution problem mainly caused by the emissions from Hong Kong's own vehicle fleet. The second is the highly visible ambient air pollution which is largely caused by local sources including emissions from vehicles, power generation and other fuel combustion processes, and is also affected by regional air quality. Hong Kong's emissions also have some effect on regional air quality.

A wide range of measures have been and are being taken to reduce local emissions from vehicles, power plants and industrial sources. Details of these measures are set out in the Annex. These measures help to protect regional air quality as well as local conditions.

We understand that Guangdong has been taking steps to address their local air quality conditions as well. Recognizing the pressure that is being put onto air quality by the intense development in the Region, both sides have undertaken to step up co-operation in measures to tackle cross-boundary air pollution.

We have commenced a joint study with the Guangdong Provincial Government to identify the extent and nature of air pollution in the entire Pearl River Delta Region with a view to developing suitable strategies to tackle air pollution in the Region. Both sides have pledged to complete the joint study by early 2001 and devise control strategies to improve air quality in the Region as soon as possible. This is a key item on the agenda of the "Joint Working Group on Sustainable Development and the Environmental Protection" that is being set up under the Hong Kong/Guangdong Co-operation Joint Conference.

The Joint Working Group will also look into the feasibility of adopting common standards for diesel fuels in both Guangdong and Hong Kong and to draw up an implementation plan.

Annex

Measures being taken to reduce emissions in Hong Kong

A. *Measures on vehicular sources*

A wide range of on-going and new measures are being implemented to reduce emissions from all categories of vehicles. These include:

- (i) *taxis*: there are about 18 000 diesel taxis in Hong Kong. Grants will be provided to assist owners to switch to liquefied petroleum gas (LPG) vehicles. We are also working to ensure that adequate supporting facilities for LPG vehicles can be provided at relatively low costs;
- (ii) *light buses*: there are about 6 400 diesel light buses including public, private and school light buses in Hong Kong. A trial of LPG and other alternative fuelled light buses will be launched this year. If the results are satisfactory, we intend to provide financial assistance similar to that for the taxi trade to encourage operators to switch to clean alternatives;
- (iii) *light diesel vehicles*: there are about 70 000 other diesel light goods vehicles (up to 5.5 tonnes in weight) in Hong Kong. Subject to on-going operational trials, we intend to provide free installation of particulate traps which are capable of reducing about 20% particulates emissions for all pre-Euro standard light diesel vehicles (including diesel taxis and light buses before they switch to LPG). For the longer term, we will be considering other alternatives to diesel for these vehicles;
- (iv) *buses*: there are about 12 000 buses (including franchised, public and private buses) in Hong Kong. The franchised bus companies have agreed to retrofit some 2 000 buses that do not meet the Euro II emission standards over the next two years with catalytic converter.

They also plan to scrap most of their older buses over the next three years. All replacement buses will be new models which meet the latest emission standards. The Transport Department is also continuing with its programme to rationalize bus services and re-organize bus stops in busy areas to reduce congestion, improve traffic flow and reduce pollution;

- (v) *medium and heavy diesel vehicles*: there are about 40 000 medium and heavy vehicles in Hong Kong. Subject to on-going operational trials, we intend to provide free installation of catalytic converters which are capable of reducing up to 50% of the particulates emissions for all pre-Euro standard medium and heavy diesel vehicles;
- (vi) *all vehicles*: we will be adopting the more stringent Euro III emission standard for all new diesel vehicles as from 2001. As further practicable emission standards for diesel or for petrol vehicles are developed in the coming years, we will consider their introduction into Hong Kong. We will present within this year proposals for phasing in age limits for different categories of vehicles for consultation;
- (vii) *fuels*: we intend to reduce the benzene in petrol to not more than 1% in 2000 and to reduce the sulphur content of motor diesel to not more than 0.035% in January 2001. We are seeking also to introduce ultra low sulphur diesel (with sulphur content of 0.005%) initially for the franchised bus fleet;
- (viii) *emission control*: we introduced in September 1999 an advanced smoke test (by means of a dynamometer) for light diesel vehicles spotted for emitting excessive smoke. Dynamometers for conducting smoke tests onto heavy diesel vehicles will be introduced this year. We intend to introduce legislative proposal to increase the fixed penalty for smoky vehicles to \$1,000 within this year. We will also conduct strengthened smoke tests as part of the annual inspection programme of all commercial vehicles and to introduce an emission check in the roadworthiness inspection to petrol vehicles;

- (ix) *education and training*: seminars and workshops are being conducted for the vehicle service trade to promote proper maintenance to reduce emissions and to familiarize them with the dynamometer smoke tests. We are working with the vehicle service trade and the Vocational Training Council to study ways to assist the trade to improve its standards of service;
- (x) *pedestrianization*: pedestrian precincts are being planned in a number of new development areas and on both sides of the harbour to reduce pedestrian exposure to pollution; and
- (xi) *transport planning*: we will integrate transport and land use planning in a more timely and co-ordinated manner in order to reduce the public's need to travel, which in turn alleviates the demands put on the transport system and reduces vehicle emissions.

B. Measures on other emission sources

- (i) Natural gas has been introduced for power generation in 1996. Coal units built after 1991 were required to install flue gas desulphurization system to reduce sulphur dioxide emissions and low-NO_x burners to reduce nitrogen oxides emissions.
- (ii) Since 1990, we have restricted the sulphur content of industrial diesel fuels to 0.5%.
- (iii) Since 1987, we have introduced licensing control on major air polluting sources such as power plants, cement plants and so on.
- (iv) We have been enforcing legislation to require prior approval of fuel-using installations exceeding certain statutory fuel consumption rates to ensure these installations are properly designed to prevent air pollution.
- (v) Regulation was introduced in 1996 to ban open burning activities.
- (vi) Regulation was introduced in 1997 to control dust emissions from construction works.

Fire Safety of Cubicle Apartments

17. **MR MA FUNG-KWOK** (in Chinese): *Madam President, regarding the number, fire service installations and safety of cubicle apartments in private residential buildings, will the Government inform this Council whether:*

- (a) *it has conducted surveys to find out the average number of cubicle apartments for separate occupation in private residential buildings in each of the past three years; whether the figures show an upward trend in the number of cubicle apartments; if so, of the reasons for that, and whether the increase in the number of new arrivals is one of the reasons;*
- (b) *there is any legislation governing the fire service installations required in premises which have been partitioned into a number of cubicles; if there is, whether it plans to enhance law enforcement actions; if there are such plans, of the relevant details; if there is no such legislation, whether it will consider introducing legislation to that effect; and*
- (c) *it has plans for stepping up promotional efforts to raise fire safety awareness among residents in cubicle apartments?*

SECRETARY FOR HOME AFFAIRS (in Chinese): *Madam President, my reply to the three parts of the question is as follows:*

- (a) We have not conducted specific surveys of cubicle apartments but in the General Household Survey conducted by the Census and Statistics Department in the third quarter of 1999, about 7 7000 households (population: 167 000) were found to be living in non-self-contained quarters in private buildings or rooftop quarters. We have no information on the correlation between the number of cubicle apartments and new arrivals;
- (b) Regulatory controls of building and fire safety of private buildings are undertaken by the Buildings Department (BD) and Fire Services Department (FSD). If cubicles adversely affect the structure of a building, or if the means of escape are compromised, enforcement action will be taken as a matter of priority by the BD under the Buildings Ordinance. The FSD has statutory power under the Fire

Services Ordinance to abate fire hazards, the overwhelming majority of which exist in the common parts of buildings. Examples of fire hazards include obstruction to means of escape, and defective or missing fire service installations and equipment. We consider that vigorous enforcement of the existing Ordinances is adequate to regulate the fire and building safety of private buildings containing cubicles and therefore we do not consider it necessary to introduce a separate legislation for the purpose at this stage; and

- (c) We have an ongoing plan of promoting fire safety awareness among owners and residents of buildings as follows:
1. Under the auspices of the Central Steering Committee on Fire Safety chaired by me, the Home Affairs Department (HAD) has an ongoing publicity programme to promote effective building management and fire safety.
 2. From March 1998 to mid-December 1999, District Fire Safety Committees (DFSCs) were established in all 18 districts in Hong Kong. The DFSCs play an important role to help promote a fire safety culture in the community.
 3. On 5 December 1999, the FSD in conjunction with the Information Services Department conducted a major fire prevention campaign at the Hong Kong Cultural Centre Piazza. The main theme of the campaign was "守望相助，做好防火". As a continuation of this campaign, a series of high profile fire safety publicity activities are being conducted at major shopping malls and public housing estates throughout Hong Kong.
 4. In addition, in an effort to raise public awareness of fire safety, the FSD conducted over 2 000 fire protection talks and organized 612 fire drills for building owners, occupiers and property management companies in the last 12 months. The FSD has published an information booklet entitled "Fire Prevention in the Home" for handing out to the general public at the fire safety publicity activities.

5. The HAD also published a "Fire Safety Checklist" to facilitate owners and occupiers to carry out self-inspection of fire safety provisions of their buildings. The checklist has been well received by the public. These checklists and the FSD's booklets mentioned above are available free of charge at the Districts Offices and Building Management Resource Centres of the HAD.

The above publicity and education efforts have enhanced the community's awareness of fire safety and benefited building owners and occupants, including those living in cubicle apartments. These efforts will continue vigorously.

Minimizing the Possibility of Ferry Accidents

18. **MR LAU KONG-WAH** (in Chinese): *Madam President, on 6 January, a ferry from Cheung Chau to Central had an accident when it was about to berth at Central Pier 6, causing injuries to a number of passengers. In this connection, will the Government inform this Council:*

- (a) *of the causes of the accident and whether human errors were involved;*
- (b) *whether cushioning facilities at the pier concerned are adequate and up to the required safety standards;*
- (c) *whether ferries plying inner harbour routes are being maintained and repaired on a regular basis; if so, of the details and the general breakdown rate of these ferries;*
- (d) *of the measures it has adopted to minimize the possibility of passengers on ferries being injured in similar accidents; and*
- (e) *whether it knows if the new company which has taken over the operation of ferry services since 15 January plans to redesign the existing ferry piers with a view to minimizing the possibility of accidents; if there are no such plans, of the reasons for that?*

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

- (a) The Director of Marine is still investigating the accident. From evidence gathered so far, the most probable cause of the accident was the vessel's excessive speed when approaching the pier. The master appears to have made an error of judgment and approached the pier with excessive speed. In trying to avoid a collision with the pier, he did not follow stipulated procedure in reversing the main engine. The ferry collided with the sea wall.
- (b) Central Piers 6 and 7 were designed to BS 6349-British Standard Code of Practice for Maritime Structures. The pier structures are protected by fenders designed to cater for impact forces resulting from all types of ferries presently in use in Hong Kong.
- (c) Under the Merchant Shipping (Launches and Ferry Vessels) Regulations (Cap. 313), every locally licensed ferry is required to undergo an annual survey conducted by the Marine Department for ensuring its safety standards. The owner of every ferry is required to maintain his ferry in good and seaworthy conditions at all times. As there is no legal requirement for ferry owners or operators to report on the machinery breakdown rate of ferries engaged in inner harbour routes, the Marine Department does not have records of such information. However, according to its record, in the past year, there has been no incident of machinery breakdown of such ferries which resulted in either an accident or disruption to marine traffic on inner harbour routes.
- (d) Thirteen passengers were injured by the accident. These passengers, who stood up during berthing despite an announcement requesting passengers to remain seated until the ferry was securely berthed, sustained minor injuries due to the impact of the collision.

To minimize the possibility of passengers on ferries being injured in similar accidents in future, the Marine Department will advise the relevant operators to adopt the following measures:

- (i) Masters of ferries are to be instructed to approach ferry piers and sea walls at an appropriate speed.
- (ii) As far as practicable, the masters should test the engines of ferries for astern propulsion each time before berthing.
- (iii) Repeated announcements requesting passengers to remain seated will be made while the vessel is berthing and unberthing.
- (iv) Warning notices requesting passengers to remain seated until the vessel is berthed will be posted in more prominent positions on ferries.
- (v) In addition to announcements made shortly before berthing and unberthing, cabin crew of ferries will go round and request passengers to remain seated.

After the completion of the investigation, the Marine Department will advise the operators of the findings and based on the findings, urged them to adopt any other necessary measures to minimize the risk of similar accidents.

- (e) As set out in my reply to earlier parts of the question, the accident was probably caused by human error and was not related to the design of the pier. However, if in the light of their operational experience the new operator has any views regarding the pier, these will be considered carefully by the Administration.

Discrimination in Schools against Newly Arrived Children

19. **MR MA FUNG-KWOK** (in Chinese): *Madam President, recently a girl who had newly settled in Hong Kong committed suicide allegedly because of depression resulted from her having been discriminated against by fellow students at school. In this connection, will the Government inform this Council:*

- (a) *whether it has assessed the difficulties encountered by the newly arrived children (NAC) in adapting to school life in Hong Kong;*
- (b) *of the support provided to the schools concerned, the NAC and their parents to assist such children in adapting to school life; and*
- (c) *the measures it has taken to promote mutual acceptance among students from different backgrounds?*

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

- (a) The Education Department (ED), through its District Education Offices (DEOs), is in close contact with schools. It is aware that NAC from the Mainland, in general, have adaptation needs in learning English, using Cantonese and traditional Chinese characters as well as communicating and getting along with their schoolmates.
- (b) To help the NAC overcome difficulties mentioned above and adapt to school life in Hong Kong as early as possible, we are providing the following support services to the NAC as well as relevant schools and parents:
 - The ED provides assistance to parents of NAC in finding school places for their children. Information leaflets with a pre-paid self-addressed reply slip are made available to parent at the Lo Wu checkpoint, District Offices and DEOs. Parents of NAC may seek assistance from the ED for their

children's education by completing and returning the reply slip. A Central Placement Unit was set up by the ED in February 1996 to handle complicated cases referred by the DEOs. Normally, a NAC can be placed within 21 working days after a request is made.

- Under the school-based support scheme, schools will receive a block grant from the ED based on their NAC intakes, at the rate of \$2,000 per pupil at the primary level and \$3,300 at the secondary level. Schools may use this block grant to provide the NAC with school-based support services, such as organizing tutorial classes or extra-curricula activities, developing and procuring special teaching materials and so on.
- The ED provides Induction Programmes and English Extension Programmes to the NAC through non-governmental organizations (NGOs) to help them adapt to local environment and learn English.
- The ED organizes short-term preparatory courses for the NAC at some conveniently located schools with vacant classrooms.
- The ED produces tailor-made supplementary materials for schools and teachers to facilitate their teaching of NAC. For example, the Department has developed tests on languages and Mathematics from Primary Two to Secondary Four levels to assist schools in assessing the standard of NAC in Chinese, English and Mathematics, and in turn placing them in appropriate levels.
- Student guidance teachers in primary schools and school social workers in secondary schools provide counselling services, and organize group work and family life education programmes to help the NAC adapt to school life and integrate into the community.

- We are aware that many parents of NAC are themselves new arrivals from the Mainland. The International School Services - Hong Kong Branch, a subvented organization of the Social Welfare Department (SWD), provides dedicated services for new arrivals including orientation counselling and Cantonese classes. These activities can enhance the communication and problem-solving skills of NAC and their parents, thus enabling them to cope with changes in the school and living environment and integrate into the local society as early as possible. In addition, the family life education programmes and supportive group services provided by the SWD and NGOs facilitate the NAC and their parents to adapt to the new environment early.

- (c) In arranging school places for the NAC, the ED integrates them into mainstream schools instead of segregating them from local students, thus enabling mutual acceptance between the NAC and local students. The ED also encourages schools to implement a Peer Support Scheme whereby the more mature students are arranged to help look after the NAC during recess or after school.

Moreover, same as local youths, young new arrivals from the Mainland are among the main service target groups of the SWD and NGOs. Services such as family life education programmes, supportive groups and networking programmes are organized to allow young new arrivals from the Mainland and local youths to participate together. Apart from enhancing their social skills, cultivating a sense of social responsibility and developing talents, these services can help promote mutual acquaintance, communication and understanding between young new arrivals from the Mainland and local youths.

Allocation of Secondary Six Places

20. **MR SZETO WAH** (in Chinese): *Madam President, at present, students who have obtained a total of 14 points or more in the best six subjects in one sitting at the Hong Kong Certificate of Education Examination (HKCEE) may apply for admission to Secondary Six classes in their own schools or linked*

schools in Stage I of the Secondary Six Admission Procedure (Stage I). Under such admission procedure, some secondary schools with relatively more students who have scored 14 points or more may have shortfalls in Secondary Six school places, while others may have surpluses. A review will be conducted upon completion of the admission procedure each year to formulate the procedure for the following year. It was reported that plans are in the pipeline to redeploy resources by reducing the number of Secondary Six classes in schools which have an admission rate below 50% in Stage I, and allowing schools which have shortfalls in school places to operate more Secondary Six classes, in order that the overall number of students admitted to Secondary Six classes in their own schools during Stage I can be increased. In this connection, will the Government inform this Council:

- (a) of the progress of the review on the Secondary Six Admission Procedure (SSAP) conducted by the Education Department (ED) last year; the expected timing for the completion of the review and the publication of the results; and whether and how a consultation will be conducted on the results of the review;*
- (b) of the number of secondary schools which have an admission rate below 50% during Stage I in each of the past three years; if there are plans to put into practice the proposal to cancel all Secondary Six classes in these schools; if so, of the number of Secondary Six classes to be reduced in these schools, and the number of secondary schools involved in the coming school year;*
- (c) of the number of secondary schools which have shortfalls in Secondary Six school places during Stage I in each of the past three years; if the above resources redeployment proposal is put into practice, of the number of secondary schools which need to increase their Secondary Six classes and the that of additional Secondary Six classes in the coming school year;*
- (d) whether it will consider only increasing the number of Secondary Six school places in secondary schools which have shortfalls in school places during Stage I, and not reducing the number of Secondary Six school places in schools which have an admission rate below 50% in Stage I; and*

- (e) *whether there are plans to encourage aided secondary schools to operate Secondary Six classes on a self-financing basis; if so, of the details, the conditions an aided secondary school should fulfil before it is permitted to operate such classes, and how the authorities concerned will monitor the admission of students to such classes and the tuition fees to be charged?*

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

- (a) Upon completion of the SSAP each year, the ED will invite the relevant educational bodies, including schools councils, secondary school heads associations, and parent representatives to a consultation meeting to review the admission procedure and suggest improvements for the coming year. The review and consultation on the 1999 SSAP were completed in December last year. All representatives attending the consultation meeting agreed to follow the existing admission procedure in 2000. The ED is now preparing leaflets on the admission procedure to be adopted in the next round of exercise which will be distributed to relevant schools in February.

- (b), (c) and (d)

The admission situation of schools during Stage I in each of the past three years is as follows:

| | 1997 | 1998 | 1999 |
|---|------|------|------|
| Number of schools having an admission rate below 50% during Stage I | 170 | 181 | 165 |
| Number of schools experiencing a shortfall of Secondary Six places during Stage I | 78 | 85 | 92 |

The existing SSAP is divided into five stages (admission arrangements for each stage are at Annex). In Stages I and III, schools can only admit those eligible students from their own or linked schools. In Stages II and IV, schools may admit students according to applicants' results in the HKCEE and their streaming preferences. If schools still have remaining Secondary Six places after Stage IV, the ED will proceed to Stage V to centrally allocate these places to HKCEE candidates of the current year who have met the minimum Advanced Level entry requirements. Therefore, even if some schools have not filled up all their places in Stage I, they should be able to admit sufficient number of students in Stages II to V for the operation of Secondary Six classes there should not be any surplus in the provision of school places. In view of the above, we do not, for the time being, have any plan to increase or reduce the number of Secondary Six classes of a school on the basis of its admission situation in Stage I.

- (e) The ED is now soliciting views from schools through school councils on the proposal for allowing aided secondary schools to operate self-financing Secondary Six classes in addition to subsidized Secondary Six classes. Since the proposal is still at the development stage, we would like to collect more views from schools. Before making a decision on whether to implement the proposal, the Government will consider various factors, such as financial commitments of the Government and parents, the overall supply of public sector school places, space and facilities of schools and whether opportunities of learning and further study of existing students of the concerned schools will be affected.

Secondary Six Admission Procedure

Stage I

Day 1 (that is, the day on which the results of HKCEE are released (up to 12.00 noon)

Students with 14 points or more ^(Note1) apply to their own or linked schools

Schools may also use discretionary places (two for each class) to admit students of their own or linked schools (including HKCEE candidates of past years) meeting the minimum Advanced Level entry requirements ^(Note2)

Stage II

Day 1
(2.00 pm - 4.30 pm)

Students with 14 points or more ^(Note 1) apply to other schools

Day 2
(9.00 am - 1.00 pm)

Stage III

Day 3
(up to 12.00 noon)

Students meeting the minimum Advanced Level entry requirements ^(Note 2) apply to their own or linked schools

^(Note1) Grades A to E are given point values of 5 to 1 respectively.

^(Note2) For example, in the 1999 SSAP, to be eligible for participating in the 2001 Hong Kong Advanced Level Examination, a student must in one sitting of HKCEE before August 1999, have attained a Grade E or above in six subjects or a Grade E or above in five subjects with no less than 8 points.

Stage IV

Day 3
(2.00 pm - 4.30 pm)

Students meeting the minimum
Advanced Level entry requirements
(Note 2) apply to other schools

Day 4
(9.00 am - 1.00 pm)

Stage V

Day 5 to Day 10

HKCEE candidates of the current year
meeting the minimum Advanced Level
entry requirements (Note 2) apply for
central allocation on Day 5. Results
of the central allocation will be
released on Day 10.

BILLS**First Reading of Bills**

PRESIDENT (in Cantonese): Bills: First Reading.

**INTELLECTUAL PROPERTY (MISCELLANEOUS AMENDMENTS)
BILL 2000****INSURANCE COMPANIES (AMENDMENT) BILL 2000****BUILDING MANAGEMENT (AMENDMENT) BILL 2000****DUMPING AT SEA (AMENDMENT) BILL 2000****MENTAL HEALTH (AMENDMENT) BILL 2000**

CLERK (in Cantonese): Intellectual Property (Miscellaneous Amendments) Bill 2000

Insurance Companies (Amendment) Bill 2000

Building Management (Amendment) Bill 2000

Dumping at Sea (Amendment) Bill 2000

Mental Health (Amendment) Bill 2000.

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.

INTELLECTUAL PROPERTY (MISCELLANEOUS AMENDMENTS) BILL 2000

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President, I move the Second Reading of the Intellectual Property (Miscellaneous Amendments) Bill 2000.

In early 1999, we conducted a public consultation exercise on the need and ways to further strengthen domestic legislation on intellectual property rights. Having consulted the Legislative Council Panel on Trade and Industry, we decided to introduce legislative amendments to give effect to three proposals as a first step. One of the proposals is to specify piracy and counterfeiting offences under Schedule 1 to the Organized and Serious Crimes Ordinance, and I am glad that this amendment was enacted by the Legislative Council on the 12th of this month.

The Intellectual Property (Miscellaneous Amendments) Bill 2000 mainly seeks to introduce legislative amendments for the other two proposals. They include:

- (1) prevention of bootlegging by creating an offence of unauthorized possession of video recording equipment in a cinema or concert venue; and
- (2) clarification of the law to facilitate prosecution of end-user corporate copyright piracy offenders, for example, firms using pirated computer software in their normal business activities.

Madam President, the Customs and Excise Department discovered from its past operations that some pirated optical discs were made from unauthorized recordings in local cinemas. Although there are signs that such activities have diminished recently, we must take measures to stamp out such illegal activities.

At present, it is very difficult to produce the required evidence to bring charges against unauthorized recordings. For this reason, the Bill provided for an offence of unauthorized possession of video recording equipment in premises used primarily as a cinema, theatre or concert hall for the showing of films or playing of performances. The person in charge of the venue will be empowered to refuse the entry of persons possessing such equipment without authorization.

Certainly, we understand the need to allow flexibility in some exceptional cases, such as in concerts organized by schools at these venues where video recordings are allowed, provided that there is authorization from the organizer. In this connection, the Bill stipulated that the person in charge of the venue is empowered to allow the entry of persons possessing such equipment.

To ensure that the general public or tourists are not caught unawares by the new legislation, we will bring the provisions into effect only after sufficiently wide and effective publicity measures have been undertaken. On the part of the industry, the Hong Kong Theatres Association, which represents a majority of local cinemas, has undertaken to provide secure storage facilities for customers to deposit their video recording equipment before entering the cinemas. The Association will also arrange for prominent posters and announcements to be put

up to remind the public of the prohibition of video recording equipment in cinemas. A similar message will be shown on the screen before the beginning of a movie, and warning messages will be relayed to those who purchase tickets via the telephone or the Internet. In addition, similar publicity measures will be arranged for concert venues. We will also produce announcements of public interest to put across the message.

Another main objective of the Bill is to clarify certain wordings relating to an infringement act in the existing Copyright Ordinance. Under the existing Ordinance, it is an offence only if the infringement act is committed "for the purpose of trade or business". Our legal counsel has advised that it is uncertain whether the expression "for the purpose of trade or business" is sufficient to cover infringement acts for which the trade and business in question does not consist of dealing in the infringing articles concerned. For example, a firm which uses pirated computer software in its normal business activities but has no direct involvement in the sale of that infringing software may escape punishment due to this uncertainty.

Therefore, the Bill will amend all provisions in the Copyright Ordinance which contain the expression "for the purpose of trade or business", and substitute that expression by one in more express terms for greater clarity in order to clearly reflect our legislative intent to institute prosecution against corporate copyright piracy.

Madam President, the Bill once again manifested our determination to strive for the best possible protection for intellectual property rights. Other than the protection rendered by law, we will continue to work hard in areas of enforcement, public education and publicity, and to encourage creativity, with a view to promoting the development of a knowledge-based economy in the Hong Kong Special Administrative Region.

With these remarks, I urge Members to support the Intellectual Property (Miscellaneous Amendments) Bill 2000.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Intellectual Property (Miscellaneous Amendments) Bill 2000 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.

INSURANCE COMPANIES (AMENDMENT) BILL 2000

SECRETARY FOR FINANCIAL SERVICES (in Cantonese): Madam President, I move that the Insurance Companies (Amendment) Bill 2000 be read the Second time.

The Government has two objectives in introducing the Bill: One is to enhance the transparency of the insurance market in Hong Kong by allowing the Insurance Authority (IA) to disclose financial and statistical information of individual insurers when it is in the interests of the insuring public to do so; the other is to cater for the needs of overseas insurers by empowering the IA to accept actuarial standards which are comparable to those prescribed by legislation for compliance by the appointed actuaries of long-term business insurers.

First of all, I will explain briefly the proposal on the disclosure of information. At present, the Insurance Companies Ordinance provides that the IA cannot disclose to the public any information of an insurer unless certain requirements are met, for example, consent of the insurer concerned has been obtained.

As a result of this requirement, disclosure of information obtained by the IA had been limited to the aggregate statistics of all insurers. In other neighbouring countries such as Singapore, Australia and Malaysia, statistics on individual insurers are readily available to the public. By comparison, it is necessary for Hong Kong to increase its transparency in respect of the disclosure of insurers' information. We believe that greater transparency will enable the insuring public, insurers and other relevant parties to have more information for making decisions when dealing with such insurers. Enhancing market transparency is the international trend. It also helps to maintain the systemic stability of the insurance market. Last year, the IA obtained the express consent of all insurers to publish in its Annual Report financial and statistical information on individual insurers. The move was welcomed by all parties concerned. To

avoid reliance on the above cumbersome administrative practice, we propose to set out our policy intent of enhancing transparency by amending the Insurance Companies Ordinance to allow the IA to disclose information of individual insurers provided that it is, in the IA's opinion, in the interests of the insuring public to do so.

I would now explain briefly the proposal on actuarial standards. Under the Insurance Companies Ordinance, an insurer carrying on long-term business in or from Hong Kong is required to appoint an actuary. At present, the Ordinance empowers the IA to prescribe, only by regulation, standards to be compiled by an appointed actuary. The IA's intention is to prescribe the "Professional Standard 1" issued by the Actuarial Society of Hong Kong as the standard. However, not all appointed actuaries of insurers are members of the Actuarial Society of Hong Kong. In many instances, appointed actuaries of overseas insurers are overseas residents who are subject to the professional standards under their respective jurisdictions. These standards may be comparable to or even better than the "Professional Standard 1". To address this problem, we propose to amend the Ordinance to give the IA the flexibility to accept actuarial standards which are comparable to those prescribed by legislation.

Madam President, the Insurance Companies (Amendment) Bill 2000 helps to enhance the transparency and effectiveness of the insurance market, strengthen the protection for policy holders, and address the needs of overseas insurers operating in Hong Kong. All these will facilitate the development of Hong Kong as an international insurance centre. I urge Members to support the Amendment Bill. Thank you. Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Insurance Companies (Amendment) Bill 2000 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.

BUILDING MANAGEMENT (AMENDMENT) BILL 2000

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, I move that the Building Management (Amendment) Bill 2000 be read the Second time.

The Bill seeks to implement suggestions made in the Consultation Paper on "Proposals to improve fire safety in private buildings" and to remove the deficiencies in the Building Management Ordinance.

The Consultation Paper on "Proposals to improve fire safety in private buildings" was published in mid-1998 for public consultation. The outcome of the consultation shows that the public generally accepted the various proposals for improving building management and fire safety and recognized that proper building management and fire safety went hand in hand. We therefore propose to amend the Building Management Ordinance to implement measures to improve building management put forward in the consultation paper.

The Bill contains three major proposals:

(1) *Specification of building management and maintenance standards*

At present, section 18(1) of the Building Management Ordinance stipulates that an owners' corporation (corporation) shall be responsible for the management and maintenance of the common parts of a building but it does not provide for specific standards of management and maintenance.

We propose to amend the Ordinance to empower the Secretary for Home Affairs to publish in the Gazette a Code of Practice on Building Management and Maintenance for corporations to comply with. The Code will be drafted in layman terms to make it easy for the public to understand. It will refer to existing legislation related to the common parts of a building including building safety, fire safety, gas installation, lift and electrical installation and slope safety and so on, but will not replace them. The respective Ordinances will continue to be enforced by the Departments concerned (for example, the Buildings Ordinance by the Buildings Department and the Fire Services Ordinance by the Fire Services Department). Since enforcement should not be duplicated, we do not propose to impose additional penalties on corporations for non-compliance with the Code.

(2) *Mandatory management*

Whether a building has building management organizations (for example, owners' corporations or property management companies) has much to do with the fire and building safety of a building.

For buildings without a manager but having serious management and maintenance problems, our proposed amendment will empower the Authority to order the corporation of such a building to appoint a management agent from a list of building management agents to be gazetted for the purposes of managing that building. The Authority will consider whether to make such an order in the light of the objective criteria set out in the Code of Practice that I have mentioned just now. As far as actual operation is concerned, the inter-departmental District Building Management Co-ordination Committees chaired by the respective District Officers will identify problematic buildings and advise the Authority on whether an order should be made. Corporations that fail, without reasonable excuse, to comply with the order within the specified time limit shall be guilty of an offence and shall be liable on conviction to a maximum fine of \$50,000 and to a further daily fine of \$1,000. I would like to emphasize that it is not the Government's intention to penalize the owners concerned, instead our aim is to require, through penalties that have a deterrent effect, owners to appoint an effective building management agent to manage their property properly.

In dealing with problematic buildings that have not set up their own corporations, we shall take administrative measures to encourage and assist owners to form such corporations. In case the owners fail to do so, the Authority may apply to the Lands Tribunal for an order under which one of the owners shall convene a meeting of owners, to form a corporation and to appoint a building management agent to manage that building.

After consultation with the relevant Departments and professional bodies, we will draw up a list of building management agents. The list will be published in the Gazette subject to enactment of the Bill. The proposed criteria for inclusion in the list of building management agents are similar to those for the Approved List of Property Management Agents for public housing estates currently kept by the Housing Department. The Authority will review the list from time to time and has the right to revise it.

(3) *To facilitate the formation of corporations in new buildings*

Under the existing Ordinance, the formation of a corporation of any building requires the owners to, first of all, convene a meeting of owners in the manner provided under section 3, 3A or 4 (by owners holding not less than 50% of the shares; or by an application to me for an order in case of owners holding not less than 30% of the shares; or by an application to the Lands Tribunal in case of owners holding not less than 20% of the shares) for the appointment of a management committee. It may then proceed to register the corporation in the Land Registry. The term of office of management committee members is two years, renewable through the resolution of the annual general meeting of owners which requires a quorum of not less than 10% of the owners.

We shall continue to encourage owners of existing buildings to form corporations in accordance with the above provisions. We have considered a provision for compulsory formation of owners' corporations. However, if no owner is willing to participate in the work of the management committee of a corporation, the corporation could not function. Except for a building with serious management and maintenance problems whereby the Lands Tribunal may order the owners to convene a meeting and appoint a building management agent that I have just mentioned, we consider that owners should decide on whether or not to form corporations. Owners may also form owners' committees under the deed of mutual covenant or other forms of owners' organizations. Therefore, we propose to amend the Ordinance to streamline procedures for owners of new buildings to convene a meeting for the appointment of a management committee. We propose that the quorum of the meeting shall be not less than 10% of the owners in the light of the quorum now required (10% of the owners) for a management committee to be re-appointed by a corporation. A management committee may be appointed by a resolution passed by a majority vote of the owners and upon appointment, it shall register the corporation in the Land Registry.

Apart from adopting the three measures put forward in the consultation paper, we would like to take the opportunity to make improvements to the Ordinance.

Quite a number of corporations have not taken out insurance in respect of third party liabilities for the common parts of their buildings. In the case of Sun Hing Building, the court ordered the corporation to pay about \$20 million to compensate a worker for injuries suffered when carrying out maintenance works for the building. There was widespread public concern about this case. We propose to amend the Ordinance to require corporations to take out third party insurance in respect of the common parts of their buildings on a mandatory basis. Requirements of the insurance (for example, scope of coverage, minimum indemnity and qualifications of insurers) will be stipulated in subsidiary legislation to be enacted separately under the Ordinance. Corporations that fail, without reasonable excuse, to take out insurance as prescribed in the legislation shall be guilty of an offence and shall be liable on conviction to a maximum fine of \$50,000. The commencement date of the above requirements will be published in the Gazette in due course (upon enactment of the subsidiary legislation).

At present, section 27(1A) of the Ordinance provides that the accounts of a corporation may be audited by a professional accountant or such other person as may be approved by the corporation by a resolution passed at a general meeting. Since the accounts of corporations of multi-storey buildings can be quite complicated and persons other than professional accountants may not have the necessary experience and expertise to audit the accounts properly, we propose to amend section 27(1A) to delete the provision relating to the appointment of non-professional accountants to audit the accounts of a corporation. However, corporations of buildings of 50 flats or less shall be exempted from this requirement. Corporations that fail, without reasonable excuse, to comply with the mandatory requirements in respect of audit of accounts shall be guilty of an offence and shall be liable on conviction to a maximum fine of \$50,000.

Our proposed Bill also contains a number of minor and technical amendments that seek to facilitate the formation and operation of a corporation. As these amendments have been set out in detail in the Bill, I do not intend to elaborate on them.

Apart from introducing the above proposed amendments, the Home Affairs Bureau and the Home Affairs Department (HAD) have in recent years vigorously implemented related administrative measures to assist private building owners in performing their duties to manage their own properties. Here I would like to briefly mention the administrative measures we have taken.

In early 1998, an inter-departmental Central Steering Committee on Fire Safety was established under my chairmanship to formulate strategies on fire safety and building management. It comprises the heads of the relevant Policy Bureaux and departments and seven unofficial members. At the district level, District Fire Safety Committees (DFSCs) have been established in all 18 districts in Hong Kong. Each DFSC, chaired by the District Officer, comprises community leaders and professionals. Its role is to help promote fire safety. The major achievements of the Central Steering Committee on Fire Safety include the public consultation on "Proposals to improve fire safety in private buildings" and recommendations on the details of the legislative amendments. The Committee also conducted several high profile inter-departmental joint inspections of building fire safety, and co-ordinate and organize publicity and educational activities to promote public awareness of fire safety and building management with a view to fostering a building management and fire safety culture in Hong Kong.

Located in Yau Ma Tei, Kowloon, the first Building Management Resource Centre of the HAD came into operation in mid-1998. Seven professional bodies have assisted by making their members available in the Centre to provide preliminary professional advice free of charge to the public. The service is well received by the public and the second Centre will be open day after tomorrow in Central, Hong Kong Island. To further extend our scope of service, we are actively planning for the establishment of a third Centre in the New Territories this year. The aim of the above-mentioned administrative and legislative measures is to promote a building management culture in the community in order to improve our living environment and quality of life so that members of the public can have a better place to live in.

With these remarks, Madam President, I commend the Bill to this Council.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Building Management (Amendment) Bill 2000 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.

DUMPING AT SEA (AMENDMENT) BILL 2000

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese):
Madam President, I move that the Dumping at Sea (Amendment) Bill 2000 be read the Second time.

The purpose of the Dumping at Sea Ordinance is to provide for a permit system to control the dumping of substances and articles from vessels, aircraft, and marine structures in the sea. This Ordinance gives the Administration the power to prevent activities that may cause an environmental hazard. It also ensures that the Hong Kong Special Administrative Region comply with the provisions of the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matters.

The main purpose of the Bill is to remove a loophole through which certain activities that are authorized under the Foreshore and Seabed (Reclamations) Ordinance are exempted from the permit system, even though they constitute dumping activities. An administrative arrangement to require permits in such cases has already been instituted by the Environmental Protection Department. The Bill gives legal backing to this arrangement.

If the Bill is passed, all works authorized under the Foreshore and Seabed (Reclamations) Ordinance will be covered by the permit system under the Dumping at Sea Ordinance. Since our objective is to ensure control of dumping activities, I will, at the same time, make an Order to exempt land formation projects authorized by the Foreshore and Seabed (Reclamations) Ordinance from the permit requirement. Reclamation works authorized under the Roads (Works, Use and Compensation) Ordinance will also be included in the proposed Exemption Order.

The Bill will provide for more effective control over marine dumping activities, while the proposed Exemption Order will prevent properly authorized reclamation projects from having to obtain additional approval. I urge Honourable Members to support the Dumping at Sea (Amendment) Bill 2000. Thank you, Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Dumping at Sea (Amendment) Bill 2000 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.

MENTAL HEALTH (AMENDMENT) BILL 2000

SECRETARY FOR HEALTH AND WELFARE: Madam President, I move that the Mental Health (Amendment) Bill 2000 be read the Second time.

The Amendment Bill seeks to clarify that a third party cannot give consent to an organ donation on behalf of a mentally disordered or handicapped person, who is incapable of understanding the general nature and effect of the organ transplant operation.

The proposed amendment is necessitated by the wording of the definition of "medical treatment" in Part IVC of the Mental Health Ordinance. This could be construed to include the removal of an organ from a mentally disordered or handicapped person for donation purposes. This has never been our policy intention.

The Bill, if enacted, will ensure that mentally handicapped and mentally disordered persons enjoy the same level of protection as is afforded others in our community under the Human Organ Transplant Ordinance. This requires that a prospective donor should fully understand the procedure and risks involved as well as his entitlement to withdraw consent at any time. In essence, we do not agree that any third party should have the power to consent to an organ donation on behalf of a mentally handicapped or disordered person. The Bill seeks to fully protect these persons since we do not accept that the removal of an organ for transplant purposes, with the associated significant risk and pain, could ever be regarded as treatment which is in the best interests of the donor.

Mentally handicapped and mentally disordered persons who are able to give consent to donate will not be prevented from doing so, as a result of this Bill, nor will their ability to receive an organ be affected.

Madam President, I beg to move.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Mental Health (Amendment) Bill 2000 be read the Second time.

In accordance with Rule 54(4) of 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 Hong Kong Arts Development Council (Amendment) Bill 1999.

HONG KONG ARTS DEVELOPMENT COUNCIL (AMENDMENT) BILL 1999

Resumption of debate on Second Reading which was moved on 7 July 1999

PRESIDENT (in Cantonese): Under the Rules of Procedure, I have permitted Mr Timothy FOK, Chairman of the Bills Committee to address the Council on the Committee's Report. As Mr FOK has not yet arrived, I would ask other Members to speak first. Does any Member wish to speak?

(Mr Timothy FOK entered the Chamber)

PRESIDENT (in Cantonese): Mr FOK, you arrive just in time. Please address the Council on the Committee's Report

MR TIMOTHY FOK: Madam President, as Chairman of the Bills Committee on the Hong Kong Arts Development Council (Amendment) Bill 1999, I wish to report on the main deliberations of the Bills Committee.

The Bill seeks to expand the membership of the Hong Kong Arts Development Council (ADC) by adding:

- (i) the Director of Leisure and Cultural Services or his representative;
- (ii) one representative nominated by the Chinese opera organizations;
and
- (iii) five other members.

The Bills Committee has held two meetings with the Administration. The main deliberations of the Bills Committee are on the cultural policy, the funds allocation mechanism of the ADC and its membership.

On the cultural policy, initially some members were in favour of meeting representatives from the arts community to hear their views on the subject and the proposed funds allocation arrangements. However, it was brought to their attention that the issues had largely been covered by the former Subcommittee on Long-term Policy of the Panel on Home Affairs and representatives from the sector had already presented their views to the Subcommittee. Following the discussion, members agreed that the Bills Committee should focus on the subject matter of the Bill and matters relating to the cultural policy should be discussed by the Panel on Home Affairs.

Members note that a high level Cultural and Heritage Commission will be set up to advise the Government on the overall cultural policy and broad funding priorities. It will advise on broad funding allocations to those well established culture and arts organizations, while the ADC will continue to examine funding applications from smaller arts groups as well as project grants based on the relative artistic merits of the projects.

In response to questions raised by members on its funds allocation mechanism, the ADC has provided further information on the membership of its board and committees as well as information on the examiners system for assessing grant applications and the appeals mechanism. It has also provided for members' reference a copy of its conflict of interest rules, which have been drawn up on the advice of the Independent Commission Against Corruption.

As regards the membership of the ADC, a member is of the view that the Administration should specify in the Bill the number of members to be appointed from the Legislative Council and the District Councils to ensure continued community representation in the formulation of cultural policies. However, the Administration has explained that the Administration generally does not specify the membership source in law in order to allow flexibility in the appointments but it will ensure a balanced and fair representation of various parties.

Madam President, the Bills Committee supports the Bill.

Thank you, Madam President.

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

(No Member responded)

PRESIDENT (in Cantonese): Secretary for Home Affairs, do you wish to reply?

(The Secretary for Home Affairs indicated that he did not wish to reply)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Hong Kong Arts Development Council (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): Hong Kong Arts Development Council (Amendment) Bill 1999.

Council went into Committee.

Committee Stage

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

HONG KONG ARTS DEVELOPMENT COUNCIL (AMENDMENT) BILL 1999

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Hong Kong Arts Development Council (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 now resumes.

Council then resumed.

Third Reading of Bill

PRESIDENT (in Cantonese): Bill: Third Reading.

HONG KONG ARTS DEVELOPMENT COUNCIL (AMENDMENT) BILL 1999

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

Hong Kong Arts Development Council (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 Hong Kong Arts Development Council (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): Hong Kong Arts Development Council (Amendment) Bill 1999.

MOTION

PRESIDENT (in Cantonese): Motion. Proposed resolution under the Pharmacy and Poisons Ordinance.

PROPOSED RESOLUTION UNDER THE PHARMACY AND POISONS ORDINANCE

SECRETARY FOR HEALTH AND WELFARE: Madam President, I move that the Poisons List (Amendment) Regulation 2000 and the Pharmacy and Poisons (Amendment) Regulation 2000 as set out under my name in the paper circulated to Members be approved.

Currently, we regulate the sale and supply of pharmaceutical products through a registration and inspection system set up in accordance with the Pharmacy and Poisons Ordinance. The Ordinance maintains a Poisons List under the Poisons List Regulations and several Schedules under the Pharmacy and Poisons Regulations. Pharmaceutical products put on different parts of the Poisons List and different Schedules are subject to different levels of control in regard to the conditions of sale and keeping of records.

For the protection of public health, some pharmaceutical products can only be sold in pharmacies under the supervision of registered pharmacists and in their presence. For certain pharmaceutical products, proper records of the particulars of the sale must be kept, which should include the date of sale, the name and address of the purchaser, the name and quantity of the medicine and the purpose for which it is required. The sale of some pharmaceutical products must be authorized by prescription from a registered medical practitioner, a registered dentist or a registered veterinary surgeon.

The Amendment Regulations now before Members seek to amend the Poisons List in the Poisons List Regulations and the Schedules to the Pharmacy and Poisons Regulations, for the purpose of imposing or updating control on a number of medicines.

The Pharmacy and Poisons Board proposes to add 12 medicines to Part I of the Poisons List, and the First and Third Schedules to the Pharmacy and Poisons Regulations so that pharmaceutical products containing any of them must be sold in pharmacies under the supervision of registered pharmacists and in their presence, with the support of prescriptions.

The Board also proposes to upgrade the control of the antisera, antitoxins, immunoglobulins and vaccines directed against various diseases or organisms by adding them to Part I of the Poisons List and the First and Third Schedules to the Pharmacy and Poisons Regulations so that they must be sold in pharmacies under the supervision of registered pharmacists and in their presence, with the authority of prescriptions.

In addition, recent scientific evidence shows that another medicine, namely, Aciclovir, is safe for use without medical supervision under certain dosage. Accordingly, the Board proposes to relax the control of this medicine under such conditions. As a result, the public may purchase the medicine from a pharmacy without a prescription.

The two Amendment Regulations are made by the Pharmacy and Poisons Board, which is a statutory authority established under section 3 of the Ordinance to regulate the registration and control of pharmaceutical products. The Board comprises members engaged in the pharmacy, medical and academic professions. The Board considers the proposed amendments necessary in view of the potency, toxicity and potential side effects of the medicines concerned.

With these remarks, I move the motion.

The Secretary for Health and Welfare moved the following motion:

"That the following Regulations, made by the Pharmacy and Poisons Board on 4 January 2000, be approved -

- (a) the Pharmacy and Poisons (Amendment) Regulation 2000; and
- (b) the Poisons List (Amendment) Regulation 2000."

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

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for Health and Welfare, 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 of the Members present. I declare the motion passed.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Motion on "Restructuring of Panels".

MOTION ON "RESTRUCTURING OF PANELS"

DR LEONG CHE-HUNG: Madam President, I move the motion standing in my name on the Agenda.

Let me state that I am moving this motion on behalf of the House Committee.

From 1 January 2000, a new governmental structure has been put in place for the provision of municipal services. The new Environment and Food Bureau is tasked with the policy responsibilities for food, food safety, environmental hygiene, environmental protection and conservation. It oversees the new Food and Environmental Hygiene Department, the Agriculture, Fisheries and Conservation Department as well as the Environmental Protection Department. The new Bureau assumes overall responsibility for leading and co-ordinating the Government's efforts in food safety and environmental hygiene matters.

As regards the provision of leisure and cultural services, the Home Affairs Bureau has taken over the responsibility for developing a comprehensive strategy for steering, promoting and funding the leisure and cultural activities. It also oversees the new Leisure and Cultural Services Department which has assumed responsibilities for the provision of leisure and cultural services previously undertaken by the two Provisional Municipal Councils.

Madam President, one of the important functions of this Council is to monitor government bureaux and departments in their policy formulation and implementation. This is currently done through our working panels. In the presence of a new bureau and its executive departments, it is imperative that we have to restructure the panels to ensure an effective monitoring especially when the new bureau is in its infancy.

Rightly so, a subcommittee was formed under the chairmanship of Dr the Honourable TANG Siu-tong to consider the matter in detail and to present its recommendations to the House Committee meeting on 7 January 2000 for a decision.

On the monitoring of issues relating to the provision of leisure and cultural services, there is general agreement among members that the work should be taken up by the Panel on Home Affairs as its ambit already covers the development of arts and culture, public entertainment, sport and recreation.

But on the monitoring of food safety and environmental hygiene, members' views are diverse. Several options have been proposed. Madam President, allow me to elaborate on each one of them first, and spend some time to express the pros and cons of each.

Option I

Under this option, no new panels are to be formed. Instead, the issue of food safety and environmental hygiene would be taken up by one of the existing panels — namely, the Panel on Environmental Affairs or the Panel on Health Services.

Some members, however, have expressed concern whether existing panels have the capacity to take on additional policy areas. They pointed out, for instance, that the Panel on Environmental Affairs or the Panel on Health Services would be overburdened, if either one of the two Panels has to deal with issues relating to food safety and environmental hygiene. To wit, the Panel on Environmental Affairs has already held 47 meetings since July 1998. Moreover, there are members who consider that while food safety is related to health services, it seems inappropriate for issues such as hawkers and markets, restaurants licensing and liquor licensing, and so on to be included in its work ambit.

Option II

Under this option, the proposal is to form a new panel to look at the issue of food safety and environmental hygiene. Some members are of the view that a new panel should not be formed as the current term of the Legislative Council will end in less than six months' time. Furthermore, with a limited number of Members and secretariat support, the workload on managing a new panel could pose a problem.

Option III

Under this option, no new panels will be formed. Instead, the ambit of monitoring food safety and environmental hygiene will be split into two panels — Panel on Health Services will take up food safety, agriculture and fisheries matters as well as public health education; while the Panel on Environmental Affairs will deal with the remaining responsibilities for environmental hygiene.

Madam President, this last option is the option decided by the House Committee at the meeting on 7 January 2000 and put before Members today for approval in the original motion that I am going to move in my capacity as Chairman of the House Committee.

What are my personal views on the different options?

Madam President, it would be foolhardy to put the new workload on one of the existing panels. For one, the existing panels will be grossly overburdened with work — many have a never-ending agenda already. For another, Honourable Members who joined these panels under the original terms of reference may not be interested in the new scope of work imposed on them. The possible half-hearted monitoring will do no justice to this Council, to the Administration and to the public.

Madam President, one of the staunchest criticism against the formation of a new panel is that we should not be seen as unlimitedly expanding our size, nor do we have the blessing of adequate manpower. Yet, Madam President, this Council will have to fulfill our role properly. Should new panels or committees be needed to take on the role on behalf of the public, we have to do it. In short, panels should never be created just for the sake of creating them. Yet, at the same time, we should not shun ourselves from forming new panels despite the needs for fear of being criticized as mounting bureaucracy.

I will have more to say about this when I respond to the Honourable Fred LI's amendment.

What about the option that I am moving for the House Committee? To a certain extent, it has the same shortcomings as putting the monitoring of the new bureau on one existing panel. In short, workload would still be increased in the relevant panels, and Members who have joined the panel initially may not be interested in the new workload.

Furthermore, it is ironic that the new bureau was formed at least in part at the instigation of this Council that there was no central co-ordination for food and environmental hygiene after the saga of the avian flu. Now that the Government has complied and centralized it under one bureau, this Council has turned round to monitor it under two separate panels.

Madam President, with these remarks, I do so move.

Dr LEONG Che-hung moved the following motion:

"That the schedule to the resolution on the "Formation of Panels" passed by the Legislative Council on 8 July 1998 pursuant to Rule 77(1) and (2) of the Rules of Procedure be amended as follows:

- a. In item 4, in the column of Policy Area in respect of the Panel on Home Affairs, by adding "the provision of leisure and cultural services as well as" before "matters relating to development of arts and culture, public entertainment, sport and recreation".
- b. In item 12, in the column of Corresponding Bureau/Body in respect of the Panel on Planning, Lands and Works, by deleting "(a) Planning, Environment and Lands Bureau" and substituting "(a) Planning and Lands Bureau".
- c. By deleting items 16 and 17 and substituting -

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| "16. Health Services | (a) Health and Welfare Bureau | Medical and health services, public health education, food safety, and agriculture and fisheries matters |
| | (b) Environment and Food Bureau | |
| 17. Environmental Affairs | Environment and Food Bureau | Environmental and conservation matters, and environmental hygiene". |

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Dr LEONG Che-hung, as set out on the Agenda, be passed.

Mr Fred LI 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 Fred LI to speak and move his amendment.

MR FRED LI (in Cantonese): Madam President, I move that Dr LEONG Cheung's motion be amended, as set out on the Agenda.

Madam President, I hope Honourable colleagues could keep their cool in considering this issue. Actually, the work of the defunct Urban Council could largely be divided into two major categories, one of which covers culture, arts, recreation and sport. I have no objection to incorporating matters relating to these areas into the purview of the Panel on Home Affairs, since provision of leisure and cultural services constitutes a major part of the monitoring work of the Panel on Home Affairs. What we are now arguing about are food safety and environmental hygiene. With regard to food safety, I understand that our Panel on Health Services used to touch upon services in this respect occasionally. However, the experience was not comprehensive enough, as it did not cover everything from the import of food to livestock quarantine. On the other hand, because the Agriculture and Fisheries Department was the responsibility of the Economic Services Bureau in the past, the Panel on Economic Services also touched upon slaughterhouse and livestock matters. Although the Panel on Economic Services very seldom discusses matters in this respect, services relating to slaughterhouse and livestock are in fact under its purview. As a result of the reorganization of the municipal services framework, the aforementioned services have become the responsibilities of the Environment and Food Bureau. The Environment and Food Bureau is a newly established Policy Bureau comprising two divisions. Division A of the Bureau is tasked with the responsibilities of the former Urban Council, including food premises licensing, hawker policy, hawker stall management, food inspection, food safety, livestock quarantine and livestock protection. At present, this Council does not have any corresponding panels to monitor the work of this new Policy Bureau. However, the 19:18 voting result obtained in the House Committee in this connection actually cannot reflect clearly the wishes of Members. For this reason, I hope that the debate today could give Members an opportunity to consider the issue more clearly.

According to the proposal put forward by Dr LEONG Che-hung, the responsibilities taken on by Division A of the Environment and Food Bureau would be monitored by the Panel on Health Services and the Panel on Environmental Affairs respectively. Let us take a look at the number of meetings held by the 17 panels of this Council over the last year or two. The Panel on Environmental Affairs has held a total of 47 meetings and topped the list. As regards the Panel on Health Services which ranks third, it has also held a number of special meetings. If we should further task these two panels with the three major responsibilities of Division A of the Environment and Food Bureau, we could imagine how much it would add to the workload and purviews of these two panels. So, are we going to hold more special meetings to discuss the matters concerned?

Perhaps some Honourable colleagues may have no idea of what we would need to discuss in these panels. I can tell Members I have some rather impressive experience in this connection. When I was still a member of the Urban Council, I often heard the Honourable Mrs Selina CHOW or — during the earlier years — the Honourable Allen LEE criticizing the Urban Council for taking too long a time to issue liquor licences and food premises licences to applicants. They often criticized the work of the Urban Council either in public or in this Council. As a member of the Urban Council, I was then quite unhappy to hear such criticisms. Now that the Urban Council has been dissolved, I think it would perhaps do well to task this Council with the policy responsibilities of the Urban Council and have Members monitoring together the implementation of the policies concerned. However, some Members are now saying that we do not need a new corresponding panel, the responsibilities could be entrusted to certain existing panels of the Council.

I cannot help but wonder whether we only care to condemn the former Urban Council, complain about its inadequacies and disapprove of it. As a result of the condemnations, the Urban Council was dissolved, leaving this Council the only body representative of public opinion. What are we going to do? Instead of forming a new panel, we simply split the services of the Urban Council and hand them over to two existing panels. But could the existing panels concerned find the time to put on the agenda issues that warrant discussion? When are we going to discuss the simplification of food premises licensing procedures? What is the problem with the Liquor Licensing Board? Yet there are even more problems with the hawker policy. The former Urban Council had proposed revoking the itinerant hawker licences, but discussions on this

policy have now been shelved. Rather than decided by the Chief Executive and his system of the bureaucrats, the revocation or otherwise of this policy should be considered jointly by the Government and the representative body of public opinion.

Some Honourable colleagues are of the view that no corresponding new panel should be formed, and the work could be taken up by some existing panels. There are also others who hold that as the current term of the Legislative Council will end in a few months' time, we had better leave the matter to the new term of the Council to be formed in October this year. Does it follow that we do not have to take care of the work of the Urban Council during the period of more than half a year since its dissolution, leaving everything to the new term of the Legislative Council? Are we being responsible? What particularly distresses me is that while I had hoped to have this Council taking up the work of the Urban Council upon its dissolution, this Council is now trying to duck out and pass the buck to Members of the new term of the Legislative Council. I just find such reasons for not forming a new panel unacceptable. Moreover, the policy areas we talk about now are closely related to the daily lives of the public. When giving support to the "scrapping" of the two municipal councils, many Honourable colleagues said that the Legislative Council would certainly follow up the work concerned. In that case, would what they are advocating now be considered a breach of the decision made then?

Some Honourable colleagues consider that the formation of a new panel would add to the workload of the Secretariat. Actually, it will not make any difference. In the event of no new panels being formed, the work would be taken up by two existing panels, which might then need to conduct a number of special meetings to discuss the matters concerned, thereby adding to the workload of the Secretariat still. We will not refrain from discussing any matters of concern just because there are no new panels; as such, the workload and responsibilities of the Secretariat will be increased in any case. According to the minutes of meetings I consulted, the Secretariat has also furnished this Council with several proposals in relation to the question of whether the policy areas concerned should be taken up by a new panel or shared by certain existing panels. Irrespective of whether the work is taken up by the existing panels or by a new panel, a certain number of meetings have to be held to deal with it all the same, and the Secretariat will have to take minutes and make arrangements for government officials to attend the meetings. So, the workload of the Secretariat will just be the same in any case.

Why do I keep emphasizing the advantage of forming a new panel? If a new corresponding panel should be formed to monitor the work of Division A of the Environment and Food Bureau, the responsibility for monitoring the work of Division A would not need to be split between different panels, and the panels would each have very specific terms of reference. Just now Dr LEONG Che-hung was right in saying that members of the two existing panels concerned might not be interested in discussing hawker matters. What happen if they do not see any need for such discussions? If they should absent themselves from the meetings, there might not be a quorum. Besides, they might also complain against any additional special meetings and refuse to show up then. Some may consider it inappropriate for the panel tasked with food safety responsibilities to discuss issues such as hawkers and food premises licensing. They may consider they have enough issues on their plate in the field of food hygiene alone, for example, genetically-modified foods and functional foods (health foods). The consumption of such kinds of foods has become increasingly popular and given rise to a number of problems that need to be watched closely. Given that the many issues requiring discussions by the existing panels have packed their agendas for the months of March and April, how can they find the time to discuss issues like hawker licensing, food premises licensing, crematories and burial matters? Further still, Members who have joined the panels initially may not be interested in discussions in these areas, why should they be forced to participate in such discussions? If Members are interested in these issues, they could sign up for the new panel, which would be formed with the specific responsibility for food safety and environmental hygiene. Members who are interested could sign up for the new panel, while others could concentrate on their respective roles and functions. I believe this arrangement should be much better than imposing a new, additional scope of work on the existing panels.

I urge Members to support my amendment. I am sure Dr LEONG Che-hung would certainly support my amendment and agree with me that a new panel should be formed to look at matters of food safety and environmental hygiene. Now that the Urban Council has been dissolved, I hope Honourable colleagues would agree to monitor the government policies in this respect in our capacity as representatives of public opinion, so that the Government cannot determine all policies on this front by way of the administrative officer system alone. With these remarks, I beg to move.

Mr Fred LI moved the following amendment to Dr LEONG Che-hung's motion:

"That the motion to be moved by Dr LEONG Che-hung be amended as follows —

a. By deleting paragraph c and substituting

"c. In item 17, in the column of Corresponding Bureau/Body in respect of the Panel on Environmental Affairs, by deleting "Planning, Environment and Lands Bureau" and substituting "Environment and Food Bureau".

b. By adding a new paragraph d

"d. By adding

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| 18. | Food Safety and Environmental Hygiene | Environment and Food Bureau | Food safety, environmental hygiene, public health education, and agriculture and fisheries matters". |
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PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Fred LI to Dr LEONG Che-hung's motion, be passed.

DR TANG SIU-TONG (in Cantonese): Madam President, first of all, I would like to speak in my capacity as Chairman of the Subcommittee to consider the formation of new panel(s) in relation to the provision of municipal services.

At the House Committee meeting on 17 December 1999, Members agreed to form a Subcommittee to consider whether new panel(s) should be set up or whether the existing work of the panels should be adjusted, for the purpose of monitoring the municipal services provided by the new administrative structure from 1 January 2000 onwards.

The Subcommittee has held two meetings to discuss the four options proposed in relation to whether new panel(s) should be formed. The four options include:

- (1) formation of two new panels, one for monitoring food safety and environmental hygiene and one for culture, leisure, sport facilities and services;
- (2) formation of one new panel on food safety and environmental hygiene;
- (3) formation of one new panel on municipal services to monitor all matters related to municipal services, including food safety, environmental hygiene, and culture, leisure and sport services; and
- (4) no new panel to be formed, with the work to be taken up by the existing panels.

Regarding the first option, although some members of the Subcommittee opined that two new panels should be formed, most members considered that culture, leisure and sport services have already been included in the existing terms of reference of the Panel on Home Affairs. Moreover, its corresponding Policy Bureau, the Home Affairs Bureau, is responsible for all these matters.

As regards the second option, some members were of the view that the existing workload of the panels is already very heavy. From July 1998 to 24 December 1999, the Panel on Environmental Affairs has altogether held 45 meetings while the Panel on Health Services has held 34 meetings. As policies and matters related to these areas are now taken over by the newly established Environment and Food Bureau, these members considered it necessary to set up a new corresponding panel to monitor matters related to food safety, food animal inspection and environmental hygiene.

The third option was proposed by me. Its original intent was to set up a new panel on municipal services to take charge of all municipal services provided by the two former Municipal Councils. As municipal services are now taken up by two Policy Bureaux and in view of the extremely heavy workload, members of the Subcommittee rejected this option.

The fourth option suggested not to set up any new panels. Instead, the existing Panel on Health Services and the Panel on Environmental Affairs should deal with matters related to food safety and environmental hygiene respectively. Members of the Subcommittee are divided over this option. Those who supported it held that the decision as to whether a new panel should be established should be made by Members of the new term of the Legislative Council to be formed in nine months. Those who objected to this option considered that it would aggravate the workload of the existing Panel on Health Services and Panel on Environmental Affairs and fail to monitor food safety and environmental hygiene effectively. Moreover, this arrangement violates the principle of delineating terms of reference for panels in accordance with their corresponding bureaux.

The Subcommittee presented a report at the House Committee meeting on 7 January 2000. At the meeting, most members agreed to an option proposed by Dr LEONG Che-hung as Chairman of the House Committee.

Madam President, I would now speak on this motion in my personal capacity.

Madam President, this Council has at present set up 17 panels with specific responsibilities of monitoring and examining the policies and administration of their corresponding bureaux or of specified areas. These panels are delineated in accordance with the principle of adhering to "corresponding bureaux" or "policy areas". Set up by the Government on 1 January, the Environment and Food Bureau has, in addition to merging some functions of a number of Policy Bureaux, taken over all functions and powers related to food safety and environmental hygiene from the two Municipal Councils. This new Bureau divides its policy areas into Division A and B: Division A is responsible for food safety and environmental hygiene and Division B covers environmental protection and nature conservation, with the policy areas of the two Divisions clearly delineated. Unlike environmental protection and nature conservation policies under Division B, most policies under Division A, that is policies related to municipal hygiene, were previously independent of the executive authorities. Therefore, no relevant panels have been set up under this Council to monitor the relevant policies. In order to effectively discharge this Council's duty in monitoring government administration, I consider it necessary for this Council to set up a new panel to allow Members interested in the relevant policies to monitor and study the policies even though there are only six months left for the current term.

Moreover, after the "scrapping of the two Municipal Councils", members of the public generally hope that this Council can fulfil the "last wish" of the two Municipal Councils in monitoring relevant policies on behalf of the public. The establishment of specific panels can serve to demonstrate clearly to the public that this Council is committed. If the relevant work is to be followed up by existing panels an "expedient" measure, it will unavoidably give the public an impression that this Council is being irresponsible.

Madam President, I do not agree to the proposal put forward in today's original motion. First, the original intent of the Administration in setting up the Environment and Food Bureau is to pool the Government's efforts in leading and co-ordinating work related to food safety and environmental hygiene. However, the original motion suggests to split the relevant policies, that is policy areas of Division A, roughly between the Panel on Health Services and Panel on Environmental Affairs. Such an unnecessary split of monitoring functions will unavoidably impose restrictions on the monitoring effort of the relevant panels, thus undermining their effectiveness and efficiency.

Second, the current workload of the two panels is already extremely heavy. Further increasing their workload will only aggravate their work. Members of the panels might even have too many things to take care of at the same time.

Third, as it is basically difficult for the policy areas under Division A of the new Bureau to be delineated, the two panels may need to hold joint meetings frequently and difficulties will unavoidably arise in arranging such meetings and "gathering" members to make the quorum. The situation will further worsen with the imminent conclusion of this Session.

Fourth, as brand new responsibilities will be handed over to the two panels, there will be a need to re-invite interested members to join the panels for fairness' sake. At the same time, scheduled work will need to be re-adjusted. The administrative work and technical problems thus involved may be even more complicated and time-consuming than the formation of a new panel.

Based on the abovementioned problems, I do not agree to the proposal put forward in the original motion though it is only meant to be a "transitional arrangement". I support the amendment

Madam President, I so submit.

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

MR HOWARD YOUNG (in Cantonese): Madam President, this question was debated twice in the Subcommittee. I attended both meetings. It is regrettable that the conclusions drawn by the two meetings are slightly different. I also noticed with deep regret that when the meetings were held, members of a certain political party were all absent from the first meeting and members of another party were all absent from the second one. In any case, this issue has been discussed repeatedly by the House Committee. I would now like to talk about the position of the Liberal Party on this issue.

Regarding the four options presented to us for consideration, the Liberal Party firmly objects to the setting up of a so-called select committee to take over all work previously handled by the two Municipal Councils, that is the option originally proposed by Dr TANG Siu-tong. We do not agree to it.

Second, we also object to the setting up of two panels for the purpose of monitoring cultural and leisure affairs and other affairs separately. I remember we once discussed this option with Mr Fred LI in a House Committee meeting. In our opinion, work related to leisure and culture should naturally come under the purview of the Panel on Home Affairs. Yet these two options are not the subject of our debate today.

The remaining two options concern whether a new panel or no panel should be set up. Actually, regarding whether a panel should be set up to monitor hygiene affairs, the Liberal Party does not have any strong objection. However, if we are to choose between the two options, we will consider the timing factor, that is, the question of transition. With respect to the two motions, that is, the one moved by Dr LEONG Che-hung on behalf of the House Committee and its amendment, we tend to opt for the original motion moved by Dr LEONG.

A major practical problem we must face is today's meeting is already the last meeting before the Lunar New Year holidays. Soon after the holidays, we will have the Budget and then the Easter holidays. I made a calculation and found that there is not much time left before end June. We are really extremely worried, not to mention the fact that we are short of one Member. As a huge amount of legislation needs to be passed by June, many Bills Committees and panels will definitely need to speed up their work. We therefore consider the setting up of an additional panel purely as a transitional arrangement not necessarily the best option. Of course, we understand that things will not turn out to be satisfactory no matter how we go about it. This is because it is really difficult for us to determine which panel should deal with matters related to the Liquor Licensing Board and hawkers.

The Liberal Party is of the view that if the original motion moved by Dr LEONG Che-hung can be passed today, we will then need not set up a new panel. As for what option the next term of the Legislative Council (I do not know who will come back to this Chamber) will take, we are holding a liberal attitude. Therefore, if we are to choose today, we will be more willing to support the original motion.

MR CHAN KAM-LAM (in Cantonese): Madam President, concerning today's motion on the restructuring of panels, the Democratic Alliance for the Betterment of Hong Kong (DAB) will vote in support of Dr LEONG Che-hung's motion but against Mr Fred LI's amendment.

Members should understand it very well that it is indeed not easy for a panel set up under this Council to take over all the work of the Municipal Councils. We are also aware that a number of select committees were set up under the former Municipal Councils for the purpose of monitoring the work carried out by the Municipal Councils. Despite the assistance by numerous select committees, the two Municipal Councils were still unable to play their regulatory roles satisfactorily. Otherwise, there would be no need for the Municipal Councils to be scrapped. Under such circumstances, we might have been a bit over-confident in expecting a panel set up under this Council to be able to monitor or assist the Government in monitoring matters originally dealt with by the Municipal Councils. The setting up of a new panel will also mean that a

number of other Panels may need to be restructured. To achieve this, we will need to take away some of the matters being monitored by certain panels at the moment. Moreover, we may need to rearrange the membership of the existing panels. Therefore, the change is going to be dramatic. As we have only four to five months to go before our current term of office ends, do we really need to make such a dramatic change at this stage? Moreover, it is extremely doubtful as to whether the new panel can operate smoothly and monitor all matters after all these changes. We think we do not necessarily need to do so.

Indeed, many panels are confronted with the problem of lacking a quorum for meetings. To ensure a quorum is present for meetings, the panels often need to "summon Members" or "look for substitutes". We will also find several Members instantly disappear once House Committee meetings end. It is also not infrequent for panel meetings to be attended by only three or four Members. Such phenomena are extremely unsatisfactory. The problems we have at the moment are also huge. Is there really a need for these panels to be restructured? This is actually a question that the new term of the Legislative Council must address. I believe Members may not agree to making a dramatic change at this moment if the change does not necessarily guarantee a solution. The DAB will not agree to it too.

Although it is not ideal to incorporate matters originally dealt with by the Municipal Councils into the panels' terms of reference, it can give Members more time to pursue their concerns in the absence of a better option. For instance, we can put food hygiene matters, matters related to municipal problems and culture and leisure matters under the purview of the Panel on Health Services, Panel on Home Affairs and other panels respectively. As the terms of reference of the Panel on Economic Services involve agriculture and fisheries as well as nature conservation, we can continue to pursue our concerns in these areas. Actually, our current mode of operation may be slightly different from the original mode adopted by the Municipal Councils and we may have more issues of concerns. But still we have several panels and a number of Members look into the relevant issues. I consider this solution acceptable.

For these reasons, the DAB will vote in support of Dr LEONG Che-hung's motion but against Mr Fred LI's amendment. Thank you, Madam President.

MR MICHAEL HO (in Cantonese): Madam President, I would like to give a brief response only. Actually, what we have been discussing so far is not about the setting up of a new panel to deal with all matters left behind by the Municipal Councils. We have only been discussing how the relevant matters should be distributed. It was decided during our discussion that environmental protection work dealt with by the newly established Environment and Food Bureau should come under the Panel on Environmental Affairs. There is no doubt about this point. As for food and hygiene, I think the Panel on Health Services will have no problem in dealing with these issues. This should also be a reasonable arrangement. Moreover, issues in this area have all along featured in the discussions of this Panel.

Nevertheless, we must not forget that work carried out by the Municipal Councils with respect to food and hygiene covers several areas. First, there are policies on hawkers and markets. Madam President, first of all, I would like to declare that I am Chairman of the Panel on Health Services. There is nothing I can say if it is decided that this Panel should take charge of policies on hawkers and markets. Moreover, this is something we must do. But the question remains: Is it reasonable for such policies to be included in the responsibilities of the Panel on Health Services? I do not consider this reasonable. At the same time, policies on hawkers and markets are a complicated problem. Even though 100 Municipal Councillors have spent a lot of time on this problem, they have still failed to deal with it properly.

Second, we have this review of the Public Health and Municipal Services Ordinance (Cap 132). Members reading the Gazette every week will find that this Ordinance has been subject to amendment almost every week. Of course, subsequent to the abolition of the Municipal Councils, we can ask our legal advisors to examine the relevant by-laws in House Committee meetings, but who will be responsible for examining issues on policies? Should the Panel on Health Services take up this responsibility as well?

Madam President, if today we really decide that this should be done in this way, I will have no choice but to accept. But the question is: Should we make such a decision? Lastly, are we really dealing with a transitional issue lasting for a few months only? Madam President, it is now January. The Legislative Council elections will be held during the summer holidays and the new Legislative Council will come into being in October. The Chief Executive will also make his policy address in the same month. In other words, we will have

to wait until the latter part of October at the earliest before a new panel can be formed to handle this issue should we fail to deal with it now. Is the transitional period really so short or do we still have 10 months to go before we need to handle this issue? I so submit.

MISS CHRISTINE LOH (in Cantonese): Madam President, this issue is still open to discussion. As Chairman of the Panel on Environmental Affairs, I received some complaints from panel members not long ago about the excessively high frequency of our meetings. I therefore stated in the meetings that we would discuss a redistribution of work. I also told panel members during discussions that if part of the work previously dealt with by the Municipal Council was to be handed over to the Panel on Environmental Affairs, they would really need to lend a helping hand by holding more meetings.

I greatly share some of the comments made by Mr Michael HO in the speech he delivered earlier. I agree that it is appropriate for some of the work dealt with by Division A of the Environment and Food Bureau to be handed over to the Panel on Environmental Affairs. For instance, I think it is still acceptable for the Panel to take over conservation or animal welfare/disposal. I also know that some members of the Panel are interested in joining discussions related to such issues. But concerning policies on hawkers or markets, how can one expect me to fight with Mr Michael HO? I will definitely not do so. It will be most satisfactory if Mr Michael HO accepts the offer. However, he has declined the offer, saying that I would be a better choice. I understand that in the meetings held by Dr TANG Siu-tong with other Members (I was absent because the meetings were held during the Christmas and New Year holidays), the relevant tasks were "chopped into pieces". However, they were still unable to find suitable people to take charge of several outstanding tasks. Nevertheless, I still see it not at all appropriate for Mr Michael HO or my panel to take charge of these matters.

If it is decided that no new panel should be formed, the panels we have at the moment will be "forced" to take up part of the work. Of course, if Members really decide to "force" us to take up such duties, both Mr Michael HO and I will accept it. But still I hope Members can consider the point that we will then really need to spend more time in holding meetings, not to mention the fact that our meeting schedule is already very busy. In addition, some major issues, or conventional issues, will be tabled to this Council and we will need to hold

discussion again. We will then need to hold more meetings or "extend" each meeting by two hours or so if we need to discuss more issues, how are we going to cope with it? I am really worried.

Just now, Mr CHAN Kam-lam raised some practical problems concerning whether sufficient Members will be present for the meetings or only a few Members will attend meetings for discussion. I do not know how many members will remain if policies on hawkers are to be discussed in meetings of the Panel on Environmental Affairs. If one of our panels is chosen to take up this responsibility, the panel may then need to discuss whether or not a subcommittee should be set up to allow Members who are really interested in the relevant issue to concentrate their efforts in discussion.

Madam President, in my opinion, both options are far from satisfactory. As Chairman of the Panel on Environmental Affairs, I only want to reiterate that we will try our best if we really need to "take up" more work. But in the course of doing so, members of the Panel will really need to lend a helping hand. Otherwise, many meetings will end up to be aborted, as what worries Mr Fred LI most. We have undertaken to monitor work left behind by the Municipal Councils in the coming six months. It is simply inappropriate if we refuse to do so. Therefore, I consider both the motion and the amendment moved today feasible but extremely unsatisfactory.

MISS CHOY SO-YUK (in Cantonese): Madam President, I previously agreed that it was not necessary to set up an independent panel. After more discussions on the issue, however, I feel there is a need to set up such an independent panel. To start with, as a member of the Panel on Home Affairs, I agree to including matters related to culture, leisure and sport into the scope of work of the Panel. This is absolutely indisputable. I am also a member of the Panel on Environmental Affairs. No dispute has arisen in connection with the discussion on the inclusion of work under Division B of the Environment and Food Bureau into the purview of the Panel on Environmental Affairs. Finally, even if the existing panels agree to deliberating matters dealt with by Division A of the EFB such as animal welfare, endangered species, reviews of policies and legislation on pesticides and so on, we are not sure which one of them should take up this responsibility.

Furthermore, officials from the Environment and Food Bureau will encounter great difficulties in attending such a great number of panel meetings. Therefore, I want to reiterate that today's debate should focus on giving support to the setting up of a specific and independent panel to monitor matters dealt with by Division A, that is to say, giving support to Mr Fred LI's amendment.

PRESIDENT (in Cantonese): Dr LEONG Che-hung, you may speak on Mr Fred LI's amendment now.

DR LEONG CHE-HUNG: Madam President, I rise to speak in support of the Honourable Fred LI's amendment.

In these days of Disneyland enthusiasm, such a move may appear farcical. But let me show you, Madam President, that this is not a Mickey Mouse affair. It is a very serious affair, because on what we decide today will be the way that we will be monitoring the new bureau on behalf of the public.

Let me explain why I support the amendment.

Firstly, there is one new bureau to centralize food safety and environmental hygiene, something which the Government has, to certain extent, considered due to this Council's and the public's criticism after the avian flu saga.

Let us look at the confusion that the avian flu disaster has brought to the Government. The departments involved were the then Agriculture and Fisheries Department which was under the Economic Services Bureau, the Department of Health which was under the Health and Welfare Bureau, the Environmental Protection Department which was under the then Planning, Environment and Lands Bureau, as well as the Urban and Regional Services Departments which were under the then or the now defunct Provisional Municipal Councils. It is farcical that when the Government has come round to put everything under one roof, this Council is proposing to monitor this co-ordinating Bureau by two panels, splitting the functions.

Secondly, the workload that will be imposed on any one panel by the new bureau will be an enormous burden and will be beyond the ability of any single existing panel to absorb.

Thirdly, the formation of a new panel to monitor the whole issue of food safety and environmental hygiene is much more tidy. Members who will join a new panel will be those who are genuinely and whole-heartedly interested in the issue. Any monitoring will therefore be a true and effective one.

Fourthly, there are, of course, thoughts that since this Council will only be in existence for less than six months, why not let the next Council decide what they want to do, such as forming a new panel? Well, let us do not forget that the Basic Law has empowered this Council to monitor government policies. This Council has decided to do so through our working panels. As some members have expressed and I concur that it would be irresponsible for us or for this Council to wave aside this issue for the next Council to decide simply because we have only less than six months' life-span.

Madam President, Legislative Council Members may come and go. But this Council and its sacred role will last as long as the legislative body exists.

And finally, some Members have expressed that we should wait before we make suggestion to form a new panel. However, as the saying goes, "Well begun is half done", it is better to form a new panel to nurture, if not to monitor, the new bureau from its infancy.

In summary, Madam President, despite my original motion, I personally believe that a new panel would make the job much more tidy, more centralized, more comfortable to Members (although we will never be totally comfortable because of the heavy workload) and would render the Members much more efficient in the monitoring work.

I do appeal to Members to support the amendment. Thank you.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the amendment, moved by Mr Fred LI to Dr LEONG Che-hung'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 Fred LI rose to claim a division.

PRESIDENT (in Cantonese): Mr Fred LI has claimed a division. The division bell will ring for three minutes.

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

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

Functional Constituencies:

Mr Michael HO, Mr Eric LI, Mr LEE Kai-ming, Dr LUI Ming-wah, Mr CHEUNG Man-kwong, Mr HUI Cheung-ching, Mr Bernard CHAN, Dr LEONG Che-hung, Mr SIN Chung-kai, Mr LAU Wong-fat, Mr LAW Chi-kwong, Mr FUNG Chi-kin and Dr TANG Siu-tong voted for the amendment.

Mr Kenneth TING, Mr James TIEN, Mr Edward HO, Dr Raymond HO, Mrs Selina CHOW, Mr Ronald ARCULLI, Mr CHAN Wing-chan, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG, Mrs Miriam LAU and Mr Timothy FOK voted against the amendment.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr Albert HO, Mr LEE Wing-tat, Mr LEE Cheuk-yan, Mr Fred LI, Miss Christine LOH, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Mr LAU Chin-shek, Miss Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr MA Fung-kwok, Mr Ambrose LAU and Miss CHOY So-yuk voted for the amendment.

Mr Gary CHENG, Mr Andrew WONG, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr HO Sai-chu and Mr CHAN Kam-lam voted against the amendment.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, 13 were in favour of the amendment and 13 against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 22 were present, 15 were in favour of the amendment and six against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Dr LEONG Che-hung, do you wish to reply?

DR LEONG CHE-HUNG (in Cantonese): Madam President, the new Bureau has already been set up and put into operation. As I emphasized earlier, this Council needs to play an important role in monitoring policies formulated by the new Bureau as well as its administration and operation. Therefore, we should also start dealing with such work simultaneously. For this reason, in discussing the relevant issues in the House Committee meeting on 20 January, we reached a gentleman's agreement to the effect that we will fully support the original motion, irrespective of the amendment to the motion is passed or not. I hope Honourable Members can keep this promise. Otherwise, we may finally end up with "producing nothing meaningful", and I will need to start from the very beginning and we will be unable to monitor the operation of the new Bureau in a formal manner.

Madam President, I hope Honourable Members can support the original motion. Thank you.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Dr LEONG Che-hung, 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.

PRESIDENT (in Cantonese): Proposed resolution under the Legislative Council (Powers and Privileges) Ordinance.

PROPOSED RESOLUTION UNDER THE LEGISLATIVE COUNCIL (POWERS AND PRIVILEGES) ORDINANCE

MR ANDREW CHENG (in Cantonese): Madam President, I move the motion which has been printed on the Agenda.

Madam President, the Government's support for bidding the right to host the 2006 Asian Games was formally announced on 20 November. However, the decision-making process of the Government in this whole case has all along been very intriguing. Normally, the Government would kick up a fuss about important events like the Asian Games. For example, in the Disney theme park incident, the Government made the announcement in very high profile. However, this time around the Government has kept to a low profile and simply put out a press release to inform the public that the Government would support the Asian Games bid in principle.

Madam President, if we are to support the Asian Games bid, we need to know the rationale for doing so; if we are to bid for the right to host the Asian Games, we must follow the procedures for doing so. Now, let us look back briefly on how the Government has handled the Asian Games bid issue. To begin with, when the Sports Federation and Olympic Committee (SF&OC) decided to put forward the Asian Games bid proposal in June 1999, the Secretary responded on 28 June that while the Government supported the proposal in

principle, further consideration would be required if Hong Kong should bid to host the 2006 Asian Games. On 30 June, while the Sport Development Council stated that the Asian Games bid proposal should be considered from different perspectives, the Legislative Council also passed a motion on supporting the Asian Games bid in principle. Then, in August, a committee was formed under the Urban Council to look into the issue. According to the documents released subsequently, reconstruction works would be required for a number of venues, costing a total of at least \$2 billion. At the same time, the Government also indicated that it was in the process of assessing the affordability of hosting the Asian Games and the possible effects on the economy of Hong Kong. At the Chief Executive's Question and Answer Session held on 8 October, this Council was told that as world-class venues were lacking in Hong Kong, we should give up the Asian Games bid for the time being. On 15 November, the Honourable LEUNG Chun-ying of the Executive Council hinted that the people of Hong Kong should not feel too disappointed if Hong Kong did not bid to host the Asian Games. Then, on 17 November, both the Chief Secretary for Administration and the Financial Secretary indicated their objection to Hong Kong bidding for the right to host the Asian Games. However, some dramatic changes suddenly took place on 20 November. That evening, the Government put out a press release to inform the public of its decision to support the Asian Games bid. I shall stop at here for a while to disclose something to the Chair and Honourable Members. During the month of November, I had for many times heard about the Executive Council putting on its agenda the discussion item of whether support should be lent to the Asian Games bid. But in the end, the meeting and the agenda concerned were repeatedly deferred until they were cancelled altogether.

Now, let us return to the content of the press release. First of all, the government spokesman indicated that Hong Kong should have the capacity to organize and host the 2006 Asian Games according to the evaluation results. But how about our financial capacity? The spokesman further pointed out in the press release that: Taking into consideration the enormity of the financial commitment and the fixed duration of the Games, we would not expect to have any net monetary or financial returns. I believe the evaluation results referred to in the press release should be the report prepared by the Government Economist, Mr TANG Kwong-yiu. I also believe that the far from optimistic remarks on the cost-effectiveness of the hosting of the Asian Games were made on the basis of this report.

Madam President, I should like to stress one point here. With regard to the Asian Games bid, the Democratic Party holds that if the evaluations conducted by various parties should confirm the capacity of Hong Kong in hosting the Asian Games, we would give it our support in principle. However, as I said before, the question remains that if we are to support the Asian Games bid, we need to know the rationale for doing so, and that we must follow the procedures for doing so if we are to bid for the right to host the Asian Games. With regard to procedures, I consider that a lot of things have been kept from us during the decision-making process I referred to just now. As to the rationale, I am afraid we are still not privy to this single report. Before the Government put out its press release, whenever the media inquired the Financial Secretary or the Secretary for Home Affairs of the financial implications of hosting the Asian Games, apart from repeating that no specific figures had hitherto been released by the Government, they had respectively sent out messages to this effect: It would not be a problem for Hong Kong even if we should incur from hosting the Asian Games financial losses of a few thousand million dollars.

Hence, at the meeting of the Panel on Home Affairs held on 7 December 1999, we discussed the issue of the Asian Games bid. Out of their concern for the financial implications of hosting the Asian Games, members of the Panel requested the Government to provide them with the Government Economist's report regarding the issue. But since the Government had until then repeatedly refused to release the report, the Panel could only move a resolution to request the Government to publish the report. Despite the resolution passed by the Panel, the subsequent response in writing from the Government was that it had no intention to publish the report at the moment.

Under such circumstances, I cannot but exercise the powers conferred on Members of this Council under the Legislative Council (Powers and Privileges) Ordinance to request the Government to release the document.

With regard to this proposal to bid for hosting the Asian Games, Madam President, the Government has adopted not only a very inconsistent stance but also some unusual measures. I remember that during my meeting with Secretary David LAN in August and September to discuss the Asian Games bid, the Secretary gave me the impression that the Government was extremely prudent in this connection, and that the report by Mr TANG Kwong-yiu was one of the factors for consideration.

However, when the Panel on Home Affairs requested the Government to disclose the report, Secretary David LAN, who was also present at the meeting, criticized the report in a very harsh manner and claimed that the Government could see no reason to publish such a report which was not in the interest of Hong Kong's Asian Games bid. Besides, in its letter to the Panel, the Government also pointed out that publishing the report at this moment would be "bid sensitive". From this we could see that this report should be the major reason why the Government had adopted an "inactive" attitude towards the Asian Games bid in the very beginning. Certainly, we know that the Government now supports the bid unreservedly and wholeheartedly. The rationale for the Government's about-turn is a venue evaluation report prepared by an Australian consultancy. Since this report confirms that Hong Kong has sufficient sports venue for the Asian Games, naturally it would be disclosed.

So far the Government has adopted different stances on the issue at different times, and it is obvious that the inconsistent attitudes are attributable to a number of study reports. It would be unacceptable to the public that this Council, being vested with the duty to monitor the Government's administration, is allowed access to only the single report in support of the Asian Games bid but not the one prepared by Mr TANG Kwong-yiu, the Government Economist. What is more, the public may even suspect the Government of deliberately holding back certain information to prevent them from finding out the truth of the matter.

Certainly, Members who are opposed to the motion today would say that since the Legislative Council has agreed to support the Asian Games bid in principle and the Government has promised to disclose both the report prepared by Mr TANG Kwong-yiu and the Australian consultancy report in April, why can we not wait two months longer?

However, let us see it from another perspective and ask the Government why it must wait until April instead of disclosing the reports at this stage. To my understanding, Hong Kong needs to submit to the Olympic Council of Asia its Letter of Intent in April; by then the Government of the Special Administrative Region (SAR) would be required to show its support in principle but also its commitment in writing. In other words, the Government has to undertake more and more responsibilities for the bid. In the event that the economy of Hong Kong should have to pay a price in real terms in the future, the public would have to share the burden even though they were not allowed access

to the truth of the matter at first. I should like to remind the Government that the hosting of the Asian Games is not any personal business of the Chief Executive, and the support indicated by government officials or Members of the Executive Council is no sufficient rationale for bidding to host the Asian Games. The Asian Games is an important sporting event for Hong Kong as a whole, every member of the community would have a role to play in it. Even if evaluation results should indicate that hosting the Asian Games might cause Hong Kong to incur losses, the Government would still need to let the people choose whether they support the proposal to host the Asian Games. The decision should never be made by a coterie of senior government officials. In my opinion, the Government has been unwilling to disclose the evaluation results because it is afraid that so doing may cause the public to give up supporting the Asian Games bid. Such worry of the Government's is really unnecessary, since the public may still render their support even if the evaluation report should conclude that Hong Kong might incur some slight losses from hosting the Asian Games. This is because the people would consider whether hosting the Asian Games could help to enhance the image of Hong Kong in the international community and whether so doing could bring tangible as well as intangible benefits before they decide on rendering their support.

The Government has indicated that the evaluation report prepared by Mr TANG Kwong-yiu would mislead the public, and therefore should not be disclosed. In other words, the Government has implied that only the government officials could understand the information in the report, the general public would be at a loss when reading the report. What is more, even though this Council has passed a resolution on the issue, the Government still considers it inappropriate to submit the report for Members' examination. In refusing to disclose the report, the Government has exposed not only its contempt for the wisdom of the public but also its condescending mode of decision making. As a matter of fact, there should be plenty of choices available throughout the decision-making process of any public policies. Moreover, apart from study reports, public opinion should also be one of the important factors affecting the Government's final choice of option. No democratic governments in the modern world would overlook such an important process. If we should consider the submission of the Letter of Intent as a confirmation of the Government's decision to support the Asian Games bid, it would be all the more important for the public to have access to the evaluation results, so that they could submit their views to the Government before it finalize its decision. Since the reunification, the SAR Government has been emphasizing its aim to set up a

highly transparent political structure, but then neither the public nor Members of the Legislative Council could have access to this evaluation report to understand better the situation. What an irony!

Madam President, even if the Government does not disclose the report at this stage, it still needs to do so in April. Moreover, sooner or later the Government must submit its expenditure budget and financial commitments regarding the Asian Games bid to the Finance Committee of the Council for approval. As such, the purpose of my requesting the Government to disclose the report is to enable the information concerned to be made known to the public as early as possible on the one hand, and to urge the Government not to defer giving a clear account of the matter to the public as well as the Finance Committee until the last minute on the other. Most importantly, I hope that the Government would not be using this tactics to force the to agree to the Government taking on financial commitments for the Asian Games on the ground that the Asian Games could not be held if the necessary funding is not available. If the Government should seek to defer the matter for as long as possible until the people of Hong Kong have no other choice but to render their support, not only would the credibility of the Government be damaged, an irremovable blot would be also made on the Asian Games bid as a whole.

Further still, this blot will cause us to suspect the bid to host the Asian Games of having something to do with repaying a political debt of thanks or doing some kind of favour to somebody. Perhaps the Chief Executive is trying to repay an old favour by way of this personal decision of his to support the Asian Games bid in principle. Let me repeat, the hosting of the Asian Games is not any private property of the SAR Government or the Chief Executive. I am sure members of the public would be happy to see Hong Kong hosting the Asian Games and enjoying the benefits so brought. However, I also believe that members of the public also share my wish to have a thorough understanding of the possible effects the hosting of the Asian Games might have on Hong Kong before rendering our sincere support.

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

Mr Andrew CHENG moved the following motion:

"That in relation to the resolution passed by the Legislative Council Panel on Home Affairs on 7 December 1999 requesting the Government to

immediately provide the Panel with the Government Economist's feasibility evaluation report regarding the proposal for the Hong Kong Special Administrative Region to host the 2006 Asian Games and related matters, the Panel be authorized under section 9(2) of the Legislative Council (Powers and Privileges) Ordinance (Cap. 382) to exercise the powers conferred by section 9(1) of that Ordinance."

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

MISS CHOY SO-YUK (in Cantonese): Madam President, as Chairman of the Panel on Home Affairs, I would first like to report briefly on the communication between the Panel on Home Affairs and the Government on the relevant issue.

The Panel on Home Affairs passed a resolution on 7 December last year asking the House Committee to request the Government to provide the Government Economist's report on the feasibility for Hong Kong to host the 2006 Asian Games. The Chairman of the House Committee therefore wrote to the Chief Secretary for Administration on 24 December last year to present the demand of the Panel. The Chief Secretary for Administration replied on 5 January this year, undertaking to submit the relevant report around March or April. The House Committee passed on the Chief Secretary for Administration's letter to the Panel for follow-up. After adequate discussions, the Panel resolved on 10 January to agree to the submission of the report by the Government around March or April. Therefore, Mr Andrew CHENG's motion has nothing to do with the final decision of the Panel.

Personally, I think that the hosting of the Asian Games will have many invisible benefits, such as strengthening the Government's sports policy and improving our sports facilities and the standard of local sports. It would correct Hong Kong people's mentality which has always stressed money-making and neglected sports and enhance Hong Kong's status as a centre of international events. It would also help to raise morale, increase solidarity and enhance people's sense of belonging to Hong Kong. These benefits cannot be measured in terms of monetary gain.

Although economic gain should not be the primary factor in considering whether or not to bid for the right to host the Asian Games, I strongly urge the Government to follow the Legislative Council's deliberation procedures. Before a formal bid is made, the Government's financial report on the hosting of the Asian Games must solicit the support of the Legislative Council. The Government cannot act first and report afterwards, informing the Legislative Council only after a formal bid has been made.

According to the timetable for the bid to host the Asian Games, although the Government must represent the intent to bid before the end of February, it is not a formal bid yet. In fact, the Government only needs to submit a formal application before the end of May. Therefore, if the Government submits the report in March or April, the Legislative Council will still have enough time before the end of May to deliberate over the financial arrangements of the Government's bid to host the Asian Games. If the Government's financial arrangements are against Hong Kong's interest, the Legislative Council can still reject the relevant application for funding and request the Government to give up the bid to host the Asian Games. Therefore, in my view, it is necessary for the Legislative Council to invoke the Legislative Council (Powers and Privileges) Ordinance to force the Government to submit the report today.

Madam President, I so submit.

MR GARY CHENG (in Cantonese): Madam President, part of my speech is identical to the remarks just made by Miss CHOY So-yuk. Mr Andrew CHENG has just recounted the whole story in detail and stated the dates. Why did he not touch upon the voting at the meeting of the Panel on Home Affairs in January and their attitude towards the Chief Secretary for Administration's letter? I find this very strange. I hope that Members will not focus their discussions only on matters to their advantage. The proposed hosting of the Asian Games is a great event for the territory that is supported by the Legislative Council, and we at least have the intention in principle. The relevant procedures will soon commence. What we have to do is to make concerted efforts and spare no efforts to handle the matter in a practical manner. We really want to know the circumstances under which the Government decided to host the Asian games, including the financial commitments. But we should not solely consider the financial commitments, but also the commitments in terms of culture and urban construction by the community. It is reasonable to ask the Government to

provide information for the public's reference and the Government has promised to provide us with the relevant report in March or April. Does the report refer to the one Mr Andrew CHENG wants to read eagerly or the report that has been made public as mentioned by Mr Andrew CHENG? Can government officials tell us if the Government's arguments are based on the report about which we are making all sorts of speculation?

I do not see any reason why the Legislative Council (Powers and Privileges) Ordinance should be invoked to demand the Government to submit the report to the Panel. It seems that Mr Andrew CHENG's speech and the motion are triggered by the fact that government officials have made comments on the Government Economist's report. In fact, different reports will certainly have different inclinations, otherwise, investigations and evaluations will not be necessary. Government officials have criticized that some reports are too pessimistic and not favourable to the hosting bid, therefore, they are not made public for the time being. I do not think that there is anything wrong with this. Actually, I believe that the performance of the Government as referred to by Mr Andrew CHENG is true but it is not something bad. For instance, it is said that the Government's attitude towards the hosting of the Asian Games has changed again and again. Does it mean that it is fine if it does not change its attitude and makes a decision at once, that is, making a decision by a coeterie of officials? According to the Government, disclosing this report at this stage may be bid sensitive, which is really true. There will really be such a result. I think that it is right for the Government to handle this in a low profile. If it handles this matter in a high profile without making considerations, holding discussions on the basis of practical data or weighing the pros and cons, the motion will conversely become "the Government has decided to host the Asian Games in a high profile without any grounds". The Government will then be reprimanded by Members again. Therefore, even if another report to be published is too optimistic, the Government has to make its choice and weigh the pros and cons calmly.

Mr Andrew CHENG's remarks seem to suggest that the optimistic report on the hosting of the Asian Games is certainly "fabricated", and only a pessimistic report that is not to the Government's advantage is just and true. I find this impression highly problematic. Conversely, if the Government disregards everything and does not consider the consequences, that is, whether it can host the Games and cause sensitive responses, and only seeks to compel government officials to commit in accordance with the Legislative Council

(Powers and Privileges) Ordinance as well as make public the contents of the report, this is an irresponsible attitude and it will hardly convince me that Mr CHENG sincerely supports the hosting of the Asian Games. At the beginning of his speech, Mr CHENG has also said that he does not want the Government to leave a blot on its record. Does Mr CHENG want the Government to fail to host the Asian Games and blemish Hong Kong? Lastly, Mr CHENG has said that even if the Government declines to make public the evaluation at this stage, it has to do so in April. Besides, the funding for the financial expenditure and commitments of the Asian Games will have to be approved by the Finance Committee of the Legislative Council sooner or later. Precisely because of this, there is not any reasons for us to invoke the Legislative Council (Powers and Privileges) Ordinance at this stage to obtain the report. Therefore, on the basis of the above remarks made by Mr Andrew CHENG, my colleagues and I will oppose this motion.

Thank you, Madam President.

MR EDWARD HO (in Cantonese): Madam President, today we are not debating on the topic "Should the Hong Kong Special Administrative Region host the Asian Games?" or "Should Hong Kong bid to host the Asian Games?" Mr Andrew CHENG said he believes everyone in Hong Kong would like to have the Asian Games hosted in Hong Kong, hoping this would benefit Hong Kong. That was what Mr CHENG thought, and the Liberal Party agrees that is the case. But we cannot support Mr CHENG's motion.

We do not think the Legislative Council (Powers and Privileges) Ordinance should be invoked lightly. It can be regarded as a "last resort" for this Council. Only in material issues and when the executive authorities refuse to co-operate should we exercise this power, which is significant in magnitude. What is under discussion is only a preliminary report for the assessment on the economic implications for hosting the Games prepared by the Government Economist, Mr K Y TANG. At the meeting of the Panel on Home Affairs held on 7 December 1999, I supported the idea of requesting the Government to release the report, if that would not mean an act against any matters of principle. In a later letter to the Panel, the Government explained why it would not be necessary to release the report at the present stage and I accepted its explanation. The reason is very simple.

First, the Government has promised to submit a full assessment on the financial and other issues in March or April. Second, which is more important, the Government would eventually need to submit a proposal to the Finance Committee to apply for funding. The Finance Committee will then exercise its power to require the Government to provide sufficient information and it has the final say in determining whether or not to approve the proposal. If the Finance Committee rejects the proposal the Government will not be able to host the Asian Games at all. I do not agree with Mr CHENG's idea that the Government might put pressure on the Finance Committee to force it to approve its proposal. That idea of Mr CHENG's would show that he has underrated this Council, the Finance Committee and himself.

For the above reasons, the Liberal Party does not regard the present position as serious enough to warrant the invocation of the Legislative Council (Powers and Privileges) Ordinance to coerce the Government into submitting a preliminary report that may have bearing on the chance of Hong Kong hosting the Asian Games. If I could be forgiven for being impolite, I would venture to say today's motion is totally unnecessary, a fuss over a trifling matter. Liberal Party Members will be voting against the motion.

MR NG LEUNG-SING (in Cantonese): Madam President, hosting the Asian Games is a matter and an event with far-reaching consequences. A successful bid to host the Games would no doubt have a positive, stimulating effect on local sports and culture, and would stimulate the socio-economic activities in such aspects as infrastructure, tourism and the retail trade. In addition, hosting the Asian Games successfully would tremendously elevate the international image of a region. That said, to host such a large scale sporting event, surely there must be matching support in terms of venue, transport, organization and financial arrangements. Based on past experience, such a sporting event is not necessarily considered as beneficial if we simply look at the financial aspect of hosting the event alone. Therefore, no matter how we look at it, Hong Kong must evaluate and act with prudence and care in its bid to host the Asian Games, and the Legislative Council must abide by the same principle in monitoring the bidding process.

The Legislative Council Panel on Home Affairs passed a resolution on 7 December 1999 requesting the Administration to immediately provide the Panel with the Government Economist's report on the bid to host the Asian Games.

However, the Government raised objection to disclosing its content on the ground that it contains information which is "bid sensitive". After careful consideration, I think it is understandable. The bid to host the Asian Games entails a complicated process. Meanwhile, we have to face competition from other countries and regions, but the impact of hosting the Asian Games on Hong Kong is not limited to short-term financial commitment or benefit. The Government needs adequate lead time in order to fully understand the specific data and circumstances. If the results of a preliminary evaluation are released now, it would only give an impression of imprudence and rashness. Even if this Council passed the resolution and obtained the relevant findings of the report, they would not help the public and even Members to come to any decision since the evaluation is merely preliminary and based on incomplete information. If the comprehensive and complete report ultimately endorsed the decision to bid for the right to host the Games, and if the preliminary report being released rashly at this time contained negative conclusions, it would only give rise to misgivings and influence the decision of the supporters in the vote on the bid to host the Asian Games, thus affecting the chance of Hong Kong's bid. People who have regard for the overall interest of Hong Kong should think twice.

We should also note that in its reply to the Legislative Council (as mentioned by Members just now), the Government already undertook to conduct further study into the financial implications of hosting the Asian Games. Moreover, it will consult the Finance Committee of this Council before entering into any financial commitment, and submit to the Legislative Council the original report prepared by the Government Economist. I consider this arrangement reasonable. This Council can also monitor the Government through the Finance Committee. Whether or not Members give their support depends on Members' decision after obtaining more comprehensive information.

The Administration announced on 20 November last year its support for the Sports Federation and Olympic Committee of Hong Kong, China (SF&OC) to lodge a formal expression of intent with the Olympic Council of Asia (OCA) for hosting the Asian Games. The announcement was probably made to tie in with the administrative procedures of the OCA, while the date for the official submission of the proposal will be in around April 2000. Therefore, the Government still has some time to further study the overall financial implications and commitment before finalizing on the financial arrangements. On the whole, in view of keen competition from several countries and regions and in order to make its interests known to the parties concerned overseas, we can see that the

decision of the Administration to announce its support for the bid last year was made having regard for both the timing and opportunity. So, it is a reasonable step to take on the part of the Government in order to allow flexibility in its policy.

With these remarks and for the above reasons, I oppose today's resolution.

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

MR ALBERT HO (in Cantonese): Madam President, although Members of this Council and many in the community have expressed their support in principle for Hong Kong's bid to host the Asian Games, it does not mean that Honourable colleagues and members of the public will agree the Hong Kong Government issuing a blank cheque to bid for the right to host the Asian Games. In other words, it does not mean that we are willing to host the Asian Games at any price, even though hosting the event will bring certain benefits to Hong Kong in the long term.

Based on the first point that I made just now, I wish to come to the second point, that is, it is because we are not willing to sign a blank cheque or to pay any price for a successful bid that we must make clear assessments before taking each step forward, so that each step is taken on the basis of such assessments. We must not create a *fait accompli* by taking an important step which makes it impossible for us to turn back. Our concern at the moment is that once Hong Kong has submitted the Letter of Intent, Hong Kong will be seen in the eyes of the world media as a region that intends to or is very eager to bid for the right to host the Asian Games. If Hong Kong must back out for some unforeseen reasons in future, such as inability to make the necessary financial arrangements, it will have a grossly negative impact on Hong Kong. To avoid the negative impact on Hong Kong, this Council might face a dilemma: we might have to pay a huge price, so huge that even the public is not willing to pay, in order to host the Asian Games, or else Hong Kong's reputation might be tarnished seriously. In making a decision this Council would find itself in a very difficult position for we would be doomed to a state in which we have no choice or it is difficult to make a choice.

Therefore, I must stress that what we are asking for today is that the Government must have a comprehensive or reliable financial report before taking the important step of submitting the Letter of Intent. This is very important. As far as I know, the Government has only one financial report in hand now, that is, the one provided by Mr TANG Kwong-yiu, whom Hong Kong has very much trusted and whose professional opinion Hong Kong has always relied upon. Without this financial report, on what basis would the Government make its decision? Should we submit the Letter of Intent rashly disregarding the price we have to pay? If the Government is judicious, it must take account of this financial report to a certain extent and attach importance to it. Otherwise, the Government would be submitting the Letter of Intent without considering any financial evaluation or opinions of any financial expert. This is absolutely unacceptable.

Under the present circumstances, if the Government only has Mr TANG's report, this report would be very important. This report might tell us what commitment we might have to make in future and what the worst scenario would be according to Mr TANG's evaluation. We have seen some worst scenarios predicted by Mr TANG before. While his prediction of the worst scenario might attract criticisms, it does not really matter for we just want to know what information the Government has. If the Government thinks that some parts of Mr TANG's report are useful but considers other parts of it questionable, surely we can discuss them. However, the Government cannot simply say that this report contains a great deal of sensitive information or that many parts of it are biased, so another report might have to be compiled, but then brushing the problem aside and taking the important step of submitting the Letter of Intent of its own accord. What we are emphasizing today is that on a matter as important as such, if we have to exercise our monitoring power, we must have the right to information. We need the important data that we know the Government possesses now in order to give our initial views. We do not wish to see the situation described by Mr Gary CHENG today happen. That is, we must force the Government to back out if the proposal is found to be unsound after the submission of the Letter of Intent. In that eventuality, Hong Kong's reputation would be tarnished to an even greater extent. In other words, according to Mr Gary CHENG's logic, we have no choice but to support it to the very end. I can only interpret it this way.

MR GARY CHENG (in Cantonese): Madam President, a point of order.

PRESIDENT (in Cantonese): Mr Gary CHENG, what is your point of order?

MR GARY CHENG (in Cantonese): The meaning of the blot I just mentioned is not as interpreted.

PRESIDENT (in Cantonese): Mr Gary CHENG, you can elucidate the point after Mr HO has finished speaking.

MR ALBERT HO (in Cantonese): Madam President, in other words, we must have the right to information on our future financial commitments and we must know the information on which the Government made an important first step, that is, submitting a Letter of Intent on its bid for hosting the Asian Games. If we still think that we do not need to monitor the Government or know the inside story or know whether the Government has sought expert advice in support of its bid, I think we have not been responsible.

Lastly, I would like to say that I estimate that the report involves our future financial commitments but they will definitely not have adverse effects on our ability to host the Asian Games. It is most important for us to determine if we are willing to meet such expenses and the amounts we are willing to pay. In fact, I trust that the ability and experience of the Hong Kong Government and many people in the sports sector will enable them to host the Asian Games. The problem is whether we are willing to accept the financial commitments. We should know the estimated financial commitments at present. This information is very important. At this moment, I think that the Council should understand the case, let the public know and hold preliminary discussions so that the Government will proceed with the bid only after it has grasped the will of the public. It is absolutely necessary for us to do so. If we want to perform our responsibilities, we can definitely not decline doing so.

Madam President, I definitely do not believe that making public this report will have any impact on the Asian Games bid. If there will be any impact, I would like to ask the Secretary to explain to us later how it will affect Hong

Kong's chance in respect of its bid for hosting the Asian Games. If we do not have any information on this report, in the course of our bidding for hosting the Asian Games, even though we think that we have a fairly high chance, there may also be heated arguments in society. Under the present economic circumstances, is Hong Kong people willing to bear this short-term heavy burden? Will it embarrass us who are responsible for granting the appropriation and those implementing the proposal? Therefore, I reiterate that we have to be responsible and we need to know the evaluations in the report and the Government's views on this report. We want to know the basis on which the Government has made the decision and why it thinks that the report may be unfavourable and some information in the report may be incorrect so that adjustments have to be made to the report before the Government can continue bidding for the hosting of the Asian Games. Finally, with these remarks, I hope that Members will support Mr Andrew CHENG's motion.

PRESIDENT (in Cantonese): Mr Gary CHENG, you have requested to explain the part of your speech which has been misunderstood. In accordance with Rule 38(3) of the Rules of Procedure, you can do so but I have to remind you that you cannot bring in new points when you speak and you can only explain the misunderstanding.

MR GARY CHENG (in Cantonese): Madam President, I would like to cite the original remark made by Mr Andrew CHENG. He has said to the effect that if the Government really wants to push the event up to a point of no return, and force Hong Kong people to go ahead with the hosting of the Asian Games, not only the Government's reputation will be affected, the Government will also leave a blot on its bid for hosting the Asian Games.

What I mean is that if the resolution is passed this way today, Hong Kong will be put in an embarrassing situation in the international community in respect of its bid for hosting the Asian Games. If unfavourable information is disclosed, the international reputation of Hong Kong will be tarnished.

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

MR TIMOTHY FOK: Madam President, I shall speak in English because anything to do with the Asian Games is being monitored right now by our rivals.

Let me say that I, as a legislator and as the President of the Sports Federation and Olympic Committee, am not in a position to discuss the sketchy, preliminary Asian Games cost estimates. Our Federation has a democratic tradition going back to its beginning more than half a century ago. We shall read the estimates and also the more scientific independent consultant report that has been promised with an open mind.

You can be sure that our legislators and the Federation shall weigh both the original government estimates and the report on their merits. We are not in a habit of rushing into judgment.

Our Federation is a fraternity. We reach decisions on consultation and consensus. We now appeal to the Legislative Council to continue supporting the Asian Games cause just as it did in the June motion debate that I moved.

Right now, our job is not to debase the Asian Games but to put our best face forward in front of the rest of Asia. We have to promote our community, not to besmirch it because that is our duty. For Hong Kong to win friends from without, it has to win them from within. Please, be a friend to sports, to the athletes and to our young people. Please, do not politicize the Asian Games.

Madam President, I object to the last part of the motion suggesting that the Asian Games are a personal favour. The Asian Games are about sports and not about personalities.

I oppose to the motion and I ask everyone to bear with the Government and with the Federation as we work to bring the Asian Games to Hong Kong.

Thank you.

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

MR TAM YIU-CHUNG (in Cantonese): Madam President, it is popular to move resolutions, therefore, Mr Andrew CHENG is unwilling to lag behind. I originally did not intend to speak. Mr CHENG has given us copies of his draft speech in advance and I find that he has a lot of doubts after reading his draft speech. It is reasonable for a person to have doubts about any matter he has little information on, but I think that some of Mr CHENG's doubts are unfounded speculations. I would like to respond to some points, otherwise, I can hardly tolerate it.

For example, the first paragraph of his draft speech states his doubt as to why the method for announcing the bid for hosting the Asian Games is completely different from that in respect of the construction of the Disney theme park? This is easily understandable. In respect of the construction of the Disney theme park, the Government handled the matter in a low profile at the very beginning when it indicated that it was interested in discussing the construction of the Disney theme park with the relevant parties, and it did not elaborate the issue. The Government only came out in a high profile after negotiations had been made for a year and an agreement had been reached. If we succeed in hosting the Asian Games in future, I suggest that we should also handle the matter in a high profile and announce to the world including Hong Kong people that since our bid for hosting the Asian Games has been successful, we are determined to host the Games well and provide all contenders with the best services. Therefore, it is easily comprehensible and it is not at all intriguing.

The community supports the bid for hosting the Asian Games and this Council also supports this after detailed discussions. The Government was fairly passive towards this at the beginning but it finally decided to support the hosting of this grand event after repeated and prudent considerations.

In my view, by hosting the Asian Games, we mainly hope to promote the development of sports and tourism in Hong Kong. The development of tourism in turn will create more job opportunities, enhance the exchange and co-operation among Asian countries and regions and raise the international status of Hong Kong. This is the starting point on the basis of which I consider supporting the bid for hosting the Asian Games.

We certainly understand that hosting this grand event is not merely a business, and we have financial commitments but I strongly believe that we can afford these. The proposal for hosting this grand event will finally be submitted to the Finance Committee of the Legislative Council and the Government will only proceed with the bid after Members have given consent. If the Government should need to compel Members to give consent then because the financial commitments have become very heavy, I believe Members will make a wise decision. The Government will surely take on these commitments only after it has obtained Members' approval.

I find that many points made in the last part of Mr CHENG's draft speech unfounded and they constitute great insults to Executive Council Members in particular. It is said that hosting the Asian Games will benefit certain people, it is a move to repay a political debt and an act to return favour. It is extremely unfair to Executive Council Members who have taken part in making the decision. I have also expressed my views on the bid for hosting the Asian Games and stated the advantages and starting points. If the conclusion is drawn on the basis of unfounded speculations, I think that it is a very irresponsible act. By the same logic, some may also say that the motive underlying the movement of this resolution by Mr Andrew CHENG is that he can make use of the subject to express his views and criticize the Chief Executive for personal fame. Evidently, these misgivings and speculations are meaningless. I only hope that the Council, the non-government sports organizations and government officials will make concerted efforts in future to achieve the aim of successfully bidding for hosting the Asian Games. This is an outcome most welcomed by the general public. Therefore, I will oppose Mr Andrew CHENGs' resolution today.

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

(No Member responded)

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, first of all, I appreciate the views expressed by Honourable Members in this Council on the resolution. I shall say that they understand the efforts made by the Government and the people involved in Hong Kong's bid to host the 2006 Asian Games, and they have aired the bitterness and hardship we have faced, too. I believe we shall therefore feel some consolation.

Regarding the proposal of bidding to host the 2006 Asian Games put forward by the Sports Federation and Olympic Committee (SF&OC), the Government has conducted a preliminary evaluation in many aspects. We think that Hong Kong has sufficient capability and good reasons in bidding to host the Asian Games in terms of venues and facilities, infrastructure facilities, manpower, organization abilities and financial undertakings. Our claims are well-justified. With six years ahead of us, we will have ample time to organize the best Asian Games that has ever been held.

Viewing from the position of Hong Kong, the hosting of the 2006 Asian Games would provide exceptional opportunities for Hong Kong and the international community. Firstly, hosting the Asian Games would elevate the status of the Hong Kong Special Administrative Region (SAR) to a centre for hosting international sports events and improve the SAR's international image. Secondly, hosting the event may encourage Hong Kong athletes to upgrade their skills with greater zeal, which would substantially inspire the athletes and the sports circle of Hong Kong. If Hong Kong is to host the 2006 Asian Games, the solidarity of the public would surely be fortified as all walks of life will exert all-out efforts for a common objective, which would provide us with a chance to show the international community our enterprising spirit and vitality.

The 2006 Asian Games is a major international sports event which is broad in scale and worthy to host. However, the event will only be held within a designated period of time and we do not expect any net gain in financial or economical terms. If Hong Kong is to host the Asian Games, we should consider the overall benefits to the entire community rather than just taking the financial benefits into account.

At present, the SF&OC has already lodged a formal expression of interest with the Olympic Council of Asia (OCA) concerning the bid for the right to host the 2006 Asian Games. In order to furnish the official proposal, we have appointed financial consultants specialized in this aspect to assist the compilation of a detailed financial revenue and expenditure budget. As we are still in competition for the right to host the Asian Games, for the time being we have no intention to disclose to the public the original report prepared by the Government Economist, seeing that the content of the report contains sensitive information to our bid. If the relevant information is disclosed at this stage, it would not be in the best interests of the SAR's bid. As a result, we are not going to disclose to the public the standpoints of the report prepared by the Government Economist

for the time being. On 17 December 1999, at its own initiative, the Home Affairs Bureau put forward a written statement of our justifications to the Panel on Home Affairs. At that time, we undertook that the Government would definitely consult the Finance Committee before entering into any financial commitment in relation to the hosting of Asian Games. We also undertook that we would, by March or April this year, prior to the SF&OC's submission of official proposal to the OCA, report in full to the Panel on Home Affairs, and at the same time consult with the Finance Committee for opinions. On the occasion, we would be able to present a more comprehensive account of the financial revenue and expenditure budget regarding the bid to host the Games, and give Members privy to the original report prepared by the Government Economist. Just as I mentioned earlier, the comprehensive financial revenue and expenditure budget prepared by those very experienced financial consultants we have appointed, and the original report prepared by the Government Economist, Mr TANG Kwong-yiu (which Members have requested earlier), would be presented. That is to say, the two reports would be presented to this Council for Members' scrutiny.

The Chief Secretary for Administration wrote to the Chairman of the House Committee on 5 January reiterating the said standpoint. In the meeting of the Panel on Home Affairs on 10 January 2000, Members voted to accept the position mentioned in the Chief Secretary for Administration's letter after discussion.

In the meantime, I would like to answer some questions raised by Honourable Members. Mr Andrew CHENG mentioned earlier that it seemed that the Government's attitude was not so consistent, especially at the beginning. I would like to tell Mr Andrew CHENG that, concerning the bid for the right to host the Asian Games, the Government was indeed extremely prudent and cautious in considering the subject matter, and that has always been the Government's criterion of handling things. Concerning financial management, we insist on the principle of prudent financial management, which is also the consistent policy of the SAR Government. I would like to reiterate that on no consideration would we go ahead at all costs just for a successful bid to host the Asian Games. On the contrary, we would handle the matter very prudently, especially when it comes to financial issues.

Mr Andrew CHENG also mentioned that I have made outspoken remarks on Mr TANG Kwong-yiu's report in the past. I would like to take this opportunity to make clear that the subject of the matter has nothing to do with whether my remarks were outspoken or not, because my remarks were just made in a simple straightforward manner. We all know, including Mr TANG Kwong-yiu himself, that as time was pretty scarce, we could only conduct a preliminary evaluation under the circumstances as not all of the information was available at that time. As a result, we should not say the remarks were outspoken or not. I believe Honourable Members would let me clarify the issue here.

Mr Andrew CHENG also mentioned that the bid to host the Asian Games might have something to do with repaying a political debt or doing some kind of favour to somebody. I would like to talk about this, and I have also discussed this matter on other occasions that such kind of views or beliefs were totally unfounded. As we have made ourselves clear earlier that our aims of bidding to host the Asian Games are for the overall interests of Hong Kong, the improvement of our international image, the interests of the sports community of Hong Kong, encouraging our athletes and promoting our solidarity. How could such allegations be substantiated? I should say that they are totally unfounded.

At present, the drafting work on the proposal has been launched. Therefore, we have to concentrate our strength on planning and organizing a vigorous and convincing bid. As other contestants are launching publicity and lobbying efforts for their bids right now, the resolution, demanding the disclosure of the Government Economist's report at this stage, as proposed by Mr Andrew CHENG and his request to invoke the Legislative Council (Power and Privileges) Ordinance, will virtually cause complications to our efforts. I therefore consider the suggestion incompatible with present needs and may create unnecessary hurdles to people contributing their efforts to our bid to host the 2006 Asian Games. Please allow me to reiterate that the Government has undertaken to give a detailed account of the financial budget of the Asian Games at a later stage. The original evaluation report by Mr TANG Kwong-yiu as well as the comprehensive evaluation report prepared by some very experienced financial consultants will also be presented on the occasion. I think the way we handle the matter at present is most favourable to the SAR's bid and it is in the best interests of the SAR. Thank you.

PRESIDENT (in Cantonese): Mr Andrew CHENG, please reply.

MR ANDREW CHENG (in Cantonese): Madam President, first of all, I thank Members for speaking on the resolution. Although my resolution was opposed by most of the Members, I think it is an achievement when as responsible persons in this Council we can calmly debate on matters of importance.

I hope to stress again that the Democratic Party definitely supports the bid to host the Asian Games. But there are certain conditions we want to attach to the specifics of the bid. The Government needs to tell us what rationale there is for it to host the event. What arguments are there to show that hosting the event will benefit Hong Kong as a community and in terms of sports and culture? History tells us in the past many of the hosts for international sports events often suffered losses. The attitude of the Government at present appears to be that we must go ahead even if it means a loss for Hong Kong because the benefits could be bigger. The Democratic Party agrees to this view but how much loss is going to be incurred? Maybe we do not use the word "loss" but how much expenditure and what financial conditions are involved to make the event a success? This is the reason why I hope the Government can submit the relevant information to this Council for scrutiny as soon as possible. Since the news brief released by the Government on 20 November indicating in principle it supports the bid to host the Asian Games, we understand the Government will submit a Letter of Intent at the end of February and a formal application in April or May. Towards the end of May or early June when the Council is going to be adjourned, the Government will then apply for funding with the Finance Committee. We cannot accept such a series of moves of the Government designed to bypass this Council without giving us the rationale or data. We can imagine the kind of influence on the image of Hong Kong in the international community if Members oppose the funding proposal due to the discovery that the event will bring about a heavy financial burden on us, only after everyone knows Hong Kong is in full swing to bid for the Asian Games.

So, I hope Members can all understand why I table this resolution for a debate. How should we as legislators monitor the Government on material decisions it makes and the consequences arising therefrom? I hope we can think about this. I hope people will not misinterpret the action of the Democratic Party as being negative about the hosting of the Asian Games. I hope those Members who spoke against my motion understand that we are just trying to use

the powers properly vested in us to obtain a very important economic assessment report. We need to read it carefully to enable us to set the criteria for our support given to the proposal to bid for the event. The Secretary and the Chief Secretary for Administration have repeatedly stressed that there is sensitive information in the report. Thus I could not help thinking whether it is on grounds of finance that the international community or the Olympic Council of Asia is trying to decide whether the SAR is suitable for hosting the Asian Games. We as Legislative Council Members should know whether that was a consideration. The Secretary indeed said the Government would not strive to host the event at all costs. Despite what was said, the Government was not prepared to produce a very simple report, in the form of an economic assessment, for our perusal. The report itself is just a simple issue, so is its production. But the Government is refusing to produce it for the sensitive information contained therein on the one hand, and continues to make efforts to bid for the Asian Games on the other. In view of this, we are worried the Government is trying to host the event at all costs.

So, I hope everyone can understand we must not ignore certain financial implications in hosting the Olympic Games or the Asian Games, in the light of what took place in history. Mr Edward HO indicated the powers and privileges vested in us should not be exercised lightly. That I think gives rise to a difference between the Democratic Party and the Liberal Party. Both parties have different views on what is material and what is not. We think that before deciding to bid for the Asian Games, we should scrutinize the economic assessment report. The report is not a big deal in itself, but as the Government refuses to release it the case has become a big deal. The Government should immediately submit the report for our scrutiny because we think this is important. Whereas Mr HO said my resolution was totally unnecessary or a fuss over a trifling matter, I would say he was being confused over what was right and what was not or what was important and what was not when he said that. He would be crippling himself as a legislator for abandoning a legitimate power, for not following up the monitoring work on the feasibility studies on the hosting of the Asian Games. This is total surrender.

Mr TAM Yiu-chung said my resolution had been thoroughly discussed and after reading my speech in detail he said he thought I had too many doubts and worries. I admit that the last paragraph, if Members had read it carefully, showed that I had doubts. Madam President, I did not accuse anyone by stating expressly the entire episode was political and was just the result of a return of

favour by the Chief Executive. I did not say that. I said in the whole process the Government was very cautious at first, and that there had been some negative effects so that we felt even if we supported the Government in bidding for the event we might not make it. The Chief Executive did say, at the Question and Answer Session on 8 October, that if Hong Kong could not provide facilities that are world-class it would be better to postpone the bidding. That remark was made not long ago. In the whole process, the Government has acted in a cautious manner but later we found things took a sharp turn. Maybe many details that we are not aware of have taken place behind closed doors. Moreover, rumours appeared and some information has to be rumours as the Executive Council agenda is confidential. Did the Executive Council discuss the issue in detail? We do not know. Mr TAM Yiu-chung is a Member of the Executive Council. Would he deny the Executive Council has discussed it? How many times has it discussed the bid for the Asian Games? Are there any information or data that can be provided to us so that we can decide whether or not to support the bid? Furthermore, Mr TAM Yiu-chung may

MR TAM YIU-CHUNG (in Cantonese): A point of order, Madam President.

PRESIDENT (in Cantonese): What is the point of order that you wish to raise, Mr TAM Yiu-chung?

MR TAM YIU-CHUNG (in Cantonese): Just now Mr Andrew CHENG mentioned that I said the issue had been thoroughly discussed. Actually, I was talking about the detailed discussion we had when this Council was debating the motion debate on Hong Kong's bid to host the 2006 Asian Games.

PRESIDENT (in Cantonese): Please resume your seat first, Mr TAM Yiu-chung. If you consider any certain part of the speech you made earlier being mistaken, you may seek permission to make a point of clarification after Mr Andrew CHENG has finished speaking. However, it would be an interruption if you should try to speak and explain right at this moment. Mr Andrew CHENG, please continue with your speech.

MR ANDREW CHENG (in Cantonese): Madam President, I have not mentioned Executive Council Members in the last paragraph of my draft speech. I only express doubts about the way the Chief Executive has handled the matter, but I have not mentioned the inclinations of Executive Council Members in my draft speech. I have only said that this issue was not on the agenda of the Executive Council. Therefore, I hope that Mr TAM Yiu-chung will not be excessively nervous. I have not been disrespectful to Executive Council Members.

In respect of the competition for hosting the Asian Games, I hope Members will understand that the Democratic Party only wants to analyse this matter so long as we get adequate data support. I hope Members will not misunderstand the position of the Democratic Party. We definitely hope that Hong Kong will succeed in hosting the Asian Games one day and we also hope that our athletes can win gold medals in the Asian Games held in Hong Kong one day. Yet, we do not want the Government to fight for this at all costs. In handling such an important matter as the bid for hosting the Asian Games, the Government should be prudent, open and transparent.

Lastly, I only hope Members will understand that I have proposed this resolution for discussion not because I want to deliberately complicate the issue as the Secretary has said. We should hold discussions precisely because the Government is not willing to submit this report. If the Government submits the report for our scrutiny earlier, frankly speaking, we can consider this together.

Madam President, I believe the Secretary also recalls that during the summer recess last year, I met him to discuss about the bid for hosting the Asian Games. We understand that the Government was prudent and neutral and I believe the Secretary still remembers (I have also told the media) that he said at that time that before the Government announced its position, it would surely make public this report for perusal by the public and Members. Why does it not make public the report now? It has only explained that it contained sensitive information and this led to the many speculations I mentioned when I spoke for the first time today. If the Government is willing to disclose this report, our misgivings will be dispelled. Therefore, Madam President, I hope that Members will support my resolution though I do not think it is probable. The Government holds an extraordinary attitude towards and has acted in an extraordinary manner in respect of its bid for hosting a large scale Asian Games that will have profound financial impacts on us. Besides listening to what Members have just said, I hope that Members will also understand that the Government has handled the matter improperly.

When the Government handles the bid for hosting the Asian Games in future, I hope that it can adopt an open and transparent attitude so that Members will make less meaningless speculations. Madam President, I so submit.

PRESIDENT (in Cantonese): Mr TAM Yiu-chung, please elucidate the misunderstood points in the speech you just made.

MR TAM YIU-CHUNG (in Cantonese): I am grateful to the President for giving me a chance to make explanations. Mr Andrew CHENG may have misunderstood two points made by me. Firstly, the detailed discussions I mentioned do not mean the detailed discussions in the Executive Council. I was talking about our discussions in this Council when we held a motion debate over the application for hosting the Asian Games. I said that Members had discussed the relevant matters in detail at that meeting.

Secondly, Mr Andrew CHENG has said that he has not mentioned Executive Council Members. Well, he has not mentioned these Members in his speech but he suspected that the application for hosting the Asian Games was a move to repay a political debt and an act to return favour, and the application was made because the Chief Executive had been done favour years ago. As I have said, if we describe the issue this way, it will be an insult to Executive Council Members involved because such doubts will level insults at Executive Council Members who have taken part in making the decision. Thank you, Madam President.

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

(Members raised their hands)

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

(Members raised their hands)

Mr 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): Members may wish to check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Michael HO, Mr CHEUNG Man-kwong, Mr SIN Chung-kai and Mr LAW Chi-kwong voted for the motion.

Mr Kenneth TING, Mr James TIEN, Mr Edward HO, Dr Raymond HO, Mr Eric LI, Mr LEE Kai-ming, Dr LUI Ming-wah, Miss Margaret NG, Mrs Selina CHOW, Mr Ronald ARCULLI, Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Mr Bernard CHAN, Mr CHAN Wing-chan, Dr LEONG Che-hung, Mrs Sophie LEUNG, Mr WONG Yung-kan, Mr Howard YOUNG, Mr LAU Wong-fat, Mrs Miriam LAU, Mr Timothy FOK, Mr FUNG Chi-kin and Dr TANG Siu-tong voted against the motion.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr Albert HO, Mr LEE Wing-tat, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Miss Emily LAU, Mr Andrew CHENG and Mr SZETO Wah voted for the motion.

Miss CHAN Yuen-han, Mr Gary CHENG, Mr Andrew WONG, Mr Jasper TSANG, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr HO Sai-chu, Mr NG Leung-sing, Prof NG Ching-fai, Mr MA Fung-kwok, Mr CHAN Kam-lam, Mr YEUNG Yiu-chung, Mr Ambrose LAU and Miss CHOY So-yuk voted against the motion.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 27 were present, four were in favour of the motion and 23 against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 26 were present, 11 were in favour of the motion and 14 against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was negatived.

PRESIDENT (in Cantonese): Two motions with no legislative effect. I have accepted the recommendations of the House Committee as to the time limits on speeches for motion debates. I am sure that Members should know clearly their respective time limits, and I am not going to make any repetition here. I just wish to remind Members that if they exceed their time limits, I shall be obligated to direct them to stop speaking.

The first motion: Review of Buildings Ordinance.

REVIEW OF BUILDINGS ORDINANCE

DR RAYMOND HO (in Cantonese): Madam President, I move the motion as printed on the Agenda.

The existing Buildings Ordinance was enacted several decades ago, and it covers various aspects of all private property development, including the planning design, structural safety, sanitation facilities and environmental protection facilities of new buildings. Although some of its provisions and related subsidiary legislation have been amended at different times, the

Ordinance has somehow failed to catch up with the needs of society, largely due to our rapid economic development and technological advancements over the past two to three decades. Moreover, it is also unable to facilitate the application of new technologies and architectural techniques to our future construction works. So, in a way, the Ordinance has become an outdated piece of legislation.

First, I wish to give two examples to illustrate that some of the provisions of the existing Buildings Ordinance are already outdated. If we look at its provisions on lighting and ventilation, we will notice that natural lighting and ventilation are still stated as mandatory for the fire escape staircases and toilets of commercial buildings, and the same requirement is also applied to the residential portions of buildings and their fire escape staircases, kitchens and toilets. In case an architectural design does not comply with this requirement, exemption must be applied for from the relevant authorities. The curtain wall design is adopted for many commercial buildings, and such a design does not comply with the requirement. That is why when a project plan is submitted to the relevant authorities, a routine application for exemption must be made at the same time. This is really a waste of time. Besides, since the designs of residential buildings are now getting increasingly innovative, they are also beginning to feel the pinch of this outdated Ordinance. The second example involves those toilets in buildings which are equipped with mechanical ventilation and artificial lighting. Usually, the Buildings Department (BD) will permit these toilets to be located in non-peripheral areas, but an application for exemption must be filed beforehand. So, we can well imagine that when the plan of a building with a relatively new design is submitted for approval, many types of exemption may have to be applied for. But then these applications may just relate to what are already regarded as standard designs in the architectural industry. So, these applications are simply routine in nature, and have nothing to do with any exemption which requires special consideration.

All these unnecessary applications for exemption can also show that the existing vetting and approval procedure really needs some further assessment. On the one hand, the Government should conduct a review and rationalize the procedure as far as practicable. On the other hand, the Government must also enhance the powers and accountability of the relevant professionals, so as to enhance the efficiency of vetting. To make it easier for Honourable colleagues to understand the current situation, let me perhaps cite another example, one about applications relating to site formation plans. At present, the work of

vetting these applications is undertaken by the Buildings Surveyors of the BD. As I understand it, this arrangement was first adopted in the past because at that time, the work of vetting and approval often involved issues relating to the terms of land grants and surveying. But today, a bulk of the vetting work actually involves some practical works problems instead. And, the usual work flow of vetting is that the Building Surveyors concerned will seek comments from the Geotechnical Engineers and Structural Engineers of the BD. If they do not see any problems with the applications concerned, the Building Surveyors involved will grant their approval.

As we can see, these applications mainly involve engineering considerations, but why is it that the Structural Engineers of the BD are not given the task of vetting? Even if they are given such a task, they can still seek comments from Building Surveyors on surveying problems whenever necessary. Only such an arrangement can rationalize the whole vetting procedure, and I must point out that this is just an example of one of the many problems plaguing the existing vetting and approval procedure. Therefore, the Government really needs to conduct a prompt review on the procedure, with a view to enabling the various types of professionals within the BD to play an appropriate role in the vetting and approval procedure. Besides, the Government should enhance their powers and accountability, so as to enhance the efficiency of vetting. The relevant procedure should also be streamlined, so as to better ensure the safety of the buildings thus vetted and approved in the future.

Another point is that the legislative intent of the existing Buildings Ordinance is rather biased towards the work of regulation. However, owing to social changes and modern day demands, this Ordinance should really be amended accordingly to include some provisions on offering incentives. To put it simply, the Government may offer some incentives in the Ordinance to property developers, in the hope that when implementing their development projects, they can be encouraged to adopt standard designs and construction materials which are friendly to both the environment and maintenance. The following examples are some of the incentives which Members can consider. If a property developer agrees to construct an at-grade transportation interchange in his property development, the Government may grant a higher plot ratio to the superstructure development of the project. Moreover, if a property developer adopts standard systems designs and construction materials which are friendly to both the environment and maintenance, the Government may also offer similar incentives. Buildings of standard designs and with a minimal need for

maintenance should be made a general requirement. And, in addition to promoting housing construction as an industry and improving the quality of prefabricated components and the related skills, buildings of standard designs with a minimal need for maintenance will also, more importantly, reduce construction waste.

Furthermore, prompt efforts should also be made now to amend all those statutory requirements and practices which are not in line with environmental protection. At present, all new residential buildings must be equipped with toilet and kitchen fittings before Certificate of Compliance are issued. This requirement has led to a huge waste of construction materials, because many tenants and owners would like to re-furnish their new flats before moving in, and they thus dispose of many new fittings, causing a huge waste of construction materials and violating all environmental protection principles. Actually, the Government needs only to specify that the layouts of the relevant fittings must comply with the relevant requirements. And, there is no need for it to require the actual installation of these fittings. Such an arrangement can also encourage property developers to adopt standardized construction materials.

In addition, technological advances have brought forth many new types of construction materials. There is thus a need to take account of "intelligent" buildings and the adoption of "intelligent" building management. So, the Buildings Ordinance should be amended accordingly, so as to catch up with technological advances.

Actually, the Government should conduct a comprehensive review of all the existing requirements on building services. That way, the relevant ordinances and requirements can be amended as appropriate. For example, the requirements on mechanical ventilation, artificial and emergency lighting, lift systems, lightning arrest systems, indoor air quality and fire prevention should all be reviewed, with a view to conserving energy, protecting the environment and meeting the needs relating to our health and other practical factors. Moreover, the Government should also consider the idea of laying down a requirement under which these types of works must first obtain the approval of a registered Building Services Engineer or Electrical and Mechanical Engineer before submission to an Authorized Person (AP) for countersigning. At present, works relating to the installation of ventilation, air-conditioning and lighting systems do not require the signed endorsement of any relevant professional. This is undesirable, both to public safety and people's quality of life. Similarly,

for slope engineering works, there must first be the signed endorsement of a Geotechnical Engineer before a relevant project can be referred to an AP for countersigning and onward submission to the BD.

To tie in with the need for environmental protection, and to thoroughly implement the principle of sustainable development, the Government should also consider the idea of amending the existing Buildings Ordinance in such a way as to encourage property developers to adopt energy-saving architectural designs and environmentally friendly construction methods. In many other countries, the slabbed construction is already widely adopted, but in Hong Kong, people still cling to the beam column construction method, which is not at all environmentally friendly, as it requires huge quantities of wooden planks. And, the granite contents of the type of concrete now used in Hong Kong will also increase the radon level of indoor air and thus affect people's health. This is also a problem we should address properly. To sum up, the Government should now review and amend the existing ordinance, with a view to promoting the adoption of new architectural designs, technologies and materials.

Another problem which we should also look into is the low capability of the buildings in Hong Kong in withstanding the impacts of natural calamities. The recent spate of strong earthquakes occurring in neighbouring places should serve precisely to remind us of this problem. Although Hong Kong is not located in any seismic zone, it may still be affected to a certain extent if our neighbouring places experience strong earthquakes. There were some instances in which strong earthquakes hit places which had never had any such experience before. In fact, these places were not even classified as locating in any earthquake zone, but they were hit by rather strong earthquakes in the end, out of the expectation of many experts. Despite this, our buildings do not have the capability in withstanding the impacts of this type of natural disasters. I admit that this problem is rather complicated, so, for this reason, the Government should invite local academics to conduct some in-depth studies and work out some contingency measures. Because of the allowance for wind speed impacts, high-rise buildings may well have a stronger capability than low-rise buildings in withstanding the impacts of earthquakes. But in the near future, the Government should also look at all existing and future buildings involved in the provision of emergency services, such as police stations, hospitals, fire stations and facilities of telecommunication, water supplies and electricity supply, and consider how best to enhance their capability in withstanding the impacts of earthquakes. Since these buildings are mostly low-rise and are not designed to

withstand any earthquakes, they may be more vulnerable to this type of natural disasters. And, since these facilities will be our most important life-line after any major natural disaster, the Government should give consideration to them on a priority basis.

Because of its climate, Hong Kong experiences the problems of flooding and slope safety every year. To my understanding, the existing legislation of Hong Kong has already given consideration to the capability of our buildings in withstanding the impacts of these natural disasters. For example, there are stringent regulations governing the maintenance of slopes located inside various properties. But with respect to slopes located outside properties which may affect the properties concerned in the event of failure, the authorities should also consider their possible impacts. And, when the authorities process the plans of the properties concerned, they may pay some attention to the designs, so as to ensure that the collapse of any such slopes will not block the emergency exits and rescue routes and hinder rescue operations. To sum up, I hope that the relevant authorities can review the regulations in this respect, so as to minimize the damage caused by natural disasters.

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

Dr Raymond HO moved the following motion: (Translation)

"That, as the existing Buildings Ordinance was enacted many years ago and despite the amendments to certain provisions thereof and the related subsidiary legislation, the concerned legislation fails to meet the practical needs of present-day Hong Kong in the face of continuing and rapid economic development, social evolution, changes in the natural environment and technological advancements, this Council urges the Government to expeditiously conduct a comprehensive review and amend the Buildings Ordinance and related subsidiary legislation, so as to achieve the following targets:

- (a) streamlining the vetting procedure and enhancing the powers and accountability of the professionals in order to ensure building safety;

- (b) encouraging developers to adopt designs and use building materials that are environmentally friendly, easy to maintain and standardized;
- (c) ensuring that future building developments tie in with the principles of sustainable development, including the protection of the environment and the promotion of economic development and advanced and new technologies; and
- (d) enhancing the capability of future buildings in withstanding natural disasters such as earthquakes, flooding, subsidence and natural slope failure, and so on."

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

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

Mr Edward HO and Mr LEE Wing-tat will move amendments to this motion. Their amendments have been printed on the Agenda. In accordance with the Rules of Procedure, the motion and the two amendments will now be debated together in a joint debate.

In accordance with Rule 34(5) of the Rules of Procedure, I will call upon Mr Edward HO to speak first, to be followed by Mr LEE Wing-tat; but no amendments are to be moved at this stage.

MR EDWARD HO (in Cantonese): Mr Deputy, I have listened very carefully to the remarks made by Dr Raymond HO, but it seems that he has not touched upon the point about enhancing the powers and accountability of the professionals in order to ensure building safety as stated in his motion. I would also like to thank Dr Raymond HO for the document he has just sent to colleagues. The reasons that he has given to oppose my amendment precisely prove that it is necessary for me to propose an amendment.

He said at the outset that under the Buildings Ordinance, APs have full responsibility for buildings. This is entirely wrong because APs are only responsible for the co-ordination of the vetting required under the Buildings Ordinance as well as the legality of architectural plans, but they do not bear the full responsibility. Are registered engineers not responsible for the design of the structure and foundation as well as supervision? Do registered contractors not have legal and contractual responsibilities? I find it really worrying that Dr Raymond HO, a professional, is not clear about all this. No wonder some colleagues and members of the public are not clear about this at all. Therefore, I think that it is very important to define the responsibilities clearly.

First, I would like to discuss streamlining the vetting procedure. The existing central vetting procedure has good intentions, in that the central processing by the BD will expedite the vetting of architectural plans. However, the implementation of this mechanism achieves just the opposite results. At present, besides the BD that has taken part in the vetting of architectural plans, at least nine other government departments are involved and other legislation apart from the Buildings Ordinance is also involved. Yet, the BD is only playing an intermediary role and is not responsible for taking follow-up actions with other departments in respect of the plans, thus, there are frequent delays in vetting. In my view, the BD should play a strong and active role in order to expedite the procedure.

The BD has powers but not accountability at present which is abnormal. With a manpower shortage, the Department will only conduct partial vetting of major parts of architectural plans such as plot ratios. As architectural designs comprise subjective judgments, different professionals can make entirely different interpretations of an architectural design. Therefore, under the mechanism of partial vetting, a professional can only evaluate whether an architectural design will be approved on the basis of his own judgment. As a result, after a construction project has been carried out for a certain period of time, the BD may suddenly raise objection to the design and it may even refuse to issue an Occupation Permit for reasons that are not necessarily convincing. A balance should be struck between the powers and accountability of the BD. Now that it has the powers to vet architectural drawings and issue Consents on Commencement of Building Works and Occupation Permits, it should be responsible for comprehensive approval. If the BD lacks vetting manpower, it should authorize professionals to judge on their own whether designs have contravened the Buildings Ordinance.

I would also like to take this opportunity to ask the BD to carry out electronic vetting procedures as soon as possible to enhance efficiency and promote environmentally protection.

Concerning the powers and accountability of professionals, we should understand that architectural projects are large in scale and complicated and they involve contractors, APs and professionals. These people possess their respective expertise and work is elaborately compartmentalized. They play different roles in projects and bear different responsibilities. However, the existing legislation has not adequately and clearly defined the powers and accountability of those mentioned above. As a result, APs often need to be generally responsible for all aspects of the projects while the public will uniformly attribute the faults of project failures to all participants, a question that I have just mentioned earlier in my speech. If there are problems with architectural projects, I definitely support that we should affix responsibilities and penalize those people who have neglected their duties. However, we must first clearly define the powers and accountability of various parties in the legislation so that we can monitor the matter and affix responsibilities impartially after an incident has happened.

The original motion of Dr Raymond HO has not made this essential request, conversely, it has proposed "enhancing the powers and accountability of the professionals" which is not objectively essential. It can be said that Dr Raymond HO has made a mistake and a false step will make a great difference.

The third point I would discuss is related to the promotion of environmental protection in respect of construction. The Liberal Party supports environmental protection and thinks that it is a right direction to adopt designs and building materials that are environmentally friendly. However, environmental designs can hardly be quantified, and it is not effective to force the promotion of environmental protection in the construction context by way of legislation. It is most practical and feasible to provide developers with economic incentives to encourage them to promote environmental protection in construction. In fact, Dr Raymond HO has touched upon the so-called economic incentives, for example, his point about calculation of plot ratios.

Lastly, I would turn to discuss the role of the Government. In my view, the promotion of the future development of construction in line with the principle of sustainable development and the improvement of architectural technologies should be taken forward by the Government in terms of policy enforcement and promotion rather than through the Buildings Ordinance alone. Actually, the Government as the biggest landlord in Hong Kong can definitely play a leading role in the implementation and promotion of policies. As the biggest landlord, the Government includes other relevant government organizations such as the Housing Authority. Buildings materials that are easy to maintain and standardized should come under the scope of technological improvements. Even though we amend the Buildings Ordinance, we cannot implement these under the Ordinance as amended for the time being.

Mr Deputy, the purpose of the amendment proposed by me today is to introduce essential elements that will promote the development of the local construction industry and enhance building safety. On the one hand, the original motion has not clearly distinguished between legislation and government policies, on the other hand, it has not looked squarely at the fact that the legal liabilities of various parties taking part in construction projects are indistinct. Conversely, it has erroneously proposed enhancing the powers and accountability of the professionals. The Liberal Party cannot support this. The Liberal Party thinks that Mr LEE Wing-tat's amendment is not suitable if we do not legally and clearly define the powers and accountability first but merely increase the penalty for the parties concerned. Yet, if my amendment is approved, the Liberal Party will support the inclusion of the Mr LEE Wing-tat's demands.

I so submit.

MR LEE WING-TAT (in Cantonese): Mr Deputy, the content of the amendment I have proposed to Dr Raymond HO's motion is mainly on urging the Government to impose heavier penalty on building contractors and related persons who contravene the Buildings Ordinance or its related subsidiary legislation. I think Honourable Members will recall, since the discovery in 1997 of substandard piling in the site of residential development on the Hong Kong Station of the Airport Express, a spate of such incidents have been discovered over these past two years in the sites of Housing Authority projects and sites of private residential buildings. There are signs that the problem is deteriorating.

Under section 40(2A) of the Buildings Ordinance, any registered building contractor, AP, registered engineer or any other related person who diverges or deviates in any material way from any work shown in a plan approved by the Building Authority shall be guilty of an offence and shall be liable on conviction to a fine of \$250,000 and to imprisonment for three years. As the existing Buildings Ordinance was enacted many years ago, the maximum penalty is only a fine of \$250,000, it is unable to achieve any deterrent effect at all. It may be that a fine of \$250,000 could really produce a certain deterrent effect more than two decades ago, but the sum today is practically negligible compared to the millions of dollars of profits which a contractor makes in a construction project.

According to information from the BD, there were only four cases in 1997 where successful prosecution was initiated by the Department on the ground of improper procedures in construction. The total amount of fines imposed was only \$100,000. That is to say, the average amount of fine for each case was only a few dozen thousand dollars. In 1998, the number of cases where successful prosecution was made was three and a total amount of \$170,000 was fined. How can a fine of a few dozen thousand dollars be an effective deterrent? If no corruption is involved in these cases, the maximum fine is only \$250,000. For construction companies with a strong financial background, a fine like this is minimal. There is indeed a need to raise the upper limit of fines.

There is a case which has recently aroused much public concern, that is, the removal of the B+B Construction Company Limited from the list of approved contractors of the Housing Authority. The B+B Construction Company Limited has been involved in a substandard piling case in a bored piling project in a residential building site in Blue Pool Road, Happy Valley. The company was fined by the Eastern District Magistracy not long ago for a fine of \$250,000 for breach of the Buildings Ordinance. Passing sentence, the magistrate said that a maximum fine of \$250,000 was too low and even if a fine of \$5 million would not be too stiff a penalty. However, as he was bound by the law, only a fine of \$250,000 could be imposed. I agree to that comment made by the magistrate that the fine was too light. For those contractors with billions of dollars' worth of piling projects and making profits in hundreds of million dollars, a fine of \$250,00 is really nothing. Therefore, the Democratic Party urges the Government to make a speedy review of the Buildings Ordinance which has been in force for more than two decades and increase the upper limit of the fines.

Apart from the problem that the fines are too low, the Democratic Party is disappointed over the fact that in the case of the B+B, although a number of substandard piling incidents are involved, the company has been fined from only a few dozen thousand dollars to less than half a million dollars, and no directors or persons in charge of that company were made to bear any criminal liability as a result. The Democratic Party has written to Miss Elsie LEUNG, the Secretary for Justice, to request her to make an appeal in respect of the case and to impose heavier penalties to produce a deterrent effect.

Piles are part of the structural works of a building. They are the most important part of a building. It would cause dire consequences if the foundation is not strong enough due to substandard work. Should any accident happen, the losses would not be just financial but may involve human lives as well. In the opinion of the Democratic Party, on grounds of public safety, the Government should impose heavier penalties on those who have acted in contravention of certain provisions of the Buildings Ordinance, for example, contractors or other related persons who have diverged or deviated in any material way from the approved construction plans.

Mr Deputy, last week the Housing Authority (HA) announced more than 40 measures to improve building quality. These measures cover many different areas, including the proposal to include public housing into the purview of the Buildings Ordinance. Under the proposal, public housing will be regulated by the BD and independent persons will be responsible for the inspection of these buildings.

The Democratic Party supports the proposal and we think that if an independent third party is asked to inspect buildings, it will help to bolster public confidence in public housing. However, to implement the proposal, we cannot hope to rely on the HA alone, the Government needs to provide assistance as well. The Government should arrive at a consensus on the policies related to the above issue and make amendments to the legislation. Apart from that, the greatest challenge that this proposal will bring to the Government is whether or not the BD will have to take up the responsibility of monitoring the huge number of public housing blocks. The work is especially demanding when it is now the peak period in the HA's construction programme. Complicated questions in the allocation of resources and scheduling of work, as well as those in government

policies are involved. By that time the number of building inspection staff in the BD may not be enough to undertake the extra workload. A solution is for the Government to put in more resources or to redeploy the professional staff of the HD to the BD. If this proposal can be implemented as soon as possible, then public confidence in public housing can be restored to a certain extent. However, this is no easy task and we do not know if Mr LEUNG Chin-man, the Director of the Buildings, is willing to take up this daunting task.

At present, about 50% of the solid waste in Hong Kong comes from building waste. If we can choose the right kinds of building materials and use innovative design, that will not only reduce the amount of waste but also reduce the demand for energy. Besides, if building materials are chosen properly, problems such as noise and pollution on building sites will also be reduced. As a result, the time spent in projects can be shortened and greater cost-effectiveness achieved.

A relevant proposal is to install equipment in our buildings to harness solar energy. It can be used to generate electricity and to heat water, reducing the use of electricity and gas fuels, thereby lowering the amount of pollutants produced. To couple this with innovative designs, we can even use solar energy to power the ventilation systems in buildings, hence reducing the demand for air conditioning. The Democratic Party is of the opinion that the Government should undertake bold and innovative measures in reducing construction waste. Those contractors, architects and engineers who devise plans to meet the Government's objective of reducing construction waste should be given proper assistance and incentives. These will make them think that such work will not only bring them financial returns but also benefits to the community as a whole. Hence, it is a worthwhile task for construction companies, architects and engineers.

The Democratic Party supports the amendment moved by Mr Edward HO and we hope that both the amendments to the motion can be passed.

DEPUTY PRESIDENT (in Cantonese): We will now proceed to a debate.

MR MA FUNG-KWOK (in Cantonese): Mr Deputy, the Buildings Ordinance has been in force for quite some time, and it was first drawn up on the basis of similar British legislation. The Administration has no doubt been making amendments to certain provisions of the Buildings Ordinance and its related subsidiary legislation from time to time. But despite the piecemeal efforts of the Government to introduce amendments here and there, the existing Ordinance has still failed to keep pace with the rapid development of Hong Kong now, particularly in respect of sustainable development and the adoption of architectural designs and construction materials that can take into account the overall appearance of Hong Kong, protect the environment and comply with safety standards. For this reason, it is really necessary for the Administration to conduct a more comprehensive review and introduce amendments to the Buildings Ordinance and its related subsidiary legislation.

Firstly, with regard to sustainable development, we should consider incorporating the new concept of "permanent structures" into the Buildings Ordinance. This means that when constructing a building, we have to take into account the likely event that the building may not be demolished for reconstruction for a very long time to come. So, great attention must be paid to construction materials and future maintenance when a building is designed and constructed. In the past, the main driving force for the redevelopment of old districts used to come from private developers. This was because the buildings in old districts were not very tall, and private developers who redeveloped these buildings could make full use of the plot ratio which had not been fully-utilized to maximize their profits. But now, old blocks that can be demolished with a profit are becoming fewer and fewer, and people are even talking about increasing the plot ratio for the redevelopment of old districts to attract developers. Since new buildings constructed in recent years have generally made full use of the plot ratio, we can probably imagine what the situation will be like 20 or 30 years later. Since redevelopment projects can no longer offer any substantial profit incentive, who will still be willing to make any investments in them? Let us look at the example of the Pacific Place. At present, each month, the hotel and shops at the Pacific Place can bring about tens of millions of dollars in terms of rental income for their owners. But can any redevelopment of it in the foreseeable future bring any greater income than that? Hence, I reckon that structures like the Pacific Place, Bank of China Building and the Hongkong and Shanghai Banking Corporation headquarters or even ordinary residential buildings may probably stand as permanent structures in the future. Therefore, the relevant legislation should really be amended accordingly, so as to encourage and urge developers to adopt designs and construction materials that can facilitate long-term maintenance and ensure public safety. And, the

adoption of standardized designs and materials will also help reduce construction waste. At the same time, developers should also consider whether a building will remain in use on a permanent basis, so as to tie in with the principles of sustainable development. Of course, this does not mean that all buildings should be standardized in appearance, for we must ensure that our city can retain its unique physical features.

As regards the external designs of residential buildings and the general appearance of Hong Kong, the existing Buildings Ordinance has caused the construction of a lot of unsightly buildings. For example, it was once stipulated in the Ordinance that though the space occupied by service pipes and lift shafts was not to be calculated as part of the saleable floor area, it should still be included in the plot ratio and coverage scale. Consequently, most developers tried to fit service pipes near the external walls of kitchens and bathrooms, in order to reduce the total area occupied by pipe ducts. The external walls of a lot of buildings were thus covered by a criss-cross of pipe ducts. In buildings which lack maintenance, rusty water can be seen seeping through service pipes, and the state of these buildings is really depressing and unbearable. On the other hand, the existing Buildings Ordinance also stipulates that there must be natural lighting and ventilation for kitchens and bathrooms, and this has resulted in irregular diamond, cruciform or T-shaped buildings which are not at all pleasing to the eye. In fact, nowadays, with the popular use of advanced mechanical ventilation systems, I believe that even in an enclosed, windowless bathroom, the air quality will still be acceptable if everything is properly designed. However, it is true that the work of building design in Hong Kong is much more difficult than that of other advanced countries overseas because the buildings in Hong Kong are tall and highly concentrated in distribution.

As regards the need to tie in with the Government's environmental protection policy, it is especially obvious that the provisions of the Buildings Ordinance cannot catch up with the global trend of environmental protection in modern societies. The Buildings Ordinance does not contain any stipulation which requires developers to use environmentally friendly construction materials and adopt environmentally friendly designs in the construction of new buildings. As a result, curtain wall designs are used in a lot of newly-constructed office buildings. In response to consumers' sole preference for beautiful external designs, developers all concentrate on constructing buildings with attractive exterior designs. And, the more attractive the external design, the higher the price a developer will be able to ask for. This is really a great waste of energy. In contrast, some European and American countries have updated their legislation and standards one after another by tightening their requirements on

the energy efficiency of buildings, so as to tie in with new construction technologies. For example, a new piece of legislation was introduced in Norway on 1 July 1997 under which developers are required to use insulation construction material of a higher standard. France has also tightened up its requirement on energy efficiency for commercial and residential buildings, in the hope that its commercial and residential buildings can increase their energy efficiency by 25%. Denmark and Canada have even introduced an energy efficiency labelling system to their commercial and residential buildings. In order to keep pace with the world trend, I think it is high time for the Administration to review the Buildings Ordinance.

Mr Deputy, I also support the idea of imposing heavier penalties on building contractors and related persons who contravene the Buildings Ordinance or its related subsidiary legislation, but I hope that the Government will not adopt an "across-the-board" approach. It should delineate the powers and accountability of those concerned; it is unfair to treat professionals and developers in the same manner and subject them to the same punishments. The reason is that developers may well choose to break the law, to resort to jerry-building, for the sake of monetary gains. Since developers may thus gain monetary benefits which may amount to tens of millions of dollars, the existing fine of \$250,000 cannot really produce any deterrent effect. Though there is also a provision on imprisonment up to three years, only recidivists will be sentenced to imprisonment by the court. As for professionals, the case is slightly different because the mistakes involved are mostly acts of professional negligence rather than any monetary benefits. Therefore, we should be very careful in considering their punishment. Of course, for those professionals who commit acts of corruption, then it should be an entirely different story, but such cases are already covered in the Prevention of Bribery Ordinance. So, we think that it is necessary for the Administration to delineate the powers and accountability of those concerned before it can determine what penalties are fair and have deterrent effect.

Mr Deputy, the Buildings Ordinance which has been in use for many years is now outdated and can no longer cater for the needs of the development of Hong Kong. We think that a comprehensive review should be conducted and thorough amendments introduced to the ordinance.

With these remarks, I support Mr LEE Wing-tat's amendment and the original motion. Thank you.

MR LEUNG YIU-CHUNG (in Cantonese): Mr Deputy, the motion debate today is on the Buildings Ordinance, and this reminds me immediately of the 26 problem public housing blocks 15 years ago. I can recall that the Government really had a big "headache" in trying to track down the "culprit". It simply did not know how to go about the work of investigation, because it was hard to ascertain who should be held responsible. Today, we have to discuss the same problem once again.

The problem public housing blocks in question were also outside the ambit of the Buildings Ordinance at that time. I think the main problem, as pointed by Mr Edward HO, is that the situation in the construction industry is extremely complicated, plagued by numerous problems. If we fail to delineate the scopes of responsibilities clearly, it will be very difficult for us to ascertain who should be held responsible. Therefore, I very much agree with Mr Edward HO's point that the scopes of responsibilities must be delineated clearly. If not, people in the construction industry may well have no fear at all. The reason is that after mistakes have been made, they can always "shirk their responsibility" and "lay the blame on others", with A accusing B and B in turn accusing C. In the end, one simply cannot ascertain who should be held responsible at all. This has made people in the construction industry think that they simply do not have to address the problems seriously.

More than a decade has passed since problems with the 26 public housing blocks were exposed, but today, we are once again faced with the same problem of jerry building. And, several years later, this very same problem may well surface yet again. We simply cannot allow these incidents to repeat themselves over and over again, and we must address the problem properly. That is why I agree that the two proposals today are extremely important. This means that we must delineate the scopes of responsibilities very clearly and then increase the penalties. The Government must do these two things or else we will never be able to ensure the safety of our buildings. This explains why I support the two amendments.

Regarding Dr Raymond HO's other proposals relating to environmental protection, I very much agree that we must have foresight, and we must not forget the importance of co-ordinated planning. If not, if everyone goes about the work of development without any co-ordination, the purpose of development

will be defeated, and people will thus criticize that our development is in a complete mess. I am of the view that the Government must set down a guiding principle. Failing this, people would go about the work of development in a haphazard fashion, resulting in a very undesirable situation. What I mean is that people will not carry out their property developments in our desired direction, one example being environmental protection. If we do not advocate environmental protection, building contractors may well totally ignore the concept and the related measures because of market factors. But if the Government can take the lead, other property developers will be induced to follow suit, which is why I very much support the proposal that environmentally friendly construction materials should be purchased.

The fourth point I wish to raise is that we must take precautionary steps well beforehand. I think that this is very important. Although Hong Kong is not located in any seismic zone, we should still be reminded by the abundance of natural calamities over the past few years that calamities hitherto beyond all our imagination may well hit us. I think that we should take early steps to prevent such problems, lest we may be caught in total surprise.

For the points I have raised, I will fully support all the relevant proposals. Mr Deputy, I so submit.

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

MR GARY CHENG (in Cantonese): Mr Deputy, Hong Kong is a typical city of concrete jungle, with over 50 000 blocks of private buildings currently under regulation by the Buildings Ordinance. In 1997, the Ordinance was amended to step up supervision of construction sites, improve the registration system for APs and Registered Structural Engineers, and put in place a new registration system for registered general building contractors and registered specialist contractors. The Government plans to further amend the Ordinance in February this year. We have great expectations of the amendment and we hope that it can be forward-looking, or that it is considered from the angle of sustainable development to tie in with the evolving society of Hong Kong, as suggested in the amendment moved by the Honourable Member.

The quality of public housing has caused an uproar in town recently, continuously undermining public confidence in public housing. The acceptance rate registered in the latest phase of the Home Ownership Scheme is at an all time low, and I wonder if this is proof of the dwindling public confidence. To the people of Hong Kong, they buy their own properties not only for investment so as to increase wealth, but primarily hoping to buy a flat where they can live in contentment. The next few years will be the peak period for the construction of housing in Hong Kong. We very much agree that a comprehensive review of the Buildings Ordinance be conducted to update the provisions thereof. It is because public confidence can be restored only if the Government adopts a positive attitude. In the meantime, as we have all along advocated, we support that public housing should also come under the ambit of the Buildings Ordinance. In other words, the BD should play a part in the supervision and inspection of public housing blocks. If this proposal is to be implemented, coupled with the building maintenance scheme to be launched by the BD, we can imagine the volume of the workload of the Department. In this connection, the Department may have to redeploy its staff under the leadership of the Director of Buildings.

With regard to the original motion moved by Dr Raymond HO, as well as the amendments respectively proposed by Mr Edward HO and Mr LEE Wing-tat, the Democratic Alliance for the Betterment of Hong Kong has considered them from a macroscopic perspective. There are many similarities between the original motion and the two amendments, which are also agreeable to us. To name a few, a comprehensive review of the outdated Ordinance that I spoke of earlier; the principle of sustainable development; the environmental considerations; the design of buildings to withstand natural disasters, and so on. It appears that the greatest controversy lies in the difference between the original motion, which highlighted the target of "streamlining the vetting procedure and enhancing the powers and accountability of the professionals", and Mr Edward HO's amendment, which replaced the part of "enhancing the powers and accountability of the professionals" with "defining clearly the powers and responsibilities of authorized persons" and other related professionals.

From a holistic perspective, we are not professionals in housing matters. Understandably, the divergence of opinion between the two Honourable Members is, in many ways, regarded by themselves as irreconcilable and non-accommodating. But overall speaking, in the entire motion debate we are primarily concerned about "the streamlining of the vetting procedure and enhancing the powers and accountability of the professionals". As for Mr

Edward HO's argument about the need for clear definitions of the role of the parties concerned, we also think that it is reasonable for the fact is that there are no such definitions indeed. Therefore, in our view, there is not a world of difference between the proposals of the two Honourable Members in principle. For this reason, we will vote for the amendment of Mr Edward HO. We will also vote for Mr LEE Wing-tat's amendment for we do not oppose the proposal to impose heavier penalty. Also, we will vote in support of the original motion of Dr Raymond HO.

Thank you, Mr Deputy.

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

(No Member responded)

DEPUTY PRESIDENT (in Cantonese): Dr Raymond HO, you may now speak on the two amendments. You have up to five minutes to speak.

DR RAYMOND HO (in Cantonese): Mr Deputy, I would like to respond to the two points made by Mr Edward HO just now on professionals and APs. I have written clearly in the letter concerned that I am addressing the "present-day" situation. However, under the existing Buildings Ordinance, APs have to bear a great responsibility, therefore, I have proposed in my motion to enhance the powers and accountability of the professionals. Just now in my speech I have talked about the fact that during the design and construction stages, geotechnical engineers and building services engineers do not have to play any roles, but the APs have to assume full responsibility. Thus I think the powers and responsibilities of all parties should be enhanced and there should not be a blurring of powers and responsibilities. In addition, Registered Structural Engineers are also regarded as professionals. I think there is no need for Mr Edward HO to take away this proposal from my motion and replace it with a new one. I do not think there is any need for it. As a matter of fact, the registered contractors have been registering anew since last November. Therefore, I think there is also no need to single out that proposal and make an amendment to it.

Mr Edward HO has also sought to delete the words "easy to maintain and standardized" from the motion but I think these are very important parts. Designs which are easy to maintain will certainly reduce the cost of maintenance and produce less construction waste. Likewise, the use of standardized designs and building materials can also reduce construction costs, shorten the length of the construction period and produce less construction waste. Building technologies can also be improved. Many foreign countries have almost half a century's experience in design standardization. They are well ahead of us. As the local construction industry has too many so-called "wet" procedures, many parents are reluctant to see their sons joining this trade, so there is a great difficulty in recruitment. To brighten up the prospects of the construction industry, we must implement standardization. This will also reduce the incidence of industrial accidents. Therefore, I do not agree to Mr Edward HO's deletion of the above two points.

On the question of "incentives", Mr Edward HO suggests to provide incentives to encourage developers to use environmentally friendly designs and building materials. As a matter of fact, everybody should have the responsibility to protect the environment. If incentives are used, then there may be a need to use public money to encourage developers to undertake environmental protection efforts. I do not think that is a proper thing to do in principle.

As for

DEPUTY PRESIDENT (in Cantonese): Mr Edward HO, do you have a point of order?

MR EDWARD HO (in Cantonese): Mr Deputy, he has probably misunderstood my remarks.

DEPUTY PRESIDENT (in Cantonese): Sorry, Mr Edward HO, if you wish to make a clarification, please wait until Dr Raymond HO has finished speaking. Dr Raymond HO, please continue.

DR RAYMOND HO (in Cantonese): Mr Deputy, sustainable development is one of our important objectives. I do not agree with Mr Edward HO that we should downgrade it and exclude it from the ambit of the Buildings Ordinance, and I cannot agree that this objective should be treated as just another proposal and principle advocated by the Government. I do not think that such an approach can provide any strong enough impetus.

As for Mr LEE Wing-tat's amendment, we can see that it actually aims to increase the relevant penalties. Under the existing Buildings Ordinance, the penalties are a prison term of three years and a fine of \$250,000. In fact, the main deterrent is the prison term, and its imposition is based on the idea of individual responsibility. Some may think that there is a need to increase the fine, because this Ordinance has been operating for quite some time without any adjustment of the fine. But I do not think that there is such a need, because increasing the fine will not probably improve the situation relating to violations of the Ordinance. Professionals must abide by the codes of professional practice laid down by their respective professional institutions, and any violations will lead to their disqualification. That is why they will not commit any violations easily. Therefore, I would say that the amendment of Mr LEE Wing-tat is largely unnecessary. Thank you, Mr Deputy.

DEPUTY PRESIDENT (in Cantonese): Mr Edward HO, you may now clarify the part of your earlier speech that Dr Raymond HO has misunderstood. You can only make clarifications and cannot bring in new points.

MR EDWARD HO (in Cantonese): Mr Deputy, the words that I used in the amendment are "providing incentives". I did not specify them as economic incentives or other incentives. Dr Raymond HO's interpretation of these words as "using public money" appears to be somewhat inappropriate. In fact, he did mention a kind of incentive in his speech, that is, to enlarge the floor area for development.

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Mr Deputy, I wish to thank Honourable Members for making so many valuable suggestions on the matter of the possible amendment of the Buildings Ordinance. We have noted down the advice made by Honourable Members and we will use it as an important source of reference for the review of the Buildings Ordinance which we are going to undertake.

The existing Buildings Ordinance was enacted in 1955 and has undergone 53 amendments over the years. Each one of these amendments was made for some specific purpose. We have made amendments to rectify problems such as fire safety which surfaced in the wake of some incidents, meet the requests of the public, and provide access for the disabled. Despite the amendments made, after these many years of operation, we feel a need to review the Ordinance so as to give full play to it and to meet its legislative intent. It is because of this that we have started a review of the Buildings Ordinance long before the Council meets today.

We have made a study of the structure of the Ordinance and we notice that there are five parts to it. The first part is on the building process, and the registration and duties of APs, Registered Structural Engineers and registered contractors; the second is on the control of the Building Authority in matters related to the building plans, works and buildings with potential danger; the third is on miscellaneous and general requirements including the making of regulations; the fourth is on penalties and offences; the fifth is on exemptions and the sixth is on appeals.

The preliminary results of our review find that the structure of the legislation is sound. There may be a need for us to update the contents of the Ordinance so that it can meet our present and future needs.

The spirit of the Buildings Ordinance is to ensure that the public can enjoy quality housing. With this major aim in mind, we are making extensive consultations with the professional bodies, chambers of commerce, users and the public. There are four major areas which are presently under review. First, the clear delineation of the responsibilities of all parties concerned in building works. This is in fact related to the issues which have just been mentioned by the two Honourable Members just now. That is to say, not only engineers and architects will have to bear the responsibilities, but every person who is involved in every stage of building and development should have their responsibilities as

well. Secondly, there should be appropriate penalties for those who violate the relevant regulations or have not discharged their responsibilities. Thirdly, though the existing legislation deals with buildings, there is no framework for preventive maintenance and this may not be enough to prevent the dilapidation of buildings. Lastly, the review also includes the ways to bring the Ordinance in line with our overall objective of sustainable development.

As we are conducting a review of the legislation, it is the most appropriate time for us to discuss the legislation today. We will submit legislative proposals to the Legislative Council by phases to update the Ordinance. In the short term, we will introduce amendments on matters within the ambit of the Buildings Ordinance such as the tightening of regulation on developments in areas with geotechnical problems and improving the fee structure for the registration of APs and Registered Structural Engineers. We are also considering the raising of fines in the penalties as provided in the legislation, so as to achieve the deterrent effect. Lastly, we will lay down some incentive measures to meet the targets of sustainable development after we have made a review of the legislation. For example, we may exempt requirements in plot ratio or permit the increase of the gross floor area. Hopefully, these will serve to enable the building and construction industry to provide buildings which are most environmentally friendly and can best meet the requirements of sustainable development to the users.

Mr Deputy, with this major consideration in mind, I will make a brief response on a number of topics. Due to the complicated nature of the legislation, if I am to make a detailed explanation today, it will certainly use up a lot of time. Therefore, I will only speak briefly on the powers and accountability, vetting procedures, encouragement of sustainable development, environmental protection, maintenance, natural disasters and such like topics. Later we will provide detailed and proper papers to the relevant Legislative Council panels whenever we wish to submit a bill or an amendment.

On the question of powers and accountability. It is of vital importance to ensure that in every key stage of building works that fit and proper persons will undertake appropriate work. More specifically, we have to delineate clearly the accountability of APs, Registered Structural Engineers, other professionals, contractors or registered contractors for specialized projects. As each of these persons will have their own responsibilities, their responsibilities should therefore be clearly spelled out in the legislation. Under section 37 of the

existing legislation, APs and Registered structural Engineers must undertake periodic supervision and inspection for the building works to ensure full compliance. Section 39A provides that general building contractors and specialist contractors must make constant supervision of the building works, but the supervision plans currently submitted by APs and registered engineers often emphasize safety management of the sites and there are no detailed requirements on the quality of the building works. There may not be any details on the supervision time and procedures for each stage of the works. We are considering the need to make amendments in this respect in the Ordinance, the Regulations and the Guidelines issued by the Director of Buildings.

I wish to talk briefly on a number of topics which need to be followed up, studied or improved. These include for example, the clear delineation of the duties of qualified persons in the supervision and inspection of completed building works, including the inspection of piles. Others include a study into the need or otherwise of building contractors to be registered under the Buildings Ordinance and whether their appointment should be separated from the main contractor; how to raise the percentage of the sampling of spiral piles for inspection by APs, structural engineers and contractors. Our ultimate target is to increase the percentage of the sampling inspection of these piles and it would be most satisfactory if this is raised to 100%.

In the building sites, we are considering the appointment of a resident engineer as clerk of works. This engineer will be independent of the main contractor. As it is very important to make timely reforms and raise building quality, we will seek to proceed with the amendment of the Ordinance, the Regulations and the Guidelines after the review. When circumstances permit, the Director of Buildings will propose a set of guidelines for reference purposes. If amendments involve any legislation, we will introduce amendment bills to the Legislative Council.

As for penalties, we are looking into the penalties for the offence of delays in building works as laid down in the Buildings Ordinance. The penalties have not been made stiffer for more than two decades. We are of the view that the penalties may have lost their deterrent effect altogether. We are considering to raise the current maximum fine of \$250,000 and a prison term of three years by a considerable extent. We will issue papers to explain what we plan to do in this respect.

The second topic is the streamlining of the vetting procedures. As the regulatory department for building works, the Buildings Department (BD) has the responsibility of processing applications with regard to building works and related services in a fast and efficient manner. In 1998 the Government launched a new system to further streamline some of the procedures. As this new system permits the concurrent filing of many applications, a great deal of time is saved in processing applications. At present, the BD is trying to further simplify the vetting procedures for plans so that more professionals can be spared to conduct site inspections and to assess the tests made by APs and contractors on the works completed. Besides, the BD is studying into the provision of a "one-stop" service on the vetting of plans for building works. The Department is also looking into the plans of some smaller building works to see if they really need to be approved by the Government. These smaller works are often those works other than structural carried out to meet the needs of modern living. For example, canopies erected to give shelter from rain or the placing of some supporting frames on the external walls of buildings or the installation of air-conditioners and so on. We are looking into the question of whether such works need to undergo complicated application procedures for approval.

The Director of Buildings is also studying into the improvement of services delivered by the Department. The time taken by the public in gaining access to inspect the plans, for example, has been shortened from 45 to 60 days in the past to 16 days at present. We will seek to further reduce the time needed. Our ultimate goal is to digitize all building plans to provide instant inspection services. Starting from this year, the time needed to handle applications for building plans for the purpose of the issue of food establishment licences has been cut from 45 to 60 days in the past to 14 days at present. We will continue to study whether the time needed can be further reduced.

I wish to turn to the issues of sustainable development and environmental protection. If we are to build Hong Kong into a city which meets the needs of sustainable development, it is very important that we impose regulations on building works and provide the right kind of incentives for these building works. We are aiming at devising a major goal along these lines: first, reducing the amount of waste; and, second, enhancing the environmental protection and energy efficiency qualities of buildings. As to how these can be achieved, we need to study into the matter in detail. I will talk first on waste reduction. In this connection, the BD is working closely with the industry to promote simple and clean building methods which can make use of all kinds of technologies to meet the needs of the clients while at the same time achieve the effects of environmental protection. The BD will promote this building method on a

voluntary basis. Contractors will need to submit their proposal on their own accord on waste reduction and the use of reusable building materials. We will also consider using some labelling methods to commend the environmental friendliness of a building or a structure. Methods used by other cities will be taken into consideration.

To facilitate the promotion of sustainable development, we are considering the giving of some concessions to developers. For example, on the recovery, reuse or recycling of waste materials, we will submit papers to the Legislative Council shortly on the amendment of the Buildings Ordinance which seek to require the provision of sufficient floor space for material recovery and separation of refuse in new buildings. To give incentives to developers to provide these additional facilities, we plan to amend the Ordinance and its subsidiary legislation to make the space occupied by these facilities excluded from the gross floor area permitted in a building. Another measure under consideration is to encourage developers to install automatic refuse collection systems when they are undertaking some building projects of a larger scale, such as those for some new towns. However, there is quite a substantial technical problem and that is when installing a comprehensive refuse collection system in a city such as Hong Kong which has so many high-rise buildings, and when there is only one such system, even if the refuse collection procedures can be facilitated, there may be conflicts with the aim of the separation of refuse. So it is something we have to work out with the industry carefully if we want to enhance the efficiency of refuse collection while at the same time encourage the separation of refuse. We have raised this idea a few times already, but we have not been able to find any solutions yet. In low-rise residential housing in foreign countries, the problem can easily be solved if two or three garbage bins are placed in front of the houses. But it is no easy task if we want to put this idea into practice in a 60-storey building.

On the energy front, the BD is presently looking into a series of measures including giving encouragement to developers to use energy-efficient building materials, adopting designs which aim at reducing energy consumption and to use solar energy and such like forms of energy capable of being regenerated. We have to consider how to give the greatest economic incentives to developers such as those which I have just mentioned, like discounting the floor area taken up by some related facilities when determining the gross floor area. This will enable developers to construct buildings with a greater floor area. We will look into all kinds of workable solutions.

Dr Raymond HO has mentioned design problems in lighting and ventilation system in buildings. As a matter of fact, the existing legislation was enacted many years ago and there is a genuine need for review and amendment. We are engaging in a review with a view to giving the greatest protection to the health of the residents, encouraging architects to consider the sustained demands of the residents while taking into consideration modern advanced technology. We will encourage a flexible design of the buildings which takes into account the factor of energy efficiency. I am confident that this review will rectify the inadequacies of the existing system and provisions.

Lastly, on the topic of waste reduction. We had already a chance to discuss this topic with Honourable Members during the debate on the policy address. We plan to amend the legislation or the subsidiary legislation to give developers greater liberty to provide more choices to the future occupants. On the question of providing standard bathroom or kitchen fixtures to the occupants, there are some cases which we can see now that flat owners remove all these fixtures as soon as the building works are complete and they have occupied the flats. These fixtures are discarded outside the doors of their flats and it is a great waste of materials. Our first and foremost aim is to look into how developers can be encouraged to provide more choices to their clients and so reduce wastage in this aspect.

This afternoon when I discussed with my colleagues, I found that certain provisions in some pieces of legislation are quite strange. These include for example, the provision that the flushing system in toilets should at least have a capacity of nine litres. I have great doubts on that, for in other countries, if a device is fixed in the flushing system, there is absolutely no need to use nine litres of water. The effect of flushing will tend to be even better. Now every time when we flush the toilet, nine litres of water will go into the Victoria Harbour. That is certainly something which we can improve on.

On natural disasters, I will only make a brief comment. The design of our buildings, especially in its resistance to typhoons and rains and so on, can well be said to be able to weather all kinds of natural disasters. That is especially true after we made a number of improvements in the 1970s. However, I agree with Honourable Members completely when they pointed out that in the decades to come, the buildings which we see may have to be built taller, bigger and capable of housing more people. This is to meet the increase in population and the growth of commercial activities. In circumstances as

these, we have the responsibility to look at the design of all buildings and the existing requirements and legislation on protection against natural disasters to see if they meet the needs of present-day Hong Kong in the 21st century. So we will certainly look into that.

I wish to comment on the question of whether the buildings built by the Housing Authority should come under the regulation of the Buildings Ordinance. We are still open in this because a number of problems have to be solved in the first place. First is on the spirit of the existing pieces of legislation. The two pieces of legislation we have clearly distinguishes between which types of buildings should be subject to the regulation of which government departments. If amendments are to be made, issues related to the spirit of the legislation would have to be considered. These include policy changes, the extent of pressure increased on the resources of the BD and the effect on the regulation and inspection of other buildings in the private sector and so on. If we are to adopt some new practice before careful considerations are made, then we may suffer setbacks in either way. That is why we are presently examining and looking into the issues.

Mr Deputy, as a conclusion, I just wish to add one more point. That is, if we are really working for some arrangements in sustainable development for our buildings in the 21st century, then we must bear in mind that the Government, the developers, the professionals, the construction companies and their staff, landlords and all the people concerned should have their own role to play and responsibilities to bear. We will play our part and provide incentives when necessary. We will amend the legislation in the hope that quality buildings will be provided and a sound system be laid down. However, on the subject of the construction of buildings using quality construction methods which are in line with the objectives of sustainable development, part of the responsibility will inevitably fall on the people who undertake design and construction work. I believe the debate we have today will help to foster a new trend in society in which construction companies will aim at perfection in everything they do when constructing a building. If we can move in this direction, distribute responsibilities properly and constantly remind all who take part in the task as to what they should do, it will certainly be beneficial to the overall development of the territory. Thank you, Mr Deputy.

THE PRESIDENT resumed the Chair.

PRESIDENT (in Cantonese): I now call upon Mr Edward HO to move his amendment to the motion.

MR EDWARD HO (in Cantonese): Madam President, I move that Dr Raymond HO's motion be amended, as set out on the Agenda.

Mr Edward HO moved the following amendment: (Translation)

"To add "consult the industries concerned," after "Government to expeditiously"; to delete "so as to achieve the following targets" and substitute with "with the objectives of"; to delete "and enhancing the powers and accountability of the professionals in order to ensure building safety"; to add "(b) defining clearly the powers and responsibilities of authorized persons, registered engineers, other professionals and registered general building contractors or registered specialist contractors, in order to ensure building safety;" before "(b)"; to delete "(b)" from "(b) encouraging developers to adopt designs" and substitute with "(c)" ; to delete "encouraging" before "developers to adopt designs" and substitute with "providing incentives to encourage"; to delete ", easy to maintain and standardized"; to add "and" after "that are environmentally friendly;"; to delete "(c) ensuring that future building developments tie in with the principles of sustainable development, including the protection of the environment and the promotion of economic development and advanced and new technologies; and"; to add ",with regard to their structure and planning," after "capability of future buildings"; and to delete "." after "slope failure, etc." and substitute with ", meanwhile, the Government should ensure that future building developments tie in with the principles of sustainable development, including the protection of the environment and the promotion of economic development and advanced and new technologies."."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Edward HO to Dr Raymond HO's motion, be passed.

I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr Edward HO rose to claim a division.

PRESIDENT (in Cantonese): Mr Edward HO has claimed a division. The division bell will ring for three minutes.

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

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

Functional Constituencies:

Mr Kenneth TING, Mr James TIEN, Mr Edward HO, Mr Michael HO, Mr LEE Kai-ming, Miss Margaret NG, Mrs Selina CHOW, Mr CHEUNG Man-kwong, Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Mr CHAN Wing-chan, Mrs Sophie LEUNG, Mr SIN Chung-kai, Mr Howard YOUNG, Mr LAU Wong-fat, Mrs Miriam LAU, Mr Timothy FOK, Mr LAW Chi-kwong, Mr FUNG Chi-kin and Dr TANG Siu-tong voted for the amendment.

Dr Raymond HO and Dr LEONG Che-hung voted against the amendment.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr Albert HO, Mr LEE Wing-tat, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Mr Gary CHENG, Dr YEUNG Sum, Miss Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr David CHU, Mr HO Sai-chu, Mr CHAN Kam-lam, Mr YEUNG Yiu-chung, Mr Ambrose LAU and Miss CHOY So-yuk voted for the amendment.

Mr NG Leung-sing, Prof NG Ching-fai and Mr MA Fung-kwok voted against the amendment.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 22 were present, 20 were in favour of the amendment and two against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 21 were present, 17 were in favour of the amendment and three against it. Since the question was agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was carried.

PRESIDENT (in Cantonese): Mr LEE Wing-tat, as Mr Edward HO's amendment has been passed, I have given leave for you to revise the terms of your amendment, as set out in the paper which was circularized to Members on 25 January. You have up to three minutes to explain the revised wording in your amendment.

MR LEE WING-TAT (in Cantonese): Madam President, I move that Dr Raymond HO's motion as amended by Mr Edward HO, be further amended by my revised amendment, as set out in the paper circularized to Members on 25 January. To save time, I will not explain it to Members for Members have already read its contents. I just hope that Members will support my amendment. Thank you.

Mr LEE Wing-tat moved the following amendment to the motion as amended: (Translation)

"To add "; this Council also urges the Government to impose heavier penalty on building contractors and related persons who contravene the Buildings Ordinance or related subsidiary legislation, so as to strengthen its deterrent effects" after "the promotion of economic development and advanced and new technologies"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr LEE Wing-tat's amendment to Dr Raymond HO's motion as amended by Mr Edward HO, be passed.

I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Dr Raymond HO rose to claim a division.

PRESIDENT (in Cantonese): Dr Raymond HO has claimed a division. The division bell will ring for three minutes.

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

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

Functional Constituencies:

Mr Kenneth TING, Mr James TIEN, Mr Edward HO, Mr Michael HO, Mr LEE Kai-ming, Miss Margaret NG, Mrs Selina CHOW, Mr CHEUNG Man-kwong, Mr CHAN Kwok-keung, Mr CHAN Wing-chan, Mrs Sophie LEUNG, Mr SIN Chung-kai, Mr Howard YOUNG, Mr LAU Wong-fat, Mrs Miriam LAU and Mr LAW Chi-kwong voted for the amendment.

Dr Raymond HO, Mr HUI Cheung-ching, Mr Bernard CHAN, Dr LEONG Che-hung, Mr FUNG Chi-kin and Dr TANG Siu-tong voted against the amendment.

Mr Timothy FOK abstained.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr Albert HO, Mr LEE Wing-tat, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Mr Gary CHENG, Dr YEUNG Sum, Miss Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr HO Sai-chu, Mr CHAN Kam-lam and Mr YEUNG Yiu-chung voted for the amendment.

Mr David CHU, Mr NG Leung-sing, Prof NG Ching-fai, Mr MA Fung-kwok, Mr Ambrose LAU and Miss CHOY So-yuk voted against the amendment.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 23 were present, 16 were in favour of the amendment, six against it and one abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 21 were present, 14 were in favour of the amendment and six against it. Since the question was agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was carried.

PRESIDENT (in Cantonese): Dr Raymond HO, you may now reply. You have three minutes 11 seconds.

DR RAYMOND HO (in Cantonese): Madam President, I am very happy to have the opportunity today to move this motion which I consider very important to the development of society for the Buildings Ordinance has not been amended for decades. I am also grateful to a number of Members for their valuable views.

I do not see any contradiction between my speech and that of Mr Edward HO. I pointed out that it is specified in the existing Ordinance that APs shall undertake full responsibilities, but I think it should be clearly stipulated therein that geotechnical engineers and building services engineers shall have a share of the APs' responsibilities in respect of procedures with which the latter are not familiar. This is actually what I mean. I do not agree with Mr Edward HO's remarks that I am going after a wrong target. As a matter of fact, I think my objective has been achieved.

I am happy to hear the Secretary say that the Government has started to review the Buildings Ordinance, and that the powers and accountability of the professionals will be enhanced in a number of areas, particularly in the supervision of works on construction sites. I think resident engineers have to take up a large share of responsibilities particularly in respect of the foundation works. Just now the Secretary spoke of the independents, and I very much agree with him. On the streamlining of the vetting procedure and waste reduction, the Secretary has made it clear that he holds the same views as ours. I hope that the Secretary can carry out the review expeditiously. A review that spans several years of time is undesirable. It will be meaningless if it takes too long to complete the review.

As regards penalty, I think more professional bodies should be consulted should the circumstances so allow. Upon completion of the whole review, I hope that all relevant organizations will be duly consulted. On the question of resources mentioned just now, I already stated that I disagree with the idea that the Buildings Department should take over the duties of the Housing Department. It is because both departments have professionals, and there are even hundreds of professionals in the Housing Department. So, there is no need for the duties of one department to be taken up by another department simply because the former has not done its part well. In fact, it is not true that the Housing Department is not doing a good job. Only that it has not utilized the expertise of its professionals. I think it is unnecessary for the Buildings Department to take over the Housing Department in monitoring the latter's projects.

Once again, I wish to thank those Members who have taken part in this debate which, I think, is very meaningful. Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That Dr Raymond HO's motion, as amended by Mr Edward HO and Mr LEE Wing-tat, be passed.

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Second motion: Assisting import and export trade in seizing the opportunities created by China's accession to the World Trade Organization.

ASSISTING IMPORT AND EXPORT TRADE IN SEIZING THE OPPORTUNITIES CREATED BY CHINA'S ACCESSION TO THE WORLD TRADE ORGANIZATION

MR HUI CHEUNG-CHING (in Cantonese): Madam President, I move this motion for four reasons:

Firstly, in the millennium year, China's imminent accession to the World Trade Organization (WTO) is the one thing having the most significant impact on the Hong Kong economy, and bearing the blunt of it is our import and export trade that has been inseparably tied to the Mainland.

Secondly, direct trade relations between China and overseas countries will put Hong Kong in the global arena where our import and export trade, long enjoying an edge as an intermediary, must face fierce competition. While competition might mean opportunities, it also brings along a number of unknowns.

Thirdly, whether or not our import and export trade is able to grasp the business opportunities in the Mainland is a matter on which is hinged the boom and bust of the over one hundred thousand business undertakings in the whole sector involving more than half a million jobs.

Fourthly, the fortune of our import and export trade will also signify if the Hong Kong economy, in the process of transforming itself into a knowledge-based one, will be able to reposition itself.

Though my motion focuses on the import and export trade, it actually goes further to cover whether the Hong Kong economy can upgrade and transform itself. In fact, China's accession to the WTO offers many opportunities, mainly in three areas:

First, quantitatively, within five years of its accession to the WTO, China's volume of external trade is estimated to double from US\$300 billion to US\$600 billion. This should greatly benefit our external trade, agency and re-export businesses.

Second, qualitatively, the gradual opening up of China to external competition will naturally stimulate a round of elimination of the weak among mainland enterprises, pushing them to bring in new technology and to raise the quality of their products. Our import and export trade, with its knowledge and experience in business management, quality accreditation, purchasing, packaging and marketing, can seek to co-operate with mainland enterprises.

Third, for long-term development, many of the over-elaborate rules and regulations will hopefully become more reasonable and transparent after international trade standards are adopted by China for its business environment. This should attract more small and medium enterprises (SMEs) from overseas countries to the China market. Such SMEs, having less resources than multinationals, will need more of the services of our import and export trade, the small and medium sized ones in particular, as intermediaries.

Nevertheless, China's accession to the WTO will also pose unprecedented and stiff challenges to the sector, mainly on two fronts:

First, after China fully throws open its market, foreign countries will remove all quota restrictions and customs barriers. In that case, movement of capital and operation of businesses must observe market laws to make a profit. The traditional manufacturing industries of Hong Kong can hardly compete with the Mainland in terms of land and labour cost as well as labour supply.

Second, with increasing direct import and export trade between China and overseas countries, our share of the relevant business will inevitably be diverted to the nearby Guangdong region in a quicker pace, or may even be totally taken away from us. Indeed, in the past few years, more and more freight has been handled directly by mainland ports. For example, the throughput of Shenzhen container port in 1999 was 2 984 000 equivalent units (TEUS), 1.03 million units more than in 1998, representing an increase of 53%. On the other hand, the growth in Hong Kong was a mere 7.8%.

What kind of policies the Government should introduce to turn around our import and export trade from being passive to being active, so as to seize the enormous opportunities coming with China's accession to the WTO?

The Government of the Hong Kong Special Administrative Region (SAR) naturally recognizes that the Central Government, bound as it will be by the principle of fair trade of the WTO, will not be able to open the China market first to Hong Kong. I think that the Government can support our import and export trade in five ways.

First, the Government should set up resident business liaison offices in key provinces and cities in the Mainland. At present, apart from the Hong Kong Office in Beijing, the SAR Government does not have any official business office in the Mainland. The Hong Kong Trade Development Council (TDC) has offices in 10 major cities on the Mainland, but they do not operate as government agencies. Therefore, the SAR Government should seek support from the Central Government in setting up resident business liaison offices in key provinces and cities. The Government should also draw up proposals to address the problems of Hong Kong businessmen operating in China for the reference of the Central Government so that more policies applying equally to the Mainland and Hong Kong businessmen could be formulated. What is more important is that such official bodies, in co-ordination with the offices of the TDC, should establish early contact with the Mainland, ahead of other countries, so as to understand the manufacturing infrastructure, market information, economic planning and development of the Mainland, for the benefit of Hong Kong businessmen who seek to expand their operation.

My second proposal is for the Government to upgrade the infrastructure of our import and export services. Hardware such as container port facilities, air freight terminal facilities and road network should be placed under regular review so that they may be upgraded and able to operate in a well-co-ordinated manner. Software such as logistics management, quality accreditation and electronic transactions should be brought up to the international level in terms of their professional standards. The Government should also enhance its effort in marketing the services that Hong Kong can offer to enterprises on the Mainland, so as to add value to our import and export trade products. This strategy will better help our import and export trade to upgrade its intermediary role into a high value-added one based on professional services.

Third, with China's accession to the WTO, and with the need for the import/export, tourism, retail and technical processing sectors of Hong Kong to play a supporting role in the development of the Pearl River Delta, the long-term transport strategy of Hong Kong must not lopsidedly focus on our internal requirements, it must also plan for cross-boundary traffic. However, in this respect, cross-boundary traffic arrangements have so far not been able to foster the integration of Hong Kong and the Mainland in any effective way.

The handling of freight between Hong Kong and China has been much hampered by the delays arising from customs clearance and documentation on both sides, as well as from the inconvenience arising from traffic planning. This has raised the cost of trade for both sides. The SAR Government should do more in working with the mainland authorities to improve the customs clearance procedures. The excessively high fees charged by the container terminals also undermine Hong Kong's chance to handle more of the ever-rising volume of trade of the Mainland. The Government should persuade the container terminal companies to lower their fees. The Government should also expedite the studies for the various cross-boundary infrastructure projects in conjunction with the mainland authorities, so that the border crossings will be connected direct to the airport and the container terminals. Further, the Government could guide the freight forwarding industry in its discussions with the mainland authorities in devising a form of "one-stop" service with which cargoes are received in the Mainland, sealed after customs clearance locally, and then sent straight to the container terminal or airport in Hong Kong for export. This could win us freight business from southern and western China. Only with such one-stop simplified customs clearance service and relatively reasonable freight fees will Hong Kong become attractive to exporters, thus consolidating its position as a re-export centre.

Fourth, the Government should step up its trade promotion efforts, particularly in canvassing overseas SMEs to co-operate with local SMEs to break into the mainland market. Though the Government has offices in major cities around the world, such offices play a relatively small role in economic activities such as attracting business and collecting market information. At present, the Government has also set up investment promotion units in Europe, North America and the Asia-Pacific Region. But there are only a total of seven such units. The Government should review the function of its overseas offices so that they can work more closely with TDC offices to jointly promote our external trade.

The Government must also improve the local business environment, including lowering business operating cost, attracting capital and talent, encouraging innovation and competition, raising cultural quality and improving the environment. The Government should also relax immigration control in respect of mainland and overseas businessmen, granting them visa-free entry if necessary, and to attract more countries to establish consulates or offices in Hong Kong. On the other hand, great effort must also be made to safeguard our advantage as a free port, to defend our tradition of the rule of law, the free flow of information and foreign exchange, and our low and simple tax regime, to maintain our first-rate infrastructure facilities which should be constantly improved and upgraded, to keep our convenient trade procedures and the stable and highly transparent government policies. We must make Hong Kong a world-class Chinese port which is relaxed and interesting, yet serious and convenient, speedy and reasonable in handling business, and to which all businessmen around the world flock. This will go a long way towards helping trade promotion.

My fifth proposal is for the Government to assist the import and export trade to upgrade its manpower quality. In the competition for global trade, the approach will be knowledge- and technology-based. For our import and export trade to successfully develop markets, to add value to mainland and overseas goods, we have to produce more people with good proficiency in the Chinese and English languages and the ability to handle information, with knowledge in business management and marketing, and with a global vision. There are at present about 104 000 companies engaged in import and export business, among them, 94 000 are small ones with one to nine staff, and 6 000 with 10 to 19 staff. This shows that the great majority of companies in our import and export trade are SMEs which have little resources to afford staff training. But a lack of talent will perforce place Hong Kong in an extremely disadvantageous position in competing for the mainland market with the whole world. The Government should endeavour to focus on practical training, give it wide publicity, so that both the employers and the employees will fully recognize the importance of continuous learning to keep abreast of the times. Generous tax breaks should also be given to encourage training.

I wish to stress, in fact, whatever support measures the Government might take, the most important thing is to "make the pie bigger", that is, to seek bigger business opportunities. In the long term, if the whole Chinese hinterland, Taiwan and Macau can join Hong Kong to form a Greater China Free Trade

Area conforming to the rules of the WTO so as to eliminate all tariffs and quota barriers, and if, when China is opening up by stages, Hong Kong businessmen are permitted to participate in the various pilot schemes, there will definitely be a very big economic pie for our import and export trade as well as the business and professional sectors. The realization of such an idea will not come easy. But as sovereign European countries can do away with trade barriers to form the European Union, why cannot the Mainland, Hong Kong, Macau and Taiwan, all within the boundaries of China? I would urge elite government officers to seriously study this preliminary suggestion in depth with a view to coming up with a more mature scheme for the perusal of the Central Government.

Madam President, the Hong Kong Chinese Importers' and Exporters' Association to which I belong met the leadership of many departments of the Central Government early in January to exchange views regarding the opportunities and challenges for Hong Kong as a result of China's accession to the WTO. They generally thought that the position and role of Hong Kong was quite unique. It is up to the Government, the business sector and the citizens of Hong Kong to step up communication and co-operation with the Mainland.

Lastly, as Dr Philip WONG is unable to take part in the present debate, he has asked me to say on his behalf that he fully supports my motion.

PRESIDENT (in Cantonese): Mr HUI Cheung-ching, if a certain Member has views the same as yours, you may only point out the fact that his or her views are the same as yours, and that is after you have spoken yours. You may not represent any Member to air his or her views.

MR HUI CHEUNG-CHING (in Cantonese): Yes, I understand. But I have delivered. What he asked me to say, I said it.

Madam President, I so submit.

Mr HUI Cheung-Ching moved the following motion: (Translation)

"That, in view of China's imminent accession to the World Trade Organization and the impact of new competition that Hong Kong's import and export trade has to face, this Council urges the Government and the

relevant support organizations, apart from continuing to consolidate Hong Kong's established advantageous position and improve the local business environment, to exert all efforts to enhance the competitiveness of our import and export trade, thereby giving Hong Kong a head start in seizing any opportunities that may arise; to this end, the policies to be adopted should include:

- (1) broadening and strengthening the connections between Hong Kong and the Mainland, including setting up more resident business liaison offices in key provinces and cities in the Mainland to provide up-to-date information for Hong Kong businessmen and assist them in exploring business opportunities and solving problems;
- (2) enhancing Hong Kong's import and export services infrastructure in order to attract enterprises in the Mainland to patronize various import and export services provided in Hong Kong, including those in re-export, transportation, financing, insurance, logistics management, technical processing, quality accreditation and electronic transactions, and so on;
- (3) implementing expeditiously infrastructural projects on cross-border transport and improving cross-border arrangements, including streamlining customs clearance procedures for passenger and freight transport between the Mainland and Hong Kong;
- (4) stepping up trade promotion efforts, and in particular actively canvassing overseas enterprises to co-operate with Hong Kong enterprises (particularly those small and medium ones) in developing the mainland market; and
- (5) providing additional training and financial support, and so on, to upgrade the standards of the trade in such areas as language proficiency, information technology, management, marketing and global vision."

MR CHEUNG MAN-KWONG (in Cantonese): Madam President, Mr SIN Chung-kai of the Democratic Party will later talk about the third restructuring of the Hong Kong economy following China's accession to the WTO. I shall

focus on ways to establish new relations between China and Hong Kong under the "one country, two systems" arrangements after China's accession.

Madam President, the Democratic Party agrees with today's motion moved by Mr HUI Cheung-ching. However, we further think that the SAR Government should strengthen Hong Kong's connection with the Mainland. The purpose is not for the benefit of a particular sector. It is in fact something very important to the long-term development of Hong Kong under the "one country, two systems" arrangements.

Madam President, in the two years and more since the reunification, we can draw the following conclusion from the way the TUNG Chee-hwa government has practised "one country, two systems": Politically, there is only "one country" and no "two systems", while on the social, economic and cultural fronts, the "two systems" aspect is stressed and "one country" is seldom bothered. As a result, the people of Hong Kong have still not managed to find their rightful place in the country since the reunification. On the other hand, the SAR Government has failed to beat a path to establish further interflow and communication with the Mainland, and the development of China-Hong Kong relations has basically seen little significant progress.

Many examples can be cited for illustration purpose. Firstly, since the reunification, many Hong Kong businessmen operating in the Mainland have been treated in unlawful and unreasonable ways. But under the "two systems", our country has failed to protect Hong Kong citizens. What is worse, bound by the principle of "one country", our SAR Government has done nothing to argue with reason on behalf of the Hong Kong citizens involved and rescue them according to law. The status of Hong Kong citizens in the Mainland is even more ill-defined now than it was before the reunification.

Secondly, after the reunification, the SAR Government should have speeded up the social and cultural interflow between China and Hong Kong, so as to guide Hong Kong citizens away from their past parochial chauvinism, the so-called Great Hong Kong mentality, to get to know our country with a positive attitude. However, in handling the issue of the right of abode, the SAR Government took the lead to discriminate against new immigrants from the Mainland, further aggravating the discriminatory feelings of Hong Kong people, even among schoolchildren, against new immigrants from the Mainland. The situation has begun to worry people.

PRESIDENT (in Cantonese): Mr CHEUNG Man-kwong, I am sorry, I must interrupt you. I hope that the content of your speech is related to the theme of the motion. From what you just said, I fail to observe any such connection; or perhaps you can explain it to me.

MR CHEUNG MAN-KWONG (in Cantonese): Madam President, what I was talking about was the overall way of thinking. I am coming to the connection. Would you please allow me to say a couple more sentences? The theme will follow. *(Laughter)*

PRESIDENT (in Cantonese): Mr CHEUNG Man-kwong, please go to the subject as soon as possible.

MR CHEUNG MAN-KWONG (in Cantonese): Thank you, Madam President. This is really one big irony of the reunification of Hong Kong with China.

Thirdly, here it is, Madam President. Investment from Hong Kong in the Mainland in the past has successfully developed there export-oriented processing industries of sizeable scales. However, their technical level has seen no discernible advances in recent years; there has not been further development. On the contrary, industries developed by the Mainland on its own have made steady progress, the high-technology industries in Shenzhen in particular, with ample technological talent and resources, have made their mark in the past few years. Having recognized this trend, particularly what is coming after China's accession to the WTO, Hong Kong could have drawn from its past experience of providing the various services to mainland industries in finding ways to co-operate with them in areas of commercialization, design, financing, marketing network, brand recognition, management and technical design, so as to create business opportunities, or even to build a testing base for products and technology, to collect market information and to conduct market research. However, there have not been any evident co-ordination and co-operation between the two governments which are just planning their own respective development.

We envisage that, after China's accession to the WTO, Hong Kong will play a bigger role in the economic and trade activities in the Mainland, and more Hong Kong people will do business there; businessmen from the Mainland will also have more business dealings with Hong Kong. As a result, the socio-economic integration between Hong Kong and the Mainland will naturally intensify further, thereby narrowing the economic and cultural gap between the two places. Many commentators have pointed out that whether Hong Kong can succeed in its restructuring in the face of the new knowledge-based economy will largely depend on its connection with the Mainland; and so is the hope to develop Hong Kong into a high value-added information services centre of the Pearl River Delta, or even into an economic and cultural metropolis.

Thus, such integration might exceed the past attempt that was limited only to economic activities, becoming deeper and broader in respect of human resources, capital, information and cultural knowledge. It can therefore be seen that there will be more problems between Hong Kong and the Mainland in the days to come. They must be addressed and solved by the SAR Government and relevant authorities in the Mainland working together.

The Democratic Party hopes that the SAR Government will, with the vision of "one country", do a good job in building connections with the mainland authorities, in making longer-term planning for the long-term development of the Pearl River Delta and the opportunities created by China's accession to WTO, so as to promote political, economic, social and cultural interflow between Hong Kong and the Mainland, to give Hong Kong people a positive perspective in their understanding of and participation in the national economic development of China. Naturally, in the process of interflow with the Mainland, we must do our best to defend Hong Kong's rights and institutions under the "two systems", including the rule of law, fairness, as well as our free and democratic social institutions and values. Only thus can Hong Kong establish a new China-Hong Kong relationship under the "one country, two systems" arrangements, to promote economic development after China's accession to WTO and to protect Hong Kong's edge as an international city of China.

Madam President, I so submit.

MR LEE KAI-MING (in Cantonese): Madam President, I rise to speak in support of the motion of Mr HUI Cheung-ching. As we all know, a prosperous export trade signifies development in business, trade and industry, as well as in the transport sector. This will bring vitality to local economy and create job opportunities.

China's accession to the WTO will create enormous opportunities for the import and export trade of Hong Kong, but it will at the same time bring about competition. At present, demand for import by Europe and the United States is on the rise. According to government statistics as of November 1999, overall local export continued to grow for five months in a row, that for November even reached 10.3%, the first double-digit growth since 1998. This shows that economic recovery has begun. The way ahead is of course bright. However, with the modernization and rapid development of southern China that come with raised technical level in the manufacturing industries and continuous improvements to port and transport facilities and management, our import and export trade is facing more fierce competition.

The issue of how to maintain the existing edge of Hong Kong's import and export trade, to further enhance its competitiveness so as to revive import and export to improve the employment situation of Hong Kong has been the concern of society. I think that to raise competitiveness, we have to lower the transportation cost so as to promote the development of the re-export trade. In this respect, the fees charged by the container terminals and government support in infrastructure facilities are two important factors. The current handling and berthing fees charged by Hong Kong's terminals are the highest in the world. In 1998, Hong Kong saw a throughput of 14.58 million TEUS. It is expected that 15.75 million were handled in 1999, an increase of only 8%, falling short of the forecast 10%. However, the Yentian port in Shenzhen recorded a 30% growth of throughput in 1999. The issue of fees is one of the factors. Similar fees in the southern China region are generally 40% below those of Hong Kong. If this difference cannot be reduced, it is easy to foretell that importers and exporters will use more other ports in the southern China region, and less the Hong Kong ones. Last year, Singapore continued to beat Hong Kong to the title of the world's No. 1 container port. If Hong Kong allows this to go on, how are we going to maintain the competitiveness of our import and export trade? The parties concerned should review the fees level of the terminals so as to attract customers with more competitive prices in order to win back the title of the world's No. 1 container port.

To capitalize on the advantage of having a vast hinterland for our manufacturing industries, the Government could do more to streamline cross-boundary arrangements in the area of ports, customs clearance and transportation, so as to create favourable business environment and conditions for the import and export trade. Another urgent task in the attempt to reduce transportation cost to support the container transport industry is to solve the congestion problem close to the boundary crossings as soon as possible. More land should also be made available for container storage and for the construction of multi-storey carparks for container trucks. Additional infrastructure such as roads is also needed. All these will support the development of Hong Kong's re-export transportation industry.

China will open its market after its accession to the WTO. In the face of global competition, Hong Kong should step up co-operation with the Mainland, so that the two places could complement each other in exploring new horizons. Hong Kong and the Mainland should embark on co-ordinated development to seize the opportunities and meet the challenge. Hong Kong must also boost the training of the import and export trade employees, to raise their proficiency in Chinese and English, as well as in handling electronic transactions so that the trade can maintain its competitiveness through high efficiency and high quality of services, such as heightened language proficiency, higher level of technical service and better quality of general services. As Mr HUI Cheung-ching just said, operators in the import and export trade are mainly SMEs. The Government should offer them more support in the form of staff training so as to enhance their competitiveness. I hope that the Government would provide effective guidance and technical support in developing high-quality industries and business such as the traditional Chinese medicine port. With the Government and the business sector making all the necessary efforts, I believe that our import and export trade will be able to grasp the opportunities, to capitalize on its strengths while avoiding its weaknesses throughout in promoting trade development, creating new jobs along the way to improve the unemployment problem, thus enabling the working people to also share the fruit of economic prosperity.

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

MRS MIRIAM LAU (in Cantonese): Madam President, after over 13 years of negotiation, the chance of China's accession to the WTO this year is considerably high. After China's accession and under globalization of world economy, China will continue to expand its external trade, and the vast China market will bring not only limitless opportunities to countries around the world, but also new "crises" and "opportunities" to the business sector (including the import and export trade) of Hong Kong.

Let us first look at the "opportunities". According to an assessment by the Government, there will be new opportunities for certain trades in Hong Kong after China's accession to the WTO, and such trades include wholesale, retail and trading, banking and financial services, insurance, communication and tourism. Further, by the year 2010, the gross value of Hong Kong exports involving the Mainland will have grown by 15%, that is an average annual rise of 1.3%.

Now let us look at the "crises". Hong Kong long used to be the biggest trading partner of China. But the red light is now on. Last year, Japan, the United States and the European Union were the three biggest trading partners of China, and Hong Kong lost the third position it occupied in 1998 to become the fourth. Part of the reason was the slowing down in the growth of export of China. Another part of the reason was that the gradual improvements to the facilities in Shanghai and the Yentian Port of Shenzhen has resulted in cargoes previously exported through Hong Kong being diverted to such mainland ports. This has undermined China-Hong Kong trade.

However, some people believe that after China's accession to the WTO, its volume of trade will increase significantly, and there will still be cargoes coming to Hong Kong for export. So, in the long term, Hong Kong still stands to benefit. However, I must stress that we must never harbour the thought that with a bigger pie, we can feed ourselves even with crumbs.

Global electronic trade is exploding rapidly in the new century and Hong Kong will gradually lose its geographical advantage, with its intermediary role slowly fading. What is more important is that all countries around the world are keenly looking at the vast China market. On the other hand, enterprises in the Mainland have been catching up quickly. Hong Kong is faced with increasingly taller challenges.

In the face of the challenges, Hong Kong should learn to make its own pies by actively enhancing the competitiveness of its business and industrial sectors, by attracting Chinese and overseas enterprises to use the services provided by Hong Kong's import and export trade as well as those by other business and industrial sectors.

To this end, Hong Kong must first continue to "pave its own way" for economic development. After China's accession to the WTO, it is expected that more Hong Kong enterprises will establish partnership relations with mainland enterprises, and the economies of Hong Kong and the Mainland will be further integrated. In order to facilitate the economic and trading activities of the two places, the SAR should work with the governments of neighbouring provinces and cities to expedite the progress of major cross-boundary infrastructure projects. If cross-boundary traffic is smooth, Hong Kong will be able to make use of its advantageous position as air and sea transport centres in further developing the co-ordinated through-land, sea and air transport, so as to handle cargoes from Hong Kong and China more flexibly and efficiently.

Secondly, the Governments of Hong Kong and the Mainland must begin discussions to streamline cross-boundary formalities as soon as possible, and to reform the current "same truck and same container" policy. At present, the customs clearance procedures in the Mainland are very complicated, fees are often double-charged, or indiscriminately charged. Further, the "same truck and same container" policy of the Mainland requiring the truck to cross the checkpoint with the same container has resulted in "loaded forward trip and empty return trip" or "empty forward trip and loaded return trip". Though there is a container interchange in the Mainland under a pilot scheme of centralized container loading operation, as the "same truck and same container" policy is still in force, only a very small number of operators are willing to use the facility. Therefore, the Hong Kong Government should urge the mainland authorities to communicate with our freight forwarding industry with a view to streamlining the customs clearance procedures, simplifying the various fees and revamping the "same truck and same container" policy so as to lower the operating cost of the freight forwarding industry, thus further raising its overall competitiveness to promote the development of the import and export trade.

The local freight forwarding industry can also increase its competitiveness by increasing added value. On the export front, Hong Kong can play a part in the assembling of semi-finished products, their testing and quality accreditation, so as to add more value to the products. On the import front, Hong Kong can make use of its advantage of providing through transport service to develop itself into a global goods distribution centre to serve the Pearl River Delta and even other provinces and cities farther away.

If only we could make use of our strengths to make up for our weaknesses, and further combine the strengths of the SAR with those of the Mainland, we are sure to be able to find a winning way, to turn "crises" into "opportunities" in seizing the limitless opportunities created by China's accession to the WTO.

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

MR AMBROSE LAU (in Cantonese): Madam President, the impact of China's accession to the WTO on Hong Kong's role as an intermediary is prominently manifested in the new competition and blow that our import and export trade will face. One of the important things to be done to enhance the competitiveness of our import and export trade is to expedite the construction of cross-boundary transport infrastructure.

Hong Kong has always been a trading port and an entrepot since its inception as a port. From the 1980s onward, the rapid economic development of Asian countries, China in particular, has seen the continued expansion of our re-export markets. Mainland China has been both the main source and market of Hong Kong's re-export trade which grew at an average annual rate of 40%. Compared with such a growth, the construction of cross-boundary infrastructure between the two places in the past 20 years has evidently lagged behind. In recent years in particular, the lag in the building of cross-boundary traffic and border clearance facilities has created a "bottleneck" in the development of Hong Kong's import and export trade as well as that of its overall economy. If this is not changed soon, there is no way Hong Kong can handle the huge expansion in the volume of re-export and cross-boundary trade following China's accession to the WTO. To maintain our position as an international re-export market and international logistics centre, we need to speed up the construction of cross-boundary transport infrastructure between China and Hong Kong. There is no time to lose.

Madam President, the average daily traffic flow at the three crossings at Lok Ma Chau, Sha Tau Kok and Man Kam To reached 30 000 vehicles in 1999. The increase in vehicular traffic is the cause of the constant saturation utilization of the north-south artery roads in Kowloon Peninsula and the frequent congestion at the boundary crossings and the roads leading to them. This has caused several billion dollars annually in economic loss. If the situation remains unchanged after China's accession to the WTO, such loss could climb to as high as several ten billion dollars every year. At present, the vehicular crossings at our boundary with China are used to their very capacity. The Lo Wu crossing which mainly caters to passenger traffic has long ceased to be able to meet the demand. Passenger traffic is in fact closely related to our import and export business because many businessmen plying between China and Hong Kong are engaged in the trade.

In a nutshell, it should be evident that the free and co-ordinated mobility of people, cargoes and capital is vital to economic development. For years, the United States and Canada, as well as the countries in the European Union, have been striving to eliminate cross-border barriers and customs hassles. That has stimulated the economies of the respective regions. By comparison, the economies of China and Hong Kong are even more closely tied together; we share prosperity. There is therefore still less reason for all the misgivings about the building of cross-boundary traffic and clearance facilities.

Madam President, the Government has recently reached an agreement with Shenzhen for the latter to construct a new bridge across the bay connecting Shekou of Shenzhen to Lau Fou Shan of Yuen Long, as a fourth boundary crossing. The bridge is expected to complete in 2005. Though the western Shenzhen-Hong Kong crossing will have a capacity three times the present combined traffic flow of the existing three crossings, making it possible to travel from Shekou to Kowloon in about one hour, it will only be open to traffic five years from now. With that kind of demand for cross-boundary transport following the enormous growth in the re-export trade after China's imminent accession to the WTO, the new crossing is of no immediate help. Further, the Guangdong authorities are thinking of moving the Lingdingyang bridge further south. This may arguably benefit Hong Kong because it could spur the development of our re-export trade as we would be able to attract re-export cargoes from both sides of the Pearl River estuary. It is a pity that while the project was debated and finalized in Guangdong, Hong Kong's response has been cool. The Hong Kong Progressive Alliance (HKPA) thinks that the western Shenzhen-Hong Kong crossing and the Lingdingyang are bridge both enormous driving forces for the import and export trade and the whole economy of Hong

Kong. Therefore, the authorities should positively support the projects, and finalize at an early date their connecting points in Hong Kong as well as the matching road system and relevant facilities.

Madam President, to cater to the demand from our re-export trade following China's accession to the WTO before the completion of the western Shenzhen-Hong Kong crossing and the Lingdingyang bridge, the HKPA proposes that the existing crossings should extend their opening hours as and when required. Secondly, telecommunications network link between Shenzhen and Hong Kong should be established as soon as possible so that vehicles and passengers need only go through one combined boundary clearance formalities so as to increase efficiency. Thirdly, resources should be invested into enhancing the technology content of boundary inspection, to speed up the installation of automatic inspection system for vehicular and passenger traffic so as to increase the clearance capacity to meet the demand of Hong Kong's import and export trade for cross-boundary transport after China's accession to the WTO.

Madam President, I so submit.

MR KENNETH TING (in Cantonese): Madam President, in respect of the manner in which Hong Kong should conduct itself in the face of China's accession to the WTO, I shall talk, on behalf of the Federation of Hong Kong Industries, about the preparations that the industrial sector of Hong Kong and the SAR Government must make.

China will open trading rights to foreign merchants after the accession, and tariffs will also be eliminated or reduced, with law-based commercial mechanisms established. In the face of such significant changes, manufacturers of Hong Kong must plan early to deal with the coming market changes.

The elimination and reduction of tariffs as well as the opening of trading rights to foreign merchants signifies reduced operating cost and less trade hurdles in the mainland market for all manufacturers around the world, resulting in more goods sold to China. Hong Kong manufacturers wishing to win a share of the opening market in the Mainland in the future must do their best to enhance the competitiveness of their goods.

To this end, Hong Kong manufacturers must have design ideas and the technology for the development of the brand-name effect, with the capacity to produce original merchandise. At the same time, manufacturers must actively develop "Made in Hong Kong" brands.

I believe that, if Hong Kong manufacturers wish to further increase the market share of their products after China's accession to the WTO, they must proceed in this direction. What is more, to secure a place for themselves in the opened market in the Mainland, our manufacturers need to make an early and stable start ahead of their overseas counterparts.

Madam President, apart from their own efforts, the business and industrial sector of Hong Kong will definitely obtain a lots of development opportunities if the SAR Government could intensify its trade promotion work by actively canvassing overseas enterprises to co-operate with Hong Kong ones in exploring the mainland market or in setting up factories there.

With the new challenges coming on the heels of China's accession to the WTO, the SAR Government must not stand aside, doing nothing. The Government should assist Hong Kong manufacturers to seize the new opportunities in the following ways.

Firstly, when the Chinese Government negotiates with the various countries over the terms to open its market, the SAR Government should early discuss with the mainland Government the issues relating to market liberalization and deregulation, so as to strive for fair and reasonable operating conditions for Hong Kong businessmen. The Mainland should also be urged to increase the transparency in respect of its investment tax regime as well as tariff policies, and to enforce the various rules and regulations uniformly so as to win fair and reasonable operating conditions for Hong Kong businessmen.

Given that Hong Kong is part of China, there can be no bilateral negotiations with the Mainland. The SAR Government has long been hesitant in taking the initiative to argue on behalf of Hong Kong businessmen operating in the Mainland for the trading and business benefits. In the future, the SAR Government must concern itself with ensuring a level playing field and equal treatment for Hong Kong businessmen after the opening of the mainland market.

On the other hand, the SAR Government should also upgrade the infrastructure for our import and export services to attract mainland enterprises to patronize such services. It is worth noting that the SAR Government must immediately address the problem of exorbitant handling fees charged by container terminals.

I have told the Government time and again on behalf of the Federation of Hong Kong Industries that the exorbitant terminal fees have gravely nibbled away the competitive edge of Hong Kong's manufacturing industry. I would again urge the Government to address this issue seriously and find quick ways to resolve it.

Madam President, improvements to cross-boundary arrangements and streamlining of clearance for both passenger and freight are also issues the SAR Government should urgently discuss with the mainland Government. The SAR Government must actively address the congestion problem at boundary crossings before Hong Kong manufacturers can enhance their competitive capacity by more effectively control the efficiency of cargo flow.

Further, the SAR Government should, with appropriate supporting policies, ensure Hong Kong has adequate technological talent and enhance the language proficiency of Hong Kong talent so as to improve the ability of Hong Kong manufacturers in competition.

Lastly, in respect of operating cost, the SAR Government should play a leading role in enhancing the efficiency of government organs as well as lowering their operating cost. At the same time, the various fees and charges relating to business and industrial development should be reduced as far as possible so as to lessen the burden on manufacturers.

In a nutshell, the mainland market will doubtless become bigger and more open after China's accession to the WTO. Besides the efforts of Hong Kong manufacturers, the SAR Government should provide support in the form of various policies. Only thus can Hong Kong industrialists prosper in the mainland market, can work with Hong Kong citizens to seize the opportunities so created to further promote the economic development of Hong Kong.

I so submit. Thank you, Madam President.

MR DAVID CHU (in Cantonese): Madam President, Mr HUI Cheung-ching has mentioned that, to expand our long-term development space, Hong Kong should make use of its favourable position in international trade to form a Greater China Free Trade Area with the Mainland, Taiwan and Macau that conforms with the rules of the WTO. This idea is one of vision and merits great support from various quarters. However, two old lines of thinking at present existing in Hong Kong will hamper the push towards this idea for the Greater China Free Trade Area. Such old thinking must be discarded, and quickly.

The first old line of thinking is that, under the principle of "one country, two systems", Hong Kong must distance itself from the Mainland as far as possible in order to maintain its uniqueness, as compared with other mainland cities; only thus would foreign countries and investors think the international city of Hong Kong has not faded.

The problem with this line of thinking is that, Hong Kong has become a major international city mainly because it has China as its economic hinterland which provides international investors limitless opportunities. With China's accession to the WTO, foreign capital has very keen desire to enter the China market. If the SAR Government does not reduce the obstacles in the economic and trade interflow between Hong Kong and the Mainland, Hong Kong will see less business opportunities; its economic value will decrease as well.

The second old line of thinking is that with Hong Kong reunified with China, the Central Government should do its best to make Hong Kong better than it was in the colonial days; so the Mainland must adequately look after Hong Kong.

The danger of this old line of thinking is the forming of the bad habit of relying on the Central Government to accommodate us in each and every matter. This is wrong. All long-term relations must be based on mutual effort and mutual benefit. Since China reached agreement with United States for its accession to the WTO, very few SAR government officials have visited Chinese cities to gain up-to-date knowledge there. The Hong Kong Progressive Alliance has long advocated that Hong Kong, as the most important international city of China, should maintain close contact and co-operation with the Mainland in order to assist Hong Kong enterprises to gain the biggest possible benefit from China's accession to the WTO.

With these remarks, Madam President, I support the motion of Mr HUI Cheung-ching.

MR CHAN KAM-LAM (in Cantonese): Madam President, China's imminent accession to the WTO will bring about epoch-making changes to the economy of Hong Kong. Our country will become more open to the outside. This requires corresponding changes and reforms in Hong Kong, our country's important entrepot for over a century, so as to seek new development opportunities.

Though the media has been focusing on the opening up of the Internet, communication and banking sectors of the Mainland, and thus thinking that Hong Kong's financial, accounting, legal, insurance and software services will stand to gain, the Democratic Alliance for the Betterment of Hong Kong (DAB) however opines that, as long as its competitiveness can be enhanced, the import and export trade of Hong Kong, with its existing advantage, will have greater space for development to bring even greater benefits to the Hong Kong economy.

How are we able to sharpen the competitive edge of our import and export trade? I think that the motion of Mr HUI Cheung-ching already contains some forward-looking proposals, sufficient to give our import and export trade a head start in seizing the opportunities that will come with the market liberalization of our country to vigorously develop bilateral trade.

The ties Hong Kong at present has with the Mainland must be bolstered. For example, resident business liaison offices could be set up in key provinces and cities in the Mainland to provide up-to-date information for Hong Kong businessmen. The DAB supports this proposal. At present, the Government and the various support organizations have yet to do a good job in providing up-to-date business and trade information, to help Hong Kong businessmen solve their problems. Our enterprises in the Mainland have no resources other than themselves in finding their way within the mainland system of commercial and trade laws, policies and documents. They have also to obtain the latest information for themselves. The DAB in fact proposed towards the end of 1997 the establishment of a mechanism for the two sides to form a co-ordinating committee to address all the difficulties encountered by Hong Kong businessmen doing business in the Mainland, such as those involving customs declaration, taxation, fees and levies. It is a pity that the Government has not studied the issue in all the years. Here is a question I wish to ask today of the Government, the various support organizations and also the China-Hong Kong Business Relations Committee set up only last month: Could you in fact do more?

Though there are different laws governing business and taxation on both sides of the boundary, the DAB thinks that with the mainland market opening up, it is strictly imperative for the SAR Government to discuss with the Central Government or the governments of the neighbouring provinces and cities amendments to laws and rules where such difference exists so as to meet the requirements that will come with our country's accession to the WTO.

Promoting the strengths of the infrastructure and facilities underpinning our services in the Mainland and in overseas countries is also one good way to maintain the cutting edge of our import and export services. In this respect, the Government and the various support organizations should step up their trade promotion efforts. They should also bear in mind that the promotion should be "two-pronged", that is, while attracting mainland enterprises to use our services, we must also actively encourage overseas enterprises to co-operate with the SMEs of Hong Kong to explore the mainland market. This Council debated last November the establishment of a dedicated investment promotion agency, one proposed function of which was to vigorously promote Hong Kong overseas and to encourage potential investors to invest in Hong Kong. I think that it is feasible to charge such a department with the task of strengthening our efforts in promoting trade, encouraging overseas enterprises to strengthen their ties with Hong Kong enterprises. I hope that the Government would study the proposal further.

In respect of improvements to cross-boundary traffic, the DAB has been asking the Government to streamline the clearance procedures, to extend the opening hours and to improve cross-boundary traffic arrangements so as to alleviate the congestion problem on both sides. This will bring material benefits to citizens and the various businesses. The DAB thinks that though Hong Kong has returned to the motherland for over two years, there is yet to be new progress in the measures to simplify and combine the boundary clearance procedures, and to facilitate citizens entering the Mainland through the various ports. We are not satisfied with this state of affairs. The Government should publish the study report for the construction of the Western Corridor for public reference, so that the various quarters can make their own plans after assessing the impact of the corridor on the traffic flow in the whole of Hong Kong. Further, we also hope that the Government would actively study the feasibility of building a second freight railway, to examine if it is feasible to raise the competitiveness of Hong Kong's import and export trade by increasing the volume of cargo from the Mainland.

Madam President, China's accession to the WTO will have a far-reaching impact on the economic development of Hong Kong. There will be further economic integration for both sides. The gigantic mainland market will determine the direction of our own development. The SAR Government and the various support organizations must provide assistance in many areas so that Hong Kong enterprises are well-prepared for the new challenges ahead. This is a key factor for our continued development.

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

DR RAYMOND HO (in Cantonese): Madam President, following the agreement between China and the United States over China's accession to the WTO, China is at present conducting negotiations with other member states of the organization. It is believed China's accession to the WTO will soon become a fact. This is an encouraging development to Hong Kong as a part of China. While China's accession to the WTO will create new opportunities for Hong Kong, it will also bring about new challenges to certain sectors of Hong Kong, such as the import and export trade. Therefore we must take speedy actions to prepare ourselves, and to enhance the competitiveness of the trades concerned, so as to seize the new opportunities.

Hong Kong has always been an important channel and meeting point for foreign merchants seeking to enter the China market; it is also an important entrepot for Chinese import and export. In the past 20 years, the import and export trade of Hong Kong has played a significant role in China's policy to open up and to reform. However, big changes will arise with China's accession to the WTO. To continue to play our intermediary role, we must strengthen our ties with the Mainland to jointly explore new business opportunities. Though the Trade Development Council has offices in a number of mainland cities to supply business information to Hong Kong businessmen, we must, in the face of the new development, actively bolster our relations with the Mainland, step up the co-operation between Hong Kong and official and semi-official organizations in the Mainland, so as to provide Hong Kong businessmen the latest information and opportunities in respect of the mainland market.

To this end, we should expedite the construction of the cross-boundary transport infrastructure and related facilities. This is an issue in respect of which I have made representation to the Government on a number of occasions in this Council. But the progress has not been far from satisfactory. I would take this opportunity to again urge the Government to speed up the necessary work. At the same time, the Government could also discuss with mainland authorities to streamline the boundary clearance procedures, both for passenger and freight traffic. If this puzzle could be overcome, Hong Kong will be able to play its important role as a partner more effectively after China's accession to the WTO.

Besides, we must make use of our present strengths in import and export services, including those in such areas as financing, transport, insurance, market research, quality accreditation and others, to attract mainland enterprises to patronize such services. As the Mainland has also been actively building up the related services, we need to work hard to improve the scope and quality of our services to maintain our edge. The information technology Hong Kong is at present actively developing will help enhance the level of our services in a big way so that we can keep abreast of the latest demand of the market. On the other hand, stepping up the training of talent is also very important. In the course of globalization, we need people with good language proficiency, broad international vision as well as the ability to grasp market movements to push our import and export trade forward. In recent years, we have lagged behind the Mainland in the nurturing of talent. We must start to catch up quickly.

Another thing we must note is the impact of electronic transactions on the future import and export trade. E-trade is developing by leaps and bounds, and such way of transaction is sure to influence the development of international business in the future. Therefore, the Government should begin a study of the impact of e-trade on our import and export trade so that strategies can be devised to address the change.

Madam President, if we can act, as suggested above, to maintain the strengths of our import and export trade, with our special relationship with the Mainland, Hong Kong enterprises will remain the best partners for overseas companies seeking to develop the China market, and will share the fruit of China's accession to the WTO.

Madam President, I so submit. Thank you.

MR FUNG CHI-KIN (in Cantonese): Madam President, as China's most internationalized commercial city with the strongest economic strength, Hong Kong sure needs to grasp the business opportunities created by China's accession to the WTO. Nevertheless, Hong Kong should at the same time be aware that mainland enterprises and cities will naturally challenge the traditional advantage of Hong Kong capitalizing on China's accession. Port business of Hong Kong has been diverted towards neighbouring Guangdong areas in recent years, thus our importance to the import and export trade of the Mainland has been going down as a result. This is an obvious trend. According to the statistics of the Shenzhen Port Management Bureau, despite the continued growth in the number of TEUS going from Shenzhen to Hong Kong, from the 170 000-odd units in 1995 to the nearly 990 000 in 1999, this volume as a percentage of the total throughput of Shenzhen is actually going down, from 60.6% in 1995 to 30.2% in 1999. This trend implies that while the "economic pie" has become bigger, the importance of Hong Kong to the export trade of China, or in the eye of foreign merchants, the importance of Hong Kong to China, is in danger of diminishing.

Therefore, while working to gain a foothold in the mainland market, Hong Kong should do its best to consolidate and develop some of our strengths which the Mainland is not likely to be able to catch up in the near future. A case in point is the rare advantage of having the new airport right by the sea. Full force should be put into developing a logistics management centre near the new airport with a through sea and air transport system so that mainland provinces and cities as well as neighbouring regions will make use of our integrated sea and air transport system to send their cargoes to all parts of the world in a speedy and highly efficient manner. This centre will of course also serve as a transshipment and logistics management base for imports going into the Mainland. Logistics management can effectively reduce the burden in inventory and human resources for enterprises, and will enhance the efficiency and effectiveness of the entire freight forwarding process. This will enable Hong Kong to attract more multinational companies in high-technology, high value-added business and logistics management to set up their headquarters in Hong Kong, and will consolidate Hong Kong's position as the sea and air transport centre of the Asia-Pacific Region.

Hong Kong is groping for an impetus in diversified development and the development of a logistics management centre is the main direction and new industry for the future of Hong Kong. Indeed Hong Kong has many conditions conducive to the development of a logistics management centre, including the proximity to the Pearl River Delta, a container port with the biggest throughput worldwide, and frequent air and shipping connections to many key cities around the globe, giving consignors great flexibility. The problem remains the operating cost of the Hong Kong freight forwarding industry, such as rents and handling fees charged by terminals, which are all higher than those in the neighbouring areas. This might be an obstacle to our development of a logistics management centre.

To develop logistics management, the Government should, apart from urging the industries concerned to lower costs, also make full use of the favourable geographical position of western Tuen Mun, being close to the Pearl River estuary, to spur the development of river trade. The Government should expedite the construction of the boundary crossing in the northwestern New Territories to make traffic from western Tuen Mun to Shenzhen and Zhuhai more speedy. Further, with the imminent commencement of the work on the Container Terminal No. 9, the Government should waste no time in assessing the impact of China's accession to the WTO on Hong Kong's port development strategy, and in carefully selecting the prospective sites for terminals Nos. 10, 11, 12 and 13. At the same time, the Government should decide the development direction of both the West Rail and the East Rail in a prudent manner so that there will be adequate transport capacity to meet the demand of the freight forwarding industry that is rapidly expanding in the Pearl River Delta.

I would like to make one more point. Though the market in China is huge, it is just beginning to open and enterprises outside the Mainland wishing to gain a foothold there are bound to bear a certain degree of risk. Big enterprises and multinationals are more concerned about long-term investment or they can bear the initial losses, so they are in a better position to develop the Chinese market than small and medium enterprises (SMEs). 70% of Hong Kong's enterprises are SMEs. According to the latest figures, as at September 1999, 99% of Hong Kong's 104 000-odd import and export firms are SMEs, employing less than 50 people each. Objectively, the combined force of these SMEs is of course enormous. In reality, they are very much dispersed, there is little hope of their pooling resources to form a strong entity. Sectors closely related to the import and export trade, such as banking and insurance, also face

similar problems. With such limitations, it is most important for the import and export trade and related sectors to strive continuously to re-invent themselves, adapting to changes with flexibility. With Hong Kong's modern infrastructure, advanced communication and transport network, as well as the experience in operating in the Mainland, there is still hope to attract overseas enterprises to join us in exploring business opportunities in the mainland market.

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

MR SIN CHUNG-KAI (in Cantonese): Madam President, with China's imminent accession to the WTO, the overall economy of Hong Kong will see its third restructuring. I think that it is now high time the Government and other organization made an objective assessment.

The community generally feels that, after China's accession to the WTO, there will be big gains for the economy of Hong Kong. The Democratic Party also believes that will be the case too, for the short term. In the long run, however, whether such favourable conditions can continue will hinge on the Government and the industries seizing the opportunities and getting a head start to occupy advantageous positions. Only thus can the advantage and benefit be maintained.

The first point mentioned by Mr HUI is that as the internal trade and distribution network in China will be thrown open in three years, by which time, all imports and goods produced in China by foreign capital will be free from the present constraint of highly relying on Chinese distribution channels; goods can be produced in inland provinces and sold direct with extensive after-sales services established. At the same time, foreign merchants can actually benefit from the very low production cost in the interior regions by selling the inexpensive yet good-quality goods so produced back to their own countries or other countries. It can thus be imagined that the import and export agents in Hong Kong and Hong Kong manufacturers who have factories in the Mainland will be under a direct threat. In these three years, Hong Kong does need to make a head start in setting up resident business liaison offices in provinces and cities outside Guangdong and key coastal cities to provide market information to Hong Kong manufacturers in the Mainland and the import and export trade so that they can fully utilize the cheaper production cost in the interior regions to further enhance their long-term competitiveness.

Regarding his second point, with the mainland ports and distribution channels going international, the flow of goods passing through Hong Kong as an import and export channel will undeniably decrease. However, the Government and the relevant support organizations should focus on sharpening the competitive edge of Hong Kong in the service sector, that is, to try to win and keep business here for the trade-related services, including management, quality accreditation, financing, insurance, final processing and packaging. Hong Kong's role in such areas should also be bolstered. For example, legislation regulating fair competition should be quickly enacted so as to foster a better business environment. Certain unfair competition practices among container terminals and air cargo terminals should be eliminated so as to reduce the operating cost of foreign businessmen in Hong Kong.

I agree with Mr HUI's third point. The present priority aim is to streamline the boundary clearance procedures between Hong Kong and Shenzhen and to extend the opening hours of the boundary. At the same time, government officials of Hong Kong should lobby the relevant authorities in the Mainland to step up the development of highways and railways on both sides of the boundary, so that land connections between Hong Kong and Guangdong Province will further improve. Besides, I hope that the Government would study the need for the computer system of Hong Kong's Customs and Excise Department to link up with those of the various customs authorities in places adjacent to Hong Kong to facilitate data exchange so as to reduce the time for customs clearance.

For his fourth point, I would say that in respect of joint ventures and projects between foreign multinationals and Hong Kong's major conglomerates, the Government should maintain its non-interference policy and let market force make the necessary adjustments. As to small and medium enterprises (SMEs), we can envisage that many overseas SMEs which have never before thought of investing in China would seize the opportunities created by China's accession to the WTO to march into China. These enterprises, limited as they may be by capital and experience, should require the various intermediary services Hong Kong can offer. I think that the Government should play a more active intermediary role in this respect by providing the SMEs substantive support in the form of information on the Mainland and business promotion. I also wish to stress that the Government should step up its effort to develop electronic trade with the Mainland. At the end of 1998, China had 2 million "netizens", that is, people having access to the Internet; the number increased to 9 million at the end

of 1999. It is estimated that by 2002, there will be about 30 million "netizens" in the whole country, making China the biggest Internet user, surpassing the United States. I hope that the Government would bolster e-trade with China and provide more support and assistance to Hong Kong SMEs in their development of e-trade. I believe this will bring big business opportunities to Hong Kong SMEs.

Regarding Mr HUI's last point, I believe that education and training will be the factor determining whether or not Hong Kong is capable of seizing the opportunities created by China's accession to the WTO. More and more Hong Kong people are familiar with things around the Pearl River Delta and the several coastal cities, but there is a definite shortage of local people who understand the markets outside these areas. We must recognize that Hong Kong cannot indefinitely use the Pearl River Delta as our main lifeline of production and trade. As a matter of fact, foreign businessmen's knowledge of Guangdong, Shanghai, as well as the coastal regions of Zhejiang and Fujian is no less than that of our experts. If they wish to enter the market in these areas, they have no worry of not getting specialists among their own countrymen or in the Mainland to help them. Hong Kong should actively develop its role as an intermediary for other regions. But the problem is that we also have limited knowledge of such other regions. Therefore we must foster closer ties and communication with regions outside Guangdong Province. Under the Hong Kong education system, schoolchildren have relatively little knowledge of the Mainland. But as China's accession to the WTO will have long-term effects on Hong Kong, we should strengthen the education about the whole of China so that we will understand the vast areas outside Guangdong Province. Improvements should also be made in respect of our knowledge in trade, geography and international vision. Only thus can a sound foundation be laid for us to compete with foreign countries.

With these remarks, I support the motion of Mr HUI Cheung-ching.

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

(No Member responded)

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President, the bilateral negotiations on the accession of China to the World Trade Organization (WTO) made a breakthrough late last year, much to the delight and encouragement of all sectors in the Special Administrative Region (SAR). Although China has yet to complete its bilateral negotiations with the remaining 18 members of the WTO, and although it has yet to deal with many multilateral procedures, such as the finalization of an agreement on its accession to the WTO, the SAR must still take early actions to assess the far-reaching impacts of this development and draw up appropriate plans to meet the new situation. The motion debate moved by Mr HUI Cheung-ching today is therefore very timely. Owing to the economic structure of Hong Kong and the limited size of its domestic market, most Hong Kong businessmen are involved in import/export in one way or another. That is why the issues we discuss today are all related to the concerns of Hong Kong businessmen in general.

The economy of China today ranks seventh in the world, and this is very much the admirable result of its market reform and opening over the past 20 years or so. The accession of China to the WTO is bound to further consolidate its pace of economic reform and speed up its market liberalization; and, a further expansion of its international trade and investment activities is also bound to ensue. Once the economic and trade system of the Mainland is able to converge with the system of multilateral trade, it will inevitably become more stable and transparent. As the most important entrepot and the largest source of foreign direct investment for the Mainland, Hong Kong should be able to benefit from the reduced transaction costs and expanded trade potentials in the Mainland. In this connection, the Government Economist of the SAR has recently compiled a crude assessment report, and in this report, it is forecast that China's accession to the WTO will bring increased commercial opportunities to the SAR, particularly its services industries such as distributive trades, banking, finance, insurance, telecommunications and tourism. The Government Economist also forecast that following the accession of China to the WTO, by the year 2010, the exports of Hong Kong involving the Mainland will be raised by 15% (averaging at 1.3 percentage points per annum), and the GDP of Hong Kong will also be raised by 5.5% (averaging at 0.5 percentage point per annum). The assessment report was released earlier this month and submitted to the Panel on Trade and Industry for perusal.

Naturally, the further liberalization of the mainland economy will at the same time bring forth much keener market competition, posing challenges to the market position enjoyed by Hong Kong businessmen in the Mainland. The key to our success over the years is that we have always been able to face all competition with a positive attitude that enables us to raise our competitiveness incessantly. We simply should not behave any differently when faced with the challenges and opportunities brought about by the accession of China to the WTO. The SAR Government has been doing the best it can to create an excellent business environment within the framework of a market economy. The aim is to provide the infrastructure facilities and assistance required to cater for the diversified needs of the various trades and industries. It is hoped that our industrial and commercial activities can thus be carried on effectively with minimum intervention. The motion today contains quite a number of proposals on raising the competitiveness of our industries, commerce and import/export trade. I must say that all these are precisely the very policies and measures which the Government has long since been pursuing, and which it will also try to perfect in the months and years to come. Here, with specific reference to Members' concerns, I would like to take this opportunity to brief them on the work that has been done by the Government to create a business-friendly environment and to enhance the competitiveness of Hong Kong.

First, let me say a few words on expanding our ties with the Mainland. We know very well that nothing has probably rendered more support to our economic prosperity over the years than our interdependent economic ties with the Mainland. We very much recognize the importance of strengthening the ties between the two sides. And, actually, in response to the increasing trade, investment and commercial dealings of Hong Kong businessmen in the Mainland, the Office of the SAR in Beijing, the Trade Department and the Trade Development Council (TDC) have been maintaining frequent and close contacts with the relevant departments in the Mainland, so as to keep abreast of the latest trade regulations and administrative measures there and inform the Hong Kong commercial sector accordingly in good time. Besides, the 10 offices of the TDC in the Mainland — unofficial bodies as they are — will also provide Hong Kong businessmen in the Mainland with services relating to information access, liaison and referral, so as to assist them in solving the problems they may encounter.

The Trade Department and the TDC will also arrange meetings between Hong Kong businessmen and relevant mainland officials whenever necessary, so that they can discuss matters relating to law and taxation and others. For example, when the mainland introduced anti-smuggling measures in the area of the processing industry, the Trade Department and the TDC immediately made arrangements for the relevant mainland officials to come to Hong Kong to explain the new measures and listen to the views of Hong Kong businessmen. And, we also relayed the opinions and suggestions of Hong Kong businessmen to the Central Authorities and various local government authorities. Some of these proposals have been taken, as reflected in the revised measures recently announced.

In addition, in view of the increasing economic and trading ties between Hong Kong and the Mainland, the Trade and Industry Bureau of the SAR and the Ministry of Foreign Trade and Economic Co-operation set up a Mainland-Hong Kong Joint Commission on Commerce and Trade in November last year, and the Joint Commission held its first meeting in Beijing. This provides a high-level liaison mechanism between the Central Authorities and the SAR, and with it, the officials of the two sides who are in charge of trade and commerce can exchange their views on matters of mutual concern on a regular basis. During the first meeting, both sides agreed on the principles and mode of operation of the Joint Commission, and four working groups were then set up. Two of these working groups, the Trade Sub-group and the Investment Sub-group discussed quite a number of issues relating to the economic and trade relations between the two sides and the promotion of investment. They agreed that whenever there were any policies and measures that might affect Hong Kong businessmen doing business in the Mainland, there should be timely exchanges of views. The Joint Commission also agreed that whenever necessary, the relevant working groups could invite commerce and trade bodies to take part in the discussions. I am sure that in addition to truly realizing the principle of "one country, two systems", the Joint Commission will also be able to provide an effective standing official liaison mechanism on the common concerns of Hong Kong businessmen doing business in the Mainland.

With a view to making a head start in grasping the business opportunities arising from the accession of China to the WTO, the inter-departmental working group headed by the Financial Secretary is also maintaining close contacts and communication with the Central Authorities. It is hoped that we can thus keep abreast of the latest development of the negotiations on China's accession to the WTO and inform the commercial sector accordingly to facilitate early planning.

It is our intention to make use of these existing channels to intensify our ties with the Mainland and to improve the business environment for Hong Kong businessmen doing business there. Therefore, for the time being, we see no need for the establishment of permanent trade offices in any mainland provinces and cities.

The second point I wish to discuss is about the enhancement of our infrastructure facilities. Members also said that we needed to enhance our industrial and commercial infrastructure, so as to induce mainland enterprises to use our services. This viewpoint happens to be in total agreement with our long-standing policy objective. The Government has all along attached very great importance to the work of making good preparations for the future, which is why it has made huge long-term investment in this connection. In terms of hardware facilities, such as port facilities, the airport or road networks, the Government has sought to provide the greatest possible assistance to the industrial and commercial sector; that is why Hong Kong has been so successful in its role as the springboard to the Mainland.

Hong Kong possesses a huge freight forwarding base, and its telecommunications and IT infrastructure as well as logistics services are excellent. Therefore, to the numerous factories and manufacturing plants in the Pearl River Delta and the region, Hong Kong is really an ideal logistics base for the chain provision of different supplies and service packages. At present, the shipping industry of Hong Kong is serving a huge area which covers 18 major ports and 70 river trade ports in the Mainland. Moreover, some 12 000 container trucks cross the boundary both ways every day, moving to and from the Pearl River Delta region via an extensive network of highways. As for the air cargo service, the SAR Government is also doing the best it can to make Hong Kong a centre of logistics management and transshipment, so that express consignments to the Mainland can be distributed quickly.

At the same time, in order to consolidate the status of Hong Kong as the most efficient container port and to further enhance the competitiveness of its import/export services, the SAR Government is doing the best it can to develop Container Terminal No. 9, a new generation of aviation control system and the road networks connecting our port with the mainland boundary, Northwest New Territories and other areas in Hong Kong.

As for cross-boundary traffic and transportation, an area of concern among Members, we have put in place a series of measures to improve boundary-crossing arrangements and streamline customs clearance procedures. One of the short-term measures is the establishment of 10 additional inspection kiosks at the Lok Ma Chau Crossing, which has increased the designed daily capacity there from 19 000 vehicle trips to 32 000 vehicle trips. Besides, in conjunction with the freight forwarding industry, the Customs and Excise Department started to implement a special arrangement for empty lorries at the Lok Ma Chau Crossing in August last year, whereby two northbound clearance lanes and one southbound were reserved for empty lorries. This, together with the subsequent inauguration of five additional clearance lanes on both directions following the first phase extension of the Lok Ma Chau Crossing, has drastically reduced the clearance waiting time for lorries to only 11 minutes on average. The Customs and Excise Department is now planning to put in place a pre-arrival clearance arrangement at the Lok Ma Chau Crossing whereby a lorry having completed pre-arrival clearance can use a special lane to cross the boundary upon arrival at the Lok Ma Chau Crossing. It is hoped that this can further shorten the clearance time required. We have also reached a consensus with the relevant mainland authorities on the strengthening of manpower at the Lok Ma Chau Crossing to deal with the traffic problems around the boundary area. Contingency measures have also been drawn up to minimize the incidence of traffic congestion and its impacts. When the entire extension works project for the Lok Ma Chau Crossing is completed in 2003, the terminus there will be equipped with more immigration counters, and the handling capacity will be increased from an average of 25 000 persons now to 35 000 persons.

As part of our long-term planning, we are now actively working with the relevant mainland authorities on the feasibility of constructing new boundary crossings, so as to ease the overcrowding at the existing ones. These include a new boundary crossing at Huanggang/Lok Ma Chau serviced by a rail spur line and the Shenzhen V Hong Kong Western Corridor connecting the Northwestern New Territories and Shekou. It is expected that these two new crossings can be completed in 2004 and 2005 respectively. The implementation of the feeder road and railway projects relating to these two new crossings is progressing smoothly. The Sheung Shui to Lok Ma Chau Spur Line is expected to be completed in 2004 and the Deep Bay Link connecting the Shenzhen V Hong Kong Western Corridor in 2005.

The third point I wish to discuss is about electronic trade (e-trade) and the related technology support. With regard to software facilities, the Government attaches very great importance to building up the information technology (IT) infrastructure. Local communications networks have now become fully cyber-based, and the broadband infrastructure is also developing rapidly. Besides, the charges for Internet linkage in Hong Kong, the Public Non-Exclusive Telecommunications Service Charges, are also among the lowest in the world. In order to provide a more advanced IT infrastructure and to improve the environment for the development of electronic commerce, we will implement the Electronic Service Delivery Scheme in October this year, the aim being to provide public services to the community through the Internet and other electronic means 24 hours a day. And, on 5 January this year, the Legislative Council passed the Electronic Transactions Ordinance, which aims to increase public confidence in e-trade by setting down a clear legal framework for the regulation of e-trade. Besides, through the establishment of a certification body, the Government will also set up a local public key infrastructure, so as to provide a safe and secure operating environment for the conduct of electronic transactions.

With a view to maintaining the competitiveness of Hong Kong in the cyber world of the 21st century, the Government is making positive efforts to promote the application of IT and e-trade among the local commercial sector, especially small and medium enterprises (SMEs). Last year, for example, the Government started to organize a series of seminars on e-trade and e-commerce in conjunction with the TDC and the Hong Kong IT Federation Limited, with the purpose of enhancing the understanding of local enterprises about the development and benefits of e-trade. The Government is also having contacts with the relevant industry support bodies, urging them to join hands to provide some comprehensive, simple and economical schemes of e-trade for local SMEs. It is hoped that through these e-trade schemes, local enterprises can conduct marketing work and build up close trade ties with overseas partners through the Internet. It is also hoped that they can thus conduct their internal business through electronic means.

We believe that the above-mentioned measures will not only upgrade the application of IT in the industrial and commercial sector, but also help the sector get ahead of others in the grasping the opportunities offered by e-trade at a time when China is set to enter the WTO.

As a result of the rapid economic growth in the Mainland, the enterprises there are bound to have greater demands for both capitals and technical support. In this connection, the Government has also put in place some specific measures or financing channels for the benefit of enterprises. The Growth Enterprise Market established in November last year, for example, can serve as a useful channel for mainland technology companies to raise capitals in Hong Kong for the purpose of business expansion. Members also mentioned the need for upgrading the quality and of our commerce and industries as a means of maintaining the competitiveness of Hong Kong. We very much agree with them. Actually, it has been the long-standing policy of the SAR Government to provide strong support and assistance to the various trades and industries in Hong Kong, in particular SMEs, so as to upgrade their quality, standards and competitiveness. The work we have been doing in this respect covers a wide range of matters, involving finance, information access, human resources development, technologies, quality support, environmental management, market access, infrastructure facilities and so on. And, in order to co-ordinate the support and assistance services provided by individual industry support organizations, the Small and Medium Enterprises Office of the Industry Department formulated the Small and Medium Enterprise Development Plan late last year. The Plan identifies the major areas where assistance to SMEs is required and sets out the corresponding strategies and specific measures to be adopted by the Government. The Government will continue to enhance its work in this respect and strive to provide useful assistance to SMEs.

In regard to the import/export trade, a matter of particular concern to Mr HUI Cheung-ching, the Services Support Fund administered by the Industry Department has allocated a sum of \$7.1 million to the Hong Kong Productivity Council, the Hong Kong Article Numbering Association, the Hong Kong Export Credit Insurance Corporation and the Hong Kong Exporters' Association. These organizations have thus joined hands to develop five export-related projects aimed at raising the operating efficiency and international competitiveness of the export sector. These projects cover the following areas: (1) The compilation of a "quality system" manual for the local trading sector, with a view to assisting them in gaining international recognition under the ISO9000 Certification system; (2) the compilation of a set of guidelines for local enterprises on the application of chain supply technologies, so as to enhance their business communication efficiency and international competitiveness; (3) studies on the relationship between credit management and the performance of the export trade of Hong Kong; (4) strategic studies on the effects of overseas "compliance rules" on the export trade of Hong Kong.

I now wish to say a few words on trade promotion. Many Members are concerned about the work of the SAR Government on trade promotion. For investment promotion, the Government has been highlighting among foreign investors the edge possessed by Hong Kong in terms of starting up and operating businesses in the Mainland. Our hope is to induce them to set up their mainland business bases in Hong Kong, either on their own or with Hong Kong businessmen as partners. Many of the foreign investors we have come across agree that Hong Kong businessmen are their ideal partners for expanding their business in the Mainland, because they know the business environment and market in the Mainland very well, and they also have many connections with the companies and people there. When the Industry Department follows up cases of foreign investment, it often tries to match foreign investors with Hong Kong businessmen, in the hope that they can come together for joint venture projects, including those which involves the use of Hong Kong as a base of expanding business in the Mainland. Every year, when the Industry Department receives foreign investment delegations, it will at the same time arrange fact-finding trips for foreign investors to the Mainland. The aim is to increase their knowledge about our country and thus to arouse their interest in using Hong Kong as base of opening up the mainland market. Besides, the TDC also organizes frequent seminars on investment policies and trade in conjunction with the Central and regional authorities of the Mainland, and high-level fact-finding delegations are also sent to the Mainland to explore new business opportunities. As a result of the work outlined above, we have succeeded in inducing many foreign enterprises to use Hong Kong as a base of expanding their business in the Mainland over the past few years. For trade promotion in general, we rely basically on the TDC and its overseas offices, but on top of that, the overseas offices of the SAR Government also make positive efforts to promote our free trade policy and maintain close co-operation with the TDC offices. The SAR Government will of course continue to review how best to enhance its work in this respect on an ongoing basis.

Finally, I wish to say a few words on manpower training and market management. Human resources are the only resources possessed by Hong Kong. While Hong Kong moves along the path of developing into a knowledge-based economy, manpower training is becoming especially important. With a view to brushing up the English proficiency of our workforce, the Government will launch the Workplace English Campaign early this year. Under this project, employees receiving vocational English language training can apply for a grant of up to 50% of the related course fees. The Government has

made a grant of \$500 million to this project, and about 50 000 employees are expected to benefit from this. Although the campaign will last only one year, we still hope that it can serve as a stimulus to induce the professions, the industrial and commercial sector and even employees and the community at large to do their very best to raise the standard of English at the workplace and to support the work in this respect.

For manpower training, the Hong Kong Institute of Vocational Education (IVE) and the IT Training and Development Centre (ITTDC) under the Vocational Training Council (VTC) offer a total of about 17 000 IT-related training places at various levels. The IVE provides IT-related training courses at craftsman, technician and senior technician levels. The ITTDC offers about 10 000 short course places every year. These courses are mostly pre-employment courses intended for non-computer major university graduates wishing to enter the IT profession and for in-service IT professionals intending to upgrade their skills. The eight tertiary institutions funded by the University Grants Committee offer about 19 000 places on IT-related courses at postgraduate and associate degree levels. We estimate that in this academic year, about 20 000 people in full-time employment are taking the IT-related continuing education courses offered by these tertiary institutions to upgrade their IT skills and standards. In addition, the Clothing Industry Training Authority, the Construction Industry Training Authority, the Employees Retraining Board and the VTC also offer training courses and seminars for SMEs, with a view to assisting them in upgrading their business management knowledge and various other professional skills.

Madam President, the long-term competitiveness of Hong Kong industrial and commercial enterprises will have to depend on their ability or otherwise to create their own competitive edge, and on whether or not they can develop more business opportunities for themselves. In a market economy like ours, industrial and commercial enterprises themselves are the only best helmsmen of business development. The Government very much agrees that the SAR should make full use of the advantage offered by the huge mainland economy behind it, but it also thinks that we must at the same time adhere strictly to the principle of "one country, two systems". Hong Kong enterprises must make their own efforts to upgrade their competitiveness, instead of asking the State to offer them any special privileges. We are of the view that a strict adherence to "one country, two systems" will actually better enable the SAR to bring out its unique strengths, such its standards of trade and commerce that converge with those of

the international community, its sound legal system and so on. And, it is only by adhering strictly to "one country, two systems" that we can possibly enhance our overseas trading partners' confidence in us as an independent customs jurisdiction. Our efforts to intensify our ties with foreign countries have been based precisely on this very basis. The Government will as ever before continue to play the very important role of providing assistance and support; it will strive to create an environment most conducive to business operations and strengthen its communication with the industries, in the hope that all industries in Hong Kong can give the fullest expression to their potentials under market competition. And, when the Government reviews its role in this respect, it will also consider the views expressed by Members today. We believe that the long-standing and excellent partnership between the Government and our enterprises will continue to provide fresh impetus to our industrial and commercial development. That way, we will be better able to grasp the opportunities arising from the new millennium and the accession of our country to the WTO.

Thank you, Madam President.

PRESIDENT (in Cantonese): Mr HUI Cheung-ching, you still have two minutes 44 seconds for your reply.

MR HUI CHEUNG-CHING (in Cantonese): Madam President, I am very happy that 10 Members have responded and actively taken part in the discussion.

As I am the representative of the import and export sector, my motion has focused on the ways to assist the import and export sector to strive for opportunities from China's accession to the WTO. As a matter of fact, China's accession to the WTO can have an impact on each and every trade and industry in Hong Kong to an immeasurable extent. I hope Honourable colleagues will, in the light of the situation in their respective sectors, put forward instrumental proposals, urging the SAR Government to make the best efforts to encourage and assist all trades and industries in Hong Kong to seize the opportunities created by China's accession to the WTO.

Thank you, Madam President. Thank you, Honourable Members.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr HUI Cheung-ching, 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. It will be the Year of the Dragon by the time the next meeting is held. I wish all of you a joyous Lunar New Year holiday. Council is now adjourned until 2.30 pm on Wednesday, 16 February 2000.

Adjourned accordingly at ten minutes past Ten o'clock.

WRITTEN ANSWER**Written answer by the Secretary for Home Affairs to Mr LAU Kong-wah's supplementary question to Question 2**

Bicycle users are allowed to ride without permits in the following public roads through Country Parks/areas:

1. Hok Tau Road;
2. Lau Shui Heung Road;
3. Shing Mun Road;
4. Kam Shan Road;
5. Tai Mong Tsai Road, Pak Tam Road and Hoi Ha Road;
6. Plover Cove Main Dam, its access road and tracks on Harbour Island; and
7. the cycling track at Tai Mong Tsai.