

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 1 March 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 MARTIN LEE CHU-MING, S.C., J.P.

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

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

DR THE HONOURABLE DAVID LI KWOK-PO, 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 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.

MEMBER ABSENT:

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

PUBLIC OFFICERS ATTENDING:

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

THE HONOURABLE DONALD TSANG YAM-KUEN, J.P.
THE FINANCIAL SECRETARY

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

MR MICHAEL SUEN MING-YEUNG, G.B.S., J.P.
SECRETARY FOR CONSTITUTIONAL AFFAIRS

MR CHAU TAK-HAY, J.P.
SECRETARY FOR TRADE AND INDUSTRY

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

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

MISS DENISE YUE CHUNG-YEE, J.P.
SECRETARY FOR THE TREASURY

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

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

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

CLERKS IN ATTENDANCE:

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

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

MRS JUSTINA LAM CHENG BO-LING, 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/Instrument*L.N. No.*

Hong Kong Sports Development Board (Amendment) Ordinance 2000 (7 of 2000) (Commencement) Notice 2000	50/2000
--	---------

Other Papers

No. 78 — Report by the Commissioner of Correctional Services on the Administration of the Correctional Services Department Welfare Fund for the year ended 31 March 1999

No. 79 — The Lord Wilson Heritage Trust
Annual Report 1998 - 1999

No. 82 — The Government Minute in response to the Report No. 33A of the Public Accounts Committee dated December 1999

Report of the Bills Committee on International Organizations (Privileges and Immunities) Bill

ADDRESS

PRESIDENT (in Cantonese): Address. The Financial Secretary will address the Council on the Government Minute in response to the Report No. 33A of the Public Accounts Committee dated December 1999.

The Government Minute in response to the Report No. 33A of the Public Accounts Committee dated December 1999

FINANCIAL SECRETARY (in Cantonese): Madam President, laid on the table today is the Government Minute responding to Report No. 33A of the Public Accounts Committee (PAC). In the report, the PAC present their conclusions and recommendations on:

- (a) the Government's monitoring of electricity supply companies; and
- (b) the follow-up review of the year 2000 problem.

The Minute sets out the measures the Administration is taking in response to these conclusions and recommendations.

The issue about the excess generating capacity of the China Light and Power Company Limited (CLP) has been the subject of much discussion at the hearings of the PAC. The Administration has already explained how it exercised due diligence in scrutinizing the CLP's financing and development plans under the Scheme of Control Agreement in 1992. We have also explained at length why it is not possible to forecast electricity demand with 100% accuracy and why the Government considered that the Modified Gas Option proposed by the CLP the most economical and environmentally friendly option based on best information available at the time. More background information is provided in the Government Minute being tabled and I do not intend to repeat the details here.

What I would like to highlight is that like the PAC and the general public, the Administration has been very concerned about the level of excess generating capacity of the CLP in the past few years. Well before the Director of Audit and the PAC started to look into it, the Administration had already taken active steps to address the issue. These include requesting the CLP to defer some of its generating units at Black Point and decommissioning some diesel-fired turbines at Castle Peak and Tsing Yi in 1995, 1997 and 1999 to reduce its excess generating capacity. Furthermore, during the 1997-98 review of the Scheme of Control Agreements, the Government has agreed with the two power companies a new mechanism for approval of additional generating capacity in future to provide greater safeguards for the protection of consumers' interest.

In addition to the above measures, we have continued to explore with the company whether more could be done to lower the cost of electricity to its customers. Following discussion with the Government, the CLP announced yesterday its decision to forego its permitted return on the outstanding balance of the deferral premium for Black Point Units 7 and 8 amounting to \$803 million. This would reduce the cost of electricity to the CLP's customers. According to Scheme of Control Agreement calculations, the net benefit is estimated to be about \$2.3 billion on a nominal basis over the estimated 25-year useful life of the units. We welcome this positive move by the CLP which will benefit its customers.

I should emphasize that it has been the objective of the Government that the power companies should take measures to keep the cost of electricity as low as possible while maintaining reliability of electricity supply. The Government's efforts aim at safeguarding the interests of electricity users.

On the year 2000 problem, we are pleased to see that Hong Kong has not encountered any major Y2K-induced incidents since the rollover to year 2000. All essential public services have continued uninterrupted and unscathed by the century date change. The very smooth and orderly rollover of Hong Kong as a whole to the new millennium is attributable to the collective efforts of the entire community, in tackling the Y2K challenge, in particular the comprehensive preparations made by all government departments concerned and essential service providers. This Council has during the past two years followed closely the progress of Y2K compliance work undertaken by the Government and the essential services sectors. I would like to take this opportunity to thank Members for their interest in this very important subject and the useful comments and suggestions they have put forward to the Administration.

Madam President, we have no doubt that the PAC's contribution is enormous. We shall co-operate fully and respond positively to any constructive and sound comment from the Chairman and members of the Committee with a view to making this Government even more open, transparent and efficient.

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Octane Number of Unleaded Petrol Sold in Hong Kong

1. **MR DAVID CHU** (in Cantonese): *Madam President, will the Government inform this Council:*

- (a) *of the "octane numbers" of the petrol recommended by manufacturers for various types of private cars commonly used in Hong Kong;*
- (b) *of the criteria adopted and factors considered in setting the "octane number" at not less than 95.0 in the existing legislation in respect of unleaded petrol being sold in Hong Kong; and*
- (c) *whether it has assessed whether the level of pollutants concentration in vehicle emission will be increased if the petrol used by vehicles has an octane number higher or lower than that recommended by vehicle manufacturers?*

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

- (a) The octane number of petrol reflects its ability to resist "engine knock", which means the rattling of engine that results from premature ignition of the petrol. The higher the octane number, the more resistant it is to "engine knock". Based on information provided by vehicle suppliers, the manufacturers of about 95% of European made and close to 70% of Japanese made petrol vehicle models commonly used in Hong Kong recommend that these vehicles operate on petrol with an octane number not lower than 95. On this basis, we estimate that the manufacturers of more than 70% of petrol vehicles operating in Hong Kong recommend the use of petrol with an octane number not lower than 95.

- (b) The minimum octane number in unleaded petrol was set in 1991 when unleaded petrol was introduced. In setting the requirement, we took due regard of the fact that vehicles operating on petrol with an octane number lower than that recommended by their manufacturers would emit a higher level of pollutants; while there would not be any effect on a vehicle's emission levels if it uses petrol with an octane number higher than that recommended by its manufacturer. In addition, we consulted motor vehicle suppliers and the oil trade. It was agreed that we should adopt the standard for unleaded petrol, including the minimum octane number, that would meet our environmental objectives and the requirement of the majority of the petrol vehicle fleet. We therefore adopted the European Union's requirement for unleaded petrol with an octane number not lower than 95.
- (c) A vehicle using petrol with an octane number lower than that recommended by its manufacturer may consume more fuel, lose engine performance and risk "engine knock". The emission of pollutants such as hydrocarbons, carbon monoxide and carbon dioxide would also be higher because of reduced fuel efficiency and non-optimal engine operation. The actual level of increase would depend on the design, the age and the condition of the vehicles.

As I have pointed out in part (b) of my main reply, there will not be any effect on a vehicle's emission levels if it uses petrol with an octane number higher than that recommended by its manufacturer.

MR DAVID CHU (in Cantonese): *Madam President, according to the information I got, and we may also be aware that, motorists in other countries such as the United States may have a wider array of choices, because they can purchase unleaded petrol with octane numbers ranging from 87, 89 to 92, and in fact, they rarely use unleaded petrol with an octane number of 95. For these reasons, will the Government agree that oil companies should provide consumers with more choices?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese):

Madam President, first of all, I would like to clarify that octane numbers are actually represented in different ways. The octane numbers adopted by us, and that is 95 or 98, are the standard adopted by most European Union countries. Since the method of calculation for the octane numbers adopted by us is different from that of the three octane numbers which the Honourable David CHU said the United States has adopted, the actual difference between the two standards is not really very significant. Perhaps I can provide some information for the reference of Members. In the United States, unleaded petrol with octane numbers of 87, 89 and 93 is equivalent to that of 92, 95 and 98 respectively in the European Union and Hong Kong. This is my first point.

Secondly, on the issue of consumers' choice, in fact, in April 1991 when unleaded petrol was first introduced into Hong Kong, it had an octane level of 95. At that time, suppliers were of the opinion, and I recall that motorists also generally agreed, that the power of vehicles run on unleaded petrol was slightly smaller than that run on leaded petrol. As a result, in October of the same year, suppliers introduced unleaded petrol with an octane number of 98. In fact, in the few months that followed, that was between October 1991 and March 1992, consumers were free to choose from unleaded petrol with two different octane numbers of 95 and 98, which were available in the market. But at that time, unleaded petrol with an octane number of 95 was not very popular among motorists, so it was eventually withdrawn from the market, and this was solely due to the demand in the market. As regards Mr David CHU's question on consumers' choices, I would like to point out that the issue of the octane level of unleaded petrol was also discussed in a study on oil prices completed by the Consumer Council's recently, that is, the study on competition issues. As far as I know, the Government has already requested the Competition Subcommittee under the Energy Advisory Committee to conduct a study on the competition issue. I believe that the Subcommittee will also consider the issue of choices for consumers when it looks into this issue.

MR KENNETH TING (in Cantonese): *Madam President, my question is similar to that of Mr David CHU. I have just returned from California, and I think that air pollution control is also practised in California.*

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

MR KENNETH TING (in Cantonese): *Can it be the price, and that is, the small price difference between unleaded petrol with an octane number of 95 and 98 which makes unleaded petrol with an octane number of 95 unpopular with consumers? In the United States, petrol with an octane number of 87 is sold at around \$1.65 while that for petrol with an octane number of 92 is \$1.72. Could the suppliers of unleaded petrol in Hong Kong consider providing consumers with more choices by slightly broadening the price difference between these two kinds of products?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, in fact, I have already mentioned that there is little difference between unleaded petrol with an octane number of 87 in the United States and that with an octane number of 92 which is now under discussion. From an environmental protection point of view, it would be acceptable as long as the octane level of unleaded petrol is not lower than 95. I have already explained that the fact that only unleaded petrol with an octane number of 98 is currently on sale in the market is simply due to the decision made by consumers and the market. This is also why suppliers have chosen only to supply unleaded petrol with an octane number of 98. As regards the issue of providing consumers with more choices, I have also mentioned that a study will be conducted by the Competition Subcommittee under the Energy Advisory Committee.

MR KENNETH TING (in Cantonese): *Madam President, I would like to ask a follow-up question. The Secretary just said that unleaded petrol with an octane number of 87 which is equivalent to that with an octane number of 92 in Hong Kong is available in the United States. Since unleaded petrol with an octane number of 92 is available in the United States, why is that the only kind of unleaded petrol sold in Hong Kong is that with an octane number of 95?*

PRESIDENT (in Cantonese): Mr TING, is that part of your supplementary question?

MR KENNETH TING (in Cantonese): *Madam President, this question is also on octane numbers. (Laughter)*

PRESIDENT (in Cantonese): Let us not waste any time, could the Secretary please answer this question?

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, I have already pointed out in my main reply that the choice of using unleaded petrol of a certain octane level actually depends on the recommendations of the manufacturers of the type of vehicles most commonly used in Hong Kong. At present, most of the vehicles in Hong Kong are Japanese or European make. Japanese vehicles have a lower requirement on octane level. However, almost 30% of the vehicles running on petrol in Hong Kong are European make and their requirement on octane level is a bit different from that of American make vehicles. The requirement for octane level for American vehicles is set at 92 for it has already taken into account the fact that most vehicles used by the local people are manufactured in the United States. As regards the octane level recommended by the manufacturers of American vehicles, I do not have such information. However, I would like to reiterate that the choice of octane level in petrol depends, to a certain extent, on the recommendation of the manufacturer of the most commonly used vehicle in the area. If the requirement is lower than that recommended by the manufacturer, then it will have an adverse impact on the environment, but if it is higher, then there will not be any problems. Therefore, our choice will also be based on this factor.

MR LAW CHI-KWONG (in Cantonese): *Madam President, in response to Members' questions, the Secretary clearly stated that there would not be any adverse impact on the environment if unleaded petrol of a higher than required octane level is used. The Secretary has also said that this issue would be referred to the Competition Subcommittee under the Energy Advisory Committee for discussion. Does the Government have any specific position on this issue? At present, only one product is available in the market, and that is unleaded petrol with an octane number of 98. Under a market situation which is not entirely open and in the absence of an alternative, how can we possibly talk about a free market situation or that consumers are free to choose from unleaded*

petrol with an octane number of 95 or 98? Moreover, the price difference for these two different kinds of unleaded petrol may not be the same in different places. In some places, it may be 5% or 10%, but in some places, it may be even as high as 50%. Does the Government have any specific position on this matter?

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, from the environmental protection point of view, we think that it is acceptable as long as the octane number is not lower than 95. Of course, we also support the idea that consumers should have the right to choose, but while we support this idea, we should also respect the market mechanism.

DR RAYMOND HO (in Cantonese): *Madam President, the Secretary said that the octane level in unleaded petrol depends on the recommendation of the manufacturer, but the recommendation of the manufacturer may be based on factors such as economic conditions, cost-effectiveness and profit level. Has the Government ever commissioned any independent consultant to conduct a study, in order to find out which octane level is most environmentally friendly? If the Government adopts this approach, then it can encourage members of the public to use unleaded petrol of that octane level through offering tax concessions. Will the Government adopt this approach?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, if we are to adopt this approach, I believe that we will encounter certain practical difficulties. When manufacturers recommend unleaded petrol of a certain octane level, they would naturally take into account the design and performance of vehicle engines, which may vary and be influenced by a lot of factors. I do not think that it would be possible for the Government to conduct individual tests on the designs and performances of every single engine in the market.

PRESIDENT (in Cantonese): Last supplementary question.

MR HUI CHEUNG-CHING (in Cantonese): *Madam President, in part (b) of the main reply, the Secretary mentioned that an octane number of not lower than 95 is adopted by countries in the European Union. I would like to ask the Secretary whether there are other countries or places which has adopted the same standard?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): *Madam President, as far as I know, the octane level of unleaded petrol could be divided into three categories, and that is 92, 95 and 98 respectively. Most countries adopt an octane level of not lower than 95, and this is also the requirement in Singapore. I have mentioned that this is the European Union standard. Since the European Union is consisted of a lot of countries, I believe that I have already responded to Mr HUI's question indirectly.*

PRESIDENT (in Cantonese): *Although several Members are still waiting in line to ask supplementary questions to this question, we must now move on to the second question for we have already spent nearly 17 minutes on this.*

Overseas Exhibitions Organized by the Hong Kong Trade Development Council

2. **DR LUI MING-WAH** (in Cantonese): *Madam President, will the Government inform this Council whether it knows:*

- (a) *the number of trade fairs organized by the Hong Kong Trade Development Council (TDC) in Europe, America and Japan in each of the past five years, the number of exhibitors from Hong Kong participating in each of these TDC fairs and the respective sizes of their accompanying delegations, as well as the reasons for the year-on-year changes in the number of exhibitors; and*
- (b) *in terms of charges per square metre of exhibition area, how the charges levied by the TDC on the Hong Kong exhibitors concerned compare to those levied by local exhibition organizers; if comparison figures are not available, of the reasons for that?*

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President,

- (a) Over the past five years, the TDC has organized delegations of Hong Kong companies to participate in trade fairs held in Europe, America and Japan, and the respective numbers of trade fairs participated in each year are as follows:

1995-96	47
1996-97	59
1997-98	56
1998-99	52
1999-2000	59

In total, the TDC organized delegations to participate in 273 trade fairs.

As the number of trade fairs involved is very large, we have set out in Appendix I, which has been distributed to Members, only the respective total numbers of trade fairs participated by the TDC in the three regions of America, Europe and Japan, the numbers of participating Hong Kong companies and the numbers of delegates.

The TDC invites Hong Kong companies to participate in overseas trade fairs through channels such as mail, fax and advertisement. However, it is up to the companies to decide whether to participate in such trade fairs. The TDC believes that Hong Kong companies, in considering whether to participate in a particular trade fair, will take into account a number of factors including the companies' marketing strategies, the effectiveness of the particular trade fair in the past, and the prevailing economic situation of the host country or region.

- (b) In determining the charges levied on Hong Kong companies participating in overseas trade fairs, the TDC will make reference to the direct costs of organizing the delegations. Such costs include exhibition booth and facilities rental, fees for the fair catalogues, publicity and promotion expenses, and other additional services.

Some trade fairs are very popular among Hong Kong companies. In determining the charges for these fairs, the TDC also includes the costs of the overall decoration of the Hong Kong pavilion, salaries of TDC staff, and office overhead in the expenditure.

Taking 1999-2000 as an example, the TDC has organized/will organize delegations to take part in 59 trade fairs held in Europe, America and Japan. For 18 of these trade fairs, the average charges per square metre of exhibition area levied by the TDC were/are lower than those charged by the local organizers. For one trade fair, the charges levied by the TDC and the trade fair organizer were the same. And for the remaining trade fairs, the average charges levied by the TDC were/are higher than those of the organizers. Detailed comparison of the charges is set out in Appendix II.

Generally speaking, the charges levied by the TDC are higher than those of the local organizers because the TDC provides additional services to the participating companies from Hong Kong. Organizers of overseas trade fairs usually only provide basic exhibition stands and related facilities, while the TDC provides exhibition stands of better design, temporary office facilities, dedicated staff to offer on-site assistance, and other services. Such services include co-ordination of publicity and promotional activities, for instance, organizing press conference, cocktail reception, advertising and producing publicity materials.

Appendix I

Trade Fairs in United States, Europe and Japan
Participated by Delegations Organized by the TDC

<i>Year</i>	<i>No. of trade fairs</i>	<i>No. of participating Hong Kong companies</i>	<i>No. of delegates</i>
1995-96			
United States	14	263	595
Europe	26	859	1 860
Japan	7	94	227
Total	47	1 216	2 682
1996-97			
United States	15	282	629
Europe	35	985	2 131
Japan	9	148	371
Total	59	1 415	3 131
1997-98			
United States	18	272	613
Europe	31	869	1 885
Japan	7	125	326
Total	56	1 266	2 824
1998-99			
United States	13	288	712
Europe	30	975	2 317
Japan	9	134	261
Total	52	1 397	3 290
1999-2000			
United States	15	334	793
Europe	34	1 389	3 248
Japan	10	145	329
Total	59	1 868	4 370
Grant Total	273	7 162	16 297

Appendix II

Trade Fairs in United States, Europe and Japan
Participated by Delegations Organized by the TDC

<i>Name of trade fair</i>	<i>Date</i>	<i>Average price per square metre of exhibition area charged by the TDC (HK\$)</i>	<i>Average price per square metre of exhibition area charged by organizers (estimated) (HK\$)</i>
Bologna Children's Book Fair (Bologna)	8-11/4, 1999	1,875	1,006
Tokyo International Book Fair (Tokyo)	22-25/4, 1999	3,500	3,918
Basel '99 - World Watch Clock and Jewellery Fair (Basel)	29/4-6/5, 1999	5,977	5,090
Bookexpo America (Los Angeles)	30/4-2/5, 1999	2,300	2,500
MIDO - Int'l Optics, Optometry and Ophthalmology Exhibition (Milan)	7-10/5, 1999	6,888	5,000
Int'l Housewares Show (Tokyo)	23-25/6, 1999	2,667	2,918
NSGA World Sports Expo 99 (Chicago)	9-11/7, 1999	3,500	3,790
ISOT - Int'l Stationery and Office Products Fair (Tokyo)	8-10/7, 1999	2,777	2,777
ISPO 99 Summer 51st Int'l Trade Fair for Sports Equipment and Fashion (Munich)	1-4/8, 1999	4,444	3,439
CPD - Collections Premieren, Dusseldorf (Dusseldorf)	1-4/8, 1999	2,917	2,400
National Hardware Show (Chicago)	15-18/8, 1999	3,944	3,444
Int'l Baby to Teenager Fair - Autumn, Cologne (Cologne)	20-22/8, 1999	2,500	1,908

<i>Name of trade fair</i>	<i>Date</i>	<i>Average price per square metre of exhibition area charged by the TDC</i>	<i>Average price per square metre of exhibition area charged by organizers</i>
		<i>(HK\$)</i>	<i>(estimated) (HK\$)</i>
TENDENCE (Frankfurt)	27-31/8, 1999	7,600	5,326
Int'l Audio & Video Fair (Berlin)	28/8-5/9, 1999	4,167	4,417
Int'l Leather Goods Fair - Autumn, Offenbach (Offenbach)	28-30/8, 1999	2,917	1,667
WWDMAGIC - The Women's Wear Daily MAGIC (Las Vegas)	30/8-2/9, 1999	4,306	3,466
Tokyo Int'l Gift Show (Tokyo)	1-3/9, 1999	3,611	2,858
MACEF Autumn - Int'l Exhibition of Tableware, Household and Gift Items, Silverware, Goldsmith's Items, Watches (Milan)	3-6/9, 1999	3,888	3,444
GDS - Int'l Shoe Fair - Autumn, Dusseldorf (Dusseldorf)	9-12/9, 1999	2,750	3,000
INTERGIFT - Int'l Gift Fair (Madrid)	17-21/9, 1999	3,750	2,000
National Premium Incentive Show (Chicago)	21-23/9, 1999	4,000	2,967
Int'l Plastic Fair (Tokyo)	24-28/9, 1999	2,555	2,890
SMAU - Information & Communication Technology (Milan)	30/9-4/10, 1999	5,000	4,500
Japan Electronics Show (Tokyo)	5-9/10, 1999	3,778	3,444
Anuga '99 (Cologne)	9-14/10, 1999	2,916	2,583

<i>Name of trade fair</i>	<i>Date</i>	<i>Average price per square metre of exhibition area charged by the TDC (HK\$)</i>	<i>Average price per square metre of exhibition area charged by organizers (estimated) (HK\$)</i>
Equip Auto '99 (Paris)	13-18/10, 1999	3,750	5,315
Frankfurt Book Fair (Frankfurt)	13-18/10, 1999	2,500	2,250
WESCON (San Jose)	19-21/10, 1999	4,305	4,198
SILMO - Int'l Optics and Eyewear Exhibition (Paris)	22-25/10, 1999	4,083	3,964
Automotive Parts and Accessories Association Show (Las Vegas)	2-5/11, 1999	3,555	3,598
COMDEX Fall (Las Vegas)	15-19/11, 1999	7,222	6,667
Int'l Furniture Fair (Tokyo)	24-27/11, 1999	2,222	2,318
Int'l Consumer Electronics Show (Las Vegas)	6-9/1, 2000	7,500	4,620
Panamerican Leather Fair (Miami)	12-14/1, 2000	3,444	3,861
INTERGIFT (Madrid)	14-18/1, 2000	3,750	1,889
The 2000 Int'l Houseware Show (Chicago)	16-19/1, 2000	5,000	2,888
Int'l Furniture Fair (Cologne)	17-23/1, 2000	2,683	2,517
Chibi & Cart (Milan)	21-24/1, 2000	4,222	3,111
PREMIERE (Frankfurt)	29/1 - 2/2, 2000	5,500	5,222
Confortec, Paris	2-6/2, 2000	6,111	6,722

<i>Name of trade fair</i>	<i>Date</i>	<i>Average price per square metre of exhibition area charged by the TDC (HK\$)</i>	<i>Average price per square metre of exhibition area charged by organizers (estimated) (HK\$)</i>
Tokyo Int'l Gift Show (Spring) (Tokyo)	2-4/2, 2000	3,556	3,111
Nuremberg Int'l Toy Fair (Nuremberg)	3-8/2,2000	4,583	2,643
Int'l Menswear Fair/ Int'l Casualwear and Young Fashion Fair (Cologne)	4-6/2, 2000	3,333	2,110
The Western Shoe Associates Show (Las Vegas)	4-7/2,2000	3,229	2,571
MACEF Primavera - Int'l Trade Fair for Tableware, Houseware, Giftware, Silverware, Goldsmith's Items, Watches (Milan)	4-7/2,2000	4,250	3,888
CPD - Collections Premieren, Dusseldorf (Dusseldorf)	5-8/2, 2000	2,916	2,400
Birmingham Int'l Spring Fair (Birmingham)	6-10/2, 2000	2,778	2,889
The Super Show (Atlanta)	10-13/2, 2000	4,222	3,333
American Int'l Toy Fair (New York)	13-17/2, 2000	5,543	3,068
Ambiente (Frankfurt)	18-22/2, 2000	7,600	5,326
CeBIT, Hannover	24/2-1/3, 2000	4,200	4,450
Int'l Food and Beverage Exhibition (Tokyo)	7-10/3, 2000	2,777	4,842
GDS - Int'l Shoe Fair - Spring, Dusseldorf (Dusseldorf)	9-12/3, 2000	2,750	3,000

<i>Name of trade fair</i>	<i>Date</i>	<i>Average price per square metre of exhibition area charged by the TDC</i>	<i>Average price per square metre of exhibition area charged by organizers</i>
		<i>(HK\$)</i>	<i>(estimated) (HK\$)</i>
Int'l Hardware Fair/DIY'TEC 2000 (Cologne)	12-15/3, 2000	3,178	2,844
Tokyo Toy Show (Tokyo)	16-19/3, 2000	3,888	2,922
Light + Building - Int'l Trade Fair for Light, Electronic and Building Services Technology (Frankfurt)	19-23/3, 2000	2,444	2,692
Basel 2000 - World Watch, Clock & Jewellery Fair	23-30/3, 2000	5,678	5,000
Vision Expo (New York)	31/3 - 2/4, 2000	5,059	5,645
Bologna Children's Book Fair (Bologna)	29/3-1/4, 2000	1,875	1,006

DR LUI MING-WAH (in Cantonese): *Madam President, at this time every year Germany will host an annual computer exhibition. The title of the exhibition is called CeBIT. Charges are exorbitant and this has been a cause of complaint by many manufacturers. Why has the Secretary not shown the relevant information in the main reply?*

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President, the main reply and the two Appendices were supplied by the TDC. If the exhibition mentioned by Dr the Honourable LUI Ming-wah is left out, I will ask the TDC to supply it to me and then provide a written reply to Dr LUI. (Annex I)

MRS SELINA CHOW (in Cantonese): *Madam President, in the last paragraph of the main reply, the Secretary said the TDC had levied higher charges because it would provide additional service to the participating companies. But some*

Hong Kong companies had told us the so-called additional services did not seem to include what they cherished most, which was a polished image for Hong Kong products. So, they did not think any effective value-added services had indeed been provided. Will the Secretary inform this Council whether the TDC did provide the special service for Hong Kong companies; if not, why not; and can the TDC provide it?

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President, I do not quite understand what is actually meant by a polished image but in the last paragraph of my main reply, I did mention the co-ordination of publicity and promotional activities, organization of press conferences, cocktail receptions, advertising and printing of publicity materials. I think these can be categorized as the kind of services referred to by the Honourable Mrs Selina CHOW. If Mrs CHOW should have information to show that there are services needed by Hong Kong companies, but not provided by the TDC, she can give the information to me and I shall be prepared to pass it to the TDC which will then see if these services can be provided.

MRS SELINA CHOW (in Cantonese): *Madam President, I might not have made myself clear enough. The Secretary has not answered the last part of my supplementary, which is the most crucial part. When I said "a polished image for Hong Kong products" I was referring to an improved corporate image for Hong Kong as a whole. Has the Government done anything in this respect to achieve added value? Has the Government done that and will it do that?*

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President, most of the regular activities organized by the TDC in fact include a vast amount of promotional and public relations activities to polish the image of Hong Kong. I can tell Mrs CHOW that some figures I am going to provide may evidence this. Take 1999-2000 as an example. The expenditure on promotional activities organized by the TDC overseas totalled \$326 million. One cannot say that amount of money, which is a handsome sum, spent by the TDC has not contributed towards polishing the image of Hong Kong.

MISS CHOY SO-YUK (in Cantonese): *Madam President, I would like to comment on paragraph (b) of the main reply. I understand the charges vary a great deal in some exhibitions organized in Eastern Europe but there was no mention of the relevant information. Madam President, the TDC is a quasi-government body subsidized by the Government. All over the world, organizations similar to the TDC charge less than host organizers when companies want to join exhibitions overseas. Will the Secretary inform this Council whether it is reasonable for the TDC to charge more compared with host organizers — I understand the difference can be very substantial in some cases but the figures were not shown in the Appendix?*

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President, I am interested to know from where the Honourable Miss CHOY So-yuk has obtained the information mentioned by her. Will she be kind enough to let me look at the data? She said most countries with organizations like the TDC charge less for overseas exhibitions, compared with host organizers. That means most governments in the world subsidize their traders to attend exhibitions overseas. I personally do not have data in this regard and therefore I think Miss CHOY's argument may not stand. If Miss CHOY uses her argument to request me to tell whether the current charges of the TDC are reasonable, I am afraid I cannot give a reply as her argument is yet to be established.

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

MISS CHOY SO-YUK (in Cantonese): *Madam President, since the Secretary wants me to clarify I would briefly account for the data I have. In Japan, Singapore, Britain, Germany..... I would like to ask the Secretary.....*

PRESIDENT (in Cantonese): Miss CHOY, please listen to me. This is not the time for Members to provide clarifications or start a debate. Question time is meant for Members to ask government officers questions. If a Member is not satisfied with a given answer, he or she may follow up the matter through other channels or through moving motions to start a debate on the topics involved. Now Miss CHOY I would like to ask you once again which part of your supplementary question has not been answered.

MISS CHOY SO-YUK (in Cantonese): *Madam President, if the case described by me did arise, would the Secretary think that is reasonable? This is the part of my supplementary question that has not yet been answered.*

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President, it appears to be a hypothetical supplementary question but with your permission I would be glad to provide an answer.

PRESIDENT (in Cantonese): Secretary you may choose how to answer, but I cannot direct that you answer in certain terms.

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President, I think the charges levied the TDC on Hong Kong companies which participating in overseas trade fairs are absolutely reasonable. I do not think it stands to reason to ask the TDC not to recover costs of quality services which are provided over and above those provided by host exhibition organizers, thereby making it necessary for the Government to subsidize, with public funds, these companies in trading overseas. We must not forget a basic economic policy of the Hong Kong Government is that it would not subsidize commercial activities and so I think the present arrangement is very reasonable. Furthermore, if we look at the figures at Appendix I, we will see that there were 59 trade fairs in 1999-2000 and the average number of participating companies was 31.7 for each fair, which was higher than the average of 27 for 1998-99 and 23 for 1997-98. This shows that although some Hong Kong companies have criticized the TDC for the high charges, they still regard it worthwhile to participate in the trade fairs. The reason is that the determining factor of the popularity of overseas trade fairs is not the charges but the effectiveness of the fair for the participants. Whether the charges are value for money is secondary. Nevertheless, participants do not just look at the charges alone but the value of the services for which they have paid. Sometimes something costs a fortune but is still in popular demand, because people think the value justifies the cost. We know that some important trade fairs in Europe and America in 1999-2000 were flooded with applications so that demand for participation significantly exceeded supply, resulting in many companies being wait-listed. I trust this fact is good proof of the interest shown by Hong Kong companies in participating in overseas trade fairs organized by the TDC.

MR JAMES TIEN (in Cantonese): *Madam President, other countries (such as Singapore and Korea) may charge less because they provide a certain amount of subsidy. Will the Secretary inform this Council whether the present charges levied by the TDC, no matter how much higher than those of the host organizers they are, are sufficient to recover costs, or are more or less short of the costs so that participants are subsidized; if so, by how much are they short of the costs?*

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President, from the overall figures drawn on an annual basis, in three of the past five years (including 1999-2000), the expenditures of the TDC in organizing similar activities were higher than the income (that is, the charges levied on participants): an expenditure of \$123 million against an income of \$118 million in 1999-2000 so that there was a deficit of \$5 million; break-even for 1998-99; a deficit of \$6 million for 1997-98; a surplus of \$8 million for 1996-97, which was unusual; and a deficit of \$15 million for 1995-96. So, it can be seen that the TDC has in fact been providing subsidies.

MR CHAN KAM-LAM (in Cantonese): *Madam President, the Secretary said taxpayers should not subsidize commercial activities but on the other hand he said in fact subsidies had been provided. Participants have indeed lodged bitter complaints. Will the Government inform this Council whether it will consider separating exhibition booth and facilities rental from charges for other additional services so that the Government will not be accused of not being sufficiently caring towards participants or not providing them with subsidies? Will the Government consider doing so?*

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President, the charging policy of the TDC is not determined by the Government. Although the Government subsidizes part of the expenditure of the TDC, the TDC is an autonomous statutory body and so it determines its own charging policy. The Government transfers to the TDC the balance of the import and export *ad valorem* duty after deducting the costs required for collection, as subvention. After the transfer, the TDC maintains autonomy over its own charging policy.

DR TANG SIU-TONG (in Cantonese): *Madam President, in the first item of Appendix II, it can be seen that the charges for the Bologna Children's Book Fair (Bologna) are almost twice as those charged by the organizers. Will the Government explain to this Council why the charges were twice as much? Furthermore, the Fair was held on 11 April 1999. For the same fair to be held on 1 April 2000, the charges are the same. Why are the charges exactly the same, despite the one-year difference in time between the two fairs? Has there not been any improvement during the interim?*

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President, regarding this supplementary question I would need to revert to the TDC after this meeting and then provide a written reply to Dr the Honourable TANG Siu-tong. (Annex II) In general, however, for a small number of exhibitions, fewer Hong Kong companies taking part in them means higher costs to be shared. For example, I understand that there were only three participating companies in a certain exhibition and the TDC intended to cancel it. But the companies would rather share the costs among them and requested the TDC to organize a delegation. So, this is a possibility that exists and the TDC will review the arrangement.

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

DR TANG SIU-TONG (in Cantonese): *Madam President, I wanted to ask why the fairs, listed as the first item and the last in Appendix II, being the same fairs, had charged the same amount of fees.*

PRESIDENT (in Cantonese): Dr TANG, the Secretary said that he did not know about the details but would provide a written reply to your supplementary question.

DR TANG SIU-TONG (in Cantonese): *Madam President, the Secretary said he would give me the details later but my question was about why the two fairs, being separated by a year, had charged the same amount.*

PRESIDENT (in Cantonese): Secretary, would you explain it clearly in your written reply?

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Yes.

Election of the Chief Executive

3. **MISS CYD HO** (in Cantonese): *Madam President, in accordance with Annex I to the Basic Law, the Chief Executive of the second term shall be elected by an Election Committee consisting of 800 members. In this connection, will the Government inform this Council of:*

- (a) *the expected time when all members of the Election Committee are returned;*
- (b) *the measures in place to prevent the incumbent Chief Executive and other persons from influencing the voting preference of members of the Election Committee in the election of the next Chief Executive, through the offer of advantages to them before declaring their plans to run for the next Chief Executive's office; and*
- (c) *the specific measures, in formulating the policies governing the personal interests of members of the Election Committee, to resolve the problem of the incumbent Chief Executive playing the roles of the policy-maker as well as a candidate for the office of the next Chief Executive?*

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

- (a) The election of the second term Chief Executive will be held in 2002. The Government will draft legislation for this election and will introduce it into the Legislative Council for scrutiny. All arrangements for the election will be made in accordance with the relevant legislation.

- (b) The Legislative Council has passed the Elections (Corrupt and Illegal Conduct) Ordinance on 16 February this year. The Ordinance will apply to the election of the Chief Executive and various other public elections. The Ordinance provides that in these elections, a person engages in corrupt conduct if the person offers an advantage to other people in order to influence their voting preferences. The Ordinance also stipulates clearly that it will be an offence irrespective of whether the corrupt conduct is engaged before, during or after the election period, or whether it is engaged in within Hong Kong or elsewhere. The Independent Commission Against Corruption (ICAC) will investigate all complaints involving corrupt and illegal conduct and will institute prosecutions in accordance with law.
- (c) The Government will certainly formulate all public policies in the light of public interest, giving no consideration to the interests of individual persons. If individuals participating in policy making consider that conflict of interests may arise, they are required to declare their own interests according to the existing mechanism. Also, the Government's policy formulation process is subject to monitoring by Legislative Council and the public. In addition, Article 64 of the Basic Law stipulates that the Government must be accountable to the Legislative Council and shall answer questions raised by Members of the Council. In view of the above, the Government is of the view that the problem of conflict of interests can be solved effectively under the existing mechanism.

MISS CYD HO (in Cantonese): *Madam President, the Secretary mentioned in part (a) of his main reply that the Government would introduce the electoral legislation into the Legislative Council for scrutiny. In the meantime, the Election Committee is certainly part of the legislation. However, Article I(2) of Annex II to the Basic Law explicates that "Except in the case of the first Legislative Council, the above-mentioned Election Committee refers to the one provided for in Annex I of this Law". Furthermore, the Election Committee prescribed by Annex I to the Basic Law is basically designed for the selection of the Chief Executive. Everybody knows very well that the Election Committee for the Legislative Council is literally.....*

PRESIDENT (in Cantonese): Miss Cyd HO, what exactly is your supplementary question?

MISS CYD HO (in Cantonese): *Madam President, I must explain the relevant background information before asking my supplementary question. Everybody knows very well that the formation of the Election Committee for the Legislative Council will take place in the middle of this year. The Secretary mentioned in part (a) of his main reply that the relevant legislation would be introduced into the Legislative Council for scrutiny. Considering the Administration's reply, does it mean that there will definitely be two Election Committees in the future, not meaning that the Election Committee to be set up in the middle of this year will also be responsible for the election of the Chief Executive in 2002?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, I have explained this on several occasions, and I have explained it more than once in the meetings of the Panel on Constitutional Affairs. Certainly, we must apprehend the stipulations of the Basic Law. Annex I to the Basic Law provides for the method for the selection of the Chief Executive, and Annex II provides the method for the formation of the Legislative Council. We should be able to see clearly that Annex I precedes Annex II. According to the Basic Law, the Election Committee in Annex II should correspond with the Election Committee in Annex I. In view of that prerequisite, the Election Committee of Annex I should come into existence prior to the Election Committee of Annex II. However, as we all know that the election for the second term of the Legislative Council will take place in September of this year, so it seems that the arrangement does not correspond with the time and sequence stipulations of the Basic Law. Under such circumstances, how should the Election Committee for the election of the Chief Executive in 2002 be formed? I have stated for many times that we have not considered the issue yet. However, as we know very well that there are such requirements, remarks and stipulations in the Basic Law, it is our job to formulate the electoral law by local legislation for the election of the Chief Executive in 2002. Once the electoral law is drawn up, we will make all the relevant explanations and arrangements. Furthermore, we will explicate that the arrangement is definitely drawn up in compliance with the stipulations of the Basic Law.

MISS CYD HO (in Cantonese): *Madam President, my supplementary question is: Can the Secretary confirm the two Election Committees, namely the Election Committee for the Legislative Council Election in the middle of this year and the Election Committee for the election of the Chief Executive in 2002 under discussion, are two Committees?*

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

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, of course they are two Committees. One of them is responsible for the election of the Chief Executive, while the other is responsible for the election of the Legislative Council. However, I think the question Miss Cyd HO did not ask was: Are these two Committees identical. *(Laughter)* With reference to that issue, I have already said that we have not considered the matter yet. Nevertheless, we shall be able to come up with a clear answer by the time the electoral law for the election of the Chief Executive is drafted. For the time being, we have indeed not taken this matter into specific consideration yet.

MR LEE WING-TAT (in Cantonese): *Madam President, the Basic Law prescribes clearly that the Election Committee for the Legislative Council Election is the same as the Election Committee for the election of the Chief Executive. Regarding this question, I agree that this Council has debated the issue for a number of times. Therefore, my supplementary question is: In view of the fact that this Council has debated the issue for almost a year, if the Government is still unable to come to a decision, will the public have an impression that the composition of the Election Committee will remain unchanged if the result of this year's Legislative Council Election is favourable to Mr TUNG Chee-hwa; or the Government will draw up some laws to change the composition if the result is unfavourable to Mr TUNG? Should that be the case, will the impartiality of election not be challenged?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, my answer is an emphatic "no". I have already said that unlike what the Honourable Member has suggested, neither the prerequisite for making the choice has anything to do with the result of what Council Members are elected, nor has it anything to do with whether the Committee will remain intact if the result is favourable or another tactic will be adopted if the result is unfavourable. I have explained that the Basic Law has clear provisions for this, and we understand the stipulations clearly. However, the only thing we have not done is to put pen to paper the electoral law for the 2002 election, which is the only thing we have not done.

MR LEE CHEUK-YAN (in Cantonese): *Madam President, it is understandable that we have to keep asking after we have discussed the issue for so many times, as the answer is still unclear. The Secretary said the question Miss Cyd HO had not asked was actually "whether the two Committees would be identical or not", and the Secretary only said that they would be two different Committees. In that connection, will the Secretary tell us whether the compositions of the two Committees are identical or not? Although they are two different Committees, their compositions should be identical. According to the Basic Law, they should be identical in composition. Furthermore, I would like to know if the Election Committee has a definite term of office? According to the Basic Law, the term of office of the Election Committee shall be five years. If that is the case, then it is almost certain that the two Committees are of the identical composition.*

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, I consider that every individual may come to his/her own understanding after reading the Basic Law. Given that the Basic Law lays down the Committee's term of office shall be five years, I admit that it should be five years to my understanding. However, just as I have explained, we have not conducted any study in this aspect. It is because we still have to consider a number of relevant issues in connection with the election of the Chief Executive in 2002, so as to put in place a firm legal base for the entire arrangement. Just as I have stated in my main reply, we will iron out the relevant legislation before we introduce it into the Legislative Council for scrutiny according to the normal procedures. Therefore, in due course, Members of the Legislative Council shall have the opportunity to scrutinize the relevant legislation, and to discuss the method for the composition of the Election Committee.

MISS EMILY LAU (in Cantonese): *Madam President, the Secretary mentioned in part (c) of his main reply in relation to conflict of interests that "If individuals participating in policy making consider that conflict of interests may arise, they are required to declare their own interests according to the existing mechanism." We are discussing whether Mr TUNG Chee-hwa would run in the election again or not. Concerning the enforcement of the mechanism, before Mr TUNG Chee-hwa announces his campaign for another term of office yet, there will probably be no question at all. However, if Mr TUNG Chee-hwa announces his intention to run for another term of office, will there be any conflict of interests, and should he absent himself from the drafting procedure of the legislation?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, the conflict of interests issue I mentioned a moment ago was undoubtedly referring to general situations, rather than Mr TUNG Chee-hwa in particular. It is just like the situation that when I join a certain debate, I should declare my interest if there is any conflict of interests. Last year when I was replying a question, I said that even Members of the Executive Council had to declare their own interests in the Council's meeting should the subject of discussion was in conflict of the Members' own interests. I remember I once stated that when declaring one's interest, different ways of handling should be drawn on in accordance with order of importance. If the interest involved is of less significance, the Member concerned might go on attending the meeting as usual after declaring the interest. However, if the interest involved is of grave importance, of material pecuniary or personal interest, the Members concerned should not only absent themselves from the meeting, but also be not entitled to the distribution of relevant documents of the meeting. Therefore, to adopt which measure really depends on the extent of importance of the conflict of interests. As a result, I am unable to reply the supplementary question of the Honourable Miss Emily LAU with a stereotype answer. For example, if the Executive Council is going to discuss this matter in tomorrow's meeting, should Mr TUNG Chee-hwa declare his interest as early as this stage? Although it may involve the question of personal interests, it is still uncertain as long as Mr TUNG Chee-hwa has not made a decision to run for a second term of office yet. Certainly, in reality, individuals should judge if they have conflict of interests with regard to their own circumstances at that moment, and adopt appropriate methods to handle the matter.

MISS EMILY LAU (in Cantonese): *Madam President, my question is a simple one: If Mr TUNG Chee-hwa has already declared his intention of running for a second term of office, under such circumstances, is it possible that he has conflict of interests and should not carry on participating in the discussion on the drafting of the relevant legislation?*

PRESIDENT (in Cantonese): Miss LAU, I think the Secretary has already answered your supplementary question. However, Secretary, do you have anything to add?

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, just as you said, I have already answered the supplementary question of Miss Emily LAU. I feel that Miss LAU has made a number of hypothetical questions. Let me cite one more example. If the relevant bill were to be tabled in next week's Executive Council meeting for discussion, I think Mr TUNG Chee-hwa still needs not consider his candidacy at this early stage. In the hypothetical circumstances cited by Miss LAU, she presumed that Mr TUNG Chee-hwa had already announced publicly his intention of running for a second term of office. However, I think the situation will not arise. It is because the bill for the election of the second term Chief Executive will undergo a longer period of brewing, so the Legislative Council will have copious time to discuss. The election of the Chief Executive will only take place after the Legislative Council has approved the relevant bill, thus there will be a longer period for deliberations.

MR NG LEUNG-SING (in Cantonese): *Madam President, as the Secretary mentioned in part (a) of his main reply that the election of the second term Chief Executive will be held in 2002, so the Government will draft legislation for the election in time. I would like to ask about the timetable of such arrangement. Has the timetable for the introduction of the legislation to the Legislative Council been confirmed? Has the Government designed any contingency plan, that is, any plan to cope with the situation if the legislation is not passed?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, I have mentioned roughly in part (a) of my main reply about the timetable, but I have not pointed out the exact day and time as we are still studying the matter. Considering that the term of office of the Chief Executive expires on 30 June 2002, then any election should be held two to three months prior to the expiry of the Chief Executive's term of office. Calculating on that basis, we anticipate to table the legislation before the Legislative Council by the middle of 2001, and I think there will be copious time for Members' scrutiny and endorsement.

MR NG LEUNG-SING (in Cantonese): *Madam President, the Secretary has not answer the part about contingency plan yet.*

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): I think such contingency plan should be identical to the contingency plan for any electoral legislation. We should ensure the relevant legislation is reasonable, and the election is conducted in an impartial and open manner. As for the details, I think there will not be much controversy. Therefore I reckon that there will not be any problem in this aspect, and it will cause no hindrance to the timely conduct of the election.

MR ANDREW WONG (in Cantonese): *Madam President, election is a pretty intricate matter. The Panel on Constitutional Affairs has discussed the subject repeatedly and the Legislative Council has also discussed the bill concerning the subject. Therefore, I am not going to elaborate on the background, I only want the Secretary to confirm if my understandings are correct:*

Firstly, concerning the five-year term issue and the question of whether the two Committees respectively in Annex I and Annex II to the Basic Law are identical, the Government has no final conclusion yet, so there is no final conclusion concerning the basis of justification for the electoral law of the election of the Chief Executive, too. This is my understanding in the past, but as the Government has not come to a final conclusion even now, is this viewpoint still correct?

Secondly, I hope I can understand the relationship between the formulation of constitution-related policies and the likelihood of the Chief Executive seeking a second term of office. Certainly, the two issues may have connection if the Chief Executive has announced his intention for candidacy. However, if the Chief Executive is not going to seek a second term of office, the two things may also be correlated. Policies concerning the Election Committee selecting the Chief Executive and other aspects are policy issues. Regarding policy issues, everyone shall have the right to express one's own opinion, even if such opinion involves the election an individual intends to participate, he still has the right to express his/her opinion. For this policy issue concerning conflict of interests, that person therefore shall enjoy some kind of immunity. It is just like the case today in which Miss Emily LAU has put forward three resolutions in connection with election, but all Members in this Chamber do not have to declare their interests.

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, to answer Mr Andrew WONG's question briefly, both of his understandings are correct.

PRESIDENT (in Cantonese): Honourable Members, we have spent more than 18 minutes on this question, but a number of Members are still waiting for their turn to ask questions. We shall proceed to the fourth question.

Forecast of Increase in Electricity Demand

4. **MISS EMILY LAU** (in Cantonese): Madam President, at the end of last year, in reviewing the forecasts of electricity demand made by the China Light and Power Hong Kong Limited (CLP), the Government's Economic Analysis Division (EAD) and the independent consultant, Burns and Roe Company (B&R) came to the same conclusion that Units 7 and 8 of the Black Point Power Station would be required in 2008 and 2010 respectively. Given that the CLP's wrong forecast in 1992 and the Administration's failure to monitor the situation then have imposed a huge financial burden on consumers, will the executive authorities inform this Council of the methodologies and procedure adopted by the CLP, B&R and EAD respectively to ensure the accuracy of the forecasts of electricity demand?

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, the methodologies and procedures adopted by the CLP, B&R and EAD for forecasting electricity demand are as follows:

- (a) The CLP's forecast is made up of two key components, a sales forecast and a system peak load forecast. For the sales forecast, the CLP projects the electricity consumption of 17 economic sectors. The method used is an econometric method that relates consumption of individual sectors to the economic factors which drive the level of consumption, such as domestic exports and the number of tourists. The CLP also uses an aggregate method that links the historical relationship between total Gross Domestic Product (GDP) and total electricity consumption to cross-check the results for a period of time, say five to 10 years.

The CLP adopts a load factor approach in its peak load forecast by performing further analysis on the consumption pattern of individual customer groups to determine the level of peak demand during the summer period. The company has advised that such analysis is important because for the same amount of electricity consumed, a consumer may concentrate his consumption at the day-time while another may consume primarily at the night-time.

As recommended by the B&R in 1996-97, the CLP also uses an additional econometric model to forecast the maximum demand directly to cross-check the results of the load factor approach.

According to the CLP, its methodology and procedures have been endorsed by two eminent international consultancy firms, and it also seeks professional help from local universities to improve the methods used from time to time.

- (b) The B&R employs an econometric model for forecasting the maximum demand of electricity in the CLP's supply area. The econometric model is based on a regression equation which could take different key economic variables, such as the GDP, employment and price into account. In the development of the regression equation, statistical tests with historical figures are conducted on different forms of equations to determine the key

economic variables and other parameters that would produce the "best fit" equation. Once the equation to be used is determined, the B&R inserts the projection of the variable, currently the GDP, into the equation for calculation of the demand forecast. Finally, the result of the regression equation and the known additional loads, such as for the airport and rail, are added together to give the final forecast value. The B&R advises that model of this type is used by utilities throughout the world for load forecasting.

- (c) The EAD adopts an econometric approach to forecast sales and time trend approach to forecast load factor. In the projection, electricity sales to the major consumer groups are analysed separately. The analysis takes into account economic variables such as household number, real price of electricity, GDP, services sector/manufacturing employment and domestic exports. In the projection of load factor, the analysis takes into account the past secular trend of this variable. Maximum demand is derived by dividing sales by the load factor.

The EAD has also used additional techniques, namely the time trend approach and regression analysis to cross-check the projections of maximum demand produced by the main approach.

The EAD is considering updating the projections of electricity demand on an annual basis so as to take into account the latest socio-economic development, which could prompt changes in electricity demand.

Forecasting electricity demand is a very technical matter and we have to rely on professional advice. To ensure that the forecasts of electricity demand are as accurate as possible, we have commissioned an independent consultant to evaluate the CLP's forecasts. In addition, we also seek two independent forecasts, one from the independent consultant and the other from the EAD, for cross-checking purpose. The methodology and procedures adopted by the CLP, B&R and EAD are determined by the parties concerned. It can be seen from the above that different forecasting methodologies are used. Some also used different forecasting methodologies for internal cross-checking purpose. In addition, we have provided all three parties with the forecasting results of the other two parties so that they could comment on the forecasts produced by others

and examine whether any improvements could be made to their own forecasts. Through all these measures, we have put in place as much safeguards as possible for accurate forecasting of electricity demand.

MISS EMILY LAU (in Cantonese): *Madam President, the Secretary indicates that the CLP, EAD and B&R use different methods for forecasting electricity demand. I would like to ask the Secretary a simple question: What is the difference between the rather complicated method currently used and the method adopted in 1992? In addition, the Secretary has said that electricity demand will be considered on an annual basis. In the event of any change in demand, will the commissioning arrangement of the Black Point Power Station in 2008 and 2010 be affected?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, the method described by me just now is different from the method adopted in 1992. First of all, in 1992, we commissioned an independent consultant to evaluate the CLP's report, but now we require the CLP to make an independent forecast on its own.

Second, the CLP used to adopt its own fundamental methodology only, but now it has added an econometric method for cross-checking, that is, internal verification of the results.

Third, apart from having various organizations make forecasts for us, currently we have also provided the forecast results of each party to the other two parties for reference and comments, so that they can consider whether it is necessary to improve their own forecasts. This is different from the method adopted in 1992.

In addition, Miss LAU has asked whether there will be any change in demand. I think this depends on the forecast results, but I can point out that as regards Units 7 and 8 of the Black Point Power Station, we have decided to adopt a plan for deferring the installation for five years because of contractual constraint.

MISS CHRISTINE LOH: *Madam President, in the forecast of electricity demand made by the Government's Economic Analysis Division, it does not appear that any reference has been made to energy efficiency, energy conservation and alternative energy over the next 10 years. What I would like to ask the Secretary is whether that is indeed so, and if yes, why; and whether the Economic Services Bureau can play its role properly without first setting a clearly stated energy policy for Hong Kong?*

SECRETARY FOR ECONOMIC SERVICES: Madam President, in fact in the forecasts done by the various parties, they have taken into account target savings due to the Demand Side Management programmes of the power companies. But for savings due to other energy efficiency measures currently being worked on, for example, by the Environment and Food Bureau, we have previously explained to Members that it is quite difficult to assess the impact at this stage, and this is why that has not been taken into account. I think we have previously given a written reply to Members on this.

PRESIDENT (in Cantonese): Miss Christine LOH, which part of your supplementary question has not been answered?

MISS CHRISTINE LOH: *Madam President, the Secretary has not answered the second part of my question, which is whether the Economic Services Bureau really needs to work out an energy policy. Besides, there is response that it is hard to forecast the electricity demand, and we all know that. So, can we actually say that we are going to need Units 7 and 8 of the Black Point Power Station in 2008 and 2010?*

PRESIDENT (in Cantonese): Secretary for Economic Services, did you catch the substance of the second part of the supplementary raised by Miss Christine LOH just now?

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, may I ask the Honourable Member to repeat that part of her supplementary?

PRESIDENT (in Cantonese): Miss LOH, would you please repeat the second part of your supplementary?

MISS CHRISTINE LOH: *Madam President, it is assumed that Units 7 and 8 of the Black Point Power Station will be required in 2008 and 2010. In view of the response that forecast is difficult to make and that some of the factors have not yet been calculated, can we actually determine now that we are all going to need additional power plants any time in 2008 and 2010?*

PRESIDENT (in Cantonese): Miss LOH, what I wanted you to ask is the second part of the supplementary asked by you just now, that is, the part on whether the Economic Services Bureau will make certain policies.

MISS CHRISTINE LOH: *Madam President, the second part of the question is whether the Secretary feels that she needs an energy policy before she can adequately play her role?*

SECRETARY FOR ECONOMIC SERVICES: Madam President, we, of course, have an energy policy. Our energy policy is to ensure that there is an adequate and reliable supply. At the same time, we are trying to provide electricity at the lowest possible cost to consumers. As to Miss LOH's question regarding Units 7 and 8, she mentioned about the need for Units 7 and 8 in 2008 and 2010. I think in response to Miss LAU's question just now, I explained that we are now deferring the installation of Units 7 and 8 to 2005 and 2006 respectively because of contractual constraint. Thus, in fact, we will be installing the two units in 2005 and 2006 respectively, ahead of the demand because of contractual constraint.

MR LAU CHIN-SHEK (in Cantonese): *Madam President, the Secretary said in the last sentence of her main reply, "Through all these measures, we have put in place as much safeguards as possible for accurate forecasting of electricity demand." However, in the event of overestimation of electricity demand, although the Government has said that after the new units are put into operation, if it is found that the original electricity supply is adequate, the assets of the new*

units will not factor into the profits, but actually the consumers will have already paid the administrative expenses for purchasing the units and the return on the investment during the construction period, so they will have overpaid the electricity charges. Will the Government inform this Council whether the Government will hold itself responsible assuming that the above situation has arisen resulting in wrong evaluation and an additional burden on the consumers? If the Government is not going to be responsible, who shall assume the responsibilities?

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, we have said on many occasions that forecasts are forecasts after all, but we will certainly endeavour to ensure their accuracy. As I have just explained, we employ different measures to achieve this target as far as possible and make forecasts of electricity demand through various organizations that adopt different methodologies. We are considering not a single forecast. Instead, we will be making three forecasts, and during the process, the forecasting organizations will carry out internal cross-checking by using different methodologies. We see that among the methodologies used, some are those generally adopted by other public utilities around the world and some others are used in other fields. Apart from making forecasts, we will also endeavour to provide safeguards. In addition, in response to Miss LAU's question just now, I have mentioned that we have a mechanism for coping with an excessive supply of electricity. However, I would like to point out that apart from this mechanism, we actually have some other safeguards as well. In conducting an interim review on the Scheme of Control Agreement, we have devised a mechanism which requires that in future no units will be installed in the form of a series upon one-off approval but they will be approved to be installed one at a time. Before the granting of approval, the conclusion of a contract or the placing of a purchasing order, the power companies must re-examine the latest demand forecasts with the Government.

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

MR LAU CHIN-SHEK (in Cantonese): *Madam President, I wish to receive a direct reply, that is, in the event of overestimation of electricity demand or an additional burden on the consumers, will the Government hold itself responsible or who shall be responsible for it?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, I think Members also know that a reliable supply of electricity is vital to the economic development of society. In this respect, I think we must also pay a reasonable price for that.

MR FRED LI (in Cantonese): *Madam President, notwithstanding that the sum of money for deferring the installation of Units 7 and 8 will not be included in the costs of power supply, when these two units are put into operation in 2005 and 2006, their net asset values will be counted in the calculation of profits. May I ask the Government how much the estimated increase in the assets and the increase in the electricity charges paid by the consumers will be as a result of the commissioning of Units 7 and 8?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, I do not have information on this in hand and I need to go back and study this supplementary question before giving a written reply. (Annex III)

PRESIDENT (in Cantonese): Last supplementary.

MR LEE WING-TAT (in Cantonese): *Madam President, it was reported that the CLP was considering allocating a sum of \$800 million out of its development fund for paying the expenses in respect of deferring the installation of Units 7 and 8. However, to my understanding, the sum of money in the development fund is also derived from the electricity charges paid by the public. It is because in the event of the CLP's profits exceeding the permitted rate of return, the CLP will deposit the difference into the development fund, and thus the sum is actually the money of the public. How does the public benefit from the CLP's exercise to subsidize extra expenses with that sum of money? Why does the Government agree to such practice of the CLP rather than raising funds among the shareholders of the CLP for payment of the relevant expenses?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, the Government understands that the public will certainly hope for a reduction in the costs of power supply as much as possible, but we also have to realize that we actually have a Scheme of Control Agreement. Contractually, the CLP should have been able to obtain a reasonable return on the extra expenses paid for deferment, but the CLP has now decided to relinquish the return on this so as to lower the costs of power supply. The Government finds this a positive move and welcomes the idea.

PRESIDENT (in Cantonese): This Council has spent more than 18 minutes on this question. Now we move onto the fifth question.

Introducing New Air Cargo Handling Operators

5. **MISS CHOY SO-YUK** (in Cantonese): *Madam President, will the Government inform this Council:*

- (a) *whether it knows if it is stipulated in the franchise agreement between the Airport Authority (AA) and Hong Kong Air Cargo Terminals Limited (HACTL) that the AA has the right to introduce new operators to provide air cargo handling services in 2003 or earlier;*
- (b) *if such stipulation is in place, whether it knows if the AA has drawn up any plan for introducing new operators; if there is such a plan, of the details and the preparatory work carried out so far; if there is no such plan, of the reasons and the objective criteria to be adopted by the AA to determine the time for introducing new operators, as well as the envisaged time by which the air cargo industry will reach the levels set out in such criteria; and*
- (c) *in view of the significance of air cargo services for the economy of Hong Kong, of the measures it will adopt to ensure that the air cargo industry will not be monopolized?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, our reply to the three parts of the question is as follows:

- (a) Under the franchise agreements between the AA and the two air cargo handling operators, there is a mechanism for the AA to introduce more operator(s) under certain circumstances. In view of the confidentiality terms in the agreements, the AA considers it inappropriate to disclose the details concerned. However, in general, the AA may under certain circumstances increase the number of operators to three before or by mid-2003. The AA also has the right to increase the number of operators further to four after mid-2003. There will be no restriction on the number of operators after mid-2008. Furthermore, the mechanism also provides additional flexibility under which the AA may increase the number of operators, if the existing operators are unable to increase their services to meet market demand.
- (b) The AA has been monitoring closely market trends of Hong Kong's air cargo transport, and considering the need to introduce more operators in consultation with the industry. The following factors are taken into account in its consideration:
- the terms of the existing franchise agreements;
 - trends and forecasts of air cargo transport;
 - the prevailing market situation;
 - requirements of the industry; and
 - the lead time for the negotiation of a new agreement and the construction of facilities.

The Hong Kong International Airport (HKIA) handled about 1.98 million tonnes of air cargo in 1999 while the total cargo handling capacity provided by the existing operators is around 3 million tonnes. Planning is now being carried out by the AA to study the demand for and the development of air cargo handling services. Its objectives are to maximize the use of the land on the Airport Island

and to enhance the status of Hong Kong as an international and regional air cargo hub.

- (c) The Government very much agrees that it is important to maintain sufficient competition in the provision of air cargo handling services at the HKIA. At present, there are two such operators as well as four specialist express cargo operators which self-handle their express cargo. Compared with only one operator at the Kai Tak Airport, competition in the air cargo handling service has increased significantly.

The AA will continue to monitor closely market developments and consider the need to introduce more competition.

Furthermore, the AA will continue to monitor the operation of the existing operators, including their level of service, facilities, contingency measures, compliance with franchise agreements, and so on. The AA has also established mechanisms such as regular meetings and market surveys to collect views from the industry on the services provided by the operators concerned.

The government members on the AA Board will continue to co-operate closely with the non-government members to review regularly actual experience and the market situation and consider the grant of new franchises as and when appropriate.

MISS CHOY SO-YUK (in Cantonese): *Madam President, in part (c) of the main reply, the Secretary made it clear that there is no existing mechanism to introduce more competition and that the Administration is merely considering it. In part (a), she said that more operators could be introduced in 2003. Since the charges of air cargo handling in Hong Kong are among the highest in Asia, will the Secretary tell us how many years it will take at least to introduce new operators if we decide to introduce them now?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, Miss CHOY has touched on several issues. Regarding the charges, the AA has recently tried to compare the charges in Hong Kong with those of

other air cargo terminals in Asia but has found it very difficult. It is very hard to compare them since different countries have different cost structures, tax structures and import and export mechanisms.

Regarding the introduction of competition, as I mentioned in the main reply, planning is now being carried out by the AA to study the demand for and the development of air cargo handling services. As for how long it will take, it will depend on the kind of facilities to be added, the cargo handling capacity to be increased and the kind of system to be adopted.

MISS CHOY SO-YUK (in Cantonese): *Madam President, the Secretary did not say how long it would take at least.*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, as I pointed out just now, the amount of time needed will depend on the type of facilities to be added, for instance, whether high technology is required, and the size of facilities to be built. We can only determine the amount of time needed by looking at the proposals of interested operators. However, perhaps I can point out one thing. At present, the cargo handling capacity on the Airport Island is 3 million tonnes, while the cargoes handled amount to 1.98 million tonnes, that is, 1.98 million tonnes of cargo were handled in 1999.

MR HO SAI-CHU (in Cantonese): *Madam President, although monopolization can be prevented by increasing competition, can we keep increasing the number of operators, since there is limited land available, especially for the operation of air cargo transport in general? Can the Secretary tell us whether this is the case?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, Mr HO is right. As I said in the main reply, in considering whether to introduce new operators, a number of factors has to be taken into account, which will of course include the trends of and demand for air cargo transport, the prevailing market situation as well as the requirements of the industry. All these factors will have to be taken into consideration.

MR ALBERT HO (in Cantonese): *Madam President, in part (a) of the main reply, it is said that there is a mechanism under the agreements for the introduction of more operators under certain circumstances. However, it cannot be disclosed because of the confidentiality terms of the agreements. In my view, the timing for introducing more operators is obviously a public policy that involves public interest. How can the Government allow the existence of the confidentiality terms in the agreements which will prevent the public from knowing the details? Is it not a wrong policy or decision to allow the confidentiality terms to exist?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, as I said in part (a) of the main reply, there are such confidentiality terms in the agreements executed between the AA and the operators. Although the details cannot be disclosed due to these confidentiality terms, I also pointed out that there is a mechanism for the introduction of new operators at certain times.

MR ALBERT HO (in Cantonese): *Madam President, the Secretary explicitly stated that new operators could be introduced under certain circumstances but said that the circumstances could not be disclosed. Why did the Government allow these circumstances in the agreements to be kept confidential? Why can these circumstances not be disclosed?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, the AA told us that it would be inappropriate to disclose the details due to the confidentiality terms in the agreements. However, after considering the factors that I mentioned just now, if the AA considers that there is a need to introduce new operators, I am sure it will announce the circumstances in detail when inviting interested parties.

DR RAYMOND HO (in Cantonese): *Madam President, the volume of air cargo handled last year may have been greater than the volume forecast when the agreements were made with the operators. The Secretary said that the government members on the Board would continue to co-operate closely with the non-government members to review regularly the changes in the market. I am*

not quite sure what "co-operate closely" means. Will the Economic Services Bureau review this question independently without waiting for the AA to provide the information?

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, the AA makes forecasts of various demands regularly and submits the forecasts to various parties for study. What I said in part (c) of the main reply was that the Board would consider these circumstances and increase facilities as far as possible to meet the market demand in time.

DR RAYMOND HO (in Cantonese): *Madam President, my question was whether the Economic Services Bureau will conduct a review itself, instead of discussing the matter after the AA has provided it with the information.*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, basically, we will maintain close liaison with the AA, which gives us most of the relevant information.

MR FRED LI (in Cantonese): *Madam President, the air cargo handling operators have signed franchise agreements with the AA and now they are said to be confidential. We do not know about this. However, as far as I know, the agreements should contain provisions setting a ceiling on the charges of the air cargo terminals. May I ask how the ceiling on charges is set?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, there is a scheme of control in the agreements and ceilings are set. However, due to the confidentiality terms, we cannot announce the relevant details here.

MISS CHOY SO-YUK (in Cantonese): *Madam President, the Secretary said in the main reply that the present cargo handling capacity was not yet saturated. However, there is a provision stating that the air cargo handling operators shall have an 80% market share of air cargo. If this provision is no longer needed in*

2003, should we not do something now? Otherwise, if the air cargo handling operators can still have an 80% market share in 2003, we will have to give them this market share.

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, in my view, the market share should be determined by the market. As I said in the main reply, planning is now being carried out by the AA to study the need to introduce new operators as well as the overall demand for and the development of air cargo handling services.

MISS CHOY SO-YUK (in Cantonese): *Madam President, may I ask another question?*

Madam President, in part (c) of the main reply, it is said that the Government will conduct market surveys and so on to collect views from the industry on the services provided by the operators concerned. Will the Government inform this Council how satisfied the industry is with the operators based on the views collected so far?

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, the collection of views to which I referred is part of the AA's monitoring mechanism. According to the information obtained from the AA, the views collected show satisfaction with the services.

PRESIDENT (in Cantonese): Miss CHOY So-yuk, do you wish to follow up?

MISS CHOY SO-YUK (in Cantonese): *Madam President, can the Secretary submit the views collected in the survey to us in written form?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, we could refer Miss CHOY's request to the AA for consideration. (Annex IV)

Crack Down on Tax Evasion

6. **MR LAU KONG-WAH** (in Cantonese): *Madam President, in connection with countering tax evasion, will the Government inform this Council:*

- (a) *over the past five years, the estimated amount of undercharged tax resulting from evasion each year; the number of confirmed cases of tax evasion and the total amount of tax successfully recovered each year; the number of occasions on which section 60 of the Inland Revenue Ordinance (IRO) was invoked to make assessments or additional back year assessments against tax evaders and the amount of tax involved each year;*
- (b) *of the measures in place for countering tax evasion, and whether the effectiveness of these measures is regularly reviewed; and*
- (c) *whether it has plans to introduce legislative amendments to impose heavier penalties against tax evaders; if not, of the reasons?*

SECRETARY FOR THE TREASURY (in Cantonese): Madam President,

- (a) The number of tax evasion cases under the IRO, which were confirmed through investigation and field audit by the Inland Revenue Department (IRD), as well as the amount of back tax and penalties assessed in the past five years are as follows:

	1994-95	1995-96	1996-97	1997-98	1998-99
Number of tax evasion cases confirmed	1 323	1 543	1 755	1 714	1 697
Amount of back tax and penalties assessed (\$ million)	1,370	1,773	2,021	2,128	2,141

Section 60 of the IRO empowers an assessor to raise an assessment or additional assessment, if it appears to him that for any year of

assessment a person has not been assessed or has been assessed at less than the proper amount. Such an assessment may be raised within the year of assessment or six years after the end of that year of assessment. For discrepancies that are due to fraud or wilful evasion, the assessor may raise an assessment or additional assessment within the year of assessment or 10 years after the end of that year of assessment. The IRD does not keep statistics on the number of occasions on which such power has been exercised, the number of years over which the tax was understated or the amount of tax involved. Whether section 60 will be invoked to recover tax is decided by the IRD on the basis of the facts and circumstances of each case.

- (b) Apart from section 60 of the IRO, the IRD may exercise its power under section 61 to counter tax evasion. The section provides that where the IRD is of the opinion that any transaction which reduces the amount of tax payable by any taxpayer is artificial or fictitious, it may ignore the results of such transaction in its assessment.

The IRD may also exercise its power under section 61A and 61B of the IRO to combat tax evasion and unlawful tax-avoidance practices. Section 61A provides that if the IRD, in assessing a person's tax, considers that the carrying out of a transaction (having regard to its form and nature) is for the sole or dominant purpose of enabling the taxpayer to obtain a tax benefit, it shall assess the latter's tax liability as if the transaction has not been carried out. Section 61B provides that the IRD shall, in assessing a corporation's tax liability, disallow it from setting off any of its loss against profits as a result of any change in the corporation's shareholding if the change was for the purpose of utilizing any business loss sustained by the corporation in order to avoid or reduce its tax liability.

Apart from the above statutory measures, the IRD is also tackling tax evasion through the conduct of tax investigation and field audits.

The IRD conducts detailed investigations into any suspected tax evasion cases, and takes prosecution actions and imposes penalties in respect of established evasion cases. It also widely publicizes successful prosecution cases in order to deter would-be evaders.

As regards field audit, the IRD conducts site visits to examine the accounting records of taxpayers and verify the profits declared and information submitted by the persons-in-charge of corporations and unincorporated businesses. Such visits help to induce voluntary compliance with taxation requirements, and ensure businesses maintain sufficient business records and submit correct tax returns. Moreover, the IRD will examine tax avoidance arrangements through such site visits with a view to rejecting unacceptable practices.

The above measures are reviewed from time to time to ensure that they remain effective.

- (c) Under the present IRO, any person who evades with wilful intent or assists any other person to evade tax shall be guilty of an offence. Those who are convicted are liable to the maximum penalty of a fine of \$50,000, a further fine equivalent to three times the amount of tax evaded and three years' imprisonment. Based on statistics for the past few years, we have no evidence that tax evasion is on the increase. We believe that the maximum penalty provisions, together with the various administrative anti-evasion measures, still have sufficient deterrent effect. We see no imminent need for any legislative amendments to impose heavier penalties against tax evaders.

MR LAU KONG-WAH (in Cantonese): *Madam President, recently, we frequently heard the Secretary for the Treasury say there is a need to levy new taxes. I believe she will not deny that the \$2.1 billion back tax is actually quite significant. Although the Secretary said in the main reply that there was no sign indicating a rising tendency of tax evasion, there was apparently such a trend according to figures available. Will the Secretary inform this Council how it can convince the public that the Government has, on the one hand, tried to explore new tax sources and, on the other, tried its best to recover unpaid tax from those who should pay for it?*

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, one of the main scopes of work of the IRD is to prevent tax evasion and unlawful tax avoidance. It has been our practice for the past few years to increase manpower for the IRD when there was such a need in this area. For instance, we provided the IRD with an additional team of field audit staff respectively in 1995-96 and 1996-97. In October 1999, we allocated funds to the IRD for the provision of one more team of staff. At present, the IRD has altogether 23 teams of staff specially responsible for handling tax evasion matters and investigating whether there is any tax avoidance on the part of taxpayers. We will expect the Commissioner of Inland Revenue to handle more tax evasion and avoidance cases as well as recovering more taxes accordingly with the provision of an additional team. Nevertheless, I hope Members can understand what we are talking about is probably marginal costs and effectiveness only. In other words, it does not follow that having 100 additional teams of staff will result in the recovery of tax equivalent to 100 times the amount of tax avoided or evaded. We need to make a balanced judgment in this area. Based on our judgment and with the support from this Council, we set up Team 23 for the IRD in October last year for the handling of tax evasion matters in order to strengthen the IRD in carrying out work in this area.

MR ERIC LI (in Cantonese): *Madam President, the penalty mentioned in part (c) of the main reply is quite heavy. Taxpayers will actually feel extremely scared. According to the practical guidelines issued by the IRD, criminal prosecution will generally not be instituted if a fine has been imposed. However, in a recent court ruling, the judge considered it necessary for the Government to institute criminal prosecution against a taxpayer, apart from imposing a fine. Can the Government clarify whether it is adopting a new policy under the existing legislation, which is already effective as a deterrent, for the imposition of double penalties? If not, will the Government inform this Council what it will do to prevent the reoccurrence of similar cases?*

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, I believe the Honourable Eric LI understand that I cannot comment on individual cases. Nevertheless, I can assure Mr LI that we have not made any policy changes. The IRD has currently a set of very comprehensive guidelines stating

in unequivocal terms the principles and procedures to be followed in recovering outstanding taxes and imposing penalties or instituting prosecutions. This set of guidelines and procedures will be continued to be followed by the IRD. If Members are interested in knowing more about this set of guidelines and procedures, they are encouraged to refer to the web page of the IRD where these guidelines are available. We have not made any changes to them.

MR HO SAI-CHU (in Cantonese): *Madam President, it was pointed out in part (c) of the main reply that a person who evaded tax with wilful intent would be liable to the maximum penalty of a fine of \$ 50,000 and a further fine equivalent to three times the amount of tax evaded. Will the Secretary inform this Council whether there is actually an average figure although the maximum penalty is \$50,000? Although a further fine equivalent to three times the amount of tax evaded can still be imposed, how many times the amount of tax evaded will generally be fined?*

SECRETARY FOR THE TREASURY (in Cantonese): *Madam President, judging from the cases in which taxpayers were ruled to have evaded tax over the past five years, the fines imposed with respect to wilful tax evasion were, generally speaking, equivalent to three times the amount of tax evaded, and 1.5 to two times the amount of tax evaded in cases of unintentional tax evasion or avoidance. There were also many other cases which were not taken to the Court for the Commissioner and Deputy Commissioner of Inland Revenue are empowered to impose fines under the law. Generally speaking, the fines imposed in these cases are equivalent to one to two times the amount of tax evaded.*

MR ALBERT HO (in Cantonese): *Madam President, will the Secretary inform this Council of the number of cases involving criminal prosecution of tax evasion over the past three years and the results of such cases? Were the persons being prosecuted required to, apart from paying outstanding taxes, pay the additional fines demanded by the IRD's assessment staff in exercising their power to impose a fine?*

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, I will try to answer the latter part of the supplementary question asked by Mr HO. The answer is selective. What I mean is if the Commissioner of Inland Revenue has decided to penalize a certain taxpayer, the relevant case will then not be referred to the Court. Therefore, the Court will only be required to determine the amount of fines with respect to the cases referred. The Commissioner of Inland Revenue will not demand any additional fines from the relevant taxpayer.

Mr HO was concerned about the number of cases dealt with over the past few years. I can provide him with some figures. Over the past five years, the numbers of cases prosecuted by the Commissioner of Inland Revenue for tax evasion or unlawful tax avoidance are as follows: four successful cases for 1994-95, with the average fine being equivalent to approximately 1.5 times the amount of tax evaded; five successful cases for 1995-96, with the average fine being equivalent to approximately 50% to 100% the amount of tax evaded and three times the amount for two of the five cases; six successful cases for 1996-97, with the average fine being approximately equivalent to the same amount of tax evaded; four successful cases for 1998-99, with the average fine being approximately 50% to 100% of the amount of tax evaded; five successful cases for 1999-2000 (up to 11 February), with the average fine being the same as the amount of tax evaded. I would also like to tell Mr HO that taxpayers of eight cases were sentenced to imprisonment or suspended sentence, in addition to being fined.

PRESIDENT (in Cantonese): Last supplementary question.

MR LAU KONG-WAH (in Cantonese): *Madam President, I would like to follow up some figures cited by the Secretary. According to the Secretary, the IRD has, in a few consecutive years, set up three additional teams of staff. We can already see the effect achieved by the additional manpower provided in 1995-96. There was also an increase of manpower in 1996-97 and 1999. As I am not a member of the Establishment Subcommittee, I may not be able to understand it fully. My supplementary question concerns the apparent fact that the figure of 1998-99 has come to a halt and the conclusion thus drawn by the Secretary that there was no rising tendency. However, the Government has, on the other hand, provided the IRD with one more team of staff. In this connection, in what way will the marginal effectiveness be assessed? Has an expected target been set subsequent to the provision of an additional team of staff?*

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, Mr LAU has noticed that compared to 1997-98, the amount of tax recovered from tax evasion or avoidance in 1998-99 has not shown an obvious rising tendency. It was mainly because of the Asian financial turmoil in 1998-99. The economic recession has resulted in the fall of profits tax paid by corporations. This was reflected by the amount of evaded tax recovered. This has also explained why there seems to be no obvious rise in the amount of tax recovered.

Another part of the supplementary question asked by Mr LAU is whether we have set any target. The answer is in the affirmative. The target set by the Treasury for the IRD is that the Commissioner of Inland Revenue should recover \$100 million in evaded or avoided tax with the provision of one more team of staff.

PRESIDENT (in Cantonese): The question time shall end here.

WRITTEN ANSWERS TO QUESTIONS

Work of the Leisure and Cultural Services Department

7. **MR AMBROSE LAU** (in Chinese): *Madam President, regarding the work of the newly established Leisure and Cultural Services Department (LCSD), will the Government inform this Council of:*

- (a) *the policies and the specific measures formulated by the Department in the following areas:*
 - (i) *sports education for all;*
 - (ii) *sports elitist training;*
 - (iii) *soliciting support from the commercial and industrial community for cultural, leisure and sports activities; and*
 - (iv) *encouraging public participation in cultural, leisure and sports activities; and*

- (b) *the co-operation programmes and the exchange activities to be organized by the Department with the relevant organizations in the Mainland and overseas countries?*

SECRETARY FOR HOME AFFAIRS (in Chinese): Madam President, my replies to the Honourable Ambrose LAU's question are:

- (a) Since its establishment, the LCSD has been committed to improving its services and providing various recreational and sports facilities for the community, with a view to promoting the development of recreation and sport. Regarding the issues of sports education for all, elite athlete training, soliciting support from the commercial sector for cultural, leisure and sports activities as well as encouraging public participation in these activities, the relevant information is provided below:

(i) *Sports education for all*

By organizing a wide range of recreational and sports programmes, including learn-to-swim courses, Tai Chi courses and dance courses, the LCSD aims to fulfil the mission of promoting "Sport-For-All" so as to encourage people of different age groups from all walks of life to participate in recreation and sports activities.

Arrangements have been made by the LCSD for schools to use under-utilized recreational venues free of charge during off-peak hours. Joint efforts have been made by the LCSD, Education Department (ED) and the Hong Kong Schools Sports Federation to encourage schools to make use of the sports facilities managed by the LCSD, so as to promote student participation in sport.

(ii) *Sports elitist training*

The Hong Kong Sports Development Board (SDB) is responsible for the training of our top athletes. The aim is to cultivate the potential of our athletes and to train them for

participation in international competitions, thereby enhancing the status of Hong Kong in the international sports arena. Furthermore, the SDB will endeavour to work closely with the Sports Federation and Olympic Committee of Hong Kong, China (SF&OC) and the "national" sports associations (NSAs) to achieve this purpose.

(iii) *Soliciting support from commercial sector for cultural, leisure and sports activities*

The LCSD's main objective in seeking corporate sponsorship is to encourage the working population to participate in cultural, leisure and sports activities in their spare time. This arrangement is mutually beneficial as it helps to bring down the level of government subsidy to the minimum which at the same time enables sponsors to promote their business. The Corporate Games organized by the LCSD helps to enhance the team spirit of the participating organizations as well as promoting communication and a sense of belonging among staff from different units within the organizations. As far as cultural activities are concerned, the LCSD also presents many high-quality cultural programmes and has enhanced the provision of heritage and museum services through securing sponsorship and arranging joint presentations of a variety of programmes and exhibitions. For example, the recent exhibition on Telecommunications and the procurement of computer facilities in the Science Museum have been made possible with business sponsorship.

As regards sponsorship of events and programmes, the LCSD will invite the commercial sector to sponsor various cultural, leisure and sports activities in order to gain their support for and increase their participation in these programmes. Except for the tobacco industry, the LCSD's approach in seeking sponsorship is liberal and flexible, so long as the corporate image of individual sponsors is compatible with the programmes being organized. For example, when the sponsor pays more than half of the programme cost, consideration may be given to having the event named after the sponsor.

- (iv) *Encouraging public participation in recreational and sports activities*

The 18 District Leisure Services Offices under the LCSD organize regular training courses, competitions and other recreational and sports activities to encourage people of different age groups and needs (including senior citizens, people with a disability, and recipients of Comprehensive Social Security Assistance (CSSA), and so on) to develop the habit of doing exercise, thus contributing to the aim of "promoting exercise for all".

To promote public awareness of the need to actively participate in sport and physical exercises on a regular basis, the LCSD will, from April this year, launch a "Healthy Exercise for All" campaign to encourage the public to exercise and stay fit. Specially-designed fitness programmes will be organized for over-weight children, senior citizens and people with a disability. The programme, including a series of physical exercises and fitness related activities for different target groups, aims at arousing public awareness of the benefits of physical fitness and encouraging them to do exercise.

Moreover, the LCSD will form district sports teams in the 18 districts with a view to raising the standard of Hong Kong sports. Each district sports team will undergo systematic training in the venues of their respective districts and have opportunities to exchange skills by participating in competitions by age groups organized by the LCSD. This programme will not only foster a stronger sense of belonging to each district, but also help in the promotion of a sports "culture". Meanwhile, the LCSD will strengthen the co-operation with the SF&OC and the NSAs in organizing major sports events and programmes for public participation.

As for cultural activities, the LCSD has always endeavoured to provide balanced and diversified performing arts programmes to cater for the different expectations and tastes of various sectors of the community. It also puts special emphasis on the promotion of the arts amongst schools and communities. Tailor-made student performances on various artforms and workshops in schools are organized to arouse students' interest in the arts. At the community level, outreach arts activities are organized under the Cultural Ambassador Scheme at suitable locations such as parks, community centres, youth centres and centres for the elderly so that more people are exposed to the arts. In addition, a series of participatory activities and workshops are organized under the Mentor-of-Arts Scheme at the LCSD's town halls and civic centres to enable more public participation so as to enhance their interest in the arts. To attract wider participation in cultural activities from all walks of life, apart from setting ticket prices at generally affordable levels, there are Ticket Concessionary Schemes for full-time students, senior citizens, persons with a disability and CSSA recipients, and so on. Besides, a Group Booking Scheme has been implemented for bulk purchase of tickets by students and groups.

In addition, museums under the LCSD have all along been doing their best to provide state-of-the-art facilities and services to support community education and to promote knowledge and interest in the areas of visual art, history and culture, astronomy, science and technology. Apart from continuing to hold a wide range of regular programmes including guided exhibition tours, lectures, workshops, demonstrations, film shows, field trips, small-scale loan exhibitions, videotapes and CD-ROMs and so on, the LCSD is also actively pursuing the establishment of a new Art Promotion Unit. The Unit will further enhance the efforts in promoting, facilitating and co-operating with local artists so as to raise the awareness and appreciation of the arts among

the general public. The LCSD is also organizing a number of large-scale exhibitions, such as the Italian Classical Painting Exhibition, the Qing Imperial Banquet Exhibition, the 19th Century Japanese Art Exhibition (to be launched next year) and the Cultural Relics of the Great Wall Exhibition (to be launched next year). The aim is to attract as many visitors as possible so that the facilities and resources of the museums can be fully utilized by the general public.

Public libraries, on the other hand, are organizing large scale reading programmes each year to promote good reading habits. In addition, extension activities in the form of book exhibitions, interest clubs, subject talks and so on are organized regularly to introduce library services and facilities to members of the public, with the aim of encouraging them to make more effective use of library resources and information services. The LCSD has also in conjunction with the ED make arrangement for schools to register their students in groups for the purpose of issuing library cards, with a view to encouraging students to use the facilities and resources provided in public libraries.

- (b) The LCSD maintains close ties with relevant organizations on the Mainland and overseas. As regards recreational and sports activities, it will continue to work closely with local NSAs to support them to organize international sporting events in the Hong Kong Special Administrative Region, and to invite mainland and overseas organizations to participate in large scale recreational and sporting events here. Recent major events include the Standard Chartered Hong Kong Marathon, the Watson's Water Millennium Cup, the COSCO 2000 Olympics Table Tennis Asian Qualifying Tournament and the 15th Hong Kong International Golden Mile. The LCSD will also send teams to participate in overseas Master Games with the aim of sharing experience in organizing recreational and sports activities and strengthening the ties between Hong Kong and overseas organizations.

As far as cultural programmes are concerned, the LCSD will continue to identify and invite world-famous professional performing groups to put up performances and other activities in Hong Kong. Besides, the LCSD also encourages and helps local performing groups in giving joint presentations with performing artists from the Mainland and overseas through liaising with various international cultural organizations based in Hong Kong. This would be conducive to the exchange and development of the arts. The three Performing Companies (that is, Hong Kong Chinese Orchestra, Hong Kong Dance Company and Hong Kong Repertory Theatre) often invite artists from the Mainland and Taiwan to perform in Hong Kong as guest directors, choreographers, conductors and soloists. In return, the three Performing Companies also participate in their festivals for cultural exchange purposes. Furthermore, we will also exchange information with each other on organizing programmes as well as other cultural and related issues so as to keep abreast with the latest developments.

The LCSD also maintains a cordial relationship with major museums and other cultural organizations on the Mainland and overseas and organize with them large scale exhibitions in Hong Kong. This year the Department will organize jointly with the Japanese Ministry of Culture the 19th Century Japanese Art Exhibition. For next year, the Cultural Relics of the Great Wall Exhibition will be held in conjunction with the Capital Museum of Beijing. The Department will also join hands with the science museums in Japan, Korea and Thailand to develop conference computer interactive exhibits. The LCSD will also consider sending the artworks of local artists for exhibition overseas.

From time to time, the LCSD extends invitations to scholars and famous writers from the Mainland and overseas to attend large scale literary activities as guest speakers or adjudicators. These regular literary activities include the "Hong Kong Biennial Awards for Chinese Literature" and the "Hong Kong Literature Festival". The public libraries also co-operate with other cultural organizations on the Mainland, for example, the Beijing Library and the Shanghai Library, in organizing book exhibitions with an aim of promoting cultural exchanges between the two places.

Helping Business Awards Scheme

8. **MRS SELINA CHOW** (in Chinese): *Madam President, it is learnt that the Helping Business Awards Scheme organized by the Administration from April to July last year received favourable response; 147 civil servants from 40 government departments submitted a total of 116 proposals. In this connection, will the Government inform this Council whether it will consider launching a similar award scheme to invite civil servants to submit proposals on saving public expenditure; if so, of the details; if not, the reasons for that?*

SECRETARY FOR THE TREASURY (in Chinese): Madam President, the response to the 1999 Helping Business Awards Scheme organized by the Business and Services Promotion Unit was very encouraging. We received a total of 116 proposals from colleagues under three main categories, namely cutting red tape and eliminating over-regulation, transfer of public services to the private sector, and new and improved services in support of the business community. Many of these helping business proposals also have the effect of enhancing public sector productivity and resulting in savings in government expenditure. The Business and Services Promotion Unit is liaising with the departments concerned on the implementation of these proposals where feasible.

The Administration has a standing Staff Suggestions Scheme under which individual members or groups of civil servants are encouraged to put up suggestions that aimed at:

- (a) improving the efficiency and effectiveness of the Civil Service;
- (b) improving the quality of service to the public; and/or
- (c) achieving financial savings or gains in revenue.

The scheme operates on a departmental level for issues related to a department and on a central basis if the issues have service-wide implications. There were 1 371 suggestions in 1998-99 of which 351 were rewarded with a total amount of about \$360,000. We will continue to promote the scheme across the service.

We also provide incentives under the Enhanced Productivity Programme (EPP) for Controlling Officers to deliver productivity gains. To encourage an early start on the EPP, we offer Controlling Officers an "Efficiency Dividend" calculated at 10% of the productivity gains they deliver in 1999-2000. As a result, a total of the \$818 million productivity gains are achieved in 1999-2000; and 12 bureaux, 60 departments and 15 subvented organizations are awarded with an "Efficiency Dividend" in the form of additional recurrent expenditure in 2000-01 for them to improve their services.

Under the EPP initiative, there is also a "Save and Invest Account" scheme under which departments are awarded for spending less. Under the arrangement, up to half of a department's savings in its cash-limited departmental expenses budget in one fiscal year will be carried forward in a notional account of future years from which the department may draw to spend on one-off projects. These projects should be initiatives leading to productivity gains such as purchase of plant and equipment, investment in information technology or organizing training and cultural change workshops. Implementation of these projects should in turn lead to real savings in recurrent expenditure.

Enhanced productivity requires team effort and co-operation by management and staff at all levels. The "Efficiency Dividend" and the "Save and Invest Account" arrangements under EPP aim at providing encouragement and recognition at the corporate level. We will continue to encourage staff to put up proposals for greater efficiency under the existing Staff Suggestions Scheme.

Assisting Enterprises to Develop Business in the Mainland

9. **MR HUI CHEUNG-CHING** (in Chinese): *Madam President, in connection with assisting enterprises to develop their business in the Mainland, will the Government inform this Council:*

- (a) *of the numbers of meetings arranged respectively by the Trade Department and the Hong Kong Trade Development Council (TDC) during the past three years for Hong Kong businessmen and mainland officials to discuss matters concerning legislation, taxation and so on in the Mainland; and the matters discussed as well as the outcome of each meeting;*

- (b) *of the numbers of conferences on investment policies and trade, as well as trade missions for foreign enterprises based in Hong Kong, that had been arranged respectively by the Industry Department and the TDC in collaboration with the central and local organizations in the Mainland over the past three years; the number of projects for developing business and making investments in the Mainland by the enterprises concerned, which were finalized through such promotional efforts, and the industries and investment amounts involved in those projects; and*
- (c) *in view of the imminent accession of China to the World Trade Organization, whether the Industry Department and the TDC have formulated specific plans to encourage foreign enterprises which are based in Hong Kong to develop their business in the Mainland in the coming year; if so, of the details of them?*

SECRETARY FOR TRADE AND INDUSTRY (in Chinese): Madam President,

- (a) In view of the increasing trade and business activities of Hong Kong businessmen on the Mainland, the Trade Department and the TDC conduct regular exchanges with the mainland authorities concerned on mainland policies and measures which have wide-ranging implications for Hong Kong businessmen. They also arrange direct discussion between Hong Kong businessmen and mainland officials on issues of concern.

Over the past three years, the TDC alone has organized at least 24 seminars where senior officials from the relevant mainland authorities were invited to brief our businessmen directly on the latest mainland economic, trade and investment policies, including legislation and measures on taxation, import and export trade and so on. Through these meetings and discussions, Hong Kong businessmen can reflect their views and suggestions to the mainland authorities, so that mainland officials can take them into account in improving the trade policies and measures concerned.

The Trade Department has also organized, directly or indirectly, meetings between Hong Kong businessmen and mainland officials on matters of mutual concern. For example, in the case of the Mainland's policy on the categorization of processing trade enterprises, which has far-reaching impact on Hong Kong businessmen with operations on the Mainland, the Trade Department organized a seminar ("New Measures on Processing Trade in the Mainland") in Hong Kong last September and invited a delegation headed by Mr GAO Hucheng, Assistant Minister of the Ministry of Foreign Trade and Economic Co-operation (MOFTEC), to brief our businessmen on the relevant arrangements at the seminar. Similarly, the TDC organized six briefings and seminars on the new policy. All these functions were well received by the industry. The fine-tuning of the categorization policy by the Central Government earlier this year suggests that the mainland authorities attach importance to the opinions of Hong Kong businessmen and that the seminars have become an important channel of communication between both sides.

- (b) Every year, the Industry Department organizes a large-scale trade mission for foreign enterprises to gain first-hand knowledge of the business environment in Hong Kong. Over the past three year, it has taken two such trade missions to visit the Mainland. Of the foreign enterprises making investment in Hong Kong with the assistance of the Industry Department, over 30 have developed business in the Mainland in areas such as import trade, electronics, machinery and plastics and so on. As these enterprises are not required to notify the SAR Government of the amount of their investment made, information on the investment value is not available.

Over the past three years, the TDC has organized more than 100 conferences on investment policies and trade in collaboration with the central and local governments of the Mainland, as well as over 50 trade missions to the Mainland for Hong Kong businessmen. Given the time gap between contact making and the clinching of a deal, the number of investment projects concluded as well as the investment amounts involved as recorded by the TDC at such trade conferences may not reveal the full extent of the investment flows.

For this reason, the following figures are for reference only:

- At the Beijing - Hong Kong Economic Co-operation Symposium held in Beijing in October 1999, a total of 38 joint venture items involving US\$540 million fund were concluded on the spot.
 - At the China Investment Symposium co-hosted by the TDC and the MOFTEC in Hong Kong in 1999, a total of 282 joint venture items involving US\$24.45 billion fund were concluded.
- (c) In promoting inward investment, the Industry Department and the TDC have all along been emphasizing the favourable position Hong Kong commands in entering the mainland market and managing business operation there. Foreign enterprises are encouraged to use Hong Kong as a base to launch businesses in the Mainland either as sole proprietors or in the form of joint ventures. Along this theme, the Industry Department and the TDC are now actively promoting Hong Kong as the launch pad for establishing a presence in the mainland market and the best place to capitalize on the vast business opportunities to be brought about by China's accession to the World Trade Organization (WTO).

The year, the Industry Department's One-Stop Unit and Overseas Investment Promotion Unit will conduct about 1 600 company interviews with overseas enterprises to promote Hong Kong. The Department's quarterly newsletter, *HK Works* will also feature Hong Kong as the gateway to investment in China in its first issue in 2000, thus promoting the benefits of choosing Hong Kong as the base to develop business on the Mainland to over 6 000 foreign investors.

The TDC has also drawn up a full range of overseas marketing activities, such as conferences and seminars on the Hong Kong economy, media publicity and advertising, to highlight the tremendous business opportunities to be brought about by China's accession to the WTO, and to promote the favourable position of Hong Kong as a base for seeking anchorage in the mainland market.

The TDC is also actively organizing major promotional events in the key cities in the Mainland to promote Hong Kong goods and services, thus creating opportunities for mutual business co-operation.

In addition, to help Hong Kong companies, including locally-registered foreign companies, capitalize on the business opportunities brought about by China's accession to the WTO, the TDC has set up a working group to study the related issues. The working group will publish research reports on the possible impact of China's accession to the WTO and advise Hong Kong businessmen on how to strengthen their competitiveness by way of upgrading their services correspondingly.

Abuse of Elderly People

10. **MR FRED LI** (in Chinese): *Madam President, will the Government inform this Council:*

- (a) *of the number of reported cases received last year in which elderly people were allegedly abused;*
- (b) *of the respective definitions of "acts of abusing elderly people" adopted by the government departments concerned, and whether working guidelines on this subject have been issued to front-line staff by the departments concerned; if they have been issued, of the details; if not, whether it will consider doing so;*
- (c) *whether it will consider conducting regular statistical surveys on the gravity of the problem of elderly people being abused; if it will not, of the reasons; and*
- (d) *whether it has plans to introduce legislation to prohibit the act of abusing elderly people and to penalize the abusers; if it has such plans, of the specific timetable; if not, of the reasons for that?*

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

- (a) A preliminary survey conducted by the Social Welfare Department (SWD) and some non-government organizations over a 12-month period ending September 1999 reported a total of 97 elder abuse cases.
- (b) There is no universal definition of elder abuse. The definition varies from one country to another in terms of what constitutes abuse, neglect, or exploitation of the elderly. In Hong Kong, it is generally agreed amongst the government departments concerned that elder abuse refers to any action or behaviour by someone in a position of trust which causes harm to an elder, usually in the following aspects:
 - (i) Physical abuse – any act of physical assault, such as slapping, pushing, kicking, punching or any injury with an object or weapon leading to pain or injury. Acts of physical abuse also include intentional administration or omission of medication, which could impair the health of elderly persons or make them apathetic or dietary deficient.
 - (ii) Psychological abuse – any act which may diminish the sense of identity, dignity or self-worth of the elderly persons. Such acts include verbal aggression, humiliation, isolation, intimidation, threats, deprivation of affection or social relations, inappropriate control of activities.
 - (iii) Financial abuse – any act which involves the misuse of an elderly person's funds, properties and assets. Such acts include obtaining money or property without the person's knowledge or consent or by using undue influence, or in the case of a person who is not mentally competent, not acting in his/her best interests.

- (iv) Sexual abuse – any act which involves unwanted or forcible touching/activity of a sexual nature or a situation in which an elderly person with physical and mental disabilities submits to sexual activity without consent. Such acts include sexual assault and harassment.
- (v) Neglect – intentional or unintentional failure or refusal to provide for the basic needs (for example, food, water, shelter, heat, clothing, hygiene, safety) and abandonment of an elderly person. Unintentional neglect refers to situations resulting from lack of experience, information or capability.

With training and experience in providing assistance to the elderly, professional and front-line staff in contact with the elderly are generally aware of the signs and symptoms of elder abuse and able to handle cases notified. To further sensitize our front-line staff to the issue, the Administration will consider preparing operational guidelines for issue to staff of the concerned departments. Such guidelines will enable them to become more vigilant of elder abuse cases.

- (c) Overseas experience has shown that the true incidence or prevalence of elder abuse is most difficult to ascertain as, in many instances, these are internal family problems about which the elders often refuse to discuss. Even in countries where there is already a reporting system, the problem is always grossly under-reported as it is still largely hidden under the shroud of family privacy. Regular statistical surveys on the problem will therefore be of very limited use. Nevertheless, we are considering other methods to obtain a better understanding into the issue.
- (d) Different countries have adopted different approaches as to whether to enact specific legislation to deal with the issue. International experiences so far show that, for reasons explained in (b) above, it is not practicable to legislate to prohibit acts of elder abuse, and in many cases, to penalize the abusers. Research reveals that, in some countries such as Australia and England, there is no specific legislation on elder abuse. They rely on other legislations to provide the necessary legislative protection but place emphasis on

other measures, such as public education and enhanced training for professional and front-line staff giving care to the frail elderly, and so on. In Hong Kong, existing legislation, such as the Crimes Ordinance (Cap. 200) and the Offences Against the Person Ordinance (Cap. 212) can be used to prosecute anyone who has committed an act of abuse against an older person such as battery, assault, theft, fraud, rape, and so on. As this subject is complex and multi-dimensional, the Administration will give careful thought on how best it should be addressed and relevant government bureaux/departments and other parties will be involved or consulted in the process.

Updating of Voter Register

11. **MR LEE WING-TAT** (in Chinese): *Madam President, in order to compile the 1999 Geographic Constituencies Voter Register, the Administration had conducted a vetting exercise on cases in respect of which poll cards for the first Legislative Council Election were undeliverable. However, 13 900 cases were excluded from that vetting exercise; most of these cases involved voters residing in remote rural areas outside the Post Office's delivery zone or served by communal post boxes. In this connection, will the Government inform this Council whether, in the current voter registration campaign conducted in the form of large scale household visits, these voters were visited at their registered addresses so as to confirm that they are still residing there, so that the voter register can be updated more accurately; if not, of the reasons for that?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Chinese): Madam President, my response to the question is as follows:

The household visits currently conducted as part of our voter registration drive for the 2000 Legislative Council Election is intended to cover all the 2 million households in the territory, with a view to encouraging new and eligible electors to get registered and to helping registered electors to verify their registered particulars, such as residential addresses, on the electoral roll. The 13 900 cases which the Honourable Member mentions have not been excluded from this exercise.

If any of them are not found to be residing at their registered addresses during the household visits, the Electoral Registration Officer (ERO) will conduct a vetting exercise on them after the close of the voter registration drive in mid-March. Thereafter, the ERO will make inquiries with the persons concerned by registered post as required by law. The next voter register and omissions list will be published in mid-April 2000. However, time will not permit the results of inquiries in respect of the 13 900 cases to be included in the 2000 register. The relevant results will, however, be reflected in the voter register or the omissions list to be published in 2001.

Increasing Deaths due to Respiratory System Diseases

12. **MR LAW CHI-KWONG** (in Chinese): *Madam President, as air pollution in Hong Kong is worsening, the percentage of the annual number of deaths due to respiratory system diseases in the total number of deaths in the same year rose gradually from 15.8% in 1981 to 20.2% in 1997. In this connection, will the Government inform this Council:*

- (a) *of the total number of hospitalization days of patients of respiratory system diseases, including asthma, bronchitis, pulmonary emphysema and lung cancer, in each of the past five years, and the year-on-year increases in public health care expenditure so incurred;*
- (b) *of the measures adopted to alleviate the impact of air pollution on the health of vulnerable persons such as children, the elderly and people suffering from asthma; and*
- (c) *whether it will consider organizing civic education activities such as "Fresh Air Week" or "No Driving Day" to bring home to the public the message that reducing air pollution is a responsibility for everyone?*

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

- (a) The total number of hospitalization days of patients of respiratory system diseases, including asthma, bronchitis, pulmonary emphysema and lung cancer, in each of the past four years, and the year-on-year increases in public health care expenditure so incurred are provided below:

<i>Year</i>	<i>Patient Days</i>	<i>Increase of Patient Days</i>	<i>Estimated Expenditure (HK\$'M)</i>	<i>Increase of Expenditure</i>
1995	N/A	N/A	N/A	N/A
(Note 1)				
1996	802 385	N/A	2,687	N/A
1997	822 382	2.5%	2,863	6.6%
1998	930 784	13.2%	3,381	18.1%
1999	994 612	6.9%	3,602	6.5%
(Note 2)				

Note 1: The number of patient days for 1995 is not readily available as the implementation of the discharge diagnosis coding system was still in progress in some Hospital Authority hospitals.

Note 2: The number of patient days for 1999 is annualized by six months' data.

- (b) Measures aimed at reducing both general and street-level air pollution are being implemented. Such measures are equally effective in protecting the health of both the population at large and vulnerable groups such as children, the elderly and people suffering from asthma. Over the last decade controls have been tightened on emissions from all sources. The Administration is also implementing a wide range of measures to reduce the environmental impacts of our transport system. The various measures are set out at Annex.

Other measures taken to alleviate the impact of air pollution on vulnerable individuals would be for people with illness which could be aggravated by air pollution to seek early advice from medical practitioners. During medical consultation, doctors and health professionals make reference to the Air Pollution Index issued by the Environmental Protection Department (EPD) and give appropriate advice to patients, especially those with respiratory and cardiovascular diseases, to avoid prolonged stay in areas with heavy traffic and reduce physical exertion, so as to minimize the harmful effects of air pollution. Effective control of the underlying condition in people suffering from asthma will also be able to alleviate the impact of air pollution on these individuals.

- (c) Civic education activities on air pollution are organized from time to time by the EPD or in conjunction with the Environmental Campaign Committee (ECC). Regular educational events such as seminars and exhibitions are conducted to promote the civic responsibility of each and every citizen in reducing air pollution. For example, a "Clean Air Festival" and a series of educational workshops for teachers, school children and community groups were held as component activities of the World Environment Day in 1999. Road shows on the environmental performance of liquefied petroleum gas (LPG) taxis have also been conducted during the Environmental Protection Festival last year. Meanwhile, as part of the activities to commemorate the World Environment Day on 5 June 2000, the ECC also plans to organize an event which aims to encourage motorists to stop driving their private cars for a day.

Annex

Measures being taken to reduce air pollution 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 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 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 on to 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;

- (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.

Provision of Low-rental Exhibition Venues and Studios to Artists

13. **MR BERNARD CHAN** (in Chinese): *Madam President, regarding the provision of low-rental exhibition venues and studios to artists, will the Government inform this Council:*

- (a) *of the current monthly rent per square foot for the former Cheung Sha Wan Abattoir; the criteria adopted for determining the rental level of such premises, and how the rent compares to that of the neighbouring government factory estates; whether the Administration will consider lowering the rent for such premises;*

- (b) *whether it will take measures to provide more exhibition venues and studios to artists; and*
- (c) *whether it will consider requiring property developers to allocate a certain proportion of floor areas in buildings completed in future for displaying works of art, so as to provide more opportunities for the public to appreciate such works?*

SECRETARY FOR HOME AFFAIRS (in Chinese): Madam President, my replies to Honourable Bernard CHAN's questions are:

- (a) The Government Property Agency (GPA) has provided the former Cheung Sha Wan Abattoir for use by artists as the rent free period before they could move into the former Ma Tau Kok Quarantine Depot which is now being converted and will then be leased to the artists. These artists are exempt from paying rent for using the Abattoir space but has to bear daily expenses such as electricity charges and miscellaneous expenses.
- (b) The Home Affairs Bureau (HAB) and its Leisure and Cultural Services Department (LCSD) provide artists in Hong Kong with more exhibition venues and workshops through the following measures:

The HAB and other government departments (such as the GPA and the Lands Department) work together to identify vacant government premises pending redevelopment for short-term use as studios and rehearsal rooms for artists and arts groups. The Government has leased seven vacant flats at Oil Street and Portland Street in Yau Ma Tei on short-term tenancy agreements to the Hong Kong Arts Development Council (ADC), of which six are leased to artists/arts groups for use as temporary workshops while the remaining one is allocated to the ADC for use as temporary exhibition venue.

Besides, the HAB is making concerted efforts with the ADC and the GPA to launch a project to display the works of local artists at Queensway Government Offices (QGO). The HAB will consider holding such similar functions at other appropriate government premises.

For the LCSD, the following measures have been taken:

- (i) in order to support the development of the arts, the Department's museums such as the Hong Kong Museum of Art, the Hong Kong Heritage Museum and the Hong Kong Visual Arts Centre plan and organize local arts exhibitions and competitions as well as acquire and commission art works for display in museums;
- (ii) the Hong Kong Visual Arts Centre and various civic centres provide artists with rental subsidies for leasing exhibition venues and studios; and
- (iii) organizing various arts activities (including displays of the works of local artists in civic centres) on a regular basis and promoting different arts development schemes such as the Public Art Scheme (commissioning local artists through open competition for display of works of arts at public places), the Best of Visual Arts Scheme and the Artists-in-Residence Scheme (providing artists with rent-free venues and funding support for organizing exhibitions and other activities).

Apart from the aforesaid museums and civic centres, it is anticipated that the Yuen Long Theatre and the Hong Kong Central Library, which will be completed within the year, will also provide new exhibition venues for rent by artists and other members of the public.

- (c) Generally speaking, land leases for commercial properties do not prohibit developers from allocating floor areas for displaying works of art. The provision of space for art display is at the discretion of the developer. It would not be appropriate for the Government to impose such a requirement in the lease conditions.

Tendering Procedure for Contracts of Different Values

14. **MR NG LEUNG-SING** (in Chinese): *Madam President, Hong Kong is a signatory to the Agreement on Government Procurement of the World Trade Organization (the Agreement). Under the Agreement, government procurement should be conducted in accordance with the criteria and procedure laid down in the Agreement when the values of the goods, services or construction contracts to be procured exceed the specified limits, including not giving any preferential treatment to local suppliers. In this connection, will the Government inform this Council:*

- (a) of the similarities and differences in its practices in conducting procurement covered and not covered by the Agreement, and the reasons for such differences;*
- (b) whether it knows if other signatories to the Agreement accord the same treatment to both local and non-local suppliers in conducting procurement not covered by the Agreement; if there is a difference in treatment, of the details; and*
- (c) whether it will consider giving priority to local suppliers in inviting bids for procurement not covered by the Agreement; if not, of the rationale for that?*

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

- (a) The procurement activities of the Government of the Hong Kong Special Administrative Region can be, in general, divided into three categories. First, for goods and services contracts not exceeding a value of \$1.3 million and construction contracts not exceeding a value of \$3 million, the procuring department needs only to secure an adequate number of quotations from qualified suppliers/contractors for reference. It may then procure from the supplier offering the bid with the best value for money. These low value purchases have comparatively simple procedures and are not bound by the Agreement. However, procuring departments still have to adhere to the fundamental procurement principles of openness, fairness and value for money.

Secondly, for goods or services contracts with a value exceeding \$1.3 million or construction contracts with a value exceeding \$3 million, departments have to conduct procurement through tender procedures. The tender procedures are based on the following principles: open and fair competition, transparency and value for money. For example, the procuring department must set out in detail the specifications of the goods or services required in the tender document, and publish a tender notice on the Gazette to provide succinct information of the tender and methods of obtaining the tender documents. The normal tender period is at least 21 days. All qualified suppliers (including local and overseas) may submit a tender, and the result of the tender exercise will also be published on the Gazette.

Lastly, for goods or services contracts at or above the value of HK\$1,371,000 (130,000 Special Drawing Rights (SDR)) or construction contracts at or above the value of HK\$52,741,000 (5,000,000 SDR), the procurement procedures are subject also to the provisions of the Agreement. These include a normal tender period of not less than 40 days. Moreover, according to the Agreement, tenderers may make a challenge against alleged breaches of the Agreement to the Review Body on Bid Challenges (under the Agreement).

- (b) Since the parties to the Agreement are not required to make available information on procurements not covered by the Agreement, we do not know if other signatories accord the same treatment to local and overseas suppliers for procurements not covered by the Agreement.
- (c) Government procurements should adhere to the basic principles, that is, achieving best value for money and maintaining open and fair competition. Giving priority to local suppliers in procurement activities not covered by the Agreement does not conform to these basic principles and will therefore not be considered by the Government.

Provision of Medical Services during Public Holidays

15. **MR LEUNG YIU-CHUNG** (in Chinese): *Madam President, it was reported that during the last Lunar New Year holidays, the number of attendances at the accident and emergency (A&E) departments of public hospitals was higher than that on normal days, and that some of the private medical practitioners who maintained consultation services during this period raised their consultation fees drastically. In this connection, will the Government inform this Council whether:*

- (a) it knows if the Hospital Authority (HA) had deployed additional medical and nursing staff to the A&E departments of public hospitals during that period, and if the number of medical and nursing staff who served at these A&E departments were sufficient to meet the increased demand; and*
- (b) it has plans to regulate the level of consultation fees charged by private medical practitioners during public holidays, if it has such plans, of the details; if not, of the measures to prevent private medical practitioners from overcharging consultation fees during public holidays?*

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

- (a) In anticipation of the increase in attendance during the last Lunar New Year holidays, particularly during the last two days of the public holidays, the HA had deployed additional medical and nursing staff to cover the busy hours of the A&E departments. On 6 and 7 February when large increase in A&E attendance was recorded, the HA had increased the staff strength in terms of total man-hours by 7% for medical staff, and 4% and 7% for nursing staff on these two days respectively. Moreover, two general outpatient clinics in Our Lady of Maryknoll and Yan Chai Hospital had operated special sessions during the holidays to cope with the demand.

Despite the increase in A&E attendance during the holidays, which was 19% higher than the average daily attendance in January 2000, the A&E departments could meet the target waiting time for the Categories I and II cases (that is, 100% critical cases at zero waiting time and 95% emergency cases with waiting time of less than 15 minutes). For Category III cases, that is, urgent cases, only 87% instead of the target of 90%, is able to achieve the waiting time of less than 30 minutes. Some patients who were triaged as non-urgent, particularly those who attended the busiest A&E departments, had to wait longer than the target waiting time.

- (b) The Hong Kong Medical Association and the Consumer Council have promulgated a set of "Patients' Rights and Obligations", stating that patients have the right to know the fees and charges prior to consultation and undergoing any examination and procedure. Members of the public may require providers of service to provide them with the fees and charges for reference before using the service. Hong Kong being a free market economy, the level of fees charged by a private practitioner is determined by market factors. There are no plans to regulate the level of consultation fees.

Apart from seeking the service of private medical practitioners, members of the public requiring medical services during public holidays can also go to the Department of Health's public holiday clinics and A&E departments of the 15 HA hospitals if necessary. The HA is also planning to implement a pilot scheme to let out premises near the A&E departments to private practitioners for providing general outpatient services to patients patronizing A&E departments.

"Blind Spots" of Mobile Phone Reception along Airport Express

16. **MR HOWARD YOUNG** (in Chinese): *Madam President, will the Government inform this Council whether it knows if the various mobile phone services operators have conducted any mobile phone signal reception tests along the Airport Express; if they have, of the results of the tests and the locations identified as blind spots; and if they have not, whether the authorities concerned will request the operators to conduct such tests and publish the results?*

SECRETARY FOR INFORMATION TECHNOLOGY AND BROADCASTING (in Chinese): Madam President, in May 1999, the Mass Transit Railway Corporation (MTRC) had completed the installation of an integrated radio system for the transmission and reception of signals along the Airport Express railway for all mobile phone services operated by the six licensed mobile network operators. In the commissioning tests of the system, the mobile network operators and the MTRC have jointly measured the performance of the system along the railway. It was found that the strength of radio signals at a few segments, for example, Pak Mong and areas between Yam O and Sham Shui Kok, was marginal and mobile phone users might occasionally experience dropping of calls in progress.

In recognition of the problem, the MTRC has already started the improvement work in November 1999. The installation of additional base stations along the Airport Express is in progress in order to strengthen the radio coverage in the weak areas and improve the mobile phone services at these locations. All the improvement work will be progressively completed in the first two quarters of this year. The improved system will be able to provide reliable services to mobile phone users along the entire Airport Express. The Office of the Telecommunications Authority will monitor the progress.

Insufficient Treatment Capacity of Shatin Sewage Treatment Works

17. **DR RAYMOND HO** (in Chinese): *Madam President, it was reported that, owing to insufficient sewage treatment capacity, the Shatin Sewage Treatment Works (STSTW) has been intermittently discharging sewage with pollutants level exceeding the stipulated permissible limits (substandard sewage) since 1996, resulting in the deterioration of the water quality of the Victoria Harbour. To address the problem, the Administration planned to expand the Treatment Works and Phase I of the project was expected to be completed in four years' time. In this connection, will the Government inform this Council:*

- (a) *of the point in time it became aware that the sewage treatment capacity of the Treatment Works was insufficient to meet the demand;*

- (b) *whether it has assessed the cumulative amount of substandard sewage discharged to the Victoria Harbour by the Treatment Works since 1996;*
- (c) *of the remedial measures in place to solve the water pollution problem of the Victoria Harbour; and*
- (d) *of the measures it will put in place, before the completion of the expansion project, to prevent the Treatment Works from discharging substandard sewage and to reduce the impact of those sewage on the environment?*

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

- (a) The Drainage Services Department first knew about the capacity problem in late 1995 when they started experiencing difficulties in meeting discharge standard on effluent. Investigative studies have been undertaken to prepare for upgrading the plant. The detailed design for the upgrading works is near completion and we plan to seek approval for funding from the Legislative Council this Session.
- (b) Under the licence conditions, there are three parameters in the discharge standard, namely Biochemical Oxygen Demand (BOD), Total Nitrogen (TN), and Total Suspended Solids (TSS). The total quantity of effluent that had not met either one or more of the parameters in the discharge standard discharged into Victoria Harbour from the STSTW during the period 1996 to 1999 was about 58 million cu m which is 2.6% of the total amount of effluent discharged into Victoria Harbour. The Drainage Services Department has explored various means to ameliorate the situation and there has been noticeable improvement since August 1998.
- (c) The impact due to the effluent discharged from the STSTW on the water quality of Victoria Harbour is low relative to the total pollution load on the harbour. The total TSS and TN loading from the treated effluent of the STSTW represent only 2% and 7% respectively of the total loading going into Victoria Harbour. As

regards the overall improvement of the water quality in Victoria Harbour, this is being tackled through the implementation of a number of other projects, including the Strategic Sewage Disposal Scheme, and the planned upgrading of the STSTW.

- (d) To deal with the current problem of high TSS in the effluent, various operational techniques are being carried out to achieve the required effluent quality as far as possible. They include the replacement of inlet screens, the balancing of flow at peak hours, installation and upgrading of sludge removal equipment to increase the sludge treatment capacity, and installation of pumps to remove foam from the aeration tanks. Further techniques are being investigated to enhance the plant efficiency and, hence, the effluent quality. These measures include the addition of anti-foaming agents, construction of baffle walls in the final sedimentation tanks, and enhancement of the handling capacity of the activated sludge thickening system.

Review of Legislation to Counter Computer-related Crimes

18. **DR DAVID LI:** *Madam President, it is noted that the number of computer-related crime reported to the police increased from 34 in 1998 to 228 in 1999. In this connection, will the Government inform this Council of its timetable for amending the relevant existing legislation to meet the need of our rapidly advancing information technology-based society?*

SECRETARY FOR SECURITY: Madam President, the Administration takes a serious view of tremendous growth in computer-related crime and has closely monitored the situation. An inter-departmental working group, chaired by the Security Bureau and comprising representatives of the Information Technology and Broadcasting Bureau, Department of Justice, law enforcement agencies and other concerned bureaux/departments will be set up in March 2000 to examine the existing legislation catering for computer-related crime. It will identify law-enforcement problems arising from the unique nature of computer-related crime (for example, speed with which such crime is committed and the difficulty in tracing the identity of the perpetrator), and study the need for additional legislation. It will also examine international trends in computer-related crime

and measures to counter them. It is expected that the working group will complete its deliberations and draw up its recommendations in about six months' time.

Impact of Wireless Communication Transmitters on Human Health

19. **MR SIN CHUNG-KAI** (in Chinese): *Madam President, will the Government inform this Council whether:*

- (a) *it has statistics on the numbers of radiocommunication service transponders and satellite television receivers currently installed within or on the rooftops of buildings; if so, of the respective numbers of different types of equipment installed, and a breakdown of these figures by category of buildings (according to land use); and*
- (b) *it has conducted any study on the impact of electromagnetic waves emitted by these equipment on human health and medical equipment with electronic components; if so, of the findings of the study; whether it knows if similar studies have been carried out in other countries; if so, of the findings of the studies?*

SECRETARY FOR INFORMATION TECHNOLOGY AND BROADCASTING (in Chinese): Madam President,

- (a) The numbers of radiocommunication transmitters and satellite television receivers currently installed on the rooftops of buildings are:

<i>Public radio paging transmitter</i>	<i>Private mobile radio base station</i>	<i>Digital public mobile telephone base station</i>	<i>Personal Communication</i>		
			<i>Service mobile telephone base station</i>	<i>Trunked radio base station</i>	<i>Satellite television receiver</i>
4 887	2 818	4 197	4 135	862	1 760

Telecommunications licensees are not required to state the categories of buildings when they apply to the Office of the Telecommunications Authority (OFTA) for licences to install radiocommunication transmitters and satellite television receivers. As such, the OFTA does not have a breakdown of the respective numbers of the above types of equipment installed in different categories of buildings.

- (b) The major impact of electromagnetic wave on human health is radiation effect and that on medical equipment with electronic components is interference. The Government has not conducted any independent study on these matters. However, as shown in a number of overseas authoritative study reports, there are so far no evidence that low-level radiation at radio frequencies (for example, electromagnetic wave emitted by the above-mentioned radiocommunication service transponders) will bring about any adverse impact on human health. The Government will continue to closely monitor the findings and recommendations of the studies conducted by the World Health Organization and other institutions/countries on the safety of radio frequency radiation.

Based on the International Radiation Protection Association Guidelines, the OFTA has prepared a Code of Practice which specifies the limits on the non-ionizing radiation and other installation requirements related to radiation hazard protection for establishing radio base stations in Hong Kong.

Whether electromagnetic wave emitted by radiocommunication service transponders may cause interference with electronic devices, including medical equipment with electronic components, would depend on a number of factors, such as, the frequency of the electromagnetic wave, the output power of the transponder, the distance and orientation between the transponder and the relevant equipment, the receiving sensitivity of the equipment and so on. In general, if the distance between the transponder and the relevant equipment is in the order of a few metres or above, it would be unlikely for the operation of equipment to be affected.

Lastly, satellite television receivers do not emit electromagnetic wave. They therefore do not have adverse impact on human health and medical equipment with electronic components.

Review on Operation of the Insurance Claims Complaints Bureau

20. **MR CHEUNG MAN-KWONG** (in Chinese): *Madam President, in November last year, an insurance company which was dissatisfied with the adjudication of the Insurance Claims Complaints Bureau (ICCB) on an insurance policy's compensation claim, applied to the High Court for judicial review and won the case. In this connection, will the Government inform this Council whether:*

- (a) it knows the criteria adopted by the ICCB for determining if a complaint lodged by an insurance policyholder is substantiated; whether such criteria have spelt out if the literal interpretation of the terms in a policy or the judgment made by common sense should prevail in the event of discrepancy between the two; whether the ICCB has amended such criteria in the light of the Court's ruling; if it has, of the details;*
- (b) it knows if the ICCB has plans to amend its rules and regulations or adopt other measures to prevent insurance companies from overturning, by means of judicial review, the ICCB's adjudication on insurance compensation claims made against them;*
- (c) the ICCB is an organization exercising public functions under the auspices of the Government; and*
- (d) the Administration will conduct a review on the operations and structure of the ICCB to ensure that the interests of insurance policyholders are duly protected?*

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

- (a) The ICCB is set up as a company limited by guarantee with the objective, *inter alia*, of receiving complaints relating to claims made in connection with or arising out of personal insurance contracts with any members and to facilitate the satisfaction, settlement or withdrawal of such complaints disputes or claims whether by the making of awards or by such other means as shall seem expedient.

The Administration has been informed that the ICCB, in adjudicating claims disputes between a policyholder and the insurer concerned, the Bureau will consider the relevant policy, general principles of good insurance practices, any applicable rule of law or judicial authority, and any codes and guidelines issued from time to time by the Hong Kong Federation of Insurers or the ICCB. At present, where there is inconsistency between the interpretation of the terms of the insurance contract and the general principles of good insurance practices, the Bureau would take a view on which one should prevail. The ICCB is now reviewing the matter with a view to amending its Articles of Association to specify clearly that in adjudicating complaint cases where there is any such inconsistency, the general principles of good insurance practices shall prevail.

- (b) We have gathered that the ICCB seeks to spell out clearly in its Articles of Association that decisions of the ICCB shall be final and binding on its members. The ICCB considers that such changes should be able to reduce the chance for its members to take the bureau's adjudication on insurance compensation claims made against them to the Court for judicial review.
- (c) As explained in the reply to question (a) above, the ICCB is a company set up by the insurance industry voluntarily to assist policy holders in resolving claims disputes with insurers in respect of their personal insurance policies. According to the judgment of the court case mentioned by the Honourable CHEUNG Man-kwong, the judge considers that the Bureau "has at all material times carried out a public function of conciliation and arbitration". The ICCB is however not an organization under the regulation of the Government.

- (d) The effective operation of the self-regulatory system of the insurance industry is vital to the protection of policyholders' interests, and that the ICCB is an important part of this self-regulatory system. Hence, the Government attaches much importance to the operation of the ICCB. We will closely monitor and review the operations of the ICCB after it has amended its Article of Association and enhanced the transparency of its operation, to ensure that the policyholders' interests are duly protected.

BILLS

First Reading of Bills

PRESIDENT (in Cantonese): Bills: First Reading.

ROAD TRAFFIC LEGISLATION (AMENDMENT) BILL 2000

EMPLOYEES' COMPENSATION (AMENDMENT) (NO. 2) BILL 2000

CLERK (in Cantonese): Road Traffic Legislation (Amendment) Bill 2000
Employees' Compensation (Amendment) (No. 2) 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.

ROAD TRAFFIC LEGISLATION (AMENDMENT) BILL 2000

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, I move the Second Reading of the Road Traffic Legislation (Amendment) Bill 2000.

The Bill seeks to amend the Road Traffic Ordinance (Cap. 374), Road Traffic (Driving-offence Points) Ordinance (Cap. 375), Fixed Penalty (Criminal Proceedings) Ordinance (Cap. 240) and other related ordinances to increase the penalties for serious speeding offences.

Speeding remained one of the major moving offences in Hong Kong in the past few years. For the two years between 1997 and 1999, the police on average issued 185 000 fixed penalty tickets annually for speeding offences, representing 40% of the total number of cases in which fixed penalty tickets were issued for moving offences in the year. Besides, there were over 1 000 traffic accidents related to speeding in the past three years, with a casualty toll of more than 1 600. To protect the safety of drivers, passengers and pedestrians, it is necessary to impose speed limits on vehicles driving on roads. A three-tier system is adopted in Hong Kong. In general, the standard speed limit for roads in built-up areas on Hong Kong Island, in Kowloon and the New Territories is 50 km/h, 70 or 80 km/h for areas outside urban or new town built-up areas, and 100 km/h for high standard expressways. The speed limits on roads will be regularly reviewed in the light of the practical circumstances. Relaxation will only be recommended if it will not compromise road safety.

In reviewing the speed limits on roads, the Government will carry out a detailed examination of the road sections concerned and consider, among other things, the design speed of the road section, the accident history of the road section, and the road surface characteristics in order to avoid frequent changes in the speed limits. Last year, the Government completed the review of speed limits on some 40 major road sections, and the speed limits on 18 of them have been relaxed in stages since March last year. The review of speed limits is an ongoing exercise given constant changes in road surface conditions and traffic flow. It is impractical for anyone to suggest that heavier penalties for speeders can be considered only after the completion of the review of the speed limits on all road sections. On the review of speed limits and the imposition of heavier penalties for speeding, the Government has held detailed and thorough discussions with the Legislative Council Panel on Transport, the Transport Advisory Committee, the Road Safety Council and the industry for more than a year from last year onwards until early this year. It is necessary for the Government to squarely address the potential dangers that speeding could cause to drivers, passengers and pedestrians, and expeditiously review the level of the fixed penalties and the Driving-offence Points System to achieve deterrent effect.

In respect of the fixed penalties and driving-offence points for speeding offences, the public and Honourable Members generally opine that the existing penalties for the less serious speeding offences are adequate. However, for excessive speeding, that is, driving in excess of speed limit by 30 km/h or above, it is generally considered that heavier penalties are warranted for such dangerous driving behaviour. After detailed studies, it is proposed that the fixed penalties and driving-offence points for the less serious speeding offences (that is, driving in excess of speed limit by less than 30 km/h) should remain unchanged. For excessive speeding cases (that is, driving in excess of speed limit by 30 km/h or above), given that the current levels of penalty are not directly proportional to the seriousness of the offences, we propose that the fixed penalties for speeding by 30 km/h but below 45 km/h be increased from the present \$450 to \$600, and the driving-offence points so incurred be increased from five to six points. The fixed penalties for speeding by 45 km/h is to be increased from \$450 to \$1,000, and the driving-offence points incurred be increased from eight to 10 points. Furthermore, for cases of speeding by more than 45 km/h, it is proposed that on conviction the drivers will be disqualified from driving for six months as disqualification is considered to be one of the most effective means to deter such dangerous driving behaviour. In addition to the above proposals to increase the fixed penalties and driving-offence points, various publicity campaigns will also be launched to increase drivers' awareness of the potential dangers that speeding could cause to themselves and other road users.

Madam President, I commend the Road Traffic Legislation (Amendment) Bill 2000 to Members. Thank you, Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Road Traffic Legislation (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.

EMPLOYEES' COMPENSATION (AMENDMENT) (NO. 2) BILL 2000

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I move the Second Reading of the Employees' Compensation (Amendment) (No. 2) Bill 2000.

The Bill mainly seeks to provide an additional avenue whereby straightforward fatal compensation cases (that is, where the employer's liability to pay compensation and the relationship of the family members are not in dispute) may be subject to the determination of the Commissioner for Labour.

Under the existing laws, compensation for fatal cases is apportioned on the degree of dependency. All claims for compensation must be lodged with the Court. The average processing time ranges from 18 to 24 months, and the legal costs are payable by the claimants. In fact, about 50% of the cases at present involve no dispute in respect of the compensation as well as the dependants. To improve the existing mechanism for settling compensation claims, we propose that the Employees' Compensation Ordinance be amended to the effect that the Commissioner for Labour may, as requested by and with the consent of the parties to a claim, make determination in respect of a claim for compensation. It is estimated that the processing time for straightforward cases under the new mechanism can be reduced by nine to 15 months, thus reducing the legal costs borne by the claimants. But still, the more complicated cases will have to be filed in the Court.

To tie in with the improvements to the settlement mechanism, we propose that the Ordinance be amended to the effect that the compensation will be made payable to family members instead of dependants of a deceased employee in order to avoid delays arising from disputes over the degree of dependency. Given the proposed abolition of the dependency criterion, it is not feasible to base the assessment of compensation on the degree of dependency. In this connection, the full amount of compensation as calculated according to the formula prescribed in the Ordinance will be payable in each case.

To provide immediate relief for the family members of a deceased employee, we proposed to require the employer to make interim payments to the spouse of the deceased employee prior to determination by the Commissioner for Labour. Such payments will be subject to a ceiling and deductible from the total amount of compensation payable.

Under the existing provisions, the employer is liable to pay for funeral expenses only if the deceased employee leaves no dependent, subject to a maximum amount provided under the Ordinance. We propose to amend the relevant provisions, requiring the employer to pay funeral expenses in all fatal cases.

I wish to point out that in many fatal cases, the dependents often face financial hardships on the death of the breadwinner. Therefore, it is very important that they should be provided with assistance to obtain compensation as early as possible. An additional avenue to claim compensation, the interim payments to the spouse of the deceased employee, and the requirement that the employer should pay for the funeral expenses as proposed will be of great help to the dependents.

Moreover, amendments are proposed to certain levels of fine which have not been revised since 1984 so as to maintain their deterrent effect. With these amendments, a fine that amounts to \$20,000 or \$50,000 originally will be increased to level 6, which is equivalent to \$100,000. While a few penalty provisions which are expressed in monetary terms will remain unchanged, the penalty provided therein will be converted into the corresponding levels of fine. Furthermore, we propose that clause 24 be amended in order to clarify the liability of the principal contractor.

We have consulted with the Labour Advisory Board in respect of the above proposals and obtained its endorsement for the same. While employers are required to pay the full amount of compensation in all cases under the new mechanism proposed, the insurance industry estimated that the premium payable by employers to insurance companies will increase by a mere 1% to 2%, which will only have a marginal impact on employers. Given that the proposed system can result in the early settlement of about 50% of the cases, we consider it worthwhile to put it in place.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Employees' Compensation (Amendment) (No. 2) 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.

Resumption of Second Reading Debate on Bill

PRESIDENT (in Cantonese): This Council now resumes the Second Reading debate on the International Organizations (Privileges and Immunities) Bill.

INTERNATIONAL ORGANIZATIONS (PRIVILEGES AND IMMUNITIES) BILL**Resumption of debate on Second Reading which was moved on 10 February 1999**

PRESIDENT (in Cantonese): In accordance with the Rules of Procedure, I have permitted Mr James TO, Chairman of the Bills Committee on the International Organizations (Privileges and Immunities) Bill, to address the Council on the Committee's Report.

MR JAMES TO (in Cantonese): Madam President, as Chairman of the Bills Committee on International Organizations (Privileges and Immunities) Bill, I wish to report on the main deliberations of the Bills Committee.

At present, privileges and immunities of international organizations are given effect in Hong Kong by the Regulations of the People's Republic of China Concerning Diplomatic Privileges and Immunities (China Regulations) and by the International Organizations and Diplomatic Privileges Ordinance.

The Bill is intended to replace those parts of the International Organizations and Diplomatic Privileges Ordinance which deal with the international organizations and, without prejudice to the China Regulations, to make provisions for implementing the privileges and immunities conferred upon international organizations by international agreements.

The Bills Committee questions the need for the introduction of the Bill, given that the Government of the Hong Kong Special Administrative Region (SAR) is not in a position to make any amendments to the international agreements to which China is a party, and that Article 153 of the Basic Law has already determined the ways in which international agreements shall be applied to the SAR.

The Administration has explained that the China Regulations have already given effect to the relevant provisions of international agreements relating to the privileges and immunities of international organizations in Hong Kong. However, the approach taken in the national legislation where treaties are self-executing is not suited to the SAR which remains a common law jurisdiction.

Furthermore, international agreements concluded by the SAR or applied to the SAR by the Central People's Government do not automatically have the force of law in Hong Kong.

The Administration has pointed out that the privileges and immunities of a number of international financial institutions (including the World Bank and the International Monetary Fund) were, prior to the reunification, implemented in Hong Kong by United Kingdom legislation. Such legislation ceased to have effect in the SAR after 30 June 1997. The Administration has further pointed out that the Central People's Government has recently concluded a Host Country Agreement with the Bank for International Settlements (BIS) concerning the establishment of a regional office of the Bank in the SAR. However, the privileges and immunities granted to the BIS do not correspond exactly with those set out in the First Schedule to the International Organizations and Diplomatic Privileges Ordinance.

The Administration therefore considers it necessary for the SAR Government to introduce local legislation to implement the relevant privileges and immunities conferred upon international organizations by international agreements.

The Bills Committee has expressed concern about clause 3(2) of the Bill which specifies that section 34 of the Interpretation and General Clauses Ordinance (Cap. 1) shall not apply to an order made by the Chief Executive in Council under clause 3(1) of the Bill. The Bills Committee considers it a retrogressive step to deprive the Legislative Council of the right to scrutinize subsidiary legislation relating to the conferment of privileges and immunities on international organizations and their personnel.

The Administration has explained that according to Article 13 of the Basic Law, the Central People's Government is responsible for the foreign affairs relating to the SAR. The granting of privileges and immunities to international organizations as well as the conclusion of international agreements concerning privileges and immunities unquestionably fall within the scope of foreign affairs. It is therefore important that local legislation underpinning those privileges and immunities must be consistent with the international rights and obligations of the Central People's Government.

In the light of members' concern on the disapplication of section 34 of the Interpretation and General Clauses Ordinance, the Administration will introduce a Committee stage amendment to remove clause 3(2) of the Bill so that section 34 of the Interpretation and General Clauses Ordinance will apply to orders made by the Chief Executive in Council under clause 3(1) of the Bill.

Madam President, subject to the Committee stage amendments to be moved by the Administration, the Bills Committee supports the Bill.

Thank you.

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

MR LEE CHEUK-YAN (in Cantonese): Madam President, it was I who originally proposed to set up this Bills Committee. It was mainly because I was not satisfied with the fact that, despite individual orders on the conferment of privileges and immunities enacted by the Executive Council carry legal effect, the Bill could make provisions simultaneously to deprive this Council of the right to scrutinize these "orders" by way of subsidiary legislation.

I believe the original intent of the Government in insisting on making provisions in the Bill to ensure that this Council will have no power to scrutinize "orders" relating to the conferment of privileges and immunities by the Executive Council is to deny this Council any opportunities to amend clauses relating to the conferment of privileges and immunities under agreements signed between the Central Government and other international organizations. Given the fact that the Central Government has given consent to the SAR Government to confer privileges and immunities by way of local legislation, does it mean that its only fear is that this Council will "stir up trouble", whereas there is no fear for the Executive Council to amend clauses relating to the conferment of privileges and immunities under agreements signed between the Central Government and other international organizations? Obviously, the original provisions contained in the Bill underpinned extreme distrust of this Council. I believe this is unacceptable to the Council as a whole. Nevertheless, Mr James TO, Chairman of the Bills Committee, has stated clearly that, in introducing amendments in this aspect eventually, the Government has affirmed that this Council is empowered to scrutinize orders enacted by the Executive Council.

There is a view which considers that as agreements amended by the Central Government and international organizations with respect to privileges and immunities are directly applicable to Hong Kong under a national law included in Annex III to the Basic Law, this Council has actually no power to amend clauses contained in such agreements or else it will be acting in a way that is "*ultra vires*". In other words, even if the Government states that this Council can introduce amendment this time, it is a matter of "formality" only for this Council should not act in any way that is *ultra vires*. However, I have to make it clear that actually I do not think such amendment power has no concrete basis.

The national law applicable to Hong Kong under Annex III to the Basic Law has specifically restricted that it applies only to state and foreign affairs. Apparently, agreements signed between the Central Government and an international organization with respect to privileges and immunities fall into the scope of diplomatic acts or affairs. However, if the conferment of privileges and immunities is excessive or too broad so that the interests of the residents in Hong Kong are jeopardized, it will very probably go beyond the scope of pure diplomacy. As far as I understand it, this Council will still have actual power to scrutinize subsidiary legislation enacted by the Executive Council to examine if it has gone beyond the diplomatic scope. If the fundamental interests of the residents in Hong Kong are in jeopardy, we will still be able to introduce amendment. I believe even if privileges and immunities are to be conferred by the Central Government, this Council will still have the power to make amendment or deletion in order that the interests of the local residents can be protected.

Madam President, in view of the amendments that the Government has agreed to propose, I support the Second Reading of the Bill. Thank you.

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

(No Member responded)

PRESIDENT (in Cantonese): Chief Secretary for Administration, do you wish to reply?

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, the International Organizations (Privileges and Immunities) Bill seeks to provide a more flexible legal framework under which privileges and immunities conferred on an international organization may be given the force of law in the Hong Kong Special Administrative Region by way of an order made by the Chief Executive in Council under the relevant provisions of the Bill. I am very grateful to Mr James TO, Chairman of the Bills Committee, and members of the Bills Committee for their detailed scrutiny of the Bill. We have considered the views of the Bills Committee carefully and incorporated their valuable opinions into the Committee stage amendments. I will move these amendments and explain them in detail later on. I hope Members will support this Bill and the amendments.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the International Organizations (Privileges and Immunities) Bill 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): International Organizations (Privileges and Immunities) Bill.

Council went into Committee.

Committee Stage

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

INTERNATIONAL ORGANIZATIONS (PRIVILEGES AND IMMUNITIES) BILL

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the International Organizations (Privileges And Immunities) Bill.

CLERK (in Cantonese): Clauses 1, 2, 6, 7 and 9 to 14.

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

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Clauses 3, 4, 5, 8 and 15.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam Chairman, I move that clauses 3, 4, 5, 8 and 15 be amended, as set out in the paper circularized to Members.

During the deliberations on the International Organizations (Privileges and Immunities) Bill, the Bills Committee discussed with the Government clause 3(2) of the Bill. Clause 3(2) specifies that section 34 of the Interpretation and General Clauses Ordinance shall not apply to an order made by the Chief Executive in Council under clause 3(1) of the Bill. The purpose of clause 3(2) is to ensure that the privileges and immunities granted to international organizations under the order are consistent with the international rights and obligations of the Central People's Government. However, having carefully considered the opinions of the Bills Committee, the SAR Government thinks that Section 34(2) of the Interpretation and General Clauses Ordinance has specified that such subsidiary legislation shall be amended in any manner whatsoever consistent with the power to make such subsidiary legislation. We believe that the Legislative Council will definitely not act beyond its statutory terms of reference. The SAR Government agrees that it is not necessary to retain clause 3(2) of the Bill, thus, the subsection should be deleted while consequential amendments should be made to clauses 4, 5 and 8 of the Bill. Moreover, as the Cross-Harbour Tunnel (Passage Tax) Ordinance has been deleted after the introduction of this Bill, the amendment should also delete clause 15 of the Bill that makes consequential amendment to the Ordinance. Thank you, Madam Chairman.

Proposed amendments

Clause 3 (see Annex V)

Clause 4 (see Annex V)

Clause 5 (see Annex V)

Clause 8 (see Annex V)

Clause 15 (see Annex V)

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the amendments moved by the Chief Secretary for Administration be passed. 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): As the amendments to the heading before clause 15 and clause 15, which deal with deletion, have been passed, the heading before clause 15 and clause 15 are therefore deleted from the Bill.

CLERK (in Cantonese): Clauses 3, 4, 5 and 8 as amended.

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.

INTERNATIONAL ORGANIZATIONS (PRIVILEGES AND IMMUNITIES) BILL

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, the

International Organizations (Privileges and Immunities) Bill

has passed through Committee with amendments. 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 International Organizations (Privileges and Immunities) Bill 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): International Organizations (Privileges and Immunities) Bill.

Resumption of Second Reading Debate on Bill

PRESIDENT (in Cantonese): This Council now resumes the Second Reading debate on the Legislative Council (Amendment) Ordinance 1999 (Amendment) Bill 2000.

LEGISLATIVE COUNCIL (AMENDMENT) ORDINANCE 1999 (AMENDMENT) BILL 2000

Resumption of debate on Second Reading which was moved on 16 February 2000

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

MR LAW CHI-KWONG (in Cantonese): Madam President, the amendment to be made today should have been implemented in 1985 when the election for the former Legislative Council was held. This amendment also represents what social workers have been striving to achieve over the past 15 years. I am therefore very pleased to support the Bill on behalf of the social welfare sector.

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

(No Member responded)

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

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

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Legislative Council (Amendment) Ordinance 1999 (Amendment) Bill 2000 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): Legislative Council (Amendment) Ordinance 1999 (Amendment) Bill 2000.

Council went into Committee.

Committee Stage

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

LEGISLATIVE COUNCIL (AMENDMENT) ORDINANCE 1999 (AMENDMENT) BILL 2000

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Legislative Council (Amendment) Ordinance 1999 (Amendment) Bill 2000.

CLERK (in Cantonese): Clauses 1 to 5.

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

(Members raised their hands)

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

(No hands raised)

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

CHAIRMAN (in Cantonese): Council now resumes.

Council then resumed.

Third Reading of Bill

PRESIDENT (in Cantonese): Bill: Third Reading.

LEGISLATIVE COUNCIL (AMENDMENT) ORDINANCE 1999 (AMENDMENT) BILL 2000

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

Legislative Council (Amendment) Ordinance 1999 (Amendment) Bill 2000

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 Legislative Council (Amendment) Ordinance 1999 (Amendment) Bill 2000 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): Legislative Council (Amendment) Ordinance 1999 (Amendment) Bill 2000.

Resumption of Second Reading Debate on Bill

PRESIDENT (in Cantonese): This Council will resume the Second Reading debate on the Dumping at Sea (Amendment) Bill 2000.

DUMPING AT SEA (AMENDMENT) BILL 2000

Resumption of debate on Second Reading which was moved on 26 January 2000

PRESIDENT (in Cantonese): Does any other 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 Dumping at Sea (Amendment) Bill 2000 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): Dumping at Sea (Amendment) Bill 2000.

Council went into Committee.

Committee Stage

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

DUMPING AT SEA (AMENDMENT) BILL 2000

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Dumping at Sea (Amendment) Bill 2000.

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.

DUMPING AT SEA (AMENDMENT) BILL 2000

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

Dumping at Sea (Amendment) Bill 2000

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 Dumping at Sea (Amendment) Bill 2000 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): Dumping at Sea (Amendment) Bill 2000.

Resumption of Second Reading Debate on Bill

PRESIDENT (in Cantonese): We will resume the Second Reading debate on the Mental Health (Amendment) Bill 2000.

MENTAL HEALTH (AMENDMENT) BILL 2000

Resumption of debate on Second Reading which was moved on 26 January 2000

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 Mental Health (Amendment) Bill 2000 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): Mental Health (Amendment) Bill 2000.

Council went into Committee.

Committee Stage

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

MENTAL HEALTH (AMENDMENT) BILL 2000

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Mental Health (Amendment) Bill 2000.

CLERK (in Cantonese): Clauses 1 to 6.

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.

MENTAL HEALTH (AMENDMENT) BILL 2000

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

Mental Health (Amendment) Bill 2000

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 Mental Health (Amendment) Bill 2000 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): Mental Health (Amendment) Bill 2000.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Three proposed resolutions under the Interpretation and General Clauses Ordinance. First motion.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MISS EMILY LAU (in Cantonese): Madam President, I move the first motion under the Interpretation and General Clauses Ordinance which has been printed on the Agenda.

Madam President, the three resolutions I am moving today deal with subsidiary legislation related to the Legislative Council Election to be held in September this year. As you are aware, Madam President, last year we passed the principal ordinance on the election of the Legislative Council. At that time, the Frontier protested strongly against those coterie elections. It is our hope that all Members of this Council are returned by geographical constituencies through "one person, one vote" direct elections. Regrettably, however, the protest we made was to no avail, the legislation was passed in this Council eventually. The resolution I move now is related to the Legislative Council (Formation of Election Committee) (Appeals) (Amendment) Regulation 2000 which was submitted by the Government to this Council for examination on 26 January 2000. I hope that Honourable Members will support my resolution to repeal this Regulation.

Madam President, I believe if I do not make it clear Members may not understand the substance of this Regulation. This is because with the exception of the "one person, one vote" election method, the other election methods of the Council are all very complicated. The things that we have seen during the discussions of the Subcommittee under the chairmanship of the Honourable Ronald ARCULLI were really eye-openers.

Madam President, the Regulation I propose to repeal is related to appeals made in relation to the "registration of the *ex officio* membership of the Election Committee" and the nomination from the religious subsector. As regards the background to the entire issue, Madam President, I believe you understand it far better than any one of us here. You certainly know it very well what the Election Committee is all about. In the last Legislative Council Election, 10 Members, including the Honourable President, were returned by the Election Committee comprising 800 members. As regards the coming Legislative Council Election, four of those seats would be returned through direct election, which means that the 800 members on the Election Committee could only elect six candidates into the Council as Members. But how is this 800-member Election Committee formed? Actually, members of this Election Committee should be elected on 9 July this year. However, there are some people who could enjoy a certain privilege. Who are those people? They are those people who are still Members of the Legislative Council on 30 June 2000. These people will be automatically registered as *ex officio* members of the Election Committee. Meanwhile, members of the Standing Committee of the National People's Congress (NPCSC) will also be *ex officio* members of the Election Committee. Madam President, in addition to being a Member of the Legislative Council, you are also a member of the NPCSC, that means you have plenty of privileges in this connection. Besides, you are also entitled to double privileges. However, Madam President, a problem arises as a result. For some people, because they are members of certain committees as well as some other functional constituencies, they are entitled to a number of voting rights. As such, the Government has particularly set up for these people a mechanism whereby they could elect to exercise which voting right. Sometimes, too many voting rights would cause people to make the wrong choice because they are at a loss as to which voting right to exercise. Hence, there is a need for an appeal mechanism to enable those electors who have made the wrong choice in exercising their voting rights to choose again.

Here, I should like to make reference to one point. Madam President, perhaps you may remember that in the last election, all the members on the Election Committee, including the then Members of the Legislative Council and members of the NPCSC, were required to complete the registration procedures themselves in order to become members of the Election Committee. But this time around, the Secretary is pampering those people concerned by exempting them from the registration requirements and mandatorily making them members of the Election Committee. Why? This may perhaps be attributable to the fact

that some of our Honourable colleagues do not wish to register as Election Committee members or to participate in the coterie election. As such, the Secretary has made an effort to pamper these Members. Instead of giving Members a choice, the Secretary will simply register all of us as Election Committee members, telling us to "stop stirring up trouble and stop playing games". The Frontier in fact protests against this arrangement. Despite our obvious disagreement, we are still being registered as Election Committee members against our will. Now, coming back to the subject matter, because the availability of too many choices would cause some people to make the wrong decision, the Government has set up an appeal mechanism so that these people could have a chance to rectify their choices.

Madam President, another objective of this Regulation is to set up an appeal mechanism for the religious subsector. Why does the religious subsector have any appeal needs? Well, this would be a long story if I should try to give any explanation. But since this is related to both the resolution that I am going to move next and the Regulation in question, I should like to explain briefly why the religious subsector should need an appeal mechanism. While the majority of the 800 members of the Election Committee will be elected on 9 July this year, some members are returned not by election but by some amazing method. Why are there members not returned by election? The seats not to be returned by election are those allocated to the religious subsector, perhaps the religious subsector does not consider it necessary to return the members concerned by election. Many religious bodies are in fact in favour of conducting elections in an open, fair and impartial manner. How would they be interested in such a coterie game? The Government has all along been making an effort to pamper these people by allowing them to select their members by way of consultation instead of election. However, this arrangement is not applicable to all religious bodies but only the six designated religious bodies selected by the Government. Those six designated religious bodies will be allocated a number of seats, and altogether they would return 40 members to the Election Committee.

Nevertheless, Madam President, there are still problems with this arrangement. Some people are indeed not very "smart". In return for the seats allocated to them, some religious bodies have caused trouble to the Government. In this connection, some of the religious bodies have indicated that they would not want to have so many seats. Madam President, actually I intended to wait until I move my next resolution to refer to the following data, but I think I may as well read them out now. The Catholic Diocese of Hong

Kong is allocated seven seats, while the Chinese Muslim Cultural and Fraternal Association is allocated six seats (last time it was allocated seven seats, but now they have a seat less, yet I do not know why because the consultation concerned was conducted behind closed doors). The Hong Kong Christian Council is allocated seven seats; the Hong Kong Taoist Association, six seats; and the Confucian Academy, seven seats. As regards the Hong Kong Buddhist Association, it is allocated seven seats (last time the Buddhists were allocated six seats only, but for some reasons unknown to me they are now allocated one more seat while the Muslims are allocated one seat less). Madam President, actually it has been reported in the papers that some of the religious bodies, such as those belonging to the Catholic Church and the Protestant Church, had informed the Government several months ago that they would prefer not to be allocated seats of the Election Committee. I hope those Honourable colleagues who are Christians could comment on that later. These religious bodies feel that they do not have any need for participating in such kind of election, and that they have neither the interest nor the intention to participate. However, without their participation, the entire plan of the Government would come to naught. As such, the Government has made every effort to persuade them to take the seats. In the end, these religious bodies told the Government that they would only participate in half of the plan. That means they would only agree to play the role as a messenger and collect the nomination lists without paying any regard to the number of seats allocated to them. Whether they are allocated six seats or seven seats, they would only be responsible for collecting the nomination lists. The Government has to decide on its own initiative as to how the nominations should be handled. So, the Government decided to adopt the lots drawing method, which is fair, impartial and open. However, once the lots are drawn, there will be complaints against the unfairness of the results. Hence, an appeal mechanism has to be put in place to handle problems in this respect.

Madam President, it was out of the need to tackle cases of these two kinds that the Government has put forward the Regulation in question. The resolution I move today seeks to urge Members to support the repeal of the Regulation. In this connection, some Honourable Members had asked me what we could do next if the Regulation was repealed, since we would not be able to apply for appeals. I told them that since I could not agree to the electoral system as a whole, I naturally would not care about the availability or otherwise of any appeal mechanism. Moreover, Madam President, you are also aware that in the papers it submitted to this Council, the Government has made mention of the influence of this Regulation on both the Bill of Rights Ordinance and the Basic Law. It is

pointed out in the papers submitted by the Government that the Regulation definitely would not breach the provisions on human rights set out under the Basic Law. I believe Members are aware that Article 39 of the Basic Law refers to the two Covenants on human rights, and that we have visited the United Nations Organization in October last year to attend the hearings held in relation to the International Covenant on Civil and Political Rights. At that time, the Committee on Human Rights pointed out that the election method adopted in Hong Kong was in breach of the International Covenant on Human Rights. However, the Government argued that with the exemption and saving provisions set out under the legislation on election, there is no violation of the International Covenant on Human Rights.

Madam President, perhaps you are also aware that Mrs ROBINSON, the United Nations High Commissioner for Human Rights, visited Hong Kong yesterday. Although she stayed in Hong Kong for only a few hours, she squeezed out some time to meet with Members of this Council, as well as members of human rights bodies and non-government organizations. Although I did not give her a detailed account of the situation in Hong Kong when we met, I am sure she understands very well that the electoral arrangements in Hong Kong are not in line with international human rights standards. Certainly, our Government would argue that our electoral arrangements are indeed in line with the human rights standards. In which case disputes would be resulted. Yesterday we told Mrs ROBINSON that each time the Government would disagree with the opinions raised by the United Nations Committee on Human Rights. Apart from sighing with regret, Mrs ROBINSON also suggested Hong Kong setting up a mechanism to monitor the Government's implementation of relevant covenants on human rights.

Simply put, Madam President, the purpose of my moving this resolution is to urge Members to oppose the coterie elections. Actually, Madam President, even without this seat, even if you could not stand for the election in this manner, you could still stand for direct election. I urge Members to stand for direct election instead of setting their sight on the seats returned by coterie elections. Members should consider standing for direct election like Mr Ronald ARCULLI does. I eagerly urge Members to stand for election. I urge Mr CHAN Wing-chun as well as other Members to stand for direct election. There is nothing so scary about standing for direct election. We certainly stand a chance to be returned to this Council again. I hope that those Honourable colleagues who oppose coterie elections, who hope that all Members of this Council could be

returned by direct election as soon as possible, will support my resolution. I urge them to vote in support to my resolution. Perhaps Members may say that even if the Regulation should be repealed, there would still be the principal ordinance. Yes, this is true, but we could at least proceed gradually yet steadily. This is one kind of demonstration. We can demonstrate to the Government that not everything submitted to this Council could necessarily get passed so easily.

With these remarks, I beg to move.

Miss Emily LAU moved the following motion:

"That the Legislative Council (Formation of Election Committee) (Appeals) (Amendment) Regulation 2000, published as Legal Notice No. 13 of 2000 and laid on the table of the Legislative Council on 26 January 2000, be repealed."

PRESIDENT (in Cantonese): Honourable Members, as President of the Council, I will not respond to any comments on the President raised by Members in the course of their speeches.

I now propose the question to you and that is: That the motion moved by Miss Emily LAU, as set out on the Agenda, be passed. I can see hands raised to indicate a wish to speak.

MR RONALD ARCULLI: Madam President, I really did not intend to speak, but as Chairman of the Subcommittee looking into the regulations concerning the Legislative Council Election this year, I felt that I should inform Members or remind Members that the majority of the members of the Subcommittee actually support all of the four regulations and orders that we have looked at, including this one and the next two, which are the subject of either repeal or amendment moved by the Honourable Miss Emily LAU. Be that as it may, I respect such right of Members. I will defend the right of any Member to repeal regulations which fly in the face of very firm principles held by an individual, a party or a group. I would have hoped that legislators as experienced as Miss LAU would have perhaps looked at the problem not by the inch, but by a broader basis. And I hope that the Secretary for Constitutional Affairs will tell us what the consequences on the Legislative Council Election in September could be or

might be if this Regulation is repealed. We should, of course, bear in mind the provisions of the Basic Law. I do not think that Miss Emily LAU would advocate that we go against the Basic Law. She might advocate changing the Basic Law, and that is a quite different issue. Her first and the second motions are to repeal a regulation and an order, while her third one is to deal with the order on election expenses, that at least simply reduces expenses and is workable. However, I am concerned that if her motion is supported and the Regulation is repealed, we will probably have to go into a different set of regulations, or if we do not have any regulations, the whole integrity of this year's Legislative Council Election will be in doubt.

Thank you.

PRESIDENT (in Cantonese): Honourable Members, we shall continue to debate the motion moved by Miss Emily LAU.

DR YEUNG SUM (in Cantonese): Madam President, I rise to speak in support of the resolution moved by Miss Emily LAU with respect to the lowering of the maximum scale of election expenses.

When the Government first raised this question, I said this when confronted by reporters on the issue: "Let it be, as the Government has not lifted the maximum scale of election expenses and now we are faced with deflation". But since Miss Emily LAU has proposed this resolution, the Democratic Party decided that we should support it, after deliberation.

PRESIDENT (in Cantonese): Miss Emily LAU, do you want to make a point of order? I know what Miss LAU wants to say. Dr YEUNG Sum, the motion moved by Miss LAU at the moment is related to the appeal mechanism. You should hold the comments you expressed just now until we come to the debate on Miss LAU's third motion.

DR YEUNG SUM (in Cantonese): Sorry, Madam President. As for the appeal mechanism, the Democratic Party will abstain from voting on the resolution moved by Miss Emily LAU. Although we disagree with "coterie election", we think every endeavour should be made to amend the Basic Law and abolish the Election Committee. I consider a bit ridiculous for the appeal mechanism to be abolished at this moment for the Basic Law is yet to be amended and the Election Committee is still on the deck. Why should we abolish the appeal mechanism instead of making every endeavour to amend the Basic Law as well as abolishing "coterie election"?

For these reasons, although we object to "coterie election" in principle, we consider it extremely difficult for the appeal mechanism to be abolished by technical means with the existing mechanism in operation. I want to make it clear that it does not mean that we support "coterie election".

Therefore, the Democratic Party will abstain from voting on the resolution moved by Miss Emily LAU.

MR ANDREW WONG (in Cantonese): Madam President, actually, I was not prepared to speak. However, I think there is a need for me to clarify certain issues pertaining to the background of the matter. I do not normally like to move any motions on minor details pertaining to electoral legislation or support any motions aiming at deleting or amending such minor details for Members' interests might be involved. In other words, Members might be suspected of being benefited as a result. A wise politician should know how to avoid arousing suspicion. Now I need to explain why I have to speak today. We are now discussing certain regulations involving the operation of the entire mechanism under current provisions pertaining to the formation of the Legislative Council. Here, a number of regulations requiring the making of consequential amendments as a result of amendments made to some original provisions are involved.

As Members may still remember, the Provisional Legislative Council endorsed in 1997 a new method for the formation of the new Legislative Council with respect to the 1998 election. Under the legislation enacted, members of the NPCSC and Provisional Legislative Council members shall become *ex officio* members of the Election Committee. According to the method employed at that time, if a person is a member of the NPCSC or a Provisional Legislative Council

member on a certain date, he will become an Election Committee member from then on. This explains why there was no need to set up any appeal mechanism at that time. If a person did not wish to vote as a Legislative Council member, he could cast his vote in his own functional constituency instead of registering as an Election Committee member in his capacity as a member of the Legislative Council. The problem can then be solved.

After the 1998 election, the Government introduced a new bill called the Legislative Council (Amendment) Bill 1999. Under the Bill, the usual practice is to be adopted so that members of the NPCSC or members of the Legislative Council can be registered as Election Committee members. However, in the course of scrutinizing the Bill, a member raised this question, which was the same as the one raised by Miss Cyd HO earlier today: Will the Election Committee, which is going to return 10 or six members of the Legislative Council, going to be responsible for electing the Chief Executive too? This is because it has been stated clearly in Annex I to the Basic Law that the term of office of the Election Committee shall be five years. A number of members of the Bills Committee therefore insisted that it was essential to solve this problem. At that time, the Government realized where the crux of the problem lied though it was unable to make a decision or take any position. As the Government might eventually decide that the Chief Executive shall be returned by the Election Committee, which is also responsible for returning six Legislative Council members, a new election for the Legislative Council might have already been held if the term of office of the Election Committee lasts five years. At the same time, there might be changes in the membership of the NPCSC (I do not know what the changes will be). Even without any changes, members of the NPCSC themselves might experience changes such as death. In that case, members experiencing changes will need to be replaced. What should be done in the event that such a situation arises? In my opinion, if a person is automatically registered as an Election Committee member just because he is a member of the NPCSC or a member of the Legislative Council on a certain date, the arrangement of setting a five-year tenure will then be unreasonable.

For these reasons, both the Government and members of the Bills Committee agreed in a meeting held by the Committee that amendment should be made to the provision providing for *ex officio* members of the Election Committee through the endorsement by this Council of certain amendments. Apart from this, what actually happens is not like what Miss Emily LAU described earlier — she will be registered automatically even if she is reluctant to do so. Actually, she can choose not to vote. Nevertheless, the problem we have is not because the Government wants to put certain people "under

constraint" by forcing them to be registered automatically as Election Committee members. Rather, the Government is trying to do something so that an Election Committee member can be replaced by someone else. According to the new method, the relevant people will be able to do so. Both members of the Legislative Council or representatives of the NPCSC will be allowed to join the Election Committee in such capacities or as members of their own functional constituencies. With this arrangement, they will be able to make their own choices. The setting up of an appeal mechanism is thus essential for they might make mistakes in the course of making their choices. The whole matter is as simple as that. It concerns some matters of principle with respect to minor details, rather than major principles pertaining to whether we support the Election Committee. I personally do not support the Election Committee. But given the fact that the Election Committee is already in place and under the circumstances that both the Basic Law and the Legislative Council Ordinance have provided for the establishment of the Election Committee, we will have to provide a fair arrangement for people to join the Election Committee. This is a fair principle and is something we must adhere to. Therefore, I cannot support the first resolution moved by Miss Emily LAU.

As far as the religious subsector is concerned, if the subsector — for example, the Catholic church — is not willing to appoint seven representatives, or return seven representatives by way of consultation, we can reduce the number of seats held by that subsector. This is not going to be an important issue. Under such circumstances, the Election Committee will still be able to operate. A person should have total freedom in deciding whether or not to stand for election. We should not repeal the relevant regulation, or give up such "power" because a certain person decides not to stand for election for this will prevent us from putting the arrangement into practice. We are able to choose freely just because there is such an arrangement. Therefore, I cannot support the second resolution too. I hope Members can understand the whole story and look at the political aspect of the whole matter with a slightly cooled-down attitude. Thank you, Madam President.

MR NG LEUNG-SING (in Cantonese): Madam President, I would like to thank the Honourable Andrew WONG for briefing us in on the relevant background. In the course of scrutinizing the Regulation, I noticed some of the problems arising from it. Just now, Miss LAU told us how she looked at the matter. Of course, this Council enjoys an extremely high degree of democracy and freedom. All Members have the right to say whatever they want to say.

The Legislative Council (Formation of Election Committee) (Appeals) (Amendment) Regulation 2000 mainly concerns the formulation of an appeal mechanism for the purpose of standardizing registration or nomination procedures with respect to members from the Hong Kong Deputies to the National People's Congress (NPC) subsector, the Legislative Council subsector and the Religious subsector of the Election Committee. As a result of the relevant amendments, the formation of the Election Committee will be more in compliance with the principle of fairness. I think the repeal of the relevant amendments is groundless, whatever the motive is at the back. Judging from an objective point of view, the fairness of the procedures will thus be infringed and we will find it impossible to perfect the whole set of regulations. If this resolution is aimed at opposing the mode of election adopted by the Election Committee, it seems to me that it has "failed to achieve its desired purpose" for the relevant Regulation and amendments are basically unable to produce any impact on the establishment and formation of the Election Committee.

Annex II to the Basic Law provides that six members of the second term Legislative Council will be returned by the Election Committee. The Election Committee is to be composed of 38 subsectors and people from all trades and professions. I personally hold that, the Election Committee, with its wide representativeness, is able to reflect the interests of various subsectors and trades in Hong Kong and take care of Hong Kong's overall interests and the wishes of the public. It has actually been proved by the operation of the first term Legislative Council that members of the Election Committee (including the President, one sixth of seats here were elected by the Election Committee) have been able to show active concern for community affairs, express their views and monitor the work of the Government and this Council, both in the past and up to the present moment. Through their mature participation in the community, people's livelihood and political affairs on a frequent basis and the selection of a group of Members like us, Hong Kong's overall interests were enhanced. This actually shows that the *modus operandi* of the Election Committee is able to meet the needs of Hong Kong society at the present stage and is more in tune with the reality that Hong Kong is gradually developing into an important international commercial centre.

On the contrary, it will run counter to the Basic Law if the second term Legislative Council does not have the Election Committee as one of its components. As a Legislative Council Member, each of us has sworn to uphold the Basic Law at inauguration. Therefore, we should abide by the law of the

SAR and, what is more, consider this as our basic principle in the course of enacting legislation. We must definitely not neglect the law's compliance with the constitution and its integrity.

With these remarks, Madam President, I oppose this resolution.

MR YEUNG YIU-CHUNG (in Cantonese): Madam President, the Democratic Alliance for the Betterment of Hong Kong will not support the resolution moved by Miss LAU under section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1).

Citing election expenses for the geographical constituencies of the 1998 Legislative Council elections as an example, Miss LAU concluded that the election expenses incurred by the majority of candidates were less than 50% of the maximum limit.

PRESIDENT (in Cantonese): Mr YEUNG Yiu-chung, please sit down first. Let me explain to Members clearly. Miss Emily LAU is going to move three motions. We are now debating the first motion, which is related to the appeal mechanism. This mechanism is going to affect two categories of people, members of the Election Committee and members from the Religious subsector. Mr YEUNG, you are therefore required to confine your speech to the appeal mechanism at the present stage.

MR YEUNG YIU-CHUNG (in Cantonese): Madam President, I will speak later.

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

MR LEE CHEUK-YAN (in Cantonese): Madam President, Dr the Honourable YEUNG Sum said the Democratic Party would abstain from voting on the amendment and one of the reasons cited by him was that the whole election would become neither fish nor fowl as a result of the amendment. Actually, the election was neither fish nor fowl right from the beginning! As the election

itself was originally neither fish nor fowl, how can we make it even worse? I hope Dr YEUNG Sum can understand that our purpose is to let the public see that the electoral system itself is neither fish nor fowl. Therefore, there is no harm for us to act in a more radical manner to fight for every inch of land, so to speak, by giving prominence to this ridiculous nature of the system. I believe this will help the public understand the whole system.

Just now, some Members mentioned the Religious subsector. Personally, I am disappointed with the attitude taken by the Christian and Catholic churches. Of course, they have made some improvement comparatively speaking. Both churches indicated that they did not want to interfere with the electoral system for fear of turning themselves into messengers, they were therefore unwilling to take up the verification work. Eventually, the Government has to resort to drawing lots. This reflects that there are serious disputes among churches and they have great reservations about the electoral system. It is deeply regrettable that the churches have eventually adopted a relative timid approach rather than with strong principles in stating their position. To me, the churches have acted like Pontius PILATE, who washed his hands to signify that he would not interfere with elections. In other words, the churches are trying to keep all electoral matters at arm's length. In my opinion, religious groups should adopt an even stronger principle and moral standard and tell Hong Kong society in unequivocal terms that they do not support "coterie" election. As a follower, I hope the churches can adhere to a principle in this aspect although it is better for them to adopt this evasive approach than to take part in the relevant work.

Thank you, Madam President.

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

(No Member responded)

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, the Legislative Council (Amendment) Bill 1999 was passed by this Council in July 1999. Under this Bill, revised arrangements were introduced to the registration of the *ex officio* membership of the Election Committee and the nomination from the Religious subsector. There is thus a need to make consequential amendments to the Legislative Council (Formation

of Election Committee) (Appeals) (Amendment) Regulation (Amendment Regulation), so as to take account of such revised arrangements.

This Amendment Regulation and the other Regulations and Orders to be discussed later today were gazetted on 21 January and tabled in this Council on 26 January for negative vetting. This Council subsequently formed a Subcommittee on subsidiary legislation relating to the 2000 Legislative Council Election for the purpose of scrutinizing the above-mentioned subsidiary legislation. I must first take this opportunity to thank members of the Subcommittee for the time and effort they have spent. And, I am very grateful that most members of the Subcommittee support this Amendment Regulation.

The Legislative Council (Amendment) Bill 1999 introduces revised arrangements relating to the registration of the *ex officio* membership of the Election Committee, specifying that Legislative Council Members and Hong Kong Deputies to the National People's Congress who are holding office on 30 June 2000 shall automatically be registered as *ex officio* members of the Election Committee, and that those *ex officio* members who are concurrently registered as electors in functional constituencies shall be permitted to choose whether to vote in functional constituencies or in the Election Committee. The register maintained by the Election Committee shall indicate their relevant choices. With a view to ensuring that the register can reflect the choices of these *ex officio* members correctly, the Amendment Regulation provides that an *ex officio* member may lodge an appeal to a Magistrate if his choice as indicated in the register is not correct.

Besides, the Legislative Council (Amendment) Bill 1999 also introduces revised arrangements to the nomination from the Religious subsector. The Bill provides that if the number of nominees from a designated religious body in the Religious subsector exceeds the number of seats allocated to it, the Returning Officer may draw lots to determine which nominees shall become members representing the Religious subsector on the Election Committee. To ensure the fairness and impartiality of drawing lots, the Amendment Regulation specifies that any material irregularity may be used as a justification for lodging an appeal.

Madam President, if Miss Emily LAU's motion on repealing this Amendment Regulation is passed by the Legislative Council today, discrepancies between the appeals arrangements for the formation of Election Committee and the provisions of the Legislative Council will arise. Moreover, this will also

deprive the people concerned of their right to appeal. In order to ensure the fairness, impartiality and honesty of our elections, we maintain that there is a need to provide adequate channels of appeal for all relevant arrangements. For this reason, I urge Members to vote against Miss Emily LAU's resolution.

PRESIDENT (in Cantonese): Miss Emily LAU, you may now reply.

MISS EMILY LAU (in Cantonese): Madam President, I should like to give a brief reply. The Honourable Members who spoke just now all considered that it was inappropriate of me to put forward this resolution. According to the Honourable NG Leung-sing, unfair situations may still arise despite the fairness of the arrangements concerned. If these arrangements should be repealed all of a sudden, what would happen then? Perhaps the entire election would be affected as a result.

I really should like to ask Honourable colleagues this question: Certainly the arrangements must be fair, but should the election itself not be fair as well? Would we all become accomplices if I should refrain from moving this resolution as advised by Dr YEUNG Sum, Mr NG Leung-sing and Mr Ronald ARCULLI, since this Council would not be engaging in this debate today if I had not put forward this resolution?

Madam President, you understand very well how this Council deliberates matters. Supposing we oppose a certain proposal in principle, but when the Government eventually submits the proposal to this Council for consideration, we would decide not to oppose it because so doing would impact on both the integrity of the system and the procedures concerned. In the end, we would vote for its passage. Is it what we should do today? I personally believe this is not something the Frontier should be doing. It would certainly be fine if this motion should be fortunate enough to get passed by the Council today. Regrettably, however, when I was outside this Chamber, many Members told me that if I had not put forward this motion, they would have left this place instead of finding themselves in the midst of the lobbying "appeals" made by Deputy Secretary YIP and other government officials outside this Chamber.

However, the question remains we are talking about principles, and the entire electoral system *per se* is actually very unfair. Hence, just now Mr LEE Cheuk-yan was right in saying that we should take this opportunity to expose the unfairness of the system. I believe not many Members of this Council are aware of the complicated situation mentioned by me just now, not to say members of the public. As such, we need to make use of the debate held in this Chamber to make everything known to them. Just now Mr SUEN said he opposed this resolution on the ground that it would deprive certain people of their right to apply for an appeal. However, what we are now talking about is that while several million people are being deprived of their right to vote, some other people have several votes in their hands. We regret very much that although Mrs ROBINSON expressed grave concern over this matter yesterday, no response has been made by the Government in this respect.

Madam President, some other people asked me if I were trying to violate the Basic Law, given that the Election Committee has been provided for under the Basic Law. As a matter of fact, we really want to amend the Basic Law and have been talking about that for more than a year, but since the Secretary has all along turned a deaf ear to our requests, no actions have been taken to date. I believe Mr LEUNG Yiu-chung should be very angry now, for the Government has hitherto refused to set up a mechanism whereby amendments could be made to the Basic Law. If we should put into practice everything provided for under the Basic Law, then, Madam President, let us take a look at Article 23 of the Basic Law and ask the Government why has it not expeditiously act in accordance with the provision concerned. So, we can see from this that there are indeed certain provisions under the Basic Law which we are not very keen to implement promptly. As regards the electoral arrangements provided for under the Basic Law, since some of them are indeed not fair, we should not look on unconcerned or refrain from declaring our stance.

Lastly, Honourable colleagues from the Democratic Party have indicated that they could not support my resolution. Certainly, this is their choice. They said they would abstain from voting. This is also their choice. However, as victims of the voting system prescribed by the Basic Law, the Democratic Party should know it very well that if any Members sitting in this Chamber should abstain from voting, they would in effect be voting against my resolution. As such, if they are really prepared to abstain from voting, I hope they could be real men of honour and leave this Chamber as they always did when they were really abstaining from voting. With these remarks, I beg to move.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Miss Emily LAU, 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)

Miss Emily LAU rose to claim a division.

PRESIDENT (in Cantonese): Miss Emily LAU 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, Dr Raymond HO, Mr Eric LI, Mr LEE Kai-ming, Dr LUI Ming-wah, Mrs Selina CHOW, Mr Ronald ARCULLI, Mr CHAN Kwok-keung, Mr CHAN Wing-chan, Dr LEONG Che-hung, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG and Dr TANG Siu-tong voted against the motion.

Mr Michael HO, Mr CHEUNG Man-kwong, Mr SIN Chung-kai and Mr LAW Chi-kwong abstained.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Mr LAU Chin-shek and Miss Emily LAU voted for the motion.

Miss Christine LOH, Miss CHAN Yuen-han, Mr Gary CHENG, Mr Andrew WONG, Mr Jasper TSANG, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr David CHU, Mr HO Sai-chu, Mr NG Leung-sing, Mr CHAN Kam-lam, Mr YEUNG Yiu-chung, Mr Ambrose LAU and Miss CHOY So-yuk voted against the motion.

Mr Albert HO, Mr LEE Wing-tat, Mr Martin LEE, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Mr Andrew CHENG and Mr SZETO Wah abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, 17 were against the motion and four abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 28 were present, five were in favour of the motion, 14 against it and eight abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was negatived.

PRESIDENT (in Cantonese): Second motion.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MISS EMILY LAU (in Cantonese): Madam President, I move the second motion under the Interpretation and General Clauses Ordinance which has been printed on the Agenda. Madam President, although we have just been defeated, we are not deterred. We would fight on despite repeated setbacks. Here we come again.

This is a very simple resolution. As I mentioned in my speech earlier on, this is related to the Distribution of Number of Members Among Designated Bodies (Election Committee) (Legislative Council) Order 2000 submitted by the Government to the Legislative Council on 26 January 2000. Madam President, I am moving this resolution to repeal this Order. In my earlier speech, I also referred to this Order. As I said before, 40 of the 800 seats on the Election Committee have been allocated to the Religious subsector. However, not all religions are included in that subsector. The Government is trying to introduce a "coterie within a coterie" election. Just now I have already pointed out which are the six designated religious bodies, and that some of them have seven seats while others have six seats. I do not know how those seats are distributed among those religious bodies. They said they have negotiated among themselves to distribute the seats, but I believe the "visible hand" of the Government has done the negotiation for them. Why is it that the Muslims have one seat less than before while the Buddhists have a seat more? Perhaps the Buddhists' position has soared as the birthday of the Buddha is now a public holiday. Anyhow, we just feel that this is very unfair.

During a Subcommittee meeting, Madam President, Mr NG Leung-sing asked why had the Fa Lun Gong not been allocated any seats. This is actually one good question. Be not afraid, Honourable colleagues, this is Hong Kong, we can make reference to the Fa Lun Gong. Apart from Fa Lun Gong, I believe there are still other religions observed by some people of Hong Kong, only that they are not so powerful as the six designated religious bodies. If we talk about conducting elections in a fair, open and impartial manner, we should offer the same opportunity to all religions in Hong Kong. Why must the Government pick those six religions?

So, Madam President, although my resolution seeks to repeal the relevant Order, it does not follow that those 40 seats would not be allocated to the Religious subsector. The principal ordinance has stipulated that the Religious subsector shall be allocated 40 seats, what we try to repeal now is the way the "cake" is being shared. I hope Honourable Members will not repeat such comments as: Emily LAU, do not waste your energy, the religious bodies have reached a consensus among themselves, you will make a fool out of yourself stirring up trouble there. I just hope they would not repeat those comments any more. Madam President, we are moving this resolution as a protest. So long as I am returned to this Council, I will fight to my last breath to protest. Some people do not like making any protest, this is their freedom. On the other hand,

we still have this freedom to protest for the time being, so we will go on with our protest. As I said before, if we did not protest, if the Frontier remained silent, we would not be debating this resolution today. What would happen then? All the proposed arrangements would be passed. In which case the message sent out to the people of Hong Kong would be that Members of this Council have given the proposed arrangements their full support without uttering a sound. How could the Frontier support these proposed arrangements? This is just impossible.

The religious bodies have formed an organization called the Hong Kong Colloquium of Religious Leaders. They are really terrific, for they have discussed behind closed doors and distributed the seats by way of consultation. Actually, I believe the Religious subsector has a responsibility to give the people of Hong Kong an account of how they distributed those seats through consultation. I am sure members of the Religious subsector also believe in the principles of fairness and impartiality. As such, I think they definitely have a responsibility to give an account on this.

There have been remarks that the religious bodies are criticizing me for stirring up trouble, and that they are very unhappy with me. They query why I do not "stir up trouble" in the other 700-odd seats and are therefore unhappy with the resolution I have moved in relation to their 40 seats. To be honest, I certainly wish to "stir up trouble" in those 700-odd seats and in those 30 seats to be returned by the functional constituencies as well, only that I do not have the capacity to do so. I cannot take any action before the relevant bills are submitted to this Council by the Government. Do Members believe that I really want to wait until this time to take actions? I have wished to "launch" my actions since a long time ago, only that I have not gotten any chance to do so so far.

Hence, I wish the religious bodies could understand that we are not trying to get at them. Rather, we are trying to get at coterie elections, we are against all kinds of coterie elections. I wish that those "respected" religious leaders and followers could make it clear that they also hold fast to having elections that are conducted in a fair and impartial manner. This is what I wish to hear from the religious bodies. What I do not want to hear from them are comments which criticize us for stirring up trouble after they have shared the cake among themselves.

Actually, we do not need to look too far for examples. Just take a look at the role played by the Catholic Church in the Philippines in overthrowing the reign of MARCOS, can our churches in Hong Kong not feel ashamed of themselves? Just now some Honourable colleagues, including Mr LEE Cheuk-yan, have talked about moral standards in their speeches. For some people, they are converted to a certain religion just because they want to be morally courageous. But what can we see now? No wonder some people have referred to this as a demon detector.

Madam President, in 1987 when I was still working as a reporter for the *Far Eastern Economic Review*, I published in the magazine in that December an article entitled "The Unholy Alliance of Christianity". It was an article on the close relationship between the Government and the Protestant Church in Hong Kong. Actually, I believe not only the Protestant Church but also other mainstream churches in Hong Kong have also forged "unholy alliances" with the Government. Many schools and voluntary organizations are run by the churches for the Government, as such, they are allocated handsome funds. This makes me believe that they do not have much freedom to oppose things which they may regard as unreasonable. Nevertheless, I really hope that the church leaders could demonstrate their moral courage and protest against things that they consider unreasonable, taking into account that many Christians would follow the leadership of their religious leaders. At present, consultation work is being carried out by the Legislative Council Panel on Constitutional Affairs under the leadership of Mr Andrew WONG to solicit comments on how amendments should be introduced in the future. I hope that some morally courageous members of the churches in Hong Kong would stand forth to express their views. I also hope that they would not mistake the resolution moved by me today for any attempt seeking to stir up trouble.

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

Miss Emily LAU moved the following motion:

"That the Distribution of Number of Members Among Designated Bodies (Election Committee) (Legislative Council) Order 2000, published as Legal Notice No. 15 of 2000 and laid on the table of the Legislative Council on 26 January 2000, be repealed."

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

Does any Member wish to speak?

MR NG LEUNG-SING (in Cantonese): Madam President, I heard just now Miss LAU mention my name. It is because I mentioned certain religions during our deliberations. Firstly, I would like to clarify that I mentioned the name during our deliberations, but I did not ask if Fa Lun Gong could have a seat.

Secondly, I would like to respond to Miss LAU's remarks. She has mentioned the name of a foreigner again and again. The foreigner is a visitor who is highly concerned about human rights. I hope that all Legislative Council Members will think about the livelihood and welfare of all Hong Kong people. The relevant Order under discussion also aims at making this a satisfactory Council that advances step by step to really benefit the public. If a foreigner wants Hong Kong to benefit, he can provide resettlement to more people whom Hong Kong has to provide resettlement to, or provide Hong Kong people with more benefits. I hope that the Honourable Member will fight for these on behalf of these people.

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

MISS CYD HO (in Cantonese): Madam President, firstly, I would like to clarify that I am not a follower of any religion. In fact, religions are formed to give people explanations about life. When a person feels very lonely, a religion can often give him faith and he will not be scared. Religions also guide people to perform good deeds. Thus, a religion is actually more a philosophy than giving people a message about where they will go after death.

We can see that a close relationship between religions and politics can really give rise to corrupt practices. For example, in the Middle Ages, the Church in Europe was so powerful that it could impede the development of scientific researches. GALILEO who said that the earth was round was almost

burnt to death because he was perceived as a sorcerer. These consequences were probably brought by the fact that religions had excessive political authority. I really hope that politics can be separated from religions. When the Government drafted the Basic Law, it invited people from the religious sector to join the political sector. If people from the religious sector are morally courageous, they should boycott this and refuse to join a worldly core of power.

In fact, a totalitarian government fears religions. While religions guide people to perform good deeds, they make the followers, because of their faith, stick to their own views in respect of certain matters. When followers of religions express their demands, they usually do so in a peaceful and rational manner.

Therefore, I hope that religions groups in Hong Kong will not adopt a "sneaking" approach, as mentioned by Mr LEE Cheuk-yan, in electing candidates for these seats by arbitrary lot-drawing to show that they are not concerned. I think that religious groups should boycott this and leave the four seats vacant.

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

(No Member responded)

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, it has been set out clearly under paragraph 2(2) of schedule 2 of the Legislative Council Ordinance that the Chief Executive in Council may distribute the 40 seats of the Election Committee allocated to the Religious subsector among the six designated religious bodies. The Distribution of Number of Members Among Designated Bodies (Election Committee) (Legislative Council) Order 2000 is enacted in consultation with the Colloquium of Religious Leaders. This piece of subsidiary legislation reflects the consensus reached among the six designated religious bodies on how the seats should be distributed. Perhaps let me answer Miss LAU's question with a brief introduction on the consensus reached amongst the religious bodies.

I believe Honourable Members are also aware that basically a total of 40 seats have been allocated to these six designated religious bodies. As a first step, six seats would be allocated to each of the six religious bodies. This would add up to 36 seats. As regards the remaining four seats, lots would be drawn to determine to which four of the religious bodies would these four seats be distributed. As such, some of the religious bodies would be allocated six seats, while others would be allocated seven seats. So, this is the consensus amongst the designated religious bodies.

Actually, last time the seats allocated to the Religious subsector were also distributed in this manner. But since the religious bodies on which the lots fall this time are different from that of the last time, naturally the distribution of seats would reflect such a difference. There is no question of a certain body becoming more powerful all of a sudden and thereby getting an additional seat. All the seats are determined by way of lots drawing.

Given that this arrangement is the consensus amongst the designated bodies concerned, the Government opposes the repeal of this piece of subsidiary legislation. I hereby earnestly urge Honourable Members to vote against Miss LAU's resolution.

PRESIDENT (in Cantonese): Miss Emily LAU, you may now reply.

MISS EMILY LAU (in Cantonese): Madam President, I will be very brief. I just want to say something about the foreigner Mr NG Leung-sing has mentioned. I have only mentioned the name of one foreigner but not many, and she is Mrs ROBINSON. Mrs ROBINSON met Legislative Council Members and the Chief Executive yesterday and I believe she met many people.

I do not understand why Mr NG should suggest asking her to provide more refugees with resettlement or to provide Hong Kong people with more benefits. She is the High Commissioner for Human Rights of the United Nations, why did he make such requests? Hong Kong is an international city and we welcome visits by people such as Mrs ROBINSON. Therefore, Legislative Council Members and the Chief Executive met her. Madam President, as you know,

many friends from overseas visit the Legislative Council every day. A group of Australian Members of Parliament visited us yesterday. I hope that the remarks Members made will not give our foreign friends an impression that they are not welcomed, that they have to be prudent when they speak in Hong Kong, or that they may have to assist in the resettlement of some refugees or provide Hong Kong people with certain benefits. If so, they will feel embarrassed.

I call upon colleagues to support my resolution if they oppose coterie election and disagree that the Government should hold the election in September this way.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Miss Emily LAU, 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)

Miss Emily LAU rose to claim a division.

PRESIDENT (in Cantonese): Miss Emily LAU 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, Dr Raymond HO, Mr Eric LI, Mr LEE Kai-ming, Dr LUI Ming-wah, Mrs Selina CHOW, Mr CHAN Wing-chan, Dr LEONG Che-hung, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG and Dr TANG Siu-tong voted against the motion.

Mr Michael HO, Mr CHEUNG Man-kwong, Mr SIN Chung-kai and Mr LAW Chi-kwong abstained.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung and Miss Emily LAU voted for the motion.

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

Mr Albert HO, Mr LEE Wing-tat, Mr Martin LEE, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Mr Andrew CHENG and Mr SZETO Wah abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 19 were present, 15 were against the motion and four abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 28 were present, four were in favour of the motion, 15 against it and eight abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was negatived.

PRESIDENT (in Cantonese): Third motion.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MISS EMILY LAU (in Cantonese): Madam President, I move the third motion under the Interpretation and General Clauses Ordinance which has been printed on the Agenda.

Madam President, this is the last motion and many Members would like to express their views on it. I am really sorry that I have just made a mistake and made Members confused. I have proposed a resolution to repeal the Maximum Scale of Election Expenses (Legislative Council) Order 1997 (Amendment) Order 2000 laid on the table of the Legislative Council on 26 January 2000, and I have made other proposals in substitution for it. I would mainly talk about geographical election. The ceiling of election expenses was the same as that adopted in the geographical direct elections in 1998. We were not in the then Legislative Council, or the Provisional Legislative Council, therefore, we could not influence the decision made at that time. Now, it is the first time that we can make amendments in this respect, therefore, I have taken the opportunity to propose amendments. My proposals are very simple. In respect of the Kowloon West geographical constituency and the Kowloon East geographical constituency, the Government proposes to maintain the ceiling at \$1.5 million but I propose reducing it by half to \$750,000; in respect of the Hong Kong Island geographical constituency, the Government proposes to maintain the ceiling at \$2 million but I propose reducing it by half to \$1 million; in respect of the New Territories West geographical constituency and the New Territories East geographical constituency, the Government proposes to maintain the ceiling at \$2.5 million but I propose reducing it by half to \$1.25 million.

Madam President, I have had the relevant experience. I stood as a candidate in the geographical direct election in 1991, and my constituency included Sha Tin, Tseung Kwan O, Sai Kung and Ma On Shan and the ceiling of my election expenses was \$200,000. In 1995, the ceiling was slightly reduced but the expenses in Sha Tin could reach \$200,000. During the last election, although the scope of my constituency covered Tai Po, Fan Ling, Sheung Shui and the North District apart from Sha Tin, Tseung Kwan O, Sai Kung and Ma On Shan, it was not necessary to increase the ceiling to \$2.5 million.

I have circularized to Members a paper setting out the election expenses of candidates last year. Miss Cyd HO and I spent a total of \$770,000 within the ceiling of \$2.5 million, and we won two seats. We can see from the paper that Mr LEUNG Yiu-chung was outstanding. He spent only \$296,116.3 and he won but he could have spent \$2.5 million on the election. In other words, even though he could spend up to \$2.5 million on the election, he spent less than \$300,000 and he won. Certainly, some would query why the New Territories Alliance, which was also in my constituency, spent \$222,572.25 but got nothing, not even one seat, at the end. Madam President, what is the moral of this story? Some think that this is not an issue. If a candidate does not have the qualities to be elected, he will not win regardless of how much he spent. If he has the qualities, just like Mr LEUNG, he could win even if he spent only \$300,000. But if that is the case, I suppose public relations and advertising companies would have to close down because they are no longer useful. Of course, that is not the case but it does not mean that money will decide whether a candidate will win or not. In a word, if money is of no help in an election, those who said so are really joking.

I hope, and the Government has always said it also hopes, that our electoral system will remain fair, impartial, open and clean and I earnestly support this. Although structural problems have made our system unfair and partial, if geographical direct election can remain fair and impartial, it will give people an impression that even though he is not very rich, he can become a candidate if he so wishes. Even though he may not be able to raise a lot of money as campaign funding, he can still compete against billionaires. I believe that we want to have such a system.

That is why I have proposed this amendment. I have consulted Mr LEUNG Yiu-chung in respect of this amendment. Mr LEUNG is very generous. Although he won even though he spent so little, he is still worried that the ceiling of election expenses for the rich may not be high enough, therefore, he has not proposed to reduce the ceiling by 80% but only agreed to reduce it by half. Actually, I believe that he will not spend all the money even if the ceiling has been reduced by half. Therefore, there is still plenty of room left if the ceiling has been reduced by half as I have proposed. In other words, the extent of reduction proposed by me is so very small. I have also noted that the higher the ceiling, the more the rich will spend. Madam President, as I said in a previous debate, some people are very rich and many people will give them donations, and many companies will even queue up to give them donations.

There is no problem and those who are supported by the public should be proud of themselves. Yet, my only hope is that the Secretary will expedite the enactment of legislation to regulate all political parties and require them to make public the list of donors. If nobody is willing to make donations because the list of donors should be made public, we might as well be disallowed to accept donations. We should not let anyone use this as an excuse and refuse to disclose to Hong Kong people the names of donors. Regardless of whether the donations come from Hong Kong or abroad, big conglomerates or great families and even if someone has only donated \$20, a very important point is that all these donations have to be made public. Therefore, to keep our elections fair and clean, the amendment proposed by me today is very important.

Last Wednesday, I attended the consultation meeting of Mr Justice WOO on his Guidelines on Election-related Activities. I raised a point at that meeting that is directly related to this issue. The Guidelines issued by him do not regulate the advertisements placed by political parties during elections. In the light of the existing practice, if the names of candidates appear in any advertisements, the expenses should be counted as election expenses. If only the names of political parties but not the names of candidates have appeared in advertisements, the expenses would not be counted as election expenses. I said at that meeting that it was unfair to do so. Mr WOO blamed us for turning down the proposal to display logos. According to Mr WOO, if logos were used as a part of an election campaign, the expenses could be counted as election expenses. If logos are not used, how can we know which parties are being advertised? I doubt this because all posters of candidates show the names of their parties, and there will thus be a pigeon-holing effect. On the one hand, a political party can use \$20 million to place advertisements, on the other hand, a candidate only needs to print some leaflets to publicize himself in the name of the party. So, the candidate can get the support gained with the \$20 million spent. Thus, I strongly request Mr WOO to specify in the Guidelines that a political party can only place advertisements on the political party during an election and the advertisements should not contain the names of candidates. However, the expenses incurred should be shared among the relevant candidates and counted as election expenses.

Madam President, I hope colleagues will understand the trouble I have taken. I wish that Hong Kong people will feel that the electoral system can accommodate anyone of them as a candidate in the election. Most people in Hong Kong are not billionaires and I believe it will be extremely difficult for

them to spend thousands of dollars to stand as a candidate in an election. Therefore, we have to create an atmosphere that people who are not rich can also stand as a candidate in an election. To achieve this, we have to reduce the election expenses to a practical amount. Some \$700,000 to millions of dollars are huge sums, especially when we have a deflation now. Even if the ceiling of election expenses is reduced, it is definitely enough for the candidates.

With these remarks, I move the resolution and hope that colleagues will support it. Thank you, Madam President.

Miss Emily LAU moved the following motion:

"That the Maximum Scale of Election Expenses (Legislative Council) Order 1997 (Amendment) Order 2000, published as Legal Notice No. 16 of 2000 and laid on the table of the Legislative Council on 26 January 2000, be amended by repealing section 3(a) and substituting -

"(a) by repealing subsection (1)(a), (b) and (c) and substituting -

- "(a) in respect of the Kowloon West geographical constituency and the Kowloon East geographical constituency, \$750,000;
- (b) in respect of the Hong Kong Island geographical constituency, \$1,000,000;
- (c) in respect of the New Territories West geographical constituency and the New Territories East geographical constituency, \$1,250,000.";"."

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

MR YEUNG YIU-CHUNG (in Cantonese): Madam President, Miss LAU is worried that the poor may not be able to stand as candidates in an election. In fact, the original proposal has only set the ceiling but not a lower limit of election expenses, therefore, it is not true that the poor cannot stand as candidates in an election.

The Democratic Alliance for the Betterment of Hong Kong (DAB) will not support Miss LAU's proposal to reduce the ceiling of election expenses by half. Miss LAU has taken the election expenses of the geographical constituencies in the 1998 Legislative Council Election as an example and she thinks that the election expenses of over a half of the lists of candidates are less than 50% of the ceiling, therefore, she proposes that the ceiling of election expenses for the geographical constituencies in the Legislative Council Election in 2000 should be reduced by half. Actually, out of the 15 lists of candidates elected in the geographical direct elections of the Legislative Council in 1998, the election expenses of 11 lists, 73.33% of the lists of candidates elected, exceeded 50% of the ceiling. The election expenses of only four of the lists of candidates elected were less than 50% of the ceiling. Thus according to Miss LAU's proposal, the election expenses of the 15 Members elected in the geographical direct elections of the Legislative Council in 1998 have exceeded the specified amounts. Actually, Miss LAU's proposal is not practicable.

Miss LAU has also cited the example of a candidate who spent only 11.8% of the ceiling but managed to win a seat to prove that it is not adequately justified and not logical to set an excessively high ceiling. Can we ask other candidates to reduce election expenses after someone has been elected without much publicity and election expenses? In fact, as Miss LAU has just mentioned, whether a candidate is elected or not is not closely related to the ceiling of election expenses. In the geographical direct elections of the Legislative Council in 1998, a candidate spent as much as 88.8% of the election expenses ceiling but he was still not elected. Can adjustment be made to election expenses? Certainly yes. The problem is we need certain data and we cannot just draw a line on the basis of the election expenses of a certain person as the public will hardly be convinced. At this stage, I do not think it is necessary to revise the ceiling of election expenses.

With these remarks, Madam President, I oppose Miss Emily LAU's motion.

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

MR JAMES TIEN (in Cantonese): Madam President, elections are sometimes like battles. Of course, the strategy one adopts in staging a battle should focus on how to gain permission for using more powerful weapons and, on the other hand, prevent its enemy from doing so. Why do I use this analogy? This is because there are no upper ceilings or actually no restrictions on election expenses in the United States. Under the attack launched by the United States, Iraq said, "I have only 100 000 people, why did you attack me by means of airplanes instead of 100 000 people for an airplane can cost tens of millions and even up to hundreds of millions of US dollars. Can we actually reach an agreement prohibiting both of us to use airplanes for I have no airplane"? We can see the logic in this. Miss Emily LAU might have more voluntary workers to help her carry out electioneering activities. Why does she not impose a restriction so that each candidate can only recruit a maximum of 100 voluntary workers and each worker can only work a maximum of eight hours a day? Is it going to work? She might be able to recruit 1 000 voluntary workers, but we might not be able to recruit so many voluntary workers. Therefore, we can only choose to hire people by offering them money. Why can we not do so? Mr YEUNG Yiu-chung was right. It would be unfair if candidates without \$500,000 are be barred from "playing the game" just because there is a minimum scale of election expenses. Under such circumstances, perhaps only those who can afford can "play the game". Miss LAU mentioned several hundreds of millions of dollars. Actually, the amount of money involved at the moment is "negligible" — only from several hundreds of thousands of dollars to \$2 million or so, not hundreds of millions of dollars. Actually, how can we spend hundreds of millions of dollars? How much can a political party that chooses to stand for election in five major constituencies spend at most? The total sum will be in the region of tens of millions of dollars only.

Madam President, if we look at the ratio adopted by overseas countries — we used to say we should learn everything from overseas countries for they are always better — let us talk about Canada instead of the United States this time around. In Canada, candidates will be given monetary rewards. If we calculate in terms of the maximum scale of election expenses, one Canadian dollar is equal to more than HK\$5. At present, the average election expense limit on the money we spend on each voter is \$1.5. Why is Canada, with a living standard almost the same as that in Hong Kong, able to set its limit at one Canadian dollar, that is \$5.6, whereas HK\$1.5 is already considered to be excessive here? Singapore is very close to us (I am referring to the living standard only). Under a situation similar to ours, Singapore has set its limit at

2.5 Singaporean dollars, that is \$12.3. Compared with HK\$1.5, we can see that our permitted expenses are actually extremely low.

Many of my colleagues should have already met with a group of Members of Parliament (MPs) from Australia this morning. I asked them how the situation was in Australia and found that the case in Australia was even more fantastic. To start with, there is no upper ceiling on election expenses in Australia. Moreover, people with no affiliation with political parties are also allowed to stand for election. In short, they can spend as much as they want. This was what happened in Australia. But still elections have been successfully held there. Could it be that the rich enjoy an edge in standing for election in Australia? Not necessarily. I believe many of the MPs elected are just ordinary people. Those who stand for election are not necessarily very rich. Even Miss LAU told us the crucial point: the rich people do not necessarily win. Mr LEUNG Yiu-chung managed to secure a seat with just a meagre sum of money. It has only cost Miss Emily LAU and her colleague \$770,000 to secure two seats with a total of 100 000 votes. Although the Liberal Party has spent \$1.72 million, Mr Allen LEE finally lost the election by a margin of 33 800 votes. This proves that those who have plenty of money do not "necessarily win". On the contrary, those who spend less do not necessarily lose. I do not understand what she is actually jealous of? Given the fact that those who spend less can still win again and again, why should we lower the maximum scale of election expenses? People used to complain that the business sector was not willing to take part in politics. They always encouraged the business sector to "join the game" and said if it did, it would stand a chance to win. However, when people from the business sector accepted their invitation and "joined the game", people tied up their hands and feet. The fact is if we fail to find any voluntary workers, we might need to hire people to help us distribute leaflets and pay home visits. This is absolutely fair. I do not think we are trying to bribe people for votes. We are only offering them money in return for the efforts they made in campaigning for us. Judging by this, I definitely disagree that those who spend more will definitely win and those who spend less will definitely lose. Of course, if there is any evidence supporting that this is what actually happened, we can consider slashing the maximum scale of election expenses. As we have always been advocating that we should model on overseas countries and make good preparations for the pursuit of democracy, like what democratic countries do, should we allow candidates to place television commercials or abolish the maximum scale of election expenses, like what some overseas countries do? If we can do so, we can encourage more people from the business

sector to take part in politics. It will then be easier for universal suffrage, a matter of utmost concern to some Members, to be put into implementation.

Thank you, Madam President.

MISS CYD HO (in Cantonese): Madam President, I wish to point out a fact and that is, in the coming elections, many political parties have indicated that they are going to stand for the elections with a split list of candidates. That is to say, if we do not reduce the maximum scale of election expenses, the candidates will be able to get a much greater amount of resources, so much that it will be many times of the existing amount they allowed to get. Take the elections to be held in the geographical constituency of New Territories West as an example. According to the proposals made by the Electoral Affairs Commission, the maximum scale of election expenses for each party list would be \$2.5 million. If we split the party list by six, then how much money can be spent in elections? That will be \$2.5 million times six. If a political party standing for elections in each constituency splits that number of party lists, then the maximum scale of election expenses so reached will be very huge indeed. Of course, they may not use this method to run for the elections in each constituency. The reason is that the so-called party list system is meant to prevent a party from becoming more powerful than others or that only candidates from one single party will be elected. Despite this, come to imagine the case that a party splitting a list can have four to six times the resources than previously allowed. On the other hand, they will also tell the voters not to vote for those candidates who have landed on to the constituency or those independent candidates without the backup of any party. Though the political party may not win all the seats, it may make those candidates without sufficient resources lose in the elections.

I would like to respond to the comment made by Mr James TIEN that in Australia there was no such thing as a maximum scale of election expenses. If we wish to imitate what the others are doing, then we should imitate all of their system and not just part of it. The worst thing about Hong Kong is that we are only imitating some but not all of it. In Australia, apart from the fact that no maximum scale is set for electoral expenses, the government will give a certain amount of subsidy to each candidate according to the number of votes he gets. The amount of subsidy will be calculated according to each vote a candidate gets, irrespective of whether that candidate wins or loses in the election. So even if a party loses, it can still make use of the money for its further development. When

a ruling party is in power, the other parties which are not in office will have no public money to support their work, but they can still make use of the money to continue with their work in the constituencies. So in this way they can have the money to run for another campaign in the next election. If we do not imitate that part and if the ceiling for election expenses is set at such a high level, those candidates who have lost in the elections for one time will find it very difficult to run for another election. No matter how talented these candidates are, they will find it hard to use all their fortune to compete with those wealthy candidates who run for elections time after time.

It is right to say that when people are fighting, no one will tie one of their hands and fight. But I wish to point out that we must fight a healthy, fair and gentlemanly battle. Madam President, in boxing there are featherweight and heavyweight fights. We do not want to see some people can spend a lot of money to fight with someone who can only afford \$290,000 as election expenses. I am saying this because I wish to present a choice to the public, in the hope that they will choose whether to allow our society to degenerate into one where money reigns supreme in politics.

Thank you, Madam President.

MISS CHOY SO-YUK (in Cantonese): Madam President, I am very much in support of the speeches made by Mr YEUNG Yiu-chung and Mr James TIEN. I agree with them. I would therefore not repeat what they have said, however, I would still like to make two more points.

First, to use the election expenses made by candidates in the last election as a basis to deduce that there is a need to lower the maximum scale of expenses is in fact a conclusion drawn out of insufficient experience. As a matter of fact, the maximum scale was suddenly relaxed in the last election and so the ceiling for election expenses was raised all of a sudden. At that time, I took part in the electioneering efforts. As far as I know, many candidates were very cautious in calculating the election expenses because they were afraid of exceeding the maximum scale. For large constituencies, all the candidates were afraid to spend money recklessly on publicity. Take the District Councils elections last year as an example, the maximum scale of election expenses was \$25,000. It was raised all of a sudden to \$45,000. Although candidates like us knew that the maximum scale was raised, we were still afraid. We felt being fettered by

the \$25,000 limit and it was hard for us to do anything with so little money. But even when the limit was relaxed to \$45,000, we did not dare to spend recklessly because we were afraid of exceeding the limit. We had to be very careful about each item of expenses. That was how the maximum scale of election expenses operated after it had been raised. At that time, it was likely that all the candidates still did not dare to spend too much in election expenses, but that did not mean that the maximum scale was being excessive.

In addition, a reduction of the maximum scale of election expenses may lead to a situation where those who have raised insufficient funds will limit the efforts made by those who have raised more funds. I consider it smacks of a "bad loser".

Madam President, I so submit.

MR ERIC LI (in Cantonese): Madam President, originally I did not intend to speak, but when I heard many Honourable Members imply that elections seem to involve only the people in this Chamber, so I think I had better speak a few words on that.

If we think that we should set a maximum scale for election expenses, we should not be looking at which ones of the incumbent Members of this Council from the political parties are stronger and which ones are weaker, we need to take into account the entire political milieu of Hong Kong. If we are to facilitate its further development, we ought to give sufficient attention to the newcomers. For these newcomers, especially when many of them do not have any political affiliations or other background, they are not as well-known among the public as us and they are not helped by the label of a political party. As newcomers and in the absence of a substantial amount of election expenses to promote their work and make themselves better known, they cannot possibly challenge the serving Members or in any way compete with them. For the benefit of the political development of the territory in the long run, I feel we should be considerate of these independent people without any political affiliations. This applies especially to those who want to take part in political activities, that is, those so-called new blood. Under such circumstances, I cannot accept the amendment proposed by Miss Emily LAU.

MR ANDREW WONG (in Cantonese): Madam President, when Miss Emily LAU proposed the first resolution, I said that I was not too willing to speak on a motion of this kind, and I was not willing to vote against any proposal made by the Government or the Electoral Affairs Commission, for I thought we should stay away from it to avoid any unfounded suspicions. And that is very important.

What I am going to say is in fact quite similar to what Mr Eric LI or other Honourable Members have said. If we make use of the materials in these speeches it is very easy for us to accuse Miss Emily LAU or those Members like Mr James TIEN or Mr YEUNG Yiu-chung and so on who hold opposing views to Miss LAU and say that they are in fact trying to set the maximum scale of election expenses to an amount in their favour or in the favour of their parties. Arguments like these are very easy to make, but I do not wish to say these. Nor do I want to discuss the intention and motive of Members. I think as Members of this Council, especially those who have taken part in direct elections, it will not be prudent of us to speak in a motion to support the abolition of or amendment to legislation concerning the delineation of constituencies, the allocation of seats and the maximum scale of election expenses and so on.

Let me talk about the background. Just now Miss Emily LAU said that she did not take part in the enactment of the legislation and electoral provisions in 1997 on the first Legislative Council in 1998. As Miss Emily LAU has pointed out, in 1995, Sha Tin belonged to the New Territories East constituency and the ceiling of the election expenses for each seat there was \$200,000. That is to say, if we consider the fact that there are five seats in New Territories East, and the maximum scale of \$800,000 for the rest of the four seats in Sha Tin, and when added to this the inflation factor and the current changes in promotion strategies, the election expenses so calculated would exceed \$1 million. In the meetings of the Provisional Legislative Council, I put forward my views on this issue and the Government thought that the maximum scale should be relaxed for it was of the view that the former limit of \$200,000 would no longer apply to the then prevalent conditions. Moreover, there were some kinds of election publicity which had not been used by candidates in the past but should be allowed then. These include the placing of election advertisement in the newspapers, which is very costly. At that time, some Honourable Members worried that any changes to the maximum scale of election expenses would lead to other changes. For

example, if publicity efforts were to be made through the electronic media, even \$2.5 million might not be able to cover the expenses involved. It might not be enough even if the maximum scale for one seat was raised from \$200,000 to \$500,000. Even if the maximum scale of election expenses for five seats was raised to \$2.5 million, that is, \$500,000 for each seat, candidates, especially those who were to stand for elections for the first time and were not well-known among the voters, would find it very difficult to raise sufficient funds if they wished to make use of the electronic media in their publicity efforts.

I can say that in my case, I was able to raise sufficient funds. However, I found it very difficult to raise the funds for the last election since the amount was over a million dollars. It would be more difficult if I was to raise more funds. I have the impression that the Government is doing the serving Members a favour this time around when it permits them to use the same amount of election expenses as last time. Those who were elected with \$300,000, \$400,000 or \$1 million or so may hope to win in the coming elections with the same amount of election expenses without having to adjust the maximum scale upwards. I may have been very unwise to say this, for it seems that I am paving the way for my own election. However, the focus of our present discussion is not on the elections *per se*. The lower the limit of the maximum scale of election expenses is, the more favourable will it be to the serving Members. It is because other people will never have the chance to be in the limelight and let others know them. Today when Honourable Members make the decision, they must bear this in mind. If we lend our support to the resolution proposed by Miss Emily LAU, that is, to cut the maximum scale of election expenses by half, then are we doing this to keep our seats? Or are we trying to bar others from winning even if they can raise a great amount of funds and do have such new promotional strategies and new ways to approach the voters and manage to convince them that they deserve to be elected?

I wish to make my stand known that I oppose this amendment. I also think that it will not be appropriate of Honourable Members to speak too much on this. Miss Cyd HO has said earlier that it is precisely because of our saying too much that we can no longer put our party logo on the ballot paper. So when a party list in a constituency is split into two, our former decision was that the same logo could be used in the two party lists as a kind of publicity. But unexpectedly we have to bear some of the consequences ourselves in the end.

Madam President, I hope to advise Honourable Members through you. The legislation for the election to the first Legislative Council and the relevant election provisions have been in force for many years. I am very familiar with the information on that since all along I have served as the chairman of the relevant panel in the Council. I have always cautioned myself against putting in any personal considerations when discussing details on these matters. I also hope that Members will do the same. We must put public interests before our own.

Lastly, with these remarks, I oppose this motion.

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

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, some of the views expressed by both sides to the motion are in fact quite similar. That is: The amount of election expenses does not necessarily make a candidate win, but then why is there still a problem of the maximum scale of election expenses?

As a matter of fact, insofar as elections are concerned, I share the same view with the Government. We want to see elections being conducted in a fair and honest manner. Madam President, this is how I would look at this issue. It is true that those candidates who spend a lot of money on publicity will not necessarily win, and those who spend less will not necessarily lose. But the point is, if candidates are allowed to spend more money, there is a possibility that some votes which will not be cast in their favour originally may end up going their way. And so they will have more votes. One can certainly not rule out this possibility. But that will destroy the fairness of the elections. Why do I say this? We all know, and Miss Emily LAU has said earlier, that the election expenses I made in the last election were very small; in fact they were very small. At that time a voter said to me, "LEUNG Yiu-chung, how can you compete with others? You will certainly lose." Then he said that some residents who used to say that they would support me had changed their mind. Why? Because some other candidates treated them to a dinner. Then he asked me if I also did the same thing. There are lots and lots of similar stories. Madam President, you may well ask if there is any bribery and corruption involved if candidates treat some people to dinner. That is not considered as bribery and corruption. As the election regulations stipulate, there are many kinds of spending which are

not considered as bribery and corruption. In this case, I think some of these expenses may affect the fairness of the elections and make them not really fair and honest. The kind of elections that we expect to see is the public casting their votes on the basis of the platform of the candidates or the political party, or on the basis of their political achievements or past performance. Voters should not be induced to cast votes in favour of anyone by any material incentives. Only then is an election clean, fair and just. However, countless examples of similar stories like the one I have just mentioned did happen before. Even if we had lodged a complaint, it would be futile in circumstances as these, for there are many things which are permitted in law. Therefore, I think that it would be better if some sort of ceiling of election expenses is set than without. Speaking from my own experience, the ceiling may not be used to the full after all. That is my personal view.

Apart from this, I would also like to tell the Government that I wish to designate the polling day as a cooling off period. That idea has been raised by Mr LEE Wing-tat of the Democratic Party. Why am I raising this point about a cooling off period? Madam President, the amount of expenses made on the election day is huge, for many people may be required to hand out the leaflets. In fact, is there a need to canvass votes on that day? I do not think there is such a need. We all know that I did not make any efforts in electioneering in the last District Councils elections. I did not even hand out a single leaflet on that day. Some people may criticize me for being so arrogant because I have won in the elections. But this is not the truth of the matter. Many voters said after the elections that the cooling off on that day was a good idea. It allowed voters to choose the candidates they wished to support in a cool-headed manner. If the Government can enact laws to the effect that the election day should be made a cooling off period, the candidates will save some money and they will not be criticized for spending too much. If there is no need to do such things, that will not be a bad idea at all. That is especially true when we look at the matter from the perspective of environmental protection, for we do not have to waste so much paper. In the previous elections, indeed many voters said that it was a waste of money. Why did candidates hand out leaflets even on the election day? People will just throw away the leaflets as soon as they have got them. It does not serve any purpose at all. It will simply be a waste of resources, and it is even worse because they are natural resources. It can be said that the issue of election expenses hinges on how we are to spend and whether we have any justifiable grounds for it.

Just now many Honourable Members have talked about the situations and experiences in other countries, and that there is no ceiling for election expenses and so on. But Honourable Members have not mentioned another experience or fact. In fact, Mr LEE Wing-tat has talked about that before. In 1999 Mr LEE proposed a motion about it but that was not passed. The motion was about the question of whether the Government would reimburse a candidate's election expenses if he manages to get a certain number of votes. There is such a practice in some foreign countries and that is a fact. But we do not have this practice. Someone may ask me, if my line of argument is followed, would that imply that I would also agree to raising the maximum scale of election expenses? Just now we have talked about advertising in the electronic media. The cost of this kind of advertisement is great, and so there may be a need to raise the maximum scale. However, as we do not yet have such expenses, and if we want to have a fair and impartial election, I do not think we should be so loose about the maximum scale. For in that case, we may have an unfair and partial election.

Madam President, there is another point. From past experience in elections, we can more or less sense that a certain election culture is in the process of being formed and that is an election culture for the rich. Candidates are constantly making some more and more sophisticated and showy moves, though these are not bad things. What I would like to see in elections and what we should advocate is, as I have said before, voters will pick their candidates on the basis of their past performance and their election platform. That is the most important thing about elections. Candidates in election campaigns should not just put on a show and make themselves look attractive, thinking that everything can be hidden under the façade. If everyone looks at elections from the approach I take, a lot of expenses can be cut and candidates will not need to spend so much money. Therefore, I support the resolution proposed by Miss Emily LAU.

Madam President, I so submit.

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

(No Member responded)

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, the Government has set limits on the election expenses for all elections with the objective of enabling candidates to compete on a level playing field. The limit does not include any restrictions on the forms of election activities to be carried out. The only requirement is that the election expenses of the candidates should be kept within a certain specified limit. Within that particular limit, candidates are free to decide on the amount of each item of expenses. When we set the limits for election expenses, many relevant factors were considered, including the delineation of constituencies, population growth and experience from past Legislative Council elections.

I wish to point out first that the delineation of constituencies for the Legislative Council elections in 2000 is the same as that in 1998. Therefore, there is no change with regard to the area of the five geographical constituencies. There has not been any great change in population in these five constituencies during the period from the Legislative Council elections in 1998 to the present. Taking these two factors and the experience of the 1998 Legislative Council elections into consideration, we think that it is appropriate to keep the limit of election expenses for geographical constituencies to the level of the Legislative Council elections in 1998. We consulted the Legislative Council Panel on Constitutional Affairs in 20 December last year with regard to this proposal. At that time, most of the Honourable Members present indicated that the proposal was acceptable. In addition, I wish to emphasize that the maximum scale of election expenses is only a ceiling of election expenses which candidates can use. Candidates can decide on the amount of expenditure according to their personal needs provided that such expenses do not exceed the maximum scale. In fact, the proposed maximum scale of election expenses against the population of a geographical constituency is only about \$1.5 per head. We do not think that this is too high. Taking the above factors into consideration, we think that it is proper to keep the maximum scale of election expenses as the present level. Thank you, Madam President.

PRESIDENT (in Cantonese): Miss Emily LAU, please speak in reply.

MISS EMILY LAU (in Cantonese): Madam President, I wish to respond briefly to the points made by a number of Honourable colleagues.

First of all, Mr YEUNG Yiu-chung said that this resolution concerns the maximum scale of election expenses, not the minimum limit. But all we hope for is a lower limit, which means that the amount of money a candidate can spend is adjusted slightly downwards to ensure fairness and impartiality in the process and to genuinely facilitate public participation in the election. Just now I spoke of billionaires and to be honest, if someone can take out millions of dollars from his pocket to pay for the election expenses, that person really must have billions of dollars in order to be able to shell out millions of dollars for that purpose. It is indeed difficult for an ordinary person to spend millions of dollars for his candidature unless he resorted to fund-raising. I am very lucky because public contributions had made it possible for me to contest the past elections. Although we are discussing the maximum scale, and a candidate does not have to spend all of the \$2.5 million since he can spend just \$500,000 or \$200,000, the question is whether this serves as a level playing field for candidates? Those candidates who do not have a fortune cannot spend more even if they so wish. They can only spend \$200,000 while some other candidates can spend as much as \$2.4 million. So, I think competition under such circumstances is no fair play.

Mr YEUNG said that from the list that I gave him, we can see that most of the candidates actually spent more than half of the maximum scale. This I agree. But one tends to spend more if he is allowed to do so, and there are cases in which candidates could still win without spending as much. So, we hope to lower the maximum scale of election expenses. Mr YEUNG also asked if I were telling him to learn from Mr LEUNG Yiu-chung. No one is asking you to learn from him. It would surely be the best if you could win a seat by spending some \$200,000, just as Mr LEUNG did. But I have never told you to learn from him or forced you to limit your expenses to some \$200,000. If my real intention is to force you to do that, I would have proposed to pitch the limit at \$300,000. But this is not the case. The proposed maximum scale of election expenses for candidates in the New Territories East is some \$1.2 million. Surely there should not be any problem with this limit.

Madam President, I got something which was handed to me just now. I was somewhat shocked by the opposition of the Democratic Alliance for the Betterment of Hong Kong (DAB). I have with me now the Official Record of

Proceedings of the Provisional Legislative Council meeting on 21 January 1998. It was my birthday but I was not there. On that occasion, Mr IP Kwok-chung spoke on behalf of the DAB. No, it should be IP Kwok-him. Do forgive me for mistakenly calling his brother's name. Madam President, you certainly remember it since you also presided over that meeting. He said, "The maximum scale of election expenses for the 1995 Legislative Council Election was \$200,000 per seat. But for the Legislative Council Election in 1998, the same maximum scale will be raised to \$500,000 per seat, representing an increase of 250%, which is an extremely high rate. For political parties and individuals at grass-roots level intending to run in this solemn election, this huge rate of increase will pose a very heavy burden. We have also failed to see any justifications for the Government to increase the maximum scale so drastically." It was Mr IP Kwok-him who spoke and he is now the Vice Chairman of the DAB. Madam President, you may recall that he was speaking on a motion moved by Mr Bruce LIU of the Hong Kong Association for Democracy and People's Livelihood to lower the maximum scale of election expenses by half. The DAB supported his proposal. I do not know why they are making an about-turn now, but making about-turns has become fashionable nowadays. That said, there are things that we should set out on the deck clearly. Madam President, I hope you would allow them to speak if they so wish. It does not matter if they do not wish to. Well, sometimes we need not dwell on certain things for it will hurt our feelings and even cause embarrassment.

Mr James TIEN mentioned the absence of a maximum scale of election expenses in the United States. Madam President, I am strongly opposed to the system in the United States. I said so not only here. I made the same comment whenever I speak in public in the United States. I said that I profoundly sympathized with them for their electoral system was riddled with corruption and cheating. If not, many wealthy people would not be qualified to run in elections. I said to them how could they have such a system? How possibly could quality candidates be attracted to run for Members of the Parliament or the President? I have always said so and never have I suggested that we should emulate their system. Some Honourable Members said that I have always shown interests in emulating things foreign. I do not know who they are referring to.

On the question of 1 000 voluntary workers, Madam President, I may not have 1 000 voluntary workers myself. But I can offer Mr TIEN a tip as I very much hope that he or other members of his Party will run in the election. In

fact, my electioneering campaign was conducted by a four-member team every morning during the electioneering period. But Madam President, I had to get up at something past 5.00 am and carried thousands of my publicity leaflets for distribution at places with a large visitor flow at 7.00 am, and said, "Good Morning, how are you? I am Emily LAU. Please support me." That was what I did. Some people have a misunderstanding that one must have over 1 000 voluntary workers in order to win in elections. But in my case, I did the same in 1991, 1995 and 1998. So, it is unnecessary to hire a large number of workers. Even if the maximum limit is to be reduced by half as I proposed, candidates are absolutely in a position to hire 1 000 voluntary workers, particularly in view of the low level of wages nowadays when some universities have hired workers at an hourly-rate of some \$10 only (we, of course, do not support the employment of workers at this rate which is exploitative). Therefore, candidates need not be worried.

Mr TIEN spoke of television advertisements and I share his views. It is most welcomed if candidates' beliefs and views can be broadcast on television for public information. However, we should refrain from modelling on the United States where television advertisements are costly and this is undesirable. In this connection, we have put forward a proposal for the consideration of the Government. I have mentioned it on many occasions and Mr SUEN may find me pretty annoying. We proposed that the Government should buy airtime for use by candidates for publicity purpose. This is somewhat similar to the Government's current practice of holding election forums. But frankly speaking, I do not have a clue as to how they are going to organize forums, say, for the New Territories West which has 16 lists of candidates already. They have my sympathy for they have a hard nut to crack. With regard to our proposal, our purpose is to find ways to enable candidates to put across their messages on the air, so that advertisements will not be exclusive for rich candidates with \$2 million in the pocket which is not agreeable to me. Therefore, I hope that the Secretary can find ways for candidates to promote their views on television. Yet, this must be done in a fair manner, rather than hinging on whether the candidate has a fund of over \$1 million at least.

Mr TIEN also mentioned the average election expense limits per voter in other places. Secretary Michael SUEN also likes to quote these figures to argue that we actually have a very low limit in Hong Kong. But do you have any idea about how we compare to those places in terms of the size of population? How many people are there in a constituency of those places, including Australia from

which a deputation just visited us yesterday? Only tens of thousands or some 100 000 at most. But what about the New Territories East? It has a population of some 1.5 million with close to 600 000 registered voters. This is indeed "scary". Where else in the world has so many people? So, when drawing comparisons we must take pains to present the full picture.

Mr TIEN remarked that our intention is to tie his hands in his electioneering campaign. This is simply not true. Why would we have this intention? We, the Frontier, unreservedly welcome the Liberal Party to participate in direct election. We will not do anything to tie your hands or subject you to whatever restrictions. We will not do anything like that. We will throw weight behind you. As I told Members of the Australian Parliament in a meeting with them yesterday, the commercial sector need not be afraid. Dr LUI Ming-wah was also present at yesterday's meeting. He said that the importance of our manufacturing industry warranted a seat for the industry. Can we find a seat for the manufacturing industry in the Australian Parliament? No. However, many of those in the Parliament speak for the manufacturing industry in Australia. The commercial sector in the Parliament also speaks for them. In the United States or other places where elections are held, the commercial sector, which is made up of the rich, has never been afraid. Only that many people have always complained about their excessive influence on the Parliament. So, the commercial sector in Hong Kong need not be afraid. Further, even if the maximum limit is to be cut by half, the revised limit still leaves plenty of room for candidates to spend. Just now Mr Eric LI said that we ought to take care of the newcomers. Even if such a high limit is set for this reason, do you really think that the newcomers have so much money? Perhaps some do, but we mainly hope that the rule of the game can be applied in a fair manner.

Lastly, I wish to briefly respond to Mr Andrew WONG. He said that we should not attempt to juggle with the electoral system. Madam President, I must say that I am not in a position to do that. Last time when we debated whether logos should be printed on ballot papers, I said that as a Member of the Legislative Council, I simply cannot promise that I would affix a rubber stamp on everything submitted to me. I cannot do that. But this time, I see the problem. So, if I consider it necessary to revise whatever things that come before me, I would ask for amendments. I am not trying to juggle with anything. Meanwhile, I hope that our discussion today is candid and open. Please do not make it a matter of personal interest. Please do not say that

amendments are proposed to maintain one's position, that without the amendments one may not maintain his position, or that these proposals are meant to serve one's self interest and so on. Madam President, I do not bother to ask if these remarks are in breach of the Rules of Procedure. But I think Honourable Members need not make these remarks. We are here for pure discussion and debate, and it is unnecessary to make personal attacks. I, Emily LAU, am a person of integrity. I am absolutely unconvinced that this resolution is proposed for I am worried sick that I will certainly lose on 10 September, so I must propose some changes in my favour to make sure that I can sit on this Council again. I hope members of the public and Honourable colleagues will understand that the proposed amendments are not a conspiracy on my part for that purpose. It does not matter if our views are divergent. We can debate on them. But I think those remarks of Members are rather serious allegations which are simply not true. Well, my reaction is pretty calm today and I do not want to spark off any exchanges. I just hope that the DAB can explain why they supported lowering the maximum limit by half in 1998 but say no now in 2000.

With these remarks, I hope Honourable Members who have spoken or otherwise will support my motion.

PRESIDENT (in Cantonese): The Rules of Procedure allows me to grant leave to Members to speak a second time at my discretion. I now exercise this power to allow two Members who raised their hands earlier to claim the floor again. However, I hope Members will not continue with the debate as this will lead to endless discussions, in which case Members should bear all the consequences.

MR YEUNG YIU-CHUNG (in Cantonese): I wish to clarify our position. Perhaps Miss LAU did not listen clearly to what I said, so let me say it again clearly. I said, "Can adjustment be made to the election expenses? The answer is certainly in the affirmative. Yet, one must produce the supporting data and cannot draw the line simply on the basis of the election expenses incurred by one particular candidate. This would be hardly convincing to the public." For this reason, we oppose the resolution. Thank you, Madam President.

MRS SELINA CHOW (in Cantonese): Madam President, Miss Emily LAU said she was very worried. So am I. I am not worried about what motive Miss LAU has, or what conspiracy she is up to. What I am worried about is how Miss Emily LAU, being a so-called democracy fighter, understands democracy and freedom. She thought that she could obtain so many votes by sending four persons to distribute publicity leaflets, so her approach is the best. In the case of Mr James TIEN, as he had taken on eight persons to distribute publicity leaflets for him which means that a certain amount of money had to be spent on it, she opined that his approach is not good. She holds that since they could make it with just four persons, why did Mr James TIEN not follow suit and send just four persons to distribute publicity leaflets at bus stops?

My view is that in a democratic and free society, everyone is at liberty to pursue his goal in his own way. Everyone can use a different method to achieve the objective of putting across his message. Why is it better to send four persons to distribute publicity leaflets? This I do not agree. We very much respect Miss Emily LAU who got up at 5.00 am to work. Likewise, we very much respect Mr James TIEN who stood on the Brewin Path and waved at vehicles passing by. These are the merits of democratic elections. We are at liberty to adopt whatever approach of our choice, and our society respects this practice.

Just now Miss Emily LAU said that the system in the United States is undesirable and riddled with corruption and cheating. She used the words "corruption and cheating". I have no idea why she would describe it as such. Perhaps she may explain this in detail to show us how the system is riddled with corruption and cheating. But as we can see it, the United States is a Western country where democracy and freedom are upheld. Mr Emily LAU always suggests that we must learn from the United States in many aspects, such as human rights, freedom, elections, and so on. The only exception is the limit of election expenses for Miss LAU does not agree to the absence of a ceiling. So, the system is then regarded to be riddled with "corruption and cheating".

In fact, what has the amount of money spent on each voter to do with the number of voters in a constituency? In an election, it takes money for candidates to deliver messages to voters, whether they do so by printing election materials, sending voters the materials by mail or by whatever means. An increase in the number of voters certainly means a multiplication of the costs incurred, and in drawing comparisons, we must take account of the currency unit.

The \$2.5, \$1.5 and \$12.5 that we were told just now are amounts converted from the currency unit of other places. They are converted simply for the purpose of comparison based on the same scale. Miss LAU spoke of the size of constituencies but I do not understand what it has to do with the question before us. In fact, the candidates really need to convey the messages to such a large pool of voters.

Therefore, I very much hope Members can understand that this is the rule of the game. I think it is important that no one is prohibited from conveying their messages in whatever way he thinks fit. More importantly, the rule of the game must be applied in an open and absolutely fair manner. Do not say that a particular approach is better than another. Do not say that as Miss Emily LAU's approach had enabled her to obtain many votes, so her approach is certainly better than the others.

PRESIDENT (in Cantonese): Miss Emily LAU, do you wish to reply?

MISS EMILY LAU (in Cantonese): Madam President, I shall be very brief. First of all, I would like to respond to what Mr YEUNG Yiu-chung has said. He said that there could be some adjustment. But why are they saying that? These Honourable Members from the DAB have discussed that issue before. In 21 January 1998, it was proposed by Mr Bruce LIU. He wished to cut the maximum scale of election expenses proposed by the Government by half. At that time, the DAB supported Mr LIU's amendment.

PRESIDENT (in Cantonese): Miss LAU, I know that what you have said has already been mentioned in your first reply.

MISS EMILY LAU (in Cantonese): Madam President, I was just trying to remind him and that is so much for that point.

Madam President, Mrs Selina CHOW has mentioned the number of people whom Mr James TIEN wanted to use. Then why did I say that I wanted to use four persons? That is because he said that we had 1 000 volunteers and that they did not have that many and so they needed to use money to hire hands. I

wish to refute this argument and let him know that even if this Council passes my resolution to cut the maximum scale of election expenses, the election expenses which he can use are still enough for him to hire 1 000 or even 10 000 people to help him in his campaign. It is because the maximum scale is more than \$1 million, and would this not be enough?

As for the electoral system in the United States, I have always said that — so if anyone wants to do me any injustice, let him show me the facts — I have never said that a system of money politics which is so expensive like the United States is good, but that their system of one-person one-vote is good. But the people there cannot hope to stand for the elections if they do not have a few dozen million or a few hundred million dollars. I think that is certainly a bad system in that perspective. The same goes for Taiwan. I will never say anything in defence of that system. Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Miss Emily LAU, 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)

Miss Emily LAU rose to claim a division.

PRESIDENT (in Cantonese): Miss Emily LAU 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 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 Bernard CHAN, Mr CHAN Wing-chan, Dr LEONG Che-hung, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG, Mrs Miriam LAU, Mr Timothy FOK 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 Martin LEE, Mr Fred LI, Mr James TO, Miss Christine LOH, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Mr LAU Chin-shek, 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 LAU Kong-wah, Mr TAM Yiu-chung, Mr David CHU, 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, 24 were present, four were in favour of the motion and 20 against it; while among the Members returned by geographical constituencies through

direct elections and by the Election Committee, 29 were present, 14 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 the motion debates. I believe Honourable Members are very clear about the time limit of their speeches and so I will not repeat the contents of the recommendations.

First motion: Accident and Emergency Services.

ACCIDENT AND EMERGENCY SERVICES

MR HOWARD YOUNG (in Cantonese): Madam President, I move the motion printed on the Agenda, that is, "That, in view of the prolonged serious overcrowding at the Accident and Emergency departments of public hospitals, which has adversely affected the quality of the medical services provided, and in order to effectively reduce the misuse of accident and emergency services and ensure that those who are really suffering from acute illnesses can receive speedy medical treatment, this Council urges the Government to actively introduce and improve other medical services, including extending the service hours of out-patient government clinics at various districts, reforming the allocation and operating systems of clinics in public housing estates, and promoting the development of comprehensive primary health care services in private housing estates, so that the public can have more choices in health care services".

The serious overloading of the Accident and Emergency (A&E) departments of public hospitals is nothing new. According to the information provided by the Hospital Authority (HA), the total number of people seeking treatment at the A&E departments in 1991 was 1.28 million; the figure jumped to over 2 million in 1996, and again soared close to 2.37 million last year, which is a solid 85% over that in 1991.

What is more worrying is that, however, the great majority of cases handled by the A&E departments are not urgent ones. Every year, urgent or

more serious cases account for less than 25% of the total. This shows that many patients with a condition that does not warrant emergency treatment have often inappropriately used A&E service, leading to serious overcrowding at A&E departments, during the period from 6 pm to 11 pm in particular.

Despite the HA having established a triage system some years ago and in April last year increased the number of categories from four to five, attempting on the one hand to ensure priority and speedy treatment for citizens with genuinely acute illnesses, and to discourage those who misuse the service on the other, it is a pity that there has not been visible effects. The number of people seeking the service continues to climb, and non-urgent cases stubbornly stand at 75%. It is obvious that we must find a new way to resolve the overloading of the A&E service, otherwise, A&E departments will continue to fail to perform their designated functions, the mismatch in the use of health care resources will continue, and the seriously ill will continue to be unable to get satisfactory service.

The Liberal Party is of the opinion that the main reason for the current serious inappropriate use of A&E service by citizens is that the authorities concerned have not provided the citizens sufficient facilities for medical treatment; the serious inadequacy of medical service outside office hours, in particular, has basically left the citizens little choice but to flock to the A&E departments.

One example is that the general out-patient clinics (GOPCs) of the Department of Health (DH) that provide the most basic general medical service to the citizens all operate hours completely out of sync with the daily life of the public. A great majority of the 64 GOPCs of the DH open from 9 am to 1 pm and then 2 pm to 5 pm Monday to Friday, and also only on Saturday mornings. Only 22 such clinics provide evening service, but then it is only from 6 pm to 10 pm Monday to Friday. On Sundays, out-patient service is available at a mere 11 government clinics, and that is only in the morning. Now if citizens fall ill at night or during holidays and cannot afford the service of private doctors, what choices do they have if they do not go to the A&E departments? So it is no wonder that during the Chinese New Year holidays when most private practitioners closed their clinics, and with only 10-odd GOPCs of the DH opening their doors to the public, the A&E departments of the 14 public hospitals under the HA were seriously "overwhelmed", having to treat an extra 18% to 19% of patients, as compared with a normal day.

Madam President, I move this motion in this Council today with the main objective of asking the Government and the authorities concerned to take positive measures to introduce and reform out-patient medical service, to provide citizens sufficient medical facilities so that the A&E service can return to its proper track of treating patients with genuinely acute illnesses. The measures for improvement I am going to list will, apart from urging the Government to extend the service hours of all government GOPCs in all districts and to improve their service, include a reform to the allocation and operating systems of clinics in public housing estates and to promote the development of comprehensive primary health care services in private housing estates. I shall try to elaborate briefly.

Over half of Hong Kong's population at present live in public housing estates. If comprehensive out-patient service could be established in public housing estates, the pressure on the A&E departments of public hospitals would be greatly reduced; this will bring convenience to local residents as well. The Housing Authority or the Housing Department (HD), however, do not have in place special programmes for the promotion of comprehensive out-patient services in their estates. Basically, the HD regards medical clinics merely a form of commercial activity, and there is no special policy in renting out shop spaces in their estates for such purpose. Clinics, like other businesses, have to pay market rent, have to supply a registered person, and the area of the shop is quite standardized. The result is that market rent has failed to attract more doctors to open clinics in public housing estates. Further, the strictly defined shop space area cannot allow several general practitioners or several doctors of different specialties to practise in the same clinic, making it difficult to establish a comprehensive health care practice in public housing estates.

The Liberal Party proposes that the Housing Authority should introduce incentives, by considering for example leasing out shop spaces at below market rent for clinics. They can regard clinics as a form of social service. Flexible arrangements could also be made to give bigger shop space for doctors of different specialties to set up joint clinics in public housing estates to provide the residents with comprehensive medical services. As a condition for charging below market rent, the HD can negotiate with the private practitioners schemes for more reasonable consultation fees and longer service hours so as to attract the residents. Renewal of the leases can also be made conditional upon public satisfaction of the service.

Indeed, apart from public housing estates, large private housing estates with large numbers of residents may also need health care service. If private housing estates have their comprehensive health care service to serve their own residents, the pressure on public health care service will also be eased. I suggest the Government to study in detail the state of health care service in our major private housing estates, to find out whether such service is adequate. If it is discovered that demand exceeds supply in some estates where the number of government GOPCs in the relevant district is also insufficient, the Government could consider leasing shop spaces there to set up GOPCs. This will be different from the present practice of having most government GOPCs in government property.

Madam President, though I shall have 10 minutes to reply to all the amendments after the debate, I wish to briefly comment on the amendments proposed by at least four other Members.

I am aware that the community has recently been discussing the issue of charging patients for A&E service. The Liberal Party believes that, from an objective point of view, charging will to a certain extent reduce the inappropriate use of A&E service, and this proposal merits consideration. However, we must absolutely not try to solve the problem by charging the patients alone. The most complete solution will be to provide more facilities to let the citizens have more choices. Further, the charging for A&E service is a very sensitive matter which could sidetrack our discussion, causing us eventually to focus only on the issue of fees. Therefore, while I think that in principle this matter could be studied, I have not included this issue in my original motion. This is to avoid steering the course of discussion to the matter of charging.

Now I have noted some Members are prepared to move amendments, with as many as three Members raising the issue of fees for discussion. As a result, I feel compelled to comment on them. Firstly, the amendment of Dr LEONG Che-hung gives definite support to charging for A&E service. We agree that a charging scheme could be studied, but our agreement is conditional upon not only the need to set the charges at "an appropriate level" as Dr LEONG suggests, but also restricting the charges to non-urgent cases while ensuring that people with genuine needs who cannot afford to pay will be exempted. This notwithstanding, as the amendment of Dr LEONG agrees in principle with our ideas, the Liberal Party will support it.

As to the amendments of other Members, I mean those of Dr TANG Siu-tong and Mr Michael HO, we do not disagree with some of their contents, such as the change of "misuse" to "mismatch of resources", because it is a matter of wording and there is no significant difference in terms of principle, and that I have also used the words "mismatch of resources". However, in respect of their views on the charging for A&E service, I have reservations. Though they oppose charging in more definite terms, they do not do so categorically and completely; on top of this, other parts of their amendments are sensible. Therefore, the Liberal Party will not vote against their amendments, we will abstain.

The amendment of Miss CHAN Yuen-han does not touch upon charging, but she proposes 24-hour out-patient service in all A&E departments of public hospitals. The Liberal Party thinks that her proposal is similar to ours in that both advocate enhancing the service network, but we have reservations about 24-hour out-patient service, as I pointed out just now, the problem is within the period from 6 pm to 11 pm, and not the whole 24 hours of the day.

Further, the service proposed by Miss CHAN is to be provided by public hospitals, and we think that this again involves public resources within or close to public hospitals, and it fails to achieve the objective of addressing the problem by fully utilizing public and private resources. As to the aim of diverting the flow of patients, I think that her proposal might have the opposite effect of pushing more people into hospitals, albeit to a different department. Therefore, this part of Miss CHAN's amendment runs contrary to our views, in that she asks public hospitals to employ public resources to absorb all people seeking medical treatment; the result is that the present pressure on our public health care resources is not reduced, but rather, increased. For this reason, the Liberal Party will oppose her amendment.

Madam President, I so submit.

Mr Howard YOUNG moved the following motion: (Translation)

"That, in view of the prolonged serious overcrowding at the accident and emergency departments of public hospitals, which has adversely affected the quality of the medical services provided, and in order to effectively reduce the misuse of accident and emergency services and ensure that those who are really suffering from acute illnesses can receive speedy

medical treatment, this Council urges the Government to actively introduce and improve other medical services, including extending the service hours of out-patient government clinics at various districts, reforming the allocation and operating systems of clinics in public housing estates, and promoting the development of comprehensive primary medical services in private housing estates, so that the public can have more choices in medical services."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Howard YOUNG as printed on the Agenda be passed.

Dr TANG Siu-tong, Dr LEONG Che-hung, Miss CHAN Yuen-han and Mr Michael HO will move their amendments to this motion respectively. Their amendments have been printed on the Agenda. In accordance with the Rules of Procedure, the motion and the amendments will be debated together in a joint debate.

I will call upon Dr TANG Siu-tong to speak first, to be followed by Dr LEONG Che-hung, Miss CHAN Yuen-han and Mr Michael HO; but they may not move any amendment at this stage.

DR TANG SIU-TONG (in Cantonese): Madam President, the Harvard Report on health care review concludes that "equality" is the principle underlying the health care policy of Hong Kong, and it is also an achievement of the system. The "equality" referred to in the report means that "all citizens, irrespective of financial means, have access to the necessary medical service" and "no citizen will be forced to use less medical service because they cannot afford to pay". The A&E service of public hospitals being a component of our overall health care system, we must not deviate from this "equality" principle when we discuss the policy regarding A&E service, unless the community has come to a consensus to change this policy principle.

Recently, the Health and Welfare Bureau raised anew the issue of charging for A&E service, and its initial idea is to charge \$100 to \$150 for every visit. Its aim is to use fees to influence public behaviour, with a view to reducing the number of the so-called "target" patients visiting the A&E departments, that is, those who are deemed to misuse the service. I think that, whether from the

point of policy principle or from the actual results to be expected, the proposal is unacceptable. First, from the point of policy principle, once patients are charged for A&E service, the immediate effect is to scare away those grass-roots citizens who cannot afford the fees, while those who can will continue to misuse the service, and with impunity. This will give rise to the unfair situation of "those who have the means will continue to use the service, while those who have not dare not". This is unacceptable to a modern society. Even if the Government promises a "safety net", this way of discouraging citizens from using public health care service through charging runs contrary to the existing principle of our health care policy. Any changes must be carried out as part of the overall health care reform, the issue should not be debated in isolation.

Madam President, even if they forego the principle, to use charges to prevent misuse of the A&E service does not address the problem, and the effect will be very much limited. According to the information I have, there is no study or survey confirming that "free A&E service" is the main cause behind the misuse. On the contrary, at least two surveys, one conducted by the United Christian Hospital in 1996, and the other by the Chinese University of Hong Kong in 1997, found that "convenience", "public and private clinics have closed", "deem themselves to be suffering from acute illnesses" and "having confidence in the quality of the A&E service", are the four reasons patients prefer A&E service to out-patient clinics. Unless the authorities concerned can prove a considerable proportion of the citizens misusing A&E service do so because they "like the service free", the charging proposal does not solve the problem, rather it might give those who misuse the service one more excuse to rationalize the misuse. Therefore, to charge for A&E service is the "correct prescription" only if the objective is to increase revenue; but it is "desperate and indiscriminate use of medicine" if it is intended to prevent misuse. For these reasons, I think that, before there is consensus in society about the health care reform, the Government should not change the existing charging policy for A&E service. Therefore, I oppose charging for A&E service at the present stage; I also oppose the proposal of Dr LEONG Che-hung to introduce charges for A&E service.

Madam President, the number of amendments we have for this motion today arguably has set a record for the current Legislative Session, for there are a total of four amendments, and this shows that the original motion has failed to cover all aspects. However, what Mr YOUNG just said about the problems involving private practitioners in housing estates is, I think, sensible. He points out that the rent for such clinics should not be greatly increased, the relationship

between doctors and patients should not be weakened, and that the policy of treating the clinics as purely commercial undertakings warrants examination. There are a lot of similarities among the amendments, evident that Members have the similar views. Therefore, I shall focus my discussion on the points in my amendment that are different from other amendments.

The primary objective of A&E service is to ensure that the critically ill or injured patients can receive necessary and speedy medical care. At present, all public hospitals operate a triage system to prioritize patients into five categories for treatment according to their medical condition. Though 100% of "critical" patients are at present given immediate attention, still 5% of "emergency" patients (that is, the second category) and 10% of "urgent" patients (that is, the third category) cannot be treated within the target timeframe. A few minutes of waiting time is not too long for many people, but to the 1 000-odd "emergency" patients whose lives are hanging in balance, and to the several ten thousand seriously ill patients, one minute is a minute too long. Therefore, I urge the Government to assign adequate resources to ensure that, irrespective of the time of the day, including the peak hours of A&E departments, all emergency and urgent patients will receive also treatment within the target timeframe, regardless of their wealth, social status, faith or age.

Secondly, I agree with the proposal in the original motion for improvements to public and private primary health care services, though the proposal is rather vague and fails to precisely address the problem of overcrowding at A&E departments. Despite the present triage system, overcrowding at A&E departments with large numbers of "non-urgent" patients waiting around will, after all, distract the medical and nursing staff from focusing their attention and resources on urgent cases. Therefore, I believe the establishment of public GOPCs near A&E departments to specifically take over "non-urgent" patients will ease the pressure on A&E service. Further, as the operating cost of GOPCs is 60% less than that of A&E departments, from the point of resources utilization, it is more cost effective. Therefore the Government should try this proposal at some relatively crowded A&E departments.

Though I do not oppose the proposals of Miss CHAN Yuen-han and Mr Michael HO to provide 24-hour out-patient service close to A&E departments, I think that such out-patient service should be deemed as ancillary facilities to the A&E service, rather than independent GOPCs; their primary purpose is to

reduce the overcrowding at A&E departments, rather than to provide evening or 24-hour service to citizens. For this purpose, to extend the service hours of the GOPCs in population centres will be more convenient to the citizens, will mean more optimal use of resources and is more easily introduced and promoted. Therefore, during the trial period, ancillary out-patient service should be made available from 6 pm to 11 pm, the time when the A&E departments are the busiest. This is more cost effective from the point of resources utilization. As to the need to have such out-patient service available next to every A&E department, and the need to extend the service hours to round the clock, they can be reviewed later and a decision be taken after necessary data are collected.

Thirdly, according to the information I have, I believe that the reason some citizens go to A&E service rather than government GOPCs is that most GOPCs close their doors at 5 pm. Citizens falling ill in the evening have no alternatives but to go for A&E service, because out-patient service is not available, or they are simply not sure if it is still available, so in order not to delay treatment, they go straight to the A&E departments. Government statistics for 1999 show that the average utilization rate of day GOPCs reached 92%, that of evening clinics 82%. This means that public GOPCs are already operating close to their capacity. This may have made less well-off patients who fail to get a chit for consultation at a GOPC go to A&E departments. To solve this problem, the only way is to increase the quotas of government GOPCs and extend their service hours according to the needs of different districts. Apart from that, the authorities might even consider introducing 24-hour service at suitably located GOPCs in communities with greater demand, so as to let citizens have one extra option.

All these notwithstanding, we must recognize one fact, and that is, some of the citizens use A&E service for "convenience", "because they think they are suffering from acute illnesses" or "because they have confidence in the facilities, quality of service of A&E departments". That the citizens have such ideas is partly due to lack of information. They might not know that out-patient service is available close to their homes, and it is more convenient than going to the A&E departments. They might also not know that it is not first come first served in A&E departments, and thus think that by going there they could avoid the trouble of joining the queues. Some citizens have little knowledge about illnesses, and therefore are unable to tell if theirs or their family member's is an acute one; some have the misconception that the quality of service at major hospitals must be better than that in GOPCs, or the GOPCs might not cure them,

so they go to the A&E departments. To such citizens who lack information or who have the wrong concepts, expanding out-patient service and choices of medical service may not help. The only way is to "rectify habits and concepts" through long-term and continuous publicity and education effort to supply the necessary information to help citizens get the appropriate medical service. This is not covered in the original motion and all the other amendments, and this, I think, is a very important aspect of the problem.

Madam President, I believe that overcrowding at A&E departments is the result of many problems, and it must be "given the right medicine" in a comprehensive and multi-pronged approach. To use charging as a deterrent to discourage citizens from using A&E service will only hurt citizens at the grass-roots level and genuine users of the service.

With these remarks, Madam President, I propose my amendment.

DR LEONG CHE-HUNG (in Cantonese): Madam President, the subject being debated today is how to solve the long-standing problem of overcrowding at the A&E departments of public hospitals. The medical and dental professions have long hoped that the Government would expeditiously work out a scheme to reform our entire health care service. I believe the general public in Hong Kong also have such an expectation. Therefore, any measures aiming at improving the overcrowding at A&E departments in public hospitals, including the proposals raised by Honourable Members today, should be regarded as an integral part of the overall health care reform.

Madam President, the motion moved by Mr Howard YOUNG is full of good intentions. It is a pity that certain details in the motion are not entirely true.

It is true that there has long been serious overcrowding at A&E departments of public hospitals. Mr YOUNG supplied a lot of statistical figures just now. In fact, from 1991 to the present day, the A&E departments under the HA has seen a 78% jump in the number of their patients, among them quite a number used the service inappropriately, or even intentionally misused the service.

According to a survey conducted by the HA last November, patients of the first category "critical", the second category "emergency" and the third category "urgent" under the five-category triage system account respectively for 0.5%, 1.4% and 20% of all A&E service users; those of the fourth category "semi-urgent" constitute 58%, and the fifth category "non-urgent" patients the remaining 18%.

Nevertheless, however large the number of patients crowding the A&E departments, patients really suffering from acute illnesses are certainly given speedy care. This can be clearly seen from the survey conducted last year. Those prioritized as belonging to the first category "critical" all received immediate treatment without waiting, I repeat, all, that is, one hundred per cent. Further, whether the patients are of the first or the fifth category, the quality of medical care and service they receive are of the highest order. Only that those belonging to the "non-urgent" category might have to wait for 180 minutes.

In the motion of Mr YOUNG, words like "has adversely affected the quality of the medical services provided" and "ensure that those who are really suffering from acute illnesses can receive speedy medical treatment" appear to imply that such problems already exist. This is obviously not true, and is unfair to the front-line medical and nursing staff who tend the sick and the injured, and might make them feel their work does not get public appreciation, or might even undermine their morale in the worst case.

Besides, the original motion of Mr YOUNG urges the Government to "promote the development of comprehensive medical services in private housing estates", the intention is commendable, but it seems to have exceeded the authority and capability of the Government. Naturally, if it means a system purely operating according to the private market, without any input from the Government, there may then appear the profit-seeking health management organizations, the so-called HMOs, which will monopolize the market, resulting in the exploitation of both doctors and patients by the middlemen whose sole purpose is to make money.

There are in fact a number of major reasons for the large number of people using the A&E service:

- (1) it is completely free;

- (2) the A&E departments provide "one-stop" service, diagnosis, examination and even treatment as the cases demand; and
- (3) despite the possible lengthy wait, patients will definitely receive treatment.

There are naturally some other related reasons, including: sometimes there is no other place where patients can get treatment; some patients are not sure if their case is acute. However, we have noted an unusual phenomenon. A survey conducted by the HA in 1998 found that peak hours of demand for A&E service included the periods from 9 am to 12 noon, and from 1 pm to 4 pm at which time the GOPCs of the DH and many private practitioners are open to business. What actually does this represent?

Madam President, to address the overcrowding at A&E departments, many people have put forward quite a large number of proposals for improvement, many of which cover the points raised in the original motion and the various amendments today. It is a pity that most of such proposals do not address the crux of the problem, that is, A&E departments provide a completely free and comprehensive service. I dare say that unless fees at an appropriate level are introduced, any other improvement measures will have their efficacy greatly reduced.

Many people suggest that clinics operated by private practitioners be set up near A&E departments to serve the non-urgent patients under the triage system, so as to relieve the pressure on the A&E departments. This suggestion has its merits, but unless it is made mandatory for non-urgent patients to go to such clinics, or charges be introduced for A&E service, I believe many people still prefer a longer wait for the free service.

Speaking of charges, there are three major issues that must be considered. How to handle patients with an emergency condition but cannot afford the charges? Do all patients, urgent cases or otherwise, have to pay? How is the introduction of charges for A&E service to be linked to the overall reform of health care financing? These questions could serve as my response to the problems Mr Howard YOUNG and Dr TANG Siu-tong just talked about.

The main principle underlying the answers to the above questions must be to ensure that patients in critical condition, irrespective of their wealth, will receive quality care; furthermore, it must also be ensured that no citizens will be deprived of medical service for financial reasons.

I shall now turn to talk about my views on the various amendments.

Dr TANG Siu-tong's amendment clearly and categorically opposes charging. For the reasons I have just discussed, I cannot support his amendment; I also hope Members will vote against it. I further hope Dr TANG could consider the introduction of A&E service fees as the first step towards implementing the principle of "having the cost of health care service jointly borne by users and the Treasury".

The amendment of Miss CHAN Yuen-han does not address the crux of the problem. Like the original motion, it implies that patients with really acute illnesses are at present unable to receive speedy treatment. This is obviously not true.

The amendment of Mr Michael HO does not indicate in any direct way that he supports or opposes charging. Therefore, I must first listen to his speech before deciding how I am going to vote on it. Of course, if all Members support my amendment, then I will not need to consider Mr HO's.

Madam President, some people have suggested that, to solve the problem of sharply increased workload in public hospitals, the Government must invest more resources in health care service, and must increase the manpower. Naturally I do not oppose such a proposal. But the reality is, are we truly able to increase the expenditure on public health care in an unlimited way?

Lastly, Madam President, one of the key points of my amendment is the introduction of fees. Any proposal for fees is surely not welcomed by the public and the politicians, particularly in an election year.

However, a community leader must have the courage to stick to what he or she deems good. We should have the courage and the vision to vigorously and steadfastly promote any policy or measure that will benefit Hong Kong in the long term, even though it is not acceptable to voters today. This, and only this, is the true colours of a leader!

With these remarks, Madam President, I seek to move the amendment.

MISS CHAN YUEN-HAN (in Cantonese): Madam President, I believe it is no news that there has been excessive demand for A&E service in public hospitals. In the past years and on various occasions, people put forward many proposals on ways to improve the service at A&E departments; but the HA has not been seen to take any action. All it has done is to use the old triage system to prioritize patients for treatment. This basically is "to cure the symptoms rather than the disease", only prolonging the waiting time of the patients on the one hand, and resulting in ineffective use of the tight health care resources on the other.

Under the existing policy, service at A&E departments in public hospitals is free; what is more, the service and examination provided are more comprehensive, and are available 24 hours a day. Therefore, there have been criticisms that the reason for the great demand for such service is that citizens "like it free, like it convenient", and so misuse the service. This was implied in the original motion, and also by Dr LEONG Che-hung. The statistics supplied by the HA also showed that under the four-category triage system, "semi-urgent" and "non-urgent" cases constituted over 70% of the total, and under the present five-category system, "semi-urgent" and "non-urgent" cases still account for 65% of the total.

Nevertheless, the Hong Kong Federation of Trade Unions (FTU) and the Democratic Alliance for the Betterment of Hong Kong (DAB) think that it is not fair to blame the citizens for misusing the A&E service. In the first place, the majority of the citizens concerned just do not know the condition of their own illnesses, or if their injuries are serious. All they want is to get proper treatment as soon as possible. Moreover, government GOPCs and private clinics all have specific opening hours, and are not available outside them, particularly late in the night or during public holidays. I believe friends and family members of Members in this Chamber must have had such experience.

When the majority of health care providers have closed their doors for the day, citizens falling ill are faced with the predicament of having nowhere to get treatment, and the A&E departments become their only choice. The citizens are basically not misusing the A&E service, they are simply compelled to use it. To be frank, citizens know pretty well that it is fairly commonplace to have to wait for one to two hours in an A&E department before getting treatment; during holidays, the wait could be as long as three hours. If they are only suffering from some minor ailments, or if there are other medical facilities available, they would go there rather than suffering the pains of "having a hard time being ill, but a harder time waiting".

On the other hand, the excessive demand for A&E service also gives rise to the problem of mismatch of health care resources. As the A&E departments provide more comprehensive examination service, their cost is higher, reaching an average cost of \$466 in 1997-98, which exceeds by a wide margin the cost of \$200-odd at GOPCs and the fees charged by private clinics. Unfortunately, the A&E departments have to cater to a large number of "semi-urgent" and "non-urgent" cases; these cases cost \$700 million and can in fact be effectively handled at GOPCs. This situation doubtless means a waste of the tight health care resources, resulting in their serious mismatch.

Madam President, to resolve the problem of excessive demand for A&E service, the ultimate solution lies in referring some of the "semi-urgent" and "non-urgent" cases to GOPCs that can competently handle them. The A&E departments of public hospitals in fact operate an effective triage system, the problem is that there is no way cases can be referred. Both the FTU and the DAB have long opined that it is a feasible scheme to provide 24-hour out-patient service next to the A&E departments. However, we oppose mandatory referral of patients of the "semi-urgent" and "non-urgent" categories which, we think, will only lead to unnecessary arguments and confusion. We should leave the right of choice to the citizens. Whether such ancillary out-patient service is to be provided by the HA or by private practitioners, and what the charges will be, we think that they can be determined after public consultation.

I have reservations about the comments made by Dr LEONG Che-hung just now. I think that a charging decision should only be taken after discussions, rather than at such an early stage. Both the FTU and the DAB support extending the service hours and increase of patient quotas of the GOPCs under the DH. However, we have all along opined that it is not desirable to put our

GOPCs and public hospitals separately under the charge of the DH and the HA, because this arrangement has given rise to a lack of co-ordination between public hospitals and GOPCs. Therefore, we have always advocated placing the GOPCs under the HA, so that the entire public health care service will be more co-ordinated and more flexible, making resources deployment more cost effective.

On private health care service, though the Medical Association has set up a hotline for citizens to inquire the addresses of private clinics operating during holidays, frankly speaking, this 9000-222-322 number is pretty easy to forget. I once talked about the case in this Council that a friend of mine, whose child fell ill on a Sunday and who could not get a private doctor, called this number and failed to get the exact address of a clinic. Therefore, I feel that a number that is easy to remember, like the 999, or some thing simpler like 333 or 222, should be provided so that no citizen will ever forget it again. This is the task of the Government. Unfortunately, though this was discussed at meetings of our Panel on Health Affairs, things have not changed.

Madam President, the DAB and the FTU think that mutual co-operation among private practitioners could be further promoted and institutionalized, so that a private primary health care service network could be established. Our idea is for private practitioners in the various districts to provide whole-day health care service at one or more permanent locations within the districts, staffed by doctors on a voluntary basis. This will give more choices to the citizens. The DH and the HA could co-ordinate with the private health care network centres of the districts so as to provide more flexible service and make possible more effective referrals. It is a pity that though we have kept making this suggestion for many years, the Government has been doing absolutely nothing about it.

Madam President, citizens using A&E service are in fact sometimes compelled to do so; they do not misuse the service. Therefore, it is unfair for Mr Howard YOUNG to charge in his motion that citizens misuse A&E service. For this reason, we oppose his motion. We think that only with suitable referral service and more health care facilities for citizens to choose from, can we hope to solve the long-standing problem of overcrowding at A&E departments, and only then can the mismatched resources be effectively utilized.

With these remarks, Madam President, I propose my amendment. We will support the amendments of Mr Michael HO and Dr TANG Siu-tong, but will oppose that of Dr LEONG Che-hung. Thank you, Madam President.

MR MICHAEL HO (in Cantonese): Madam President, I have submitted an amendment to today's motion regarding A&E service. I would like to state the stance of the Democratic Party on this issue. First, we do not agree to jumping to the conclusion that A&E service has been misused. In fact, citizens really have no way to determine if they are suffering from acute illnesses. Mr LAW Chi-kwong will analyse our recent survey and the data so collected. Second, we very much hope that the patient quotas and the system of issuing chits for consultation, as well as the service hours of government clinics, would be reviewed. We are not advocating the extension of service hours in all clinics, because this might not be the most effective way. Third, we very much hope that certain terms, which can by all means be subject to discussion, be included in the allocation of shop spaces for medical clinics in public housing estates so that doctors will be available in estate clinics during holidays, in the afternoon and early evening in particular. Fourth, we very much hope that a comprehensive primary health care service, be it private or public, will really be established as part of a systematic reform.

Madam President, as I just said, my amendment will seek to delete the word "misuse". This is because some citizens are not necessarily misusing the A&E service. Further, I also seek to delete the words "ensure that those who are really suffering from acute illnesses can receive speedy medical treatment", because such words imply something contrary to the facts. If our colleagues are clearly and definitely prioritizing patients under the triage system to screen out non-urgent patients, but yet are still alleged to have denied speedy treatment to certain patients with acute illnesses, I think that this is utterly unfair to the A&E staff, and such allegation is the result of complete ignorance of the actual situation. The triage system has been operating for many years. Under the system, all emergency and urgent patients are sent immediately into the emergency wards. According to the statistics of the HA — here my figures are slightly different from those just given by Dr LEONG Che-hung but only after the decimal point, emergency cases, accounting for 1.7% of the total, are those that must be sent into the emergency wards where the doctors would drop whatever they are doing to save the patients. This category of patients and those of the urgent category constitute 2.3%. Barring major calamities, these

two categories of patients really do not have to wait. In the decades before the introduction of the triage system, there used to be a very senior nurse standing by the door of the A&E department who would make a visual screening as soon as a patient stepped through the door. That was a long practice. Therefore, patients suffering from genuinely acute illnesses absolutely never have to sit on the bench to wait.

Madam President, my amendment seeks to suggest 24-hour out-patient service on a "trial basis". The reason for our suggesting a trial is that we do not have any scientific evidence to prove that it is feasible. We can always make changes should the "trial" prove unsuccessful. We are now proposing 24-hour service, but if it is later discovered that 24-hour service is of no use, we can shorten the hours. This is the true meaning of a trial. It is useless, I believe, for us to debate now until dawn tomorrow morning about the likelihood of success of such a trial.

Now that we are putting forth this suggestion, does it mean that all clinics should provide 24-hour service? I believe that if the suggestion is put into practice on a trial basis, it is possible that it will be introduced in only one or two clinics. However, if the Government is to introduce 24-hour out-patient service next to the A&E departments, we naturally will not object. We only wish to make it clear that the suggestion for 24-hour out-patient service was in fact proposed a long time ago, and the HA also has had a lot of discussions over the subject. But it has never been practised. We very much hope the Government would do something about it now.

I fully understand that if we are to refer some of the patients triaged under the system to out-patient clinics, colleagues working at the triage stations would be subject to even greater pressure. This could be the reason why the HA has been reluctant to do so. I fully understand, fully appreciate the enormous pressure in that area. Those colleagues are at the forefront of the front-line A&E service, they are often subjected to abusive languages. But I also hope that the Government and the HA would closely monitor the situation to provide assistance to these colleagues.

We very much hope that when primary health care service is reformed, the Government would not merely look at public and private housing estates. This is too narrow a perspective. Primary medical and health care is a territory-wide system, within which are many closely related links. The problem will be

difficult to solve if we only focus on private housing estates, public housing, private hospitals, public hospitals, community health service, outreaching service, at the expense of all the other links.

The amendment of Dr TANG Siu-tong is somewhat different from mine, but since the difference is not big, so we will support it. If the amendment of Dr TANG is approved, we would not need to discuss all the other amendments. According to the procedure, my amendment comes last, so if Members support the amendment of Dr TANG, I may not have to move mine. Therefore, we very much hope that Members would consider supporting Dr TANG's amendment.

In his amendment, Dr LEONG Che-hung clearly wants to introduce fees for A&E service. This is diametrically different from our amendment. We do not support charging for A&E service, nor do we support the use of A&E service by non-urgent patients who should visit the clinics next door. Therefore, we will not support Dr LEONG's amendment.

Miss CHAN Yuen-han talked about serious mismatch in health care service. I still do not understand very much what she was referring to after listening to her speech. As to her suggestion for whole-day service networking of primary health care service, while the Government should take up responsibility for a lot of things, but in respect of certain private services, if the service providers do not themselves join up, does the Government really have the responsibility of setting up a business network for them? About this, we have reservations. Therefore, we will abstain from voting on Miss CHAN's amendment.

Mr Howard YOUNG talked about improving the allocation of clinics in public housing estate. This view of his is not much different from ours. What we need to note is that it is very difficult to set charges for the clinics. Hong Kong is after all a free market. If we can draw up certain terms to make the clinics open their doors to patients, we would rather do so, just do not interfere with how they charge their patients. It is quite unexpected that the proposal to set charges came from a Member of the Liberal Party. I noticed that Mr Howard YOUNG had ceased to use the word "misuse" in his speech, instead he used the word "inappropriate use". This I fully agree because there are at present quite a large number of cases of inappropriate use.

I wholly agree with what Dr TANG Siu-tong has said, that if we charge for A&E service, the result will be for the rich non-urgent patients to continue to use A&E service. But this is exactly what we hope to stop. I very much hope that the Government could introduce out-patient service in the vicinity of the A&E departments, and launch a comprehensive review of primary health care service.

Madam President, I believe my time is about up. I so submit.

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, that we have as many as four amendments to today's motion about A&E service shows that Members of the Council are very much concerned about the issue. Regardless of the contents of the amendments, a large number of proposals have been put forth, and the core of the issue is the charging for A&E service. Many Members will speak on this matter later, and I would also like to share with Members some of my views.

Since last year, the Government has been talking to the public about the very serious misuse of A&E service that makes it difficult for the major public hospitals to cope, creating excessive waiting time for patients; thus a charge of \$100 to \$150 for using A&E service as a deterrent has been proposed. Nevertheless, I think that the measure to charge for A&E service reveals once again the Government's blind trust in the free market as well as its disregard for the actual need of grass-roots citizens. The purpose of the Government is to blame the inadequate supply of A&E service on misuse by the citizens, and to pave the way to implement the "user pays" principle it has long advocated. I think this is merely a means to spearhead the Government's policy to further squeeze the citizens. Indeed, does there exist misuse of A&E service? The Government has said that the majority of patients using A&E service belong to the non-urgent category, and thus has come to the conclusion of "misuse". But how is "misuse" defined? My own understanding is that to allege that the service is "misused" is to say that the patients, irrespective of the condition of their illnesses, visit the A&E departments for whatever major or minor ailments they suffer, because the service is free. However, is that a fact? A survey has revealed that a small number of people actually visited the A&E departments in such circumstances, but the majority of them (around 60% to 70%) did so because they thought their illnesses were acute. If this has led to overcrowding at the A&E departments, I think it is not a matter of "misuse", but a matter of

whether the Government has been putting sufficient resources into easing the overcrowding. Madam President, even if there were cases of "misuse", it is, I believe, because the citizens were forced to do so, as a number of Members just pointed out. Why do I say so? As everybody knows, when citizens need medical service at night, and as public hospitals do not provide out-patient service at night, the A&E departments are their only choice, other than going to private hospitals that charge exorbitant fees. Therefore, to solve this problem, as Members just said, the Government must introduce out-patient service at night; otherwise, this problem will persist, and the Government will have to continue to tell the citizens that many people "misuse" the A&E service which is both unfair and unjust.

As a matter of fact, because resources are not properly used, primary health care service for the grassroots fails to provide more choices, and the people have to keep using A&E service. If we introduce fees for the service, it will add further burden on the grassroots. At present, a family generally spends 5% of its income on health care, so it is not a light burden. To the 200 000 families living well below the poverty line, with a monthly income under \$5,000, they will be very hard pressed if they have to squeeze 5% of that meagre income for health care service. For this reason, I opine that the current free A&E service should continue. Naturally, I concur with what Members just said, that triaging is very important, and that, in particular, night service should be introduced next to the A&E departments. Under the present circumstances, this should be done immediately.

Madam President, when we see overcrowding at the A&E departments, we must not simply blame the citizens for misusing the service. On the contrary, we must properly look at the issue which is that, as the health care profession has frequently pointed out, the manpower and resources are insufficient to solve the problems of excessively long working hours and shortage of staff. Many Members, Dr LEONG Che-hung in particular, just said that health care expenditure would keep ballooning if the principle of charging is not introduced. They asked what would happen if the expansion eventually went out of control. However, I think that would be something too remote in the future, because at present our health care expenditure is still at a low level. If my calculations are not mistaken, our health care expenditure accounts for only 4% of our Gross Domestic Product; it is, I think, still at a low level as compared with the 6% to 8%, or even 14%, in other countries. Therefore, it is not too much if the expenditure is increased a bit now to address the overcrowding problem.

Madam President, Mr Michael HO raised a very important point of view when he just spoke, and that is, there must be a comprehensive review of our primary health care service. If we simply look at the A&E service in isolation and introduce charging based on the so-called "misuse", instead of conducting an overall review, it is in my view absolutely unfair and unjust to the ordinary citizens. Therefore, I support the amendments of Mr Michael HO and Dr TANG Siu-tong, and oppose all the other amendments.

MISS CYD HO (in Cantonese): Madam President, the most fundamental issue we are debating today, I believe, is whether health care service is adequate. All we are saying is how to address the demand of the citizens for A&E service, and how to ease the pressure on the A&E departments. But while we divert the patients from A&E service, we must also safeguard the availability of timely medical service for those who need such service, so as to effectively use our resources. Our motion today comes from such a consideration. A number of Members have submitted amendments, they and other Members have and will put forth various proposals to address the issue. The Government has said that after prioritizing under the triage system, 70% of the users of A&E service have been classified as not belonging to the emergency or urgent categories, and such patients have to wait outside the emergency wards for two to three hours before they can receive treatment. Some people say that this is misuse. However, we talked to the patients' rights groups and they said that this is more mistaken use than misuse, as Dr LEONG Che-hung just said. The patients' rights groups pointed out that as citizens very often lack the knowledge to assess the severity of their own illnesses, and being anxious to get medical attention as soon as possible, they would go straight to the A&E departments without thinking about anything else. As patients are not doctors, they cannot tell the condition of their illnesses, and very often in the middle of the night or during holidays they also cannot find a clinic that is open, so they have no choice but to go to the A&E departments.

Today we should not individually say who to support and who to oppose, because a large number of proposals have been put forth. I am going to talk about a few key points. First, I support the suggestion of reviewing the service hours of GOPCs, their chit-issuing system and their quotas. A Member just pointed out that the peak hours for A&E service are 9 am to 12 pm, 1 pm to 4 pm, and 8 pm to 12 midnight. During most of these peak periods, the GOPCs are in

fact open. Why then have some patients not gone to the GOPCs, but to the A&E departments instead? One of the reasons might be that all chits for consultation at GOPCs have already been issued, and the patients cannot but go for A&E service. Therefore, when a review is conducted in future on our health care service, I hope that the authorities concerned will place the community in the first place, and do better in the deployment of resources, so that citizens can be provided with adequate out-patient service in reasonable hours of the day. At present 22 GOPCs are open on weekday evenings until 10 pm, but what about Saturdays and Sundays? People may fall ill on such days. What is more, 10 pm to midnight is also the peak period for A&E service. Therefore, I hope that the Government could make improvements when the service hours of the GOPCs are reviewed.

Second, we also greatly support the proposal to set up clinics next to the A&E departments. This will make it very convenient for the patients triaged as non-urgent cases by the nurses in the A&E departments to go to the clinics next door, instead of waiting for three hours. So this is a very good proposal. However, I must point out that a number of principles must be observed. Principle number one, such clinics must be set up close to the A&E departments so that those patients, who seek emergency service because they cannot tell if they are suffering from acute illnesses and who later find out that their ailments are not urgent after all, can go to the clinic right next door, without having to go to a clinic by taxis.

Principle number two, going to the clinics next door must be the voluntary decision of the patients, and not dictated by the nurses in the A&E departments. To do otherwise will put big pressure on the nursing staff in the A&E departments. In the event, say, a patient collapses on his way to the clinic, the press will be given a field day reporting what they will call a medical blunder. In view of such pressure, front-line health care staff will be unwilling to refer the patients to the clinics next door. So, the choice must be left to the patients.

Principle number three, those opting for treatment in the clinics next door, if eventually diagnosed as having an urgent condition, must be sent to the A&E departments for further treatment, just like other patients requiring A&E service. Without such a guarantee, people will find little incentive to go to the clinics next door. Whether such clinics should operate 24 hours a day, I have reservations. This is because according to statistics released by the Government, only 3 000-

odd people use A&E service between 2 am and 6 am, representing about 30% of the total patient load of over 10 000 during peak hours. A 24-hour clinic next door might be a waste of resources. Therefore, I have huge reservations about this proposal. As to whether such clinics should be operated by the Government or by private practitioners, I would give Members some figures: the cost of public out-patient service is \$218, and the fee for private out-patient service, as seen earlier in Lam Tin where some private practitioners slashed their consultation fees to double-digit figures, is generally around \$120. Therefore it can be seen that the cost of the service provided by the Government is higher. This might be because private practitioners do not have to pay for the salary of Secretary E K YEOH, nor that of the Chief Executive of the Hospital Authority; so they can charge lower fees. In fact, if the patients who require the service of a general practitioner come to understand that the operation of a private practice does not have to involve that much administrative expense, they will know that private doctors are a better choice, because such doctors only have to cover their own salaries and medicine cost, and their overall outlay is lower.

Lastly it is the issue of money. People become very sensitive at the mention of money. I do not oppose charging for A&E service, because a completely free service does not provide any incentive for the patients to seek treatment in the clinics next door. As GOPCs charge patients for day service, why cannot the A&E departments charge their patients for night service? Having said that, however, I would insist that the charging scheme must operate according to the principle that patients on Comprehensive Social Security Assistance, senior citizens over 65, patients with chronic illnesses and citizens with low income should be exempted. I hope that through such reviews, resources could be properly used on the one hand, and on the other citizens are assured of quality health care service when they need it. Thank you, Madam President.

MR ALBERT HO (in Cantonese): Madam President, in recent years, the A&E departments have to treat large numbers of non-urgent patients apart from actually saving lives of the critically ill and the seriously injured. This has created enormous pressure on the A&E service. When the community discusses this issue, some people simply blame it on the misuse of the A&E service.

Today, I shall attempt to look at the reasons, as an ordinary member of the public, why one patient with a non-urgent ailment is very often forced to use A&E service, whether he has intentionally misused the service, or are there other reasons behind his doing so.

I shall talk about the case of a Tuen Mun resident I know. One 80-odd-year-old member of his family fell while going down some stairs due to carelessness. At the time of the accident, he simply said he felt pains. The family did not know why he fell and where he hurt himself. All they knew was that when old people were sent to the hospital after a fall, in some cases they were admitted and might have to spend some time in the hospital for observation. Therefore, they did not dare to treat this fall lightly. Under the circumstances, if they sent the old man to a clinic under the Department of Health, and if the time was not right, all chits would have been issued, and there would not even be a chance for them to line up for a chit. And even if they could get a chit for the old man, during the hours of waiting between getting the chit and treatment by health care professionals, the condition of the patient might deteriorate. Then, did they have to wait for his condition to deteriorate before taking him to a hospital? They were also worried that if they took their elder to a private practitioner nearby, would the general practitioner, who might be competent in treating many common illnesses and ailments, know anything about the injury of the old man? In this case, could an orthopaedist provide timely treatment? Very often, when people see an old person complaining about pains after a fall, the safest way is to send him to the A&E department. Their rationale is really simple. At the A&E department, the nurse on duty there will triage the patient, and though this will take some time, they will heave a huge sigh of relief when the nurse after inspection declares his condition not serious. On the other hand, if his condition deteriorates in the meantime, they can immediately inform the nurse, saying something like "He is having a lot of pains, could you look at him again?". Then the nurse might put him in another line for immediate treatment. In some other circumstances, the patient, after waiting for some time, is discovered to have got worse, he could receive X-ray examination, or be hospitalized for observation or for treatment. Therefore, their rationale of going to the A&E department is real simple.

There are other examples. When a child suffers enormous pains after developing high fever at night, or having an asthma attack, is this urgent or

non-urgent to the parents? Everybody knows asthma attacks often lead to asphyxiation and death; and high fever might induce complications. If the high fever persists, how are the citizens, who lack medical knowledge, judge the condition of their children? So, under such circumstances, can we indiscriminately say that sending the patients to the A&E departments means misuse of the service? Yes, we can say that they lack medical knowledge, and use A&E service by mistake. The actual condition of the patient might not be as serious as they think. But until a doctor so explains to them, is an ordinary citizen asking too much? Given the choice, many citizens actually do not want to wait for several hours in an emergency ward. If there was a 24-hour clinic close by, as I understand, they would not mind very much going there for treatment after the preliminary triaging by the nurses who tell them their illnesses are not urgent and suggest them to go to the clinic. If they could receive treatment in the clinic, I believe they would agree to pay if they are charged for the service. In New Territories West, my constituency, for example, as the Pok Oi Hospital is now under reconstruction, many patients from Tuen Mun, Yuen Long and Tin Shui Wai have to use the Tuen Mun Hospital, resulting in very long waiting time for non-urgent patients. Under the circumstances, we think that the 24-hour out-patient clinics should be considered and set up as soon as possible. For the Tuen Mun Hospital, this measure is very important, and has to be implemented as soon as possible so as to ease its pressure.

What I just mentioned was an ordinary-day scenario. If that happened on a Sunday, then citizens would have no choice but to go to the A&E departments, particularly in the New Territories where there is no private hospitals. On Hong Kong Island, private hospitals provide round-the-clock paid service, but the case of the New Territories is particularly obvious. A lady I know who lives in Tin Shui Wai once cut her hand with a knife owing to carelessness and her hand bled profusely. She was worried, though a general practitioner or even a nurse could handle her case, but the private clinic she normally visits was closed, and so were the clinics under the Department of Health. What could she do? So, naturally, she decided to go to the A&E department of the Tuen Mun Hospital. This lady did not have the intention to misuse the A&E service, nor did she wish to wait for a few hours there. Therefore, I hope that the Government would really consider whether the issue could be resolved by merely saying that people misuse the service.

On the whole, many cases do not fall into the category of misuse. They are cases where citizens have difficulty telling if they are suffering from acute illnesses. Under the circumstances, the Government should provide adequate service to meet public demand. Sometimes, and under appropriate circumstances, charging is not a problem. But on the whole, charging for A&E service is not the solution. For this reason, though we accept many of Dr LEONG Che-hung's suggestions, on the whole we still hope Members would support Mr Michael HO's amendment in which he points out that charging is not a solution to the problem. Thank you, Madam President.

MR YEUNG YIU-CHUNG (in Cantonese): Madam President, the main function of the A&E departments of public hospitals is to provide life support to the critically ill and emergency treatment to the seriously injured. However, not only is the number of patients visiting the A&E departments increasing over the years, it is breaking new highs. The several days from the Chinese New Year Eve to the third day into the Chinese New Year, over 20 000 people visited the various A&E departments; the United Christian Hospital in particular recorded a total of over 1 000 patients on the second day of the new year alone.

In fact, non-urgent cases have been the main source of the pressure experienced by the A&E departments of public hospitals. Since the HA introduced the five-category triage system for A&E service, only something over 20% of all cases have been prioritized as belonging to the critical and urgent categories; the remaining 70% and more could have been handled by out-patient clinics.

According to an internal survey conducted by the Democratic Alliance for the Betterment of Hong Kong (DAB), over half of the respondents who had used A&E service said that they did so because of serious and acute illnesses; over 30% said because they needed medical treatment during holidays or late in the night when no clinic service was available. Therefore, I agree with what Miss CHAN Yuen-han said, that citizens do not misuse A&E service, they are compelled to use it.

The main reason for the overloading of the A&E departments is the absence of referral. At present, citizens seeking treatment at A&E departments have to wait for several hours once they are triaged as non-urgent cases if it is in the middle of the night or during long holidays. If out-patient clinics could be set up close to the A&E departments, and if the referral is not mandatory, I believe, the flow of patients to the A&E departments could be effectively diverted, so as to relieve the pressure. As we found out from an internal survey, over 60% of the respondents believed that 24-hour out-patient service next to the A&E departments could effectively reduce the number of non-urgent patients using A&E service.

Many people in society have recently been discussing the charging for A&E service. Dr LEONG Che-hung also put forward an amendment proposing "introducing accident and emergency department fees at an appropriate level". However, I wish to point out that only a very small number of citizens use the A&E service solely because they like it free. Therefore, I very much doubt the effectiveness of charging as a means to divert patients from the A&E departments, particularly those who take taxis to go there. If they do not spare the taxi fare, will they be discouraged by fees?

The DAB thinks that charging for A&E service is not practicable for the following reasons:

1. Citizens sometimes have difficulty judging the condition of their illnesses. For example, when they suddenly suffer from sickness and diarrhoea, is it cholera, food poisoning, or because flu virus is affecting the stomach? Another example, if a small child develops a high fever, is it a symptom of meningitis, or is it just common flu? How can the parents not be worried and anxious?
2. As I just said, citizens go to the A&E departments because they cannot get treatment elsewhere; this is even more common during long holidays and in the middle of the night.

3. If fees are to be charged, how much should they be? At present, the cost of an A&E department treating one case is \$466, much higher than the fees charged by many private clinics, and is beyond the means of the general public. Further, the purpose of the triage system is not to bar patients from using A&E service, it is to ensure that emergency cases can receive speedy attention. That the demand for A&E service is too high is the result of mismatch of resources. Charging will only increase the burden on the citizens, it cannot address the problem of pressure on the A&E departments.

It has been suggested that emergency cases should be exempted from the charge, and only non-urgent patients should be charged. However, I worry that such a measure might result in big confusions. In the first place, the decision on who should be exempted and who should be charged will involve great administrative expenses. If exemption is decided according to the five-category triage system now being used by the Hospital Authority, it is even more undesirable, because it will then involve money, bearing in mind that the system is already causing complaints presently when it is used solely to prioritize the patients. The profession is also worried that once charging is introduced, some people will take the A&E service for granted because they are willing to pay. This will cause many unnecessary arguments. Therefore, the authorities should prescribe the right medicine to address the problem by setting up 24-hour out-patient clinics next to the A&E departments and to extend the service hours of all the GOPCs to cater to the needs of the patients who would otherwise go to the A&E departments.

With these remarks, Madam President, I support the amendment of Miss CHAN Yuen-han.

DR RAYMOND HO (in Cantonese): Madam President, the serious overcrowding at the A&E departments of our public hospitals is a long-standing problem. During weekends and holidays in particular, as many clinics close their doors, some citizens cannot but go to the A&E departments, thus greatly increasing the pressure and affecting the patients who genuinely need emergency

treatment. Though the Government has tried many ways to address the problem, the present situation is still unsatisfactory. To solve the problem completely, the Government should treat the A&E service as part of the overall health care service to be reformed. This will facilitate a holistic examination of the system entirety and the introduction of improvements.

As things stand, to prevent some citizens from misusing the service, the Government must introduce A&E departments fees at an appropriate level. This is absolutely in line with the principle of "user pays". However, the Government could consider exempting those who have genuine need for the service but cannot afford the charge.

Apart from this, the authorities concerned could also consider extending the service hours of the various GOPCs in the districts, and providing service during holidays at specified clinics, so that all citizens having the need could go to the government clinics for consultation and treatment, thereby reducing the chance of their misusing A&E service. In order to let citizens clearly know there are GOPCs nearby to provide them service, so they would go there when they need non-urgent medical service instead of going to the A&E departments, thereby adding to the pressure of such departments, the Government and the authorities concerned must enhance publicity in this respect.

On the other hand, the Government could also try to allow private practitioners to set up clinics close to the A&E departments, so that patients requiring non-urgent medical service could have one more choice. This at the same time would help ease the pressure on public hospitals. As to the proposal by a Member for the Government to promote comprehensive primary health care networking in private housing estates, while it is a very good idea, I am afraid that what the Government could do is to promote the idea, for its realization depends on individual private housing estates. On the other hand, the Government could play a more active role in promoting the improvement of primary health care clinics in public housing estates.

Madam President, A&E service involves matters of life and death. The Government must take this issue seriously and introduce improvement as soon as possible. I so submit. Thank you, Madam President.

MRS SELINA CHOW (in Cantonese): Madam President, the long-standing problem of serious overcrowding at the A&E departments of public hospitals has greatly affected the quality of service provided. This is an undisputed fact about which Mr Howard YOUNG has given a lot of statistics. For example, in the increasing number of patients seeking A&E service in recent years, only one quarter have been triaged as belonging to the urgent categories. In other words, three quarters of the cases do not need going to the A&E departments. Is this a case of misuse? Of course, if a citizen gets hurt, resulting in unstoppable bleeding in the middle of the night, or if an infant cries continuously because of colic pains, or if an adult develops high fever for no known cause, they have no choice but to go for the A&E service, particularly because all government clinics close after 10 pm. From their subjective point of view, they did not intentionally misuse the service. But the objective consequence is that they have misused it. This is because, as I just said, three quarters of all the cases do not need A&E service. It cannot therefore be denied that it is a fact, objectively speaking, that there is misuse.

The 64 GOPCs under the Department of Health (HD) provide service from 9 am to 1 pm and, after the lunch break, from 2 pm to 5 pm on weekdays, and also on Saturday mornings. Though 22 of them operate in the evening, it begins at 6 pm and ends at 10 pm as I just said. Hong Kong being such a very densely populated city, how can 22 GOPCs satisfy the need of the citizens? What about Sundays? Well, it turns out that Sundays are even worse, only 11 GOPCs provide service in the morning. The statistics on the use of A&E service show that the peak period for the service is between 6 pm to 11 pm. It can thus be seen that the service hours of GOPCs is completely out of sync with the need of the citizens.

I believe that Members will accept that illnesses do not observe business hours. Once illnesses strike, like the examples I just gave, the patients would run scared, and they want to go to a doctor immediately. But they cannot tell if their condition justifies A&E service, for it is professional judgment by professionals. Very often when they will fall ill at night, and as they cannot get treatment at a GOPC, in a panic, they will go for A&E service. Please do not forget that patients of GOPCs are mostly poor people who might not be free to go to see a doctor during office hours, and this might aggravate their condition. Precisely for this reason, the patients think that they must receive A&E service.

So, the responsibility lies really with the Government. The Government must have a clear idea what service the public now needs. As there is now a serious gap in the out-patient service provided by the Government, the Government must do its best to introduce improvements. The situation must not be allowed to continue, otherwise, not only will the service of the Hospital Authority be affected, but it is also unfair to those who genuinely need A&E service. There actually have always been complaints about the unsatisfactory service of GOPCs over the years. I remember that the Harvard Report on health care we discussed earlier has criticized it and has also urged the Government to make improvements. However, we have not seen the Government putting forth any substantial or specific plans to completely improve such service. For this reason, citizens think that the DH has not heeded their pleas for improvement. I think this is not acceptable.

Another problem is the practice of giving out chits. When citizens go to the GOPCs for consultation, they must line up to get the chits. The present-day Hong Kong being a technologically-advanced city, could we use a more high-tech management method to make arrangements for the patients to receive consultation or treatments at the GOPCs, instead of requiring them to physically queuing up? The incident of people queuing for the tom.com stock has been so severely criticized, why is the queuing of patients for out-patient service not improved despite the universal disapproval?

I believe that when a study is conducted, apart from the role of the Government, what must also be looked into is how this serious problem can be resolved by pooling public resources and private hospitals, as well as the collective wisdom of private practitioners and professionals. Thank you, Madam President.

MR NG LEUNG-SING (in Cantonese): Madam President, misuse, or as some people put it, "mistaken use", of the A&E service of public hospitals has long existed in Hong Kong. Indeed, non-urgent patients visit the A&E departments of public hospitals for different reasons: some because of time, they do not want to wait too long; some cannot conveniently obtain out-patient service close by at certain hours; some do not have sufficient knowledge of government evening out-patient service; and of course, some like the service free. However, be it "misuse" or "mistaken use", an undisputed fact is that statistics of the HA show that over 70% of patients using A&E service are triaged as belonging to the non-urgent category.

Some Members think that despite such serious misuse or mistaken use, the chance of patients with acute illnesses getting immediate attention has in fact not been affected. This is because the HA figures show that 100% of the patients of the critical category received immediate treatment. However, it must be noted that this is only made possible through special manpower and resources deployment for the A&E departments. According to government statistics, in 1998-99, the average operating cost in attending to one case in an A&E department was \$621, while that for the general GOPCs under the DH was \$218. So the public resources given to A&E service is three times that for GOPCs. If the misuse of the A&E service is allowed to continue, the rational distribution of public health care resources will be upset, hampering the improvement of the quality of public health care service, and even undermining the chance of those who have genuine need getting A&E service.

I think that one effective means of resolving the current problem of misuse of A&E service is to introduce fees at an appropriate level for non-urgent patients. Naturally, some opine that charging cannot solve the problem because those using the A&E service as they like it free constitute only the minority, while the majority of the patients would continue to use the service even fees are charged. Nevertheless, the more important issue is that resources for public health care should be distributed in a rational way, so those who in fact do not need A&E service are made to bear a financial burden at least as they would have to if they go for general out-patient service. This will enable the more costly A&E service to cater to the patients with genuine needs. From the point of fairness, the non-urgent cases are the same as those who use GOPC service; if they are not required to pay, why do those who do not take up the resources of A&E service, but instead take the trouble of queuing for out-patient consultation, have to? This is not only irrational distribution of resources, but also unfairness in the system. In fact, charging those patients triaged as non-urgent does not affect patients with acute illnesses, and those non-urgent patients are merely treated in the same way as GOPCs patients are. There is absolutely no question of unreasonableness.

Naturally, charging is but one of the solutions. There must be other matching measures, such as increasing the quotas of government GOPCs and extending their service hours, and setting up private out-patient service in the vicinity of the A&E departments. As to the allocation policy of public housing estate clinics, the Housing Authority now leases out its clinic premises through public tender. In this way, it can ensure reasonable use of public housing

resources on the one hand, and require the doctors to provide at least six hours of service on weekdays on the other. At the same time, monopolization is prevented through tendering restrictions and close monitoring. It is believed that these series of measures will enable the market mechanism to take effect in enhancing the quality of the health care service in public housing estates.

Madam President, the issue of misuse of A&E service is one which must be addressed during the reform of the whole health care system of Hong Kong. The general direction of the comprehensive reform, I believe, should lead to a graduated charging system whereby patients are charged differently on the principle that "there must be medical treatment for the ill" and that "nobody is deprived of medical treatment". For the most basic health care service, the lowest fees could be charged, or even provided free to those eligible. Better-off citizens may enjoy health care service of a higher category in accordance with the principle of "user pays". At the same time, the graduated charging system for public health care service should dovetail with that for private hospital service, so that the resources for the entire public health care system may be more rationally distributed, and that the undesirable scenario of public hospitals and private ones vying for market share can be avoided.

With these remarks, Madam President, I support the amendment of Dr LEONG Che-hung.

MR FRED LI (in Cantonese): Madam President, I shall talk about the problems of GOPCs and the A&E service, on the basis of the situation in the United Christian Hospital (UCH) in Kwun Tong with which I am very familiar. The UCH in Kwun Tong, though only about half the size of the Queen Elizabeth Hospital, is a fully-equipped one. The UCH is the only hospital providing A&E service to the 600 000 people in Kwun Tong, and also the people of Tseung Kwan O before the completion of the Tseung Kwan O Hospital. The total population of the two districts combined is 800 000. In the past five to six years, in terms of the number of patients for A&E service, the UCH has always been the "Number 1", during long holidays in particular. The number of people seeking service there just keeps rising, breaking new highs year after year. Two to three years ago, the patient load during long holidays was about 700 daily; the figure broke through the 1 000 mark earlier this year. Whenever there are news reports about "bursting" A&E departments, or camp beds in corridors, the UCH is always on the list.

In the last five years, I have been following the problems concerning the A&E service at the UCH and the primary health care service in the district; I have also discussed on and off with the Health and Welfare Bureau, the DH, the HA, the management and front-line medical officers of the UCH about ways to address the problem of its "bursting" A&E department. In the last two years, whenever there were long holidays, I would conduct opinion surveys by talking to patients outside the A&E department as well as conducting telephone polls, so as to understand how those using the A&E service thought. In fact, the message from the citizens is clear. Whenever consultation and treatment is needed, the A&E department is the most convenient place to go to, because it opens 24 hours a day, unlike private clinics that have fixed service hours. So long as the patients care to wait, a few hours at the most, they are sure to get doctors to attend them. Nor is it like the GOPCs under the DH where you cannot get any service if all the chits are handed out. Besides, during holidays, citizens do not know which private practitioners or government GOPCs are operating. To avoid going to a closed clinic, they simply think of going to the A&E department. I submitted the findings of every survey to the Health and Welfare Bureau, DH and HA for their reference. However, the response I often got was some not too positive improvement measures. What is more, I am greatly annoyed that both the HA and the Government have not come to any conclusion regarding this issue. Can the GOPCs of the DH, with the triage system, help to reduce the use of A&E service? In the case of Kwun Tong, we can hardly say that it is possible, because the only out-patient clinic opens during long holidays is the Jockey Club Clinic at Yue Man Square, the utilization rate of which during long holidays reaches 190%. Unless one or two GOPCs are opened in Kwun Tong, any form of co-ordination between the A&E department and the GOPC is out of the question.

Madam President, the main cause of overcrowding at A&E departments is its inappropriate use, as we call it. When I talked to some citizens, they would say that they visited the A&E department because of flu, common cold or sore throat. They themselves also felt that they had used the service inappropriately, but added that they had been compelled to do so because it was in the middle of the night. Nevertheless, it is ironic that in the past both the Government and the HA refused to admit there was any inappropriate use of the A&E service. It was not until 1996 did the authorities introduced the triage system to prioritize the patients into four categories. The system was revised to five categories recently. Those triaged as belonging to the non-urgent category have to wait three to four hours before they can receive treatment. Take the UCH as an

example. According to the information provided by the Government to this Council in May last year, under the triage system, over 60% of the patients seeking service at the A&E department of the UCH from 1997 to 1999 were semi-urgent and non-urgent, resulting in the operating cost of the A&E department taking up 8.1% of the total operating cost of the entire hospital, a serious situation compared to the 4.5% at the Queen Elizabeth Hospital. Thus it can be seen that inappropriate use of A&E service creates a heavy burden on the whole hospital and will incessantly add pressure on the front-line health care workers, thereby undermining continuously the quality of the whole health care service, increasing the chance of medical blunders.

Those semi-urgent and non-urgent patients to whom I referred should in fact seek consultation and treatment at GOPCs. But as they have no other choice, they have to go to the A&E departments. I think this exactly illustrates that there are problems with the set-up of government GOPCs. In the past, during long holidays, the practice of the GOPCs was that sometimes they opened in the morning, sometimes the whole day; or during certain long holidays they would open whole day, but only half day during other long holidays. I extremely disapprove of his practice. I understand that the DH has recently promised that all GOPCs would open whole day during long holidays. However, as there are always less patients in the afternoon, I hope more resources would be given to the morning, while less to the afternoon. I also hope that publicity would be stepped up. I think that the Government must not evade this problem any longer. The HA, the Government and the DH must enhance matching measures, even by increase evening service, and increase the number of GOPCs offering service during long holidays (there are at present only 11). Further, I also hope that the Government could extend the service hours of the GOPCs, improve the chit-issuing system and strengthen education and publicity on primary health care. Only through these measures can the problems and difficulties currently experienced by A&E department be solved.

With these remarks, Madam President, I support the amendment of Mr Michael HO.

MISS CHOY SO-YUK (in Cantonese): Madam President, the overcrowding at the A&E departments of public hospitals has existed for a long time, and has not been solved. According to information provided by the HA, the number of patients seeking A&E service rose most sharply in 1994-95 and 1996-97,

increasing by an average of 15% each year. The growth dropped a bit later, but the increase in 1997-98 remained at 4.3%, with a daily average of close to 6 000 people using the service, many more during holidays.

The ever-rising number of people seeking treatment at A&E departments not only greatly increases the expenditure on public health care service, but also adds to the workload of and the pressure on the front-line health care workers, pulling down the overall quality of health care service. Worse still, this might turn A&E departments into "non-urgency departments", elbowing aside those with acute illnesses who thus cannot obtain suitable treatment. In recent years, public hospitals have adopted the triage system. But we remember that only last year, a citizen not fatally injured in a traffic accident sent to an A&E department died later probably because his treatment was delayed for six hours owing to the large number of people waiting for service there.

Madam President, we must lose no time in finding a solution to the overcrowding problem at A&E departments. But I question whether charging can solve this problem. Will this proposal over-simplify the issue? This merits our deliberation and discussion. Dr TANG Siu-tong has already stated the stance of the Hong Kong Progressive Alliance, which I very much support. Indeed, the health care system of Hong Kong is plagued with problems; I think all of us recognize this as a fact, so does the Government, otherwise it would not have commissioned the study by the experts from the Harvard University. This being so, the first rule for the health care reform is to consider overhauling the whole rather than certain individual components. Otherwise, the exercise would merely address individual issues in isolation. How then can the problem be solved?

Dr TANG Siu-tong has also put forth many valuable views from a professional point of view. I am a laymen, and my views might not be professional enough. Nonetheless, as an observer, I might somehow be able to spot some problems that are not generally noticed. I think that one point does warrant our attention, and that is, the overcrowding at the A&E departments is in reality an issue involving the supply and demand for public health care service. To address this undesirable situation of demand exceeding supply, it is very important that we should economize. By economize, I do not mean cutting the expenditure on health care service provided by the Government or the introduction of fees for health care service. I mean that the Government should distribute health care resources more effectively.

As a matter of fact, the Government has long been giving a disproportionately large amount of resources to hospital service, to the neglect of primary health care service, disease prevention and promotion of health education, resulting in inappropriate use of resources. The money of the taxpayers is spent, the hospitals get their new equipment, but the citizens do not get the sort of quality health care service they deserve. In this way, social resources are simply wasted. If the Government had invested more resources in primary health care, citizens falling ill would first consult their family doctors, rather than going to the A&E departments for all illnesses. If the Government had done more in public education, citizens would better understand their own condition when they fall ill, and would be able to judge if they are really suffering from acute illnesses. In that case, the number of patients seeking A&E service would not keep increasing. Maybe I have also over-simplified the issue. But as the saying goes, "Prevention is better than cure", I opine that enhancing the knowledge of the citizens in medicine and health and disease prevention are more effective than providing them medical service when they fall ill. It is more practical too!

On the other hand, the Government should step up the promotion of traditional Chinese medicine. With the ageing of our population, it is anticipated that the number of old people with degenerative and chronic troubles will keep on increasing. Traditional Chinese medicine, a time-tested Chinese science, is very effective in maintaining health and preventing diseases, particularly in the area of degenerative troubles in old people. That is why it has been popular among the citizens.

Madam President, I recall that in the 1960s and 1970s, hospitals had very strict rules governing the use of the A&E service, only those with genuinely acute illnesses were admitted. People with ordinary ailments were generally kept out of their doors. Relaxed monitoring that came later has led to today's situation. To address the issue, we must start by revamping the system, not by introducing fees which will only add to the burden of the citizens and this is not the right medicine after all.

With these remarks, Madam President, I support Dr TANG Siu-tong's amendment.

MR LAW CHI-KWONG (in Cantonese): Madam President, I also wish to talk about the misuse of A&E service. Some people think that even if 24-hour out-patient clinics are set up next to the A&E departments, most patients would still prefer the free A&E service, unless the referral of non-urgent cases to such clinics is made mandatory. I wish to respond to such a view.

In February this year, the Democratic Party interviewed a total of 673 patients waiting for consultation and treatment at the A&E departments of six hospitals, and among them, less than one tenth (actually around 8%) told us that they went there because the service was free. Naturally, Honourable Members could say that the interviewees might not be up-front enough. And we must not completely deny that there could be cases of misuse among them. When we raised the possibility of having 24-hour pay service next door, 75% of the interviewees said that if they were triaged as belonging to the non-urgent category, they were willing to transfer to the pay out-patient service. Thus it can be seen that setting up 24-hour out-patient clinics next to the A&E departments is the best way to substantially reduce the number of non-urgent patients at A&E departments.

As to charging patients for the A&E service, the proposal is itself a bit over-simplified. What happens to a comatose patient who is not accompanied by a relative when sent to the hospital, how will he be charged? We conducted a telephone poll on over 1 000 citizens, and found that 31% of them supported charging for A&E service, and 41% against it. That is, those who opposed it were in the majority. When we further asked what they thought if only non-urgent patients were charged, 67% (that is, two thirds) of them supported the idea, and 23% were still against it. Obviously, if fees are charged only on non-urgent cases, the proposal had majority support. The next question we shall ask is: Are fees to be charged on non-urgent patients? Just now, a Member quoted the figures of 1998-99. The former Secretary for Health and Welfare told this Council on 19 May 1999 during a question session that the average cost for the A&E department treating one patient was \$621, but at the GOPCs under the Department of Health it was only \$218. It is apparent that charging non-urgent patients \$150 is not the best way. Why? Because the Government still has to spend \$471 in subsidy if a non-urgent patient is charged \$150. However, if private out-patient clinics are set up next to the A&E departments to treat those patients triaged as non-urgent ones, the Government can save a lot of public money. Let me do some calculations. If the public officers attending cannot catch the figures clearly, I can e-mail the document to

them later. According to our survey, if \$150 is charged for A&E service, the Government might "drive away" roughly 30% of the non-urgent patients, and this 30% will seek treatment elsewhere because of the charge. As to the remainder, the Government will charge them. Based on the total number of all users of A&E service in the year 1998-99, at 2.26 million, three quarters of them were triaged as non-urgent cases, so the Government could have had an extra revenue of \$180 million, but still had to pay a subsidy of \$560 million. However, if out-patient clinics were set up next to the A&E departments, only one quarter of the non-urgent patients would still use the A&E service, and the Government's subsidy would then only be \$260 million. Of course, these are only figures worked out by me in a very much simplified way. But it can definitely be said that the proposed scheme costs less than half of the expenditure under the current system.

However, the staff of the hospitals may think that after screening out the non-urgent cases, with reduced workload, there might be a surplus of manpower, and thus redundancy. In that case, in view of cost effectiveness, the operating cost might exceed the \$600-odd we just quoted, because that figure was worked out taking into account of the many non-urgent cases. If all non-urgent cases were urgent ones, the actual operating cost would be over \$1,000. So you can see that with such simplified calculations as I did just now, it can be worked out that charging the patients of A&E departments is much less effective than setting up private 24-hour pay clinics next to the A&E departments.

Therefore, my conclusion is a very simple one. Though the majority of citizens support charging non-urgent patients, it is not an effective means. To effectively address the problem, the Government should set up 24-hour out-patient clinics next to the A&E departments. Thank you, Madam President.

MR MA FUNG-KWOK (in Cantonese): Madam President, the workload of the various A&E departments of our public hospitals is very heavy. Apart from diagnosing, treating and tending the sick and the injured, they have to perform emergency life saving procedures and minor surgical operations, to provide follow-up consultation, make referrals, advise patients, attend to "observation beds" as well as other screening measures, so as to reduce the number of hospitalization cases to ease the pressure resulting from overcrowding in the wards caused by insufficient beds. In the event of serious epidemics, natural disasters, or man-made calamities, they also have to provide emergency response

for the victims. The A&E service is a very important component in our health care system, with comprehensive and advanced equipment and machines, and manned by staff with professional knowledge and ample experience. The average cost of tending one patient is \$487, several times higher than that at GOPCs. For humanity and traditional reasons, patients are not charged for the service. As a result, the operation, efficiency and resources management of A&E service must be subject to rigorous monitoring so as to ensure the quality of care to the acutely ill and the cost effectiveness of the service as a whole.

However, owing to a number of reasons, misuse of A&E service by citizens has become more and more serious in recent years, to the extent that normal operation has been undermined, particularly at night or during long holidays. The situation in densely populated communities such as Kwun Tong, Tuen Mun and Sha Tin is even worse. The Government must introduce decisive and effective measures to rein in this trend of misuse.

To solve the problem completely, we must find out the motive and background underlying the misuse of A&E service. I think that there are three causes for misuse:

1. There are only some 60 public GOPCs territory-wide, among them only 20 provide evening service, and eight to nine half-day service at weekends and public holidays. Public GOPCs provide only 15% of all out-patient service in Hong Kong, and private clinics the remaining 85%. As public GOPCs are very far from being able to satisfy demand, most citizens have to seek consultation at private clinics that charge high fees. With the continuing increase of our population, the influx of new immigrants and the recession in the last two years, public demand for public health care service has increased, without any corresponding increase in supply. So for convenience and economy, citizens and their families seek treatment at A&E departments.
2. The basic problem is the long-standing serious shortage of service provided by our entire public health care system, in areas including specialist treatment, hospitalization, primary health care, rehabilitation and infirmary services. The waiting time has become longer and longer, particularly in specialties like geriatrics, ophthalmology, mental health, physical and mental handicap

services. In the last two years, the rate of admission into public hospitals as a percentage of all hospitalization in Hong Kong has increased from the previous 85% to 93%; that for private hospitals sees a corresponding drop from 15% to 7%. As the ratio of bed to population in the public sector remains around 4:100, pressure on the public health care system has thus increased greatly. The percentage of patients discharged early, transferred or referred also increases significantly. In the vicious circle so created, the number of patients admitted through the A&E departments also increases.

3. Citizens have insufficient sense about health care. A huge number of citizens suffer from common city ailments, but they ignore them when such ailments do not hurt very much, only seeking treatment when their condition turns serious. Some of the citizens might also not be able to tell the difference between A&E service and out-patient service, or might not know which government GOPCs to seek treatment. As a result, they go to the A&E departments when they are ill. Moreover, most of the clinics under the Department of Health have rather simple equipment, and on average each patient can only have three minutes of consultation time; the lack of patient's records also does not help give the patients confidence. Further, such clinics cannot refer patients to hospitals, only to specialist clinics where there is always a waiting time of over three or more months. With so many hurdles, patients are just hesitant about going to the GOPCs, and they rather approach the A&E departments direct.

Madam President, to address the problems just outlined by me, I think that the Health and Welfare Bureau should conduct a comprehensive review of the public out-patient service, increase the number of doctors there and their patient quotas, bring in more equipment, improve the service hours and system, and actively set up more GOPCs in the districts. The service hours should be adjusted according to the actual needs of the districts, from the current 9 am to 1 pm, 2 pm to 5 pm and for certain clinics also 6 pm to 10 pm, to from 8 am to 12 midnight, with service also available on Sundays and public holidays.

As to the proposal of setting up 24-hour out-patient clinics close to the A&E departments, I do not think there is such a need. It will suffice if out-patient service hours are extended to 12 midnight. According to past records, patients seeking service after midnight at A&E departments were mostly emergency cases. Even allowing that a small number of non-urgent patients will continue to use the A&E service, it would be still more in line with economics than setting up 24-hour out-patient clinics. Therefore, I would suggest that we should first try to extend out-patient service to 12 midnight, and review the situation later.

The triage system that has been in place for a number of years is quite effective, and with the extended service hours of GOPCs, the non-urgent cases can be referred to clinics close by. Besides, the Government should step up publicity and public education, advising citizens that when they have contracted minor diseases, they should visit an out-patient clinic before their condition gets serious. Further, to have private practitioners setting up their practice within public hospitals to provide out-patient service, particularly outside office hours, could perhaps provide an extra choice to the patients. This will also alleviate the pressure on the A&E departments, and should therefore be studied; but such arrangements should not bring about a reduction or cancellation of the present whole-day out-patient service, so as to protect the interest of the low-income group. As to the way how these private services will operate to support the hospitals, it should be considered in detail.

To effectively use private health care resources, and to improve primary health care service, I think that the Government should review the allocation of public housing estate shop spaces for medical clinics and the operation system of such clinics, so that the service hours and operation of these clinics can meet the demand of the citizens. Suitable supervision and a complaint mechanism should be put in place to protect the rights and interests of the citizens. The mutual support of the public and private health care sectors has been one characteristic of our system. However, as pointed out by the experts from the Harvard University, there exists in Hong Kong the drawback of "fragmentation and compartmentalization". In the long run, in the area of health care, there should be established a connected network and a referral system between the public and the private sectors, between out-patient, specialist services and hospital service, and between the Department of Health and the Hospital Authority, so as to

reduce the number of hurdles and repeated medical examinations, to break the man-made fragmentation, for the convenience of the public seeking treatment, and for enhancing cost effectiveness.

Madam President, I so submit.

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

PROF NG CHING-FAI (in Cantonese): Madam President, the serious overcrowding at the A&E departments of public hospitals reveals quite a number of problems in our health care system.

The principal function of the A&E departments is to provide emergency life support and emergency care for seriously ill or injured patients. There are likely critically ill or seriously injured patients seeking their service at any time of the day. Their work is both heavy and complicated. On top of this, because of the insufficient number of beds, the staff often have to handle a large number of cases in a very short time; they have to diagnose, treat, tend the patients and decide which of them should be hospitalized. They also have to address overcrowding at the wards and to avoid making mistakes. Therefore they are under enormous pressure. The pains and anxiety of the patients and their families also increase because of limited resources. Furthermore, misuse of the service by non-urgent patients also aggravates the situation. The authorities concerned should take this problem seriously.

There are several reasons for overcrowding at the A&E departments. Some citizens like it convenient and free, but the main reasons are that the service provided by public GOPCs is far from adequate, and the fees charged by private practitioners are high, adding to this the economic recession.

At present, there are only some 60-odd GOPCs in the whole territory, each having to serve over 100 000 people on average. Among these GOPCs, only 20 have evening service, each serving 350 000 on average. With one to two doctors in each of such clinics, there is no way the huge demand can be satisfied.

The situation on Sundays and public holidays is even worse, with around 10 GOPCs providing daily half-day or alternate-day half-day service. Such service is really perfunctory at best. During holidays when most private practitioners also close their clinics, the citizens really have nowhere to get consultation and treatment. In the circumstances, how can we blame the citizens for seeking service at the A&E departments, and say that they are ignorant, selfish, and taking advantage of the free service? Therefore, the Government should increase the number of GOPCs in the districts, and as many Members have also suggested, extend the service hours of existing GOPCs to 12 midnight and to Sundays and holidays, improve the chit-issuing system, increase the quotas, and provide referral service to non-urgent patients. I think that all these measures should be implemented as soon as possible.

Apart from quantity, the quality of service at government GOPCs also very much needs improvement. At present, most GOPCs only have simple equipment, and without even an X-ray machine, so that only the most basic examinations such as taking blood pressure, urine tests and the simplest blood tests, can be performed. A follow-up consultation will take a long time coming, not to mention the questionable usefulness. It is also said that there are no patient's records, and there are only very simple record books for the doctors to fill in some particulars for future reference. Further, each doctor has to attend 70 patients in four hours, with each patient getting on average only a mere three minutes or even less of the doctor's time. Therefore, the GOPCs are more suited to handle patients with the common cold, flu or infant fever. This has made the A&E departments even more busy. The patients have to go to two places: those with relatively serious condition seek A&E service; those with relatively complicated condition seek treatment at specialist clinics upon referral by doctors. Doctors, however, are mostly unwilling to make referrals. As a result, the condition of the patients deteriorates. Even they are so referred, they often have to wait for several months, or even longer, before they can obtain the service.

Further, government GOPCs are staffed by government medical officers who apply to fill the posts on a voluntary and rotation basis. They come with different experience and from different background; some of them are expert radiologists or pathologists, but they might have limited clinical experience. And in any case, with the very short time limit of three minutes, even experienced doctors cannot apply their knowledge to achieve the best clinical results. All these notwithstanding, the service of the GOPCs does not come

cheap, for it is worked out to be \$180 per patient on average. Therefore, generally only old people, civil servants and low-income citizens would seek consultation at GOPCs. Those with employment, those having house chores to do, and those who can afford otherwise, will not go there because the opportunity cost of waiting is too great.

I think that the system of GOPCs is mainly there to provide a safety net to poor patients. However, this decades-old system is neither inexpensive nor effective. Apart from increasing the number of GOPCs, the Government must also deploy more medical staff to the clinics, and assign general family doctors to man the clinics, improve their equipment, and maintain proper patient's records. Otherwise, the GOPCs will not serve any useful purpose in improving primary health care.

Now that the lawful status of practitioners of traditional Chinese medicine has been recognized, the consultation fees charged by traditional Chinese medicine practitioners and the cost of Chinese medicine should be eligible for insurance claim purposes, and leave certificates signed by traditional Chinese medicine practitioners should also be recognized. This is also one effective way to supplement the inadequate GOPC service and to ease overcrowding at the A&E departments. All in all, the golden rules are to strengthen health keeping measures, to prevent rather than to cure, and also to seek treatment before the condition gets serious. If public out-patient service, including specialist service, is well provided, the problem of overcrowding at and misuse of A&E departments will be alleviated. Otherwise, the piecemeal approach of charging for A&E service alone cannot solve the problem.

Madam President, I so submit.

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

(No Member responded)

PRESIDENT (in Cantonese): Mr Howard YOUNG, you may now reply to the four amendments. Your speaking time will be five minutes.

MR HOWARD YOUNG (in Cantonese): Madam President, when I spoke just now, in fact I gave my basic views on the four amendments. So, I shall now focus on the proposals made by the Honourable Members in elaborating their amendments.

Firstly, it is about the issue of misuse. I noted that Mr Michael HO and Miss CHAN Yuen-han both said that I had wrongly used the word "misuse", because they are of the opinion that the A&E service is not now being misused. Some said that it should be a matter of "mismatch of resources", others said it was "inappropriate use". I was almost made to feel that I was having a language lesson, rather than discussing the health care service. However, I also heard Mr Michael HO say that he had noted that when I spoke I also mentioned "mismatch of resources". My view is that, putting it seriously, it is misuse, or forced misused. Mr LEUNG Yiu-chung similarly referred to misuse, what he said was "forced to misuse". Prof NG Ching-fai also referred to misuse a number of times. To put it lightly, it is mismatch of resources, or inappropriate use. However, there is no denying that everybody agrees that there is a problem with the A&E service.

The original purpose of running A&E service is to provide emergency medical service to the citizens genuinely suffering from acute illnesses, or who are injured in "accidents". My motion mentions that there might be misuse of A&E service, but this does not mean that there are at present definitely many people intentionally misusing the service. I wish to clarify this point. Therefore, I do not think that this point constitutes sufficient ground for significant amendments.

Secondly, I wish to talk about quality. A number of Members, including Dr TANG Siu-tong, Mr Michael HO and Dr LEONG Che-hung, seemed to think that when I said the desired service was not obtained, the medical profession was somehow deprecated. As they are members of the relevant professions, and I am not, they rushed out to put forth the amendments. As I understand it, they seemed to be trying to protect the good name of their professions.

I talked about quality because I was worried that the mismatch of resources might make it impossible for the users to actually get that sort of quality health care service we could in fact provide. I think that both the professional service and the attitude of our medical staff at A&E departments are of the first rate, in fact, superlative. That was what I personally experienced when both my two

children had one time or another broken their arms in accidents and required A&E service. The standard of the staff there is really very high and I greatly appreciated that. Our standard is even higher than that in overseas countries. But why did I say the service was not available? That is because when many people who actually do not require A&E service take up the doctors' time, the latter are unable to serve those who have genuine needs. I wish to make this point clear. I hope I have made it plain as a pikestaff.

I think that the focus of the amendments is the issue of charging. We have deliberately avoided that issue, but unexpectedly two Members spoke against charging, and one advocated it. This made us see more clearly that the issue does not lie in whether the word "misuse" is used, or in the quality of service, but in whether A&E service should be charged.

I have already explained clearly that we cannot support the amendments of Dr TANG Siu-tong and Mr Michael HO, but we do not go as far as opposing them, therefore we shall abstain when the their amendments are put to the vote. As to the amendment of Dr LEONG Che-hung, as he used the words "at an appropriate level", meaning that he does not advocate immediately charging hefty fees to deter citizens from using A&E service, we will support his amendment.

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, there has recently been quite a lot of debate about whether the A&E service should be charged to reduce inappropriate use. While some agree that A&E charging could be a viable solution, others argue that the fundamental issue lies with the inadequacy of our primary health care system. The motion debate today is particularly timely as we will soon release a consultation paper on the health care reform, which will also touch upon this issue. I am glad that I could have a chance to express the views of the Administration on this very important subject.

The key functions of A&E departments of public hospitals are to provide emergency life support and emergency care for critically ill or injured patients and to provide emergency management for massive casualties during occurrence of major accidents and disasters. However, we note that there has been an increasing public reliance on A&E service, as evidenced by the increase of A&E attendance per 1 000 population from 226 in 1991 to 347 in 1999.

To ensure that patients requiring urgent medical attention are treated promptly at all times, the Hospital Authority (HA) has established a triage system in all A&E departments to prioritize patients for treatment according to their medical conditions. Patients are triaged into five categories — critical, emergency, urgent, semi-urgent and non-urgent. In the first six months of 1999-2000, semi-urgent and non-urgent cases comprised about 60% and 15% respectively of the total A&E attendance of about 1.6 million. In other words, only 25% of the patients treated by A&E departments actually required emergency services.

In view of the ever-increasing public demand for A&E service, the HA has already introduced various measures to cope with the pressure on A&E departments, including staggering the shift hours for medical and nursing staff to better match the arrival patterns of patients at peak attendance hours; deploying additional medical staff at A&E departments to work on anticipated busy sessions; informing "non-urgent" patients of their expected waiting time so that they may consider other alternative treatment options.

At present, the Department of Health (DH) operates 64 GOPCs, as well as 22 evening and 11 public holiday GOPCs in the territory. In the past two years, the DH has already increased the number of evening and public holiday clinics, and provided morning and afternoon sessions during public holidays. In 1999, the average utilization rates were 92% for day clinics, 82% for clinics and 83% for Sunday and public holiday clinics respectively. The DH still has capacity to meet the needs of more patients.

In addition to medical services provided by the public sector, all 12 private hospitals and about 3 000 private practitioners also provide out-patient services. All private hospitals provide 24-hour out-patient clinic service. Most private practitioners work beyond 5 pm into the evening.

A survey conducted by the HA in 1998 showed that A&E departments recorded the lowest attendance at 2am to 7am, and the highest attendance at 9am to noon, 1pm to 4pm and 8pm to 11pm. It was also found that the percentage of semi-urgent or non-urgent cases remained quite constant at about 70% in different hours of the day. It was worth noting that the DH's GOPCs and private clinics also provide out-patient service during the A&E peak hours in the morning and the afternoon sessions. It shows that patients who seek treatment at A&E departments are not without alternatives. Therefore, we do not think

that increasing the service quota or extending operating hours of the DH's GOPCs can effectively resolve the overcrowding problem of A&E departments.

However, it is undeniable that A&E service offers some attractions. A&E departments provide round-the-clock service, which is easily accessible to the public. A&E departments also provide a whole range of medical services, including different diagnostic tests and procedures, which are provided at no charge. In addition, patients sometimes have difficulties in determining the severity and urgency of their illnesses, and they hence fail to judge accurately which type of medical service that they should seek. I believe we need to tackle the problem from different areas, including to review the current system of health care delivery, the development of primary health care service, A&E charging and so on. These have just been covered by several Members.

Some Members have raised the proposal of setting up 24-hour out-patient clinics next to A&E departments. The HA is now holding discussions with the Hong Kong Medical Association on a pilot scheme of setting up private walk-in clinics next to two A&E departments for a period of six months starting in mid-2000. A group of private practitioners will be recruited to provide out-patient service at market rate. Patients who are triaged to be semi-urgent and non-urgent would be informed of the estimated waiting time for treatment and advised of the alternative choice of service provision at clinics next to A&E departments. Given the relatively long waiting time for patients triaged as semi-urgent and non-urgent, which is targeted at less than 90 and 180 minutes respectively, patients might choose to go to the clinics next to A&E departments for prompt medical attention.

Regarding the allocation and operation system of clinics in public housing estates, the Housing Authority conducted a review of this letting policy in 1999. Having considered the views from various bodies and the general public, the Housing Authority decided that, with effect from this year, it will change the old balloting system for members of the Estate Doctors Association only, but to adopt the open tendering system to enhance fair competition and transparency.

Under the new system, the new tenancy agreement also requires the tenant to open the clinics for business for at least six hours per day except on Saturdays, Sundays and public holidays. The Housing Authority reserves the right to introduce additional clinics at any time and will do so if there is evidence of monopoly or if it is considered to be in the interests of the local residents.

Regarding the operating hours on Saturdays, Sundays and public holidays, I will advise private practitioners and the Housing Authority to consider implementing measures in some estate clinics to provide service during these days.

Some Members have suggested that the Government should promote the setting up of comprehensive primary care services in private housing estates, in order to provide the public with more choices of services. In the current market, the supply of medical services by the private sector is driven by demand. We consider that there are not enough justifications for us to interfere with market operation. However, we agree that our primary health care system does have room for improvement.

We recognize that apart from reducing patients' reliance on hospital services and relieving the pressure of total health care cost escalation, further strengthening of primary medical care can bring added benefits to the health of the community as a whole. Primary medical care emphasizes the provision of preventive care in a community setting. As a result, early detection and disease treatment become possible in minimizing the health and financial risks imposed on patients.

We consider that through the strengthening of family medicine for doctors at the primary care level, they could offer more comprehensive care to patients, improve treatment efficacy and enhance the continuity of care. We understand that relevant professional bodies are examining the development and adoption of certain continuing education programme to enhance the application of family medicine. We are also actively considering using public hospitals under the HA as a training ground to further develop family medicine, and have more specialists trained in this discipline. The HA has started to recruit family medicine trainees to provide a comprehensive medical care in its integrated clinics.

Moreover, it is also important to improve the collaboration between various sectors within the local community. For instance, a better co-ordination on referral and shared care between primary care providers and specialists, and a closer collaboration between public and private sectors. These improvements provide more timely and efficient care for members of the public, particularly for chronic patients. This would in turn alleviate demands for A&E services through a decrease in morbidity rate.

In our current review of the health care system, we have fully considered issues in this aspect and have been contemplating concrete reform measures, with a view to improving the existing primary medical care services. We will set out our detailed reform proposals in the forthcoming consultation document, and consult the views of all sectors of the community.

Finally, I would like to respond to the issue on whether we should introduce A&E charging. I understand that, under the current economic situation, any introduction of new fees and charges is going to be a sensitive subject. We believe that the issue of A&E charging could not be considered alone, but should be considered in the context of the financing of the whole health care system. Hence, the suggestion of introducing charging for A&E services as well as the review of fee levels of other public health care services will form part of the whole health care review exercise.

In considering the proposal of charging for A&E services, we need to have a clear understanding of the current situation in A&E departments, as well as the objectives of such proposal. Under the current triage system, all patients with genuine urgent conditions will not be deprived of timely and appropriate treatment, notwithstanding the overcrowding and long waiting time in A&E departments. However, statistics show that about 75% of patients visiting A&E departments are non-urgent cases; and this occurs even when alternative medical services are available. We therefore believe that through the introduction of a suitable charging scheme, we can effectively affect patients' choice of different medical services and reduce inappropriate use of A&E services, thus alleviating the burden imposed on A&E departments. I must stress that the purpose of A&E charging is not to recover cost, nor to raise revenue.

When considering A&E charging, we have to take into account the principles and objectives underlying any charging policy. Should the policy aim at differentiating the relative priorities of different services, and affecting the patients' behaviour? Should the policy work towards better targeting the government subsidies on those areas in need? We should, of course, also bear in mind those who suffer a lack of means. A safety net must continue to operate to provide protection for those in need and to ensure that any charging policy would not deprive patients with genuine needs of access to the services required.

In today's motion debate on A&E service, I wish to convey the message that every society needs to provide A&E service. Given that A&E departments provide a comprehensive range of services, A&E service, when compared to other services, might be more attractive to patients. Moreover, since the public cannot fully understand the severity of their illnesses, the inappropriate use of A&E service cannot be completely avoided. The question is how we can implement a set of measures to minimize this situation and to ensure cost-effective use of taxpayers' resources. I hope that the measures that I mentioned above would be accepted by the public and Members.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now invite Dr TANG Siu-tong to move his amendment to the motion.

DR TANG SIU-TONG (in Cantonese): Madam President, I move that Mr Howard YOUNG's motion be amended, as set out on the Agenda.

Dr TANG Siu-tong moved the following amendment: (Translation)

"To add "fact that the community has yet to reach a consensus on the comprehensive reform in the health care services, this Council opposes the Government's charging of fees for consultations at the accident and emergency departments of public hospitals; however, in view of the" after "in view of the"; to delete "effectively reduce the misuse of accident and emergency services and"; to add "allocate adequate resources to ensure that all patients who are in critical conditions can receive speedy medical treatment, and at the same time, to" after "urges the Government to"; to add "operating out-patient services in the vicinity of the accident and emergency departments; increasing the quota for consultations in and" after "including"; to delete "at" after "government clinics" and substitute with "according to different demands in"; to delete "reforming" and substitute with "improving"; and to add "as well as educating and assisting the public, through long-term and continuous publicity and educational efforts, to choose appropriate medical services" after "choices in medical services, "."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr TANG Siu-tong to Mr Howard YOUNG's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Dr TANG Siu-tong rose to claim a division.

PRESIDENT (in Cantonese): Dr TANG Siu-tong 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 should now stop and the result will be displayed.

Functional Constituencies:

Mr Michael HO, Mr LEE Kai-ming, Mr CHEUNG Man-kwong, Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Mr CHAN Wing-chan, Mr SIN Chung-kai, Mr WONG Yung-kan, Mr LAW Chi-kwong, Mr FUNG Chi-kin and Dr TANG Siu-tong voted for the amendment.

Dr Raymond HO, Mr Eric LI, Dr LUI Ming-wah, Mr Bernard CHAN, Dr LEONG Che-hung and Mr Timothy FOK voted against the amendment.

Mr James TIEN, Mrs Sophie LEUNG, Mr Howard YOUNG and Mrs Miriam LAU abstained.

Geographical Constituencies and Election Committee:

Mr Albert HO, Mr LEE Wing-tat, Mr Martin LEE, Mr Fred LI, Mr James TO, Miss CHAN Yuen-han, Mr Gary CHENG, Dr YEUNG Sum, Mr LAU Kong-wah, Mr Andrew CHENG, Mr SZETO Wah, Mr TAM Yiu-chung, Mr David CHU, Mr YEUNG Yiu-chung, Mr Ambrose LAU and Miss CHOY So-yuk voted for the amendment.

Miss Cyd HO, Mr Andrew WONG, Miss Emily LAU, Mr NG Leung-sing and Mr MA Fung-kwok voted against the amendment.

Mr HO Sai-chu abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, 11 were in favour of the amendment, six against it and four abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 23 were present, 16 were in favour of the amendment, five against it and one abstained. 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): Since the amendment moved by Dr TANG Siu-tong has been passed, as stated in the circular to Honourable Members, Dr LEONG Che-hung, Miss CHAN Yuen-han and Mr Michael HO will simultaneously withdraw their amendments.

PRESIDENT (in Cantonese): Mr Howard YOUNG, you may now reply. You still have two minutes.

MR HOWARD YOUNG (in Cantonese): Madam President, I have already made my reply and presented my views. As I just said, the focus of the issue is whether fees should be charged. We had hoped to remove this point, so that our neutral motion could be passed in the end. However, as the amendment was carried, according to the stance stated by us, we will not oppose this amendment. But we will abstain from voting on the amended motion.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Howard YOUNG, as amended by Dr TANG Siu-tong, 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)

Dr LEONG Che-hung rose to claim a division.

PRESIDENT (in Cantonese): Dr LEONG Che-hung 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 should now stop and the result will be displayed.

Functional Constituencies:

Mr Michael HO, Mr LEE Kai-ming, Mr CHEUNG Man-kwong, Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Mr CHAN Wing-chan, Mr SIN Chung-kai, Mr WONG Yung-kan, Mr Timothy FOK, Mr LAW Chi-kwong, Mr FUNG Chi-kin and Dr TANG Siu-tong voted for the amended motion.

Dr Raymond HO, Mr Eric LI, Dr LUI Ming-wah, Mr Bernard CHAN and Dr LEONG Che-hung voted against the amended motion.

Mr James TIEN, Mrs Sophie LEUNG, Mr Howard YOUNG and Mrs Miriam LAU abstained.

Geographical Constituencies and Election Committee:

Mr Albert HO, Mr LEE Wing-tat, Mr Martin LEE, Mr Fred LI, Mr James TO, Miss CHAN Yuen-han, Mr Gary CHENG, Dr YEUNG Sum, Mr LAU Chin-shek, Mr LAU Kong-wah, Mr Andrew CHENG, Mr SZETO Wah, Mr TAM Yiu-chung, Mr David CHU, Prof NG Ching-fai, Mr YEUNG Yiu-chung, Mr Ambrose LAU and Miss CHOY So-yuk voted for the amended motion.

Miss Cyd HO, Mr Andrew WONG, Miss Emily LAU and Mr NG Leung-sing voted against the amended motion.

Mr HO Sai-chu and Mr MA Fung-kwok abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, 12 were in favour of the motion as amended, five against it and four abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 25 were present, 18 were in favour of the motion as amended, four against it and two abstained. Since the question was agreed by a majority of each of the two groups of Members present, she therefore declared that the motion as amended was carried.

PRESIDENT (in Cantonese): Second motion: Alleviating the disparity between the rich and the poor.

ALLEVIATING THE DISPARITY BETWEEN THE RICH AND THE POOR

MR CHAN WING-CHAN (in Cantonese): Madam President, I move the motion which is printed on the Agenda.

Starting out as an obscure small fishing port, Hong Kong has now developed into an important international financial centre. The transformation that it went through has been eulogized as a miracle made possible by the joint efforts of all Hong Kong citizens. However, the miracle has at the same time aggravated the disparity between the rich and the poor.

Following three rounds of restructuring, the Hong Kong economy has been converted from labour-intensive to mainly based on knowledge. Yet local workers, who contributed to our past economic miracle, have to endure the hardship arising from economic restructuring. With local industries beginning to move northward in the 1980s, the manufacturing industries have been shrinking dramatically. Before the onset of the Asian financial turmoil, our Gross Domestic Product (GDP) did see growth year after year. However, it can be noticed that the shares taken up by the manufacturing industries were, on the contrary, dropping sharply. In 1997, the manufacturing industries only made up 6.5% of the GDP. The number of workers engaged in the manufacturing industries went down sharply from 423 000 in 1994 to 245 000 in 1998.

The rise of the service industry in the same period did absorb some of those displaced by the manufacturing industries. However, the good weather did not last long. The financial turmoil of 1997 plunged us into economic recession. With the people's incentive to spend and power to spend weakened, the tertiary sector has been dealt a heavy blow. The room for employment has grown much smaller. Bearing the brunt of the blow are the grassroots, those who are semi-skilled or unskilled, and poorly educated.

The unemployment rate in Hong Kong has maintained at a high level ever since the onset of the financial turmoil. Even though the recent unemployment rate has come down from 6% to 5.7%, yet for sectors with higher risk of unemployment, the prospect for employment is still not promising. According to the General Household Survey for the fourth quarter of 1999, the unemployment rate of those aged between 15 and 19 is 28.2% whilst the unemployment rates in respect of people with educational standard below primary level, those with primary level education and those with secondary level education are 9.5%, 8.1% and 6.6% respectively.

Under such circumstances, the current trend is for employers in the service industry to hire workers on part-time basis so as to dodge responsibilities in respect of workers' basic protection under the Employment Ordinance. According to information provided by the Labour Department, at present there are 116 000 people on part-time jobs. With the unemployment rate staying so high, employers just need not worry that there are no workers for hire. So the terms of employment for those hired are getting worse and worse. A famous American fast-food chain actually offers an hourly pay of \$11 to hire part-time workers. A worker working eight hours a day for 30 days merely gets \$2,640. Can you imagine living in Hong Kong with a monthly income of only \$2,640?

Circumstances mentioned above constitute one of the key factors that continuously aggravate the disparity between the rich and the poor in Hong Kong. The Gini coefficient that reflects the disparity between the rich and the poor in society made a big jump from 0.43 in 1971 to 0.52 in 1996. According to information supplied by the World Bank in 1999, the Gini coefficient for the United States in 1994 was 0.40 whilst that for China was 0.415. Indonesia's was 0.365 in 1996. It can be noted that the situation in Hong Kong is worse than that of developing nations.

If a comparison is to be made by dividing all families in Hong Kong into 10 grades according to their monthly incomes on the basis of figures provided by the Census and Statistics Department, we may obtain the following result: The average monthly income of families in the lowest grade has dropped sharply to \$2,500 by the third quarter of 1999 from \$4,100 in 1997; on the contrary, the average income of families in the top grade has been on the rise for several years, going up from \$85,000 in 1997 to \$87,300 by the third quarter of 1999. The disparity in family incomes between the top grade and the bottom grade has grown rapidly from 21 folds in 1997 to 35 folds by the third quarter of 1999.

The Government has set no poverty line to gauge the state of poverty in Hong Kong. The Hong Kong Social Security Society, however, pointed out that according to the Organization for Economic Co-operation and Development (OECD) indicator, there were 850 000 people living below the poverty line in Hong Kong in 1996 alone, and that the poverty rate was 14.14%, much higher than the rate of 7.9% in 1971 and 10.36% in 1981.

As the disparity between the rich and the poor grows, the grassroots' quality of living is getting worse and worse. Take Comprehensive Social Security Assistance (CSSA) recipients as examples. Research conducted by some academics shows that in 1995 the living standards of CSSA recipients remained at the level of average families in the late 1970s. Some other academics also point out that Hong Kong's CSSA policy just manages to provide recipients with the minimum requirements of living, yet totally excluding them from normal social activities.

Apart from facing ever-worsening living standards, those with low incomes also easily get into the poverty cycle because of their lack of resources. In the 1970s or 1980s, those belonging to the lower classes could still aspire to eventually improve their quality of living and social status by having their next generation receiving higher education. However, members of the lower classes can no longer play this old tune. In order that they can be in a better position to improve their living, they have to grasp the latest skills through lifelong education, for example, learning computer skills. However, it has to be stressed that although the Government is beginning to put emphasis on the importance of lifelong education, no appropriate support has been provided to members of the lower classes. As a result, and limited by circumstances and resources, they cannot pull themselves out of poverty even if they do have the wish to pursue studies. Furthermore, the problem still cannot be solved if

reliance is solely on the enhancement of skills and there is no effort to create more employment opportunities for them.

The Hong Kong Federation of Trade Unions (FTU) is of the view that to alleviate the disparity between the rich and the poor, the Government should first of all work on three major areas, namely, reviewing the CSSA policy, stepping up retraining, and creating more job opportunities. With regard to the CSSA, we think a review should be conducted in order that the CSSA policy can really play the role of a safety net. As to stepping up retraining and the creation of job opportunities, the grassroots should be given opportunities in order that they can be self-reliant and strive for continuous self-strengthening. On the basis of the above notion, we have the following four suggestions:

- (1) To formulate a priority employment policy to ensure that local workers will be given priority in employment;
- (2) To initiate a "re-employment support scheme" to assist the unemployed in receiving urgent assistance and appropriate bridging-over training to facilitate their rejoining the labour market;
- (3) To increase the investment in human resource training targeted at the needs of the less educated labour and new arrivals to Hong Kong and to offer more effective general and technical training; and
- (4) To develop emerging industries such as the waste recycling and recovery industry in Hong Kong, in order to provide a certain number of labour-intensive jobs belonging to the less skilled categories, consolidate the local job market and give impetus to social services.

My colleagues, the Honourable Miss CHAN Yuen-han and the Honourable CHAN Kwok-keung, will elaborate on the details of the above-mentioned notion and suggestions later on.

Finally, with regard to the so-called "reliance culture" portrayed by the relevant government departments concerned and said to have been formed in recent years, the FTU absolutely holds a different view. The reason is that when "wage earners" are in deep waters, society has the duty to give them appropriate assistance. This has nothing to do with the reliance culture. I

must also stress that "positive non-intervention" is not tantamount to leaving a dying person to perish. A free market is not equivalent to letting go completely. If we and the Government today still turn a blind eye to the disparity between the rich and the poor, totally neglect and ignore the underprivileged in society and let the situation worsen, we are no more than onlookers who fail to take care of a seriously injured person. Even though we have not directly hurt that person, we are accomplices all the same.

With these remarks, Madam President, I call upon Honourable colleagues to support my motion.

Mr CHAN Wing-chan moved the following motion: (Translation)

"That, in view of the fact that the structurally imbalanced development of the local economy over the past 20-plus years has resulted in the less skilled and less educated labour being forced out of the market or to take up jobs with lower remuneration, that the financial turmoil has dealt a further blow to the job market, causing a deterioration in the employment environment and a drastic drop in the living standards of the grass-roots labour, and that the Government has cut back the financial assistance to the poor in a bid to tighten expenditure, thereby aggravating the disparity between the rich and the poor, this Council urges the Government to expeditiously formulate a policy of assisting the local labour to rejoin the workforce, with a view to alleviating the disparity between the rich and the poor; the specific measures should include:

- (1) Formulating a priority employment policy to ensure that local workers will be given priority in employment;
- (2) Initiating a "re-employment support scheme" to assist the unemployed in receiving urgent assistance and appropriate bridging-over training to facilitate their rejoining the labour market;
- (3) Increasing the investment in human resource training targeted at the needs of the less educated labour and new arrivals to Hong Kong and offering more effective general and technical training; and

- (4) Developing emerging industries such as the waste recycling and recovery industry in Hong Kong, in order to provide a certain number of labour-intensive jobs belonging to the less skilled categories, consolidate local job market and give impetus to social services."

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 Mr CHAN Wing-chan, as set out on the Agenda, be passed.

Mr LAW Chi-kwong 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 LAW Chi-kwong to speak and move the amendment.

MR LAW CHI-KWONG (in Cantonese): Mr Deputy, I move that the Honourable CHAN Wing-chan's motion be amended as set out on the Agenda.

The former Legislative Council had discussed the issue of the disparity between the rich and the poor for a number of times; so has this Council over the past two years. In the debate of 5 January this year on the question of assisting Hong Kong's workforce in meeting the challenges of the new millennium, quite a few colleagues pointed out that there might be negative impact on the local workforce as well as on the disparity between the rich and the poor upon China's accession to the World Trade Organization (WTO). It is a pity that the Government has so far failed to actively look into the issue or adopted appropriate measures. On the contrary, the Government, taking advantage of the deteriorating disparity between the rich and the poor, has cut back on the CSSA on the ground that members of the lower classes have been earning less. Such a measure smacks of taking mean advantage of the poor.

Mr CHAN Wing-chan has proposed to initiate a re-employment support scheme. I believe that his FTU colleagues will spell out the details of the

scheme. To my understanding, the said scheme is meant to give the unemployed assistance in the form of cash and services. In the debates of the former Legislative Council and those of this Council, I invariably expressed reservations about a non-contributory unemployment relief scheme. The Honourable Andrew CHENG of the Democratic Party will elaborate on this.

Although unemployment is one of the causes leading to poverty, poverty does not merely concern individuals or individual unemployed persons. It affects the whole family, with particularly serious negative impact on children of the family. So, to solve the problem of poverty, it is necessary to start with the families. The Honourable Fred LI of the Democratic Party will discuss how to help families suffering from low income or unemployment as well as how to improve the existing CSSA system.

My amendment seeks to delete Mr CHAN Wing-chan's wording on the re-employment support scheme. However, still I call upon Mr CHAN to vote for my amendment out of his support for impoverished families.

As just pointed out by Mr CHAN, Hong Kong's Gini coefficient for the year 1996 is 0.52. To be more exact, it should be 0.518. Judging from the current social condition, the disparity between the rich and the poor can only get even worse. According to most forecasts, upon China's accession to the WTO and the further development of the globalization of the world economy, the disparity between the rich and the poor will aggravate.

My amendment makes mention of establishing an inter-departmental working group to formulate a comprehensive policy on eliminating poverty. The problem of poverty arising from unemployment in fact relates to issues such as Hong Kong's supply of and demand for manpower, workers' skill levels, industrial and commercial developments, and neighbouring places' competition and co-operation. It can even be said that it has something to do with housing policies, education policies and social welfare policies. To solve these problems, it is necessary to look deep into the structural factors that lead to poverty and disparity between the rich and the poor, and to understand the needs of the poor. It is also necessary to review the existing social policies to see if they are alleviating the disparity between the rich and the poor, or aggravating poverty. Therefore, I am of the view that it is necessary to establish an inter-departmental working group to comprehensively look into the problems and causes of the disparity between the rich and the poor. Only with concerted policies from all sectors can the situation be improved.

I agree with Mr CHAN Wing-chan's ideas on investing in human resource training and developing emerging local industries, such as the waste recycling and recovery industry. At present, wages for those less skilled or less academically qualified are dropping continuously. This has much to do with the imbalance in the supply of and demand for manpower. Both training and supplementary adult basic education are meant to enhance the skills and academic qualifications of workers belonging to such classes. These intervention measures can effectively reduce the supply of grass-roots workers. Measures at the other end are to increase the demand for such grass-roots workers. To promote the waste recycling and recovery industry can somehow increase the demand in this respect, and thus relieve the imbalance in supply and demand.

I have one point to add. My amendment replaces "less educated", a term used by Mr CHAN Wing-chan, with the term "less academically qualified". To my understanding, "less educated" is a term commonly used in the Mainland. However, in Hong Kong "less educated" carries a somewhat pejorative connotation. The usual practice is for us to refer to other cultures as "less educated" when lashing out at the so-called imperialism. Therefore, I consider it inappropriate to use the term "less educated" to describe those less academically qualified. Thus I have made a few minor amendments here and there.

I hope that when Honourable colleagues discuss this topic, they will also give more attention to those impoverished families in addition to considering the link between disparity between the rich and the poor and unemployment. There is an obvious phenomenon arising from recent development. This concerns children of impoverished families, especially those new arrivals to Hong Kong. Although the children have the right of abode, they cannot apply for CSSA. They cannot go to school even if the schools agree to enrol them, the reason being that they cannot afford the books and stationery, school uniforms and travelling expenses. Because of all such factors, those children "cannot go to school though eligible." This might adversely affect the development of the next generation. Though such children only constitute a minority, it still goes against the basic principle of equal opportunities. I call upon Honourable colleagues to give more attention to those impoverished families, especially the growth of their children.

I so submit.

Mr LAW Chi-kwong moved the following amendment: (Translation)

"To delete "educated" after "the less skilled and less" and substitute with "academically qualified"; to add ", and at the same time to provide the unemployed with counselling and support services," after "between the rich and the poor"; to delete "initiating a "re-employment support scheme" to assist" and substitute with "strengthening the actual operation and complementary measures of the Comprehensive Social Security Assistance system to achieve the objective of encouraging the poor to get rid of poverty by providing"; to delete "in receiving" and substitute with "and their families with"; to add "financial" after "urgent"; to delete "and" before "appropriate bridging-over training" and substitute with "as well as assisting the unemployed in receiving"; to delete "educated" before "labour and new arrivals" and substitute with "qualified"; to delete "and" after "technical training"; and to add "; and (e) establishing an inter-departmental working group to formulate a comprehensive policy on eliminating poverty and to conduct reviews on a regular basis" after "impetus to social services"."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr LAW Chi-kwong to Mr CHAN Wing-chan's motion, be passed.

MR LAU CHIN-SHEK (in Cantonese): Mr Deputy, on the third day of the Chinese New Year, members of the Hong Kong Confederation of Trade Unions (CTU) went to the Central Government Offices to stage a petition and announce some compiled statistical figures, which contain the shocking fact that over the past two years, of the nearly 2 million families in Hong Kong, 1.6 million families have been earning less than what they did two years ago. The average family income in respect of families belonging to the lowest 20% has gone down by as much as about 30%. Moreover, information from the Census and Statistics Department clearly shows that notwithstanding the economic recession that Hong Kong has been facing over the past two years, the average income of families belonging to the top 20% has rebounded and achieved "net growth," and that the lower the families' incomes have experienced sharper drops in their average incomes. With the disparity between the rich and the poor worsening, I believe the Government can no longer "turn a blind eye" to this social crisis.

In today's debate, many colleagues probably will elaborate on how to narrow the gap between the rich and the poor. Therefore, I am not going to repeat their views. On the other hand, it seems that when we talk about "the disparity between the rich and the poor", few people will mention the political "disparity between the rich and the poor" with regard to most Hong Kong people. Under the existing political system in Hong Kong, "disparity between the rich and the poor" in economic strength is also being converted into "disparity between the rich and the poor" in political power. As a result, people of the middle and lower classes are being subjected to double oppression.

Here I have to thank Mr Peter WOO Kwong-ching, who recently openly published in the newspaper a series of commentaries written "in defence of" functional constituencies, especially on a theory advocated by him, namely, "those paying more taxes should be entitled to political privileges". With this, Hong Kong people are clearly told of another unfortunate fact under the situation of economic "disparity between the rich and the poor". That is to say, in the area of politics, "income" and "wealth" are still being used as yardsticks to determine a person's right to election.

To a certain extent, I very much appreciate the manner in which Mr Peter WOO handles things. I still remember that at the time of the coterie election for the office of the Chief Executive, of the three candidates, Mr Peter WOO was the only person from whom I received publicity materials. This indicates that Mr WOO is prepared to let those holding views totally different from his understand his viewpoints. However, I entirely disagree with the political views recently put forward by Mr WOO.

It is a reality in all societies that uneven distribution of income and wealth does exist in every society. It should be an ongoing task for every responsible government to alleviate badly aggravated "disparity between the rich and the poor" so as to narrow the gap between the rich and the poor. It seems that extreme unfairness is now a feature of Hong Kong's current political system as a person's entitlement to equal political rights is being weakened or removed simply because his income is low. The presence of the system of functional constituencies makes it possible for those who are better off financially to enjoy "political privileges" not open to the ordinary people. In some cases, especially so for those members of the business sector, people have the right to vote in the

elections of functional constituencies and thus have one vote more than the ordinary masses. Sometimes they are even in a position to influence, directly or indirectly, the elections of several functional constituencies all at the same time. Given also the Election Committee votes, their political clout is far stronger than that of ordinary people.

This is the "double misfortune" currently suffered by people from the middle and lower classes — the majority of the Hong Kong people who earn less. They are in comparatively unfavourable or even very unfavourable conditions in respect of finance and daily life, and even have their political rights, which ought to be equal regardless of birth, status, wealth and race, "stripped". In Hong Kong, "disparity between the rich and the poor" not only reflects economic inequality but also tells of great exploitation in terms of political rights!

Way back in 1948, the General Assembly of the United Nations unanimously passed the Declaration of Human Rights, which clearly points out that all people have equal political rights. Article 25 of the International Covenant on Civil and Political Rights, which was drawn up later, specifically declares that every citizen should enjoy the right to elect and to be elected at *bona fide* periodic elections, and that those elections must be open and fair to all. It can be noted that the international community recognizes participation in general election as a right by birth. I believe that only those who are hoarding privileges and who also want to maintain their privileges will deliberately deny universal entitlement to human rights.

Some people are of the view that elections of functional constituencies protect the interests of minority groups who "pay most of the taxes". From another angle, I think it can be seen that the existing undemocratic political system is most disadvantageous to the middle and lower classes. The statement that "those paying more taxes should be entitled to political privileges" also leads to a major problem, namely, the fact that an undemocratic political system is most likely being used as a means to uphold the disparity between the rich and the poor, or even a key element aggravating the inequality between the rich and the poor. Today, we are talking about the crisis of the disparity between the rich and the poor here, putting forward various policy guidelines for the purpose of narrowing the gap between the rich and the poor. It appears to me that if our legislature and Chief Executive are not elected by democratic universal

suffrage, then it is not possible to ask the Government to address squarely the issue of disparity between the rich and the poor, and to narrow the gap between the rich and the poor by applying the right solution to the problem. This is a problem closer to the core of the issue.

Mr Deputy, I so submit.

MR LEE KAI-MING (in Cantonese): Mr Deputy, recent hot topics in town are: certain hi-tech stocks being over-subscribed by 1 500 times and Pacific Century Cyberworks (PCC) taking over Hong Kong Telecommunications (HKT). According to press commentaries, following the successful takeover of HKT by PCC, the total market value of assets owned by the two top tycoons in Hong Kong amounts to more than \$1,300 billion. On the other hand, the unemployment rate in Hong Kong remains high. According to the latest statistical figures of the Government, 204 000 people are unemployed, and 96 000 people underemployed. Quite a few among those employed have to endure pays that are kept low and work excessively long hours. Indeed, they are in a disadvantageous position. With imbalance in the market's supply and demand, workers' bargaining power has been weakened. People have to give way. They often can only lead a hand-to-mouth existence with what they earn with their labour, let alone sharing the fruits of economic prosperity.

It can be noted from this that the disparity between the rich and the poor in Hong Kong is growing, with a very small number of people holding much of society's wealth, quite a lot of people close to the brink of poverty, some dependent on government relief, and also a number of people struggling for survival in poverty. The continuation of the polarization between the rich and the poor will inevitably fan up grievances among members of the community, and eventually upset social stability. We, therefore, should not take this issue lightly.

At a new year party held on the sixth day of the Chinese New Year, the Chief Executive, Mr TUNG Chee-hwa, pledged to solve the problems concerning employment and disparity between the rich and the poor. However, so far no specific measure has been announced. It is indeed disappointing.

Mr Deputy, to narrow the gap between the rich and the poor, it is necessary to strive for a reasonable distribution of social resources, put in efforts to create employment opportunities, step up vocational retraining, and help the unemployed acquire more skills for them to rejoin the workforce.

For years I have been calling upon the Government to draw up long-term policies on human resources as well as corresponding long-term economic development strategies. The SAR Government must review the current population policy and adopt controlling measures accordingly; otherwise it is very difficult to eradicate the employment problem in respect of those who are less skilled or less educated.

In addition, the Government should strictly restrict the importation of labour. In recent years the Government has spent a lot on infrastructure projects in order to stimulate internal demand on the one hand and to seek a gradual solution for the problem of unemployment by creating employment opportunities on the other. However, with the industrial and commercial sectors exerting pressure, the construction industry and the textile and garment industry have been seeking to import a lot of labour in a bid to artificially change the relationship between supply and demand in the labour market, thus seriously jeopardizing local workers' employment and terms of service, increasing the burden of social welfare, and going against the original target of creating employment opportunities for local workers. Therefore, the Government must hold its stand and yield no ground. With regard to the existing Supplementary Labour Scheme, the Government should comprehensively review the mechanism for the importation of labour as locally there are not enough jobs. Furthermore, the screening ought to be very careful with regard to the importation of talents.

Given the fact that Hong Kong at present has enough human resources, the top priority is for us to increase training resources so as to help the unemployed and new arrivals to enter new careers through training programmes. For these programmes of new career training and in-service training, the Government should formulate long-term strategies to maintain their continuity. At the same time, the Government ought to comprehensively review the strategies of vocational training, not neglecting Form Three students' vocational training and seeing to it that there is a solution for these students' employment problem. As elimination of poverty and alleviation of the disparity between the rich and the poor can only be achieved gradually through the promotion of full employment, we should attach weight to the apprenticeship programme so as to let less

academically qualified youngsters have more participation, and give them guidance in order that they can adapt to the restructured economy and improve their competitiveness and meet the needs of economic developments by enhancing their own skills.

In addition, the Government should first start with administrative matters such as tax revenue and public policies to promote legislation on labour welfare, and strike a balance between workers' interests and those of employers so as to effect a more reasonable distribution of social resources for the purpose of alleviating the disparity between the rich and the poor.

I support the motion. Thank you, Mr Deputy.

THE PRESIDENT resumed the Chair.

DR RAYMOND HO (in Cantonese): Madam President, for society to grow steadily, we must not let the disparity between the rich and the poor worsen. Hong Kong is a society that upholds capitalism and free market, and encourages the practice of more work, more income. However, in Hong Kong nowadays the polarization between the rich and the poor, a situation in which "the poor are getting poorer whilst the rich are getting richer", is deteriorating. We have got to face up to the problem. As a matter of fact, according to recent data from the Census and Statistics Department, the income level of the poorest 400 000 families in Hong Kong is 20% below what they got nine years ago whilst the incomes of the richest 400 000 families have jumped by almost 30% in 10 years. The deterioration of such a state of affairs is going to upset the stability of our society.

As a matter of fact, the disparity between the rich and the poor is a major challenge that modern economy has to face. An example is offered by the United States with its rapid growth powered by the information technology in recent years. Its economy is strong, with unemployment rate reaching an all-time low. High pays and generous benefits go to those armed with information technology knowledge. Those who are unskilled and those in the service industry can only take up jobs that are low-paid and without prospects. In fact not even this economically strong country can get rid of the shadow cast by the disparity between the rich and the poor.

Hong Kong all along puts emphasis on self-initiative. So, not wishing some people to excessively rely on social welfare, we have all along disapproved of the social welfare system of Western countries. However, as a well-developed and affluent place, Hong Kong must formulate appropriate policies to look after the poor so as to give them the essential assistance. At the same time, we should make every effort to adopt active measures, including the offer of training and technical instruction, so as to make it easier for them to join the labour market.

We certainly should make every effort to prevent the abusive use of assistance. However, we definitely should not refuse to help those genuinely in need of assistance on account of the improper behaviour of a small number of people. Yet in designing courses for training and technical instruction, it is also necessary to match the requirements of the market. We should not offer training for labour that the market is already being over-supplied with just for the sake of running training as the trainees will not be able to enter the relevant fields even after training. The Government might consult the industrial and commercial sectors so as to understand the requirements of the market and to ensure that the relevant training can indeed help trainees find jobs.

On the other hand, the Government can also effect synchronization with its industrial policies. The Government is actively promoting the development of high technology, which, however, has no direct role to play in solving the unemployment problem of less educated people. I am of the view that it is time for the Government to consider changing the old practice of positive non-intervention. Direct assistance should be given to trades that are able to offer a lot of employment opportunities, especially the ones that have no difficulty in accommodating workers who can easily take up new careers even though already ousted from their old jobs.

If Hong Kong is to grow steadily, then we have to solve as soon as possible the problem of disparity between the rich and the poor. If the situation is allowed to aggravate, the stability and harmony of society will inevitably be affected.

Madam President, I call upon the SAR Government to address the issue squarely. I so submit.

MISS CYD HO (in Cantonese): Madam President, I strongly support Mr CHAN Wing-chan's original motion and Mr LAW Chi-kwong's amendment. However, I think both of them still leave much to be desired as neither has addressed the problem concerning the feminization of the issue of poverty. I harbour no bias, and am not holding the view that women should advocate reverse discrimination. However, women are more poverty-prone. According to many researches, in a situation where there is inequality between the two genders poverty often goes to women. Given the uneven distribution of resources in a family, man enjoys more power and wealth in marriage. In addition to the fact that there is the uneven distribution of family resources after marriage, society also observes some particular stereotypes, such as insufficient political representation for women, and less favourable terms of service for women in the labour market. The above factors render women more prone to poverty and make it harder for them to get out of poverty.

With regard to the labour market, the Government's statistical figures show that for the 25 to 29 age group, working women come up to more than 80% on the average. However, as women get older, the percentage of working women drops gradually. When coming to the 50 to 54 age group, the figure is already below 50%. This figure in fact shows that as women get older, become married and have children, they have fewer chances to join the workforce. *(Telephone rang)*

PRESIDENT (in Cantonese): Miss HO, please go on.

MISS CYD HO (in Cantonese): Thank you, Madam President. Please compensate me with three seconds' of speaking time. *(Laughter)* On the other hand, the ratio of working men is over 90% in every age group. Turning now to wages. Incomes derived by women from primary employment have grown over the last 20 years. However, on the average, they are still lower than men's. Take the general census of 1996 as an example. It can be noted that women's wages were just 80% of men's wages, that is, on 80% pay. It is even more displeasing to note that with regard to the problem of having to remain poor while working, women's situation is more serious and more unreasonable than men's. According to statistics for the third quarter of 1997 in respect of those remaining poor while working, women numbered 250 000 whilst the total for the same period was 295 000. This shows that women make up 83.3% of those

who work and who yet still snap into poverty. There is a common saying that "nine out of 10 who go bald are rich". However, with regard to the figure in respect of those remaining poor while working, eight out of 10 are in fact women. Such a state of affairs is very serious and disturbing.

Let us take a look at a comparison in the area of educational standards. A comparison between men and women on the basis of educational standards for the year 1998 shows that the portion of men with educational level not higher than that of kindergarten was 4.5% whilst the corresponding figure for women was 13.3%. The figure is very alarming. There are almost 400 000 illiterate women. If the number of women with primary education standard is added to the total of these illiterate women, they make up 35.9% of the women in the population. Madam President, how can they be retrained under such circumstances? Even if the Government retrains these women, they can only work as domestic helpers or, as mentioned by the colleague from the FTU, take up the work of waste separation, that is, some basic duties requiring very low skills. If our Government still does not put in more efforts to promote basic adult education, it will be impossible for this group of women in our population to rise on their feet again.

Madam President, most single parents looking after children are also women, who make up 70% to 80% of single-parent families. Being tied down with the responsibility of child care, these women have fewer opportunities of going out to work when their marriages are not on the rocks yet. When their marriages all of a sudden run into trouble, their only hope is for their spouses to make maintenance payments. Here we have had repeated discussions on the establishment of a maintenance authority. However, it was all to no avail. So these women have to rely on Comprehensive Social Security Assistance (CSSA).

What has the Hong Kong Government done? Released recently by an academic is a research report making mention of a conclusion drawn in 1995 at the Fourth Women's Convention held in Beijing. At that time Hong Kong took part in the convention as part of the British delegation and gave support to the "Beijing Declaration." The Declaration listed out an action plan with several requests: First, striving for the establishment or reinforcement of government machinery to promote policies that advance women's status from the top leadership and with adequate resources and talents; second, incorporating into all ordinances, public policies and tasks interpretation bearing the gender element; third, increasing the information and data classified on the basis of genders for

use as reference in drawing up plans or making assessments; and, strengthening gender analysis and research. However, all that our Government has done over the last three years is the allocation of \$3.2 million to tertiary institutions for gender research. This is in fact far from being adequate.

Madam President, I strongly support Mr LAW Chi-kwong's proposal of setting up an inter-departmental working group to formulate policy for the elimination of poverty. Here is a reminder for the Government as it is hoped that measures can be taken expeditiously to establish a central mechanism to examine all government policies from women's viewpoints, just as what Mr David LAN said long ago. I hope that such a central mechanism can improve and promote equality between men and women.

Thank you, Madam President.

MR TAM YIU-CHUNG (in Cantonese): Madam President, there is an old saying that "Inadequacy poses no worry, but uneven distribution does." The harmony in a society and each individual's chance to share the fruits of economic growth have close bearing on each other. However, the disparity between the rich and the poor is getting worse and worse in Hong Kong. According to government statistics, over the past 10 years, the incomes of the poorest 800 000 families in Hong Kong have seen no real growth, even going sharply down from an average of \$3,450 in 1990 to \$2,645 in 1999. However, for the richest 400 000 families in Hong Kong, their average income has grown by almost 30% over the same period. There will inevitably be all sorts of adverse effects on society if such a state of affairs continues.

Doubtless the aggravation of the disparity between the rich and the poor is a common trend for every nation or place in the course of economic development. If matching policies can be formulated beforehand, then adverse effects from such a trend can be reduced. We should take note of this.

One of the factors leading to the disparity between the rich and the poor is rapid economic restructuring, which throws in many barriers for the less educated in terms of employment. According to statistics, over the last decade, workers engaged in the manufacturing industry, construction industry, retail trade, and food catering business have been persistently having unemployment rates higher than Hong Kong's average. So, only by creating more employment

opportunities with "jobs for everybody" can the further widening of income gaps be averted.

With regard to creating employment opportunities, the Government may in fact speed up the growth of the tourist industry, an alternative capable of producing immediate effect, in addition to assisting the development of personal service industry, community service industry and environmental industry. More and more visitors have been coming to Hong Kong ever since last July, with mainland visitors scoring the largest increase. The spending power of mainland visitors is definitely not less than that of visitors from America or Europe. If calculation is to be done on the basis of the averages for the year 1999, they can bring to Hong Kong \$17 billion annually. Apparently, in addition to Japan and Southeast Asia, the Mainland is indeed Hong Kong's primary tourist market, which has yet to be properly opened up by us. To draw visitors to Hong Kong from all provinces, Hong Kong should step up publicity and promotion in the Mainland.

As a matter of fact, our society is progressing towards knowledge economy in search of hi-tech development. The tourist industry should also be reinforced in this respect. Now everything goes "cyber". Even a cool haircut is said to be "the cyber look". Scenic spots and facilities for tourists can also go "cyber". In addition to having Disneyland, Lantau cable car and the opera house, all these being tourist infrastructure projects due for completion, we might do some brain-work to get ideas on getting more cyber features. In this way, more tourists can be attracted and a lot of employment opportunities in relevant areas, such as transport, retailing, food catering, and hotels can be created to absorb more members of the service industry and increase their incomes.

Another measure acknowledged by all nations as effective in alleviating the disparity between the rich and the poor is the redistribution of revenue through taxation policies. To help less skilled or less academically qualified workers improve their skills and qualifications through further education, we have been advocating increasing the tax credit for further education, and extending the scope to which loans for further education are applicable. On top of these measures, the Government should also try to reduce the adverse effects arising from the disparity between the rich and the poor through a structural revision of the taxation system by adopting a macro approach.

However, modifications done to the taxation system in Hong Kong over the last few years have been of little use in narrowing the gap between the rich and the poor. For instance, following repeated cuts of profits tax by the Government since 1994, tax paid by enterprises for the huge profits gained from society has been dropping sharply. To make up for the deficits, the Government recently has been advocating introducing sales tax, which, however, is a form of regressive taxation. Regardless of their incomes, all people, including those earning low incomes, must pay an additional tax when making purchases, and, consequently, spend larger portions of their incomes on daily expenses. This can only bring them additional burdens and aggravate the adverse effect stemming from the disparity between the rich and the poor.

According to some scholars, Hong Kong's taxation system puts stress only on incomes to the neglect of fairness. So, to stop the disparity between the rich and the poor from getting worse, it is necessary to enhance the "vertical fairness" of the taxation system. We look forward to a reply with positive meaning in the Financial Secretary's Budget speech next Wednesday.

I so submit in support of the motion.

MR ANDREW CHENG (in Cantonese): Madam President, when we read newspapers nowadays, we notice two types of press reports that well match our current topic. On the one hand, we notice that many major firms or consortia are putting forward proposals to cut staff benefits in a bid to cut the existing benefits for wage earners upon the implementation of the Mandatory Provident Fund (MPF) Scheme. Because of the implementation of MPF, certain consortia simply cut back their contributions.

The nature of another piece of news has just been mentioned by the Honourable LEE Kai-ming. In the midst of this hi-tech stock boom, some companies with no business performance can still easily raise capital in the market by making use of the "brand names" of major consortia to which they are attached. The enthusiasm aroused by their share subscription exercises is unprecedented. Furthermore, a certain hi-tech company, though listed for less than one year, has been able to take over Hong Kong Telecommunications for a sum amounting to billions of dollars, thus concluding "a deal of the Century", and immediately becoming a listed company with the third highest market value in Hong Kong.

Madam President, these phenomena have given me the impression that major consortia may "have big meals and earn money with money" whilst humble citizens have their benefits cut repeatedly and their purses further and further emptied. The poor are getting poorer whilst the rich are getting richer. The Government has to face up to the problem of disparity between the rich and the poor. Though the unemployment rate for the period between November and January did go down to 5.7%, those unemployed still numbered well over 200 000. With pressure coming from their families and society, the unemployed tend to feel helpless and anxious. But what has the Government done? Over the past year, the Government not only has not formulated any policy to eliminate poverty, but has even cut back the CSSA for those unemployed. That in fact is rubbing salt into the wounds of impoverished families.

Again and again the Democratic Party has asked the Government to improve the policies on training and to encourage the development of new jobs that require just low skills so as to help the unemployed rejoin the labour market. The Government should, at the same time, help the unemployed with a considerate approach so as to help them solve imminent problems of living.

Mentioned in Mr CHAN Wing-chan's motion today is a proposal for a "re-employment support scheme". On the surface, it sounds like an ordinary support scheme for the unemployed. However, lurking behind are very big financial implications. It is my earnest hope that Members coming from the Federation of Trade Unions (FTU) can present clearer data on the issue so as to make it possible for us to know how to deal with the specific details of this "re-employment support scheme". If our comprehension is correct, the essence of this FTU proposal is to set up an unemployment relief, whereby an applicant who has been in employment for one year just before becoming unemployed, whose length of unemployment is already one month long, who has registered with the Labour Department for employment, and whose disposable assets are valued at less than \$120,000 may get an unemployment relief of \$5,000 a month whilst unemployed.

If calculation is to be made on the basis that currently there are 200 000 unemployed persons, and if it is assumed that roughly only one half of them are eligible according to FTU-proposed qualifications, and that each of the 100 000 persons is to get the monthly unemployment relief of \$5,000 for six months, then to pay for the unemployment relief under the "re-employment support scheme",

the Government will have to shell out public funds amounting to \$3 billion. We have the impression that the unemployment statistics prepared by the FTU have often been higher than estimates made by the Government. Therefore, I am indeed concerned about the financial burden resulted from the said scheme. Of course, we fully agree that assistance to the unemployed should be increased. However, we do feel concerned if that will give the Government a financial burden amounting to billions of dollars in a short time.

So, we are of the view that, as relief for the unemployed, the proposal made by Mr LAW Chi-kwong today to strengthen the CSSA system is more practicable. As a long-term effort, the Democratic Party will continuously press the Government to look into an unemployment insurance scheme to see if unemployment insurance can give the unemployed more reasonable and better protection. According to experiences of member countries of the Organization for Economic Co-operation and Development, there are, in fact, various plans for unemployment insurance, some requiring contributions from employers and employees, and some demanding contributions from just one party. Qualifications to get assistance also vary. The Government should conduct more in-depth investigation in this direction so as to alleviate the disparity between the rich and the poor.

Madam President, I so submit in support of Mr LAW Chi-kwong's amendment.

MRS SELINA CHOW (in Cantonese): Madam President, hit by the financial turmoil and the economic restructuring, many less educated and less skilled workers have been quickly eliminated by the market. Some are being forced to accept jobs of even poorer terms of employment and make do with much lower pays, while some are being forced into long-term unemployment with the consequence of running into great hardship. Figures from the Census and Statistics Department also indicate that the disparity between the rich and the poor in Hong Kong has shown signs of deterioration following the financial turmoil.

Both the original motion and the amendment urge the Government to draw up support policies as soon as possible so as to enable local labour to rejoin the workforce with the eventual result of alleviating the disparity between the rich and the poor; and at the same time to provide the unemployed with guidance and

support services such as formulating a priority employment policy, granting urgent assistance to the unemployed, reinforcing the social security assistance system, increasing the investment in human resource training, developing local emerging industries for the creation of jobs, and setting up an inter-departmental working group to eliminate poverty.

The Liberal Party, always cagey about formulating any support policy, disapproves of the original motion and the amendment. In the labour market is indeed a situation whereby workers who are less educated, less skilled or old are being eliminated. Probably for reasons of academic qualifications, age or other factors, they are unable to undergo retraining and, therefore, have much difficulty in rejoining the workforce. In fact, there is not much that the Government can do in this respect. To formulate any particular support policy can only lead to a heavier burden on society. As a matter of fact, the Hong Kong society already has some safety nets, which, to a certain extent, are able to protect the basic livelihood of those in need.

At present, Hong Kong is developing in the direction of high technology and high added value. What the Government should do is to find out how to upgrade comprehensively society's services and the quality of human resources in order to make every effort to provide opportunities to those with the ability as well as the will to seek self-improvement or self-upgrading to meet social needs and enter the market. It should not deliberately formulate target-specific support policies. With regard to the priority employment policy, according to my understanding, the Hong Kong Government all along promotes the policy of giving employment priority to Hong Kong workers. However, the actual situation in Hong Kong now reveals that local workers, for reason of obnoxiousness or other factors, are in fact staying away from certain types of jobs. That creates problems for the operators. In certain cases, some trades actually decline from a position of strength to one of weakness, or drop from prosperity to recession. Is this good for the overall economy?

With regard to the idea of strengthening unemployment relief, people of Hong Kong all along do not quite approve of that. We notice that Mr LAW Chi-kwong's amendment is somewhat different from Mr CHAN Wing-chan's original motion. But basically, emergency financial assistance for the unemployed and their families still has to come from the social security component of the CSSA system. Sharing the view held by many people in Hong Kong, the Liberal Party is apprehensive of unemployment relief. We just

do not want to follow the old disastrous road already taken by foreign countries, which might turn Hong Kong into a welfare society, whose government is bound to collapse at one point when every person is dependent on it.

With regard to increasing investment in human resource training, the proposal gives no cause for criticism. However, the training programmes offered must be capable of attracting participation by those wishing to go into new careers. What is more, training must be pegged with job search as what counts most is trainees' ability to find jobs in the relevant fields upon completion of their training. Training is meaningful and fruitful if only it is run this way.

The motion urges the Government to develop emerging local industries, such as the waste recovery and recycling industry, so as to create labour-intensive jobs and stabilize the local labour market. This proposal appears to be in conflict with Hong Kong's long-observed philosophy, one that is led by the market. In developing any trade, we in Hong Kong always base our decision on market considerations. That is to say, the trade's course of development is determined by requirements in the market, and there must be cost effectiveness. We cannot neglect the market's requirements to mandate the development of certain trades for the purpose of achieving non-business social goals by following a socialist practice of planned economy just out of a desire to create employment opportunities.

Finally, on asking the Government to set up an inter-departmental working group to formulate comprehensive policy for the elimination of poverty, at present, all government departments in fact are aiming at improving Hong Kong's overall efficiency and image, and it covers the tasks of promoting economy and making improvements to social issues. In this respect, the responsibility lies not just with the Government. To achieve the target, all sectors, including businesses, professionals, commerce and industry, must co-operate with each other. To set up another inter-departmental working group is somewhat a duplication of work. We should promote the overall development of society and improve the economic structures so that every sector of society can benefit from it. Only this is the most effective way to alleviate the disparity between the rich and the poor.

MR CHAN KWOK-KEUNG (in Cantonese): Madam President, today Mr CHAN Wing-chan has put forward at this meeting a motion on alleviating the disparity between the rich and the poor in Hong Kong. Does Hong Kong really have poor people? Someone might ask this question. With the scenes of people lining up to subscribe for new shares, it is very difficult to visualize the existence of abject poverty in Hong Kong. However, those unemployed, the elderly, single parents, and some of the new arrivals to Hong Kong indeed cannot share the fruit of prosperity.

Hong Kong's economic situation has really improved a lot over the past 10-odd years. Ten years ago, Hong Kong people's per capita Gross Domestic Product (GDP) was only US\$11,800. With booms in the markets of gold, stock and real estate, the per capita GDP surged by more than 100% by 1997, reaching a level of US\$26,315. Although the growth rate of our GDP in real terms for 1998 was -5%, the per capita GDP of that year still reached a level of US\$24,472. Last year the said figure even went up to about US\$27,000, roughly equal to HK\$210,000. How many in Hong Kong can earn \$210,000 a year?

It is believed that not many can earn \$210,000 a year. This is especially true of the grassroots, who, with their monthly incomes, can ill-afford to buy one lot of "tom.com" shares for \$3,600. Last year the Legislative Council Secretariat compiled a survey report on employees earning less than \$8,000. According to the report, for the period between February and April of 1999, as many as 91 000-odd people were earning less than \$3,000 a month. Those earning a total of less than \$8,000 came up to 900 000. Their annual incomes did not quite measure up to one half of the per capita GDP. Apparently, the grassroots are unable to share the economic prosperity.

It has always been the view of the Hong Kong Federation of Trade Unions (FTU) that in order to help the grassroots get out of poverty, it is necessary to help them get employment first. Last week, the Commission on Strategic Development set up by the Chief Executive released its report, saying that Hong Kong would become an international centre of financial and commercial services, and that high value-added projects in areas such as information, telecommunications and innovative technology would be developed. This surely can improve Hong Kong's competitiveness. How many employment opportunities can such projects create and how many grassroots can they absorb?

Those unemployed by the third quarter of 1999 numbered 187 000, all with educational levels not higher than secondary school. Furthermore, adding to the figures every year are youngsters leaving school on finishing Form Three. Also incessantly increasing are mainlanders settling in Hong Kong. Most of them are also non-skilled and less academically qualified. How are we going to help them get out of poverty and to prevent them from falling into the snare of poverty for the reason of being unable to find employment?

In order to create posts for the grassroots, the FTU proposes that support be given to labour-intensive jobs. I mentioned the specific details in the motion debate of 19 January this year. Included was the idea of giving support to the waste recovery and recycling industry. The reason is that the said industry has development potentials, does not require from workers high skills or high academic qualifications, and, therefore, can absorb the workforce that high value-added industries are unable to take in.

Last week the Financial Secretary announced the forthcoming creation of posts in respect of the environmental industry. It is, however, a pity that, for all that the Financial Secretary said about jobs stemming from environmental protection, only 1 100 new posts will be created over the next six years. The figure is too small. What is more, the new posts to be created are linked with the construction projects of incinerators and refuse collection points. They are not for the support of industries associated with waste recovery, waste classification and waste recycling. Compared with the above-mentioned industries which can absorb a lot of workers, those new posts mentioned by the Financial Secretary obviously cannot do much to solve the problem of unemployment.

Furthermore, at present there is insufficient protection for local labour regarding priority in employment. The construction industry, the catering industry and the domestic help service all hire a lot of imported workers, thus reducing local workers' employment opportunities. This is especially true for those who are older, people in their thirties and forties.

Education is also an important area for alleviating the disparity between the rich and the poor. However, taken as a whole, the vocational training system lacks a comprehensive echelon for continuous human resource training. New arrivals to Hong Kong and the unemployed can only attend short-term retraining programmes. Jobs perhaps can be found for those who have

completed retraining courses, which, however, cannot really improve their vocational skills. Moreover, the courses cannot link up, thus making it hard for them to pursue further studies even if they so wish.

Madam President, the Government must face up to the current disparity between the rich and the poor, create jobs, protect local workers' priority in employment, and increase investment in human resource training, particularly for the new arrivals to Hong Kong and the unskilled labour. In order that they can pull themselves out of poverty and improve their livelihood, their skills must be enhanced and they be given employment opportunities.

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

MR LEE CHEUK-YAN (in Cantonese): Madam President, I think today's topic will at least be up for discussion for 10 years or even longer as Hong Kong, we believe, is facing the challenges of the new century, and one of those challenges is the disparity between the rich and the poor. Obviously, at the time when Hong Kong had industries, there was, relatively speaking, "employment for everybody". However, we are now in an age featuring unemployment as well as employment crisis, which is going to aggravate the problem of poverty.

I am going to look at the problem of poverty from different angles. First, it is to be seen horizontally so as to compare the disparity between the rich and the poor in Hong Kong with corresponding situations in other places. The Gini coefficient of Hong Kong is 0.518. The incomes of the poorest 400 000 families make up 3.7% of Hong Kong's total income. The incomes of the richest 400 000 families make up 56.3%. If we compare Hong Kong's Gini coefficient with those of other countries, it can be noted that Hong Kong's situation is closer to those of South American countries like Chile, Mexico and Honduras. If a comparison is made with developed nations and regions, such as the United States, Canada and Europe, the disparity between the rich and the poor in Hong Kong is far more serious. This is the state of affairs that can be observed when the issue is viewed horizontally.

If a "vertical view" is taken, then I am very sure that the problem of disparity between the rich and the poor is even more serious, especially so in the wake of the financial turmoil. In fact we can see from the charts that, following the financial turmoil, the incomes of the poorest 20%, that is, 400 000 families,

have dropped by 27.9%, whilst the incomes of the richest 400 000 families have gone up by 2%. This shows that those worst hit after the financial turmoil are the poorest 400 000 families. At present, their average monthly income is \$4,614, with a drop of 27.9%. With regard to the richest, it can be said that they have recovered lost ground as their incomes have grown by 2%. So it can be observed that those worst battered in the financial turmoil are still the grassroots.

Well, this is the situation in 1999 after the financial turmoil. But how about the future? People often say that we have entered the age of "Ah Tom", that is, the age of knowledge economy. We are convinced that the disparity between the rich and the poor will get even worse in a knowledge economy.

The Chief Executive yesterday also said that a knowledge economy is a good opportunity for Hong Kong. He said: "In this race into the knowledge economy, one particular social class will benefit most relative to the rest, and that class is the middle class." However, he later also said: "But we must acknowledge there will be pressure on those who are left behind. Those without adequate education, those whose skills are outdated, those at an age when acquiring new skills will be difficult, will be disadvantaged." I am glad that the Chief Executive also notices this point. However, with regard to his point that the middle class will be the class to benefit most, I hope that he will further subdivide the middle class into "upper middle class" and "lower middle class". As far as non-professional medium-size income earners, such as clerks, are concerned, I do not think they will be benefited in the future. We believe that they, on the contrary, will be under pressure to go down, thus, swelling the ranks of the lower class as well as those earning low incomes, leading to even more serious polarization in society. I think this is going to be the most serious challenge for us in the future.

On the other hand, the Chief Executive also mentioned another thing, telling the lower class not to despair. In urging the lower class not to despair, he cited the case of the United States, saying that they were not lagging too far behind. According to the example that he cited, in the United States, the income growth rate of the lowest class, that is, those with grade 5 incomes, is faster than that of people earning top incomes. It follows that members of the lower class need not despair. But I think such a comparison is flawed. In the first place, the United States is in an economic boom, which has also lowered her unemployment rate. With unemployment rate lowered, the incomes of the

lower class naturally go up. In the second place, I hope that the person who drafted the speech for the Chief Executive would have made a better comparison between the two systems. Because of the provisions on minimum wage, wages in the United States will not drop too drastically. He also made no mention of the point that the United States Government has in fact adopted some policies which keep members of the lower class less "injury-prone". He just stated the outcome, saying that members of the lower class in the United States are not that badly "injured". But why are these other people not that badly "injured"? The reason is that other governments have adopted policies to mitigate their injuries. Although many people have been criticizing the policies of the United States for their inadequacies, the country at least does have some policies which may alleviate the disparity between the rich and the poor and which may prevent a drastic fall in the incomes of the poorest class. It is a pity that Mr TUNG Chee-hwa mentioned the example of the United States without making mention of some of the facts involved.

Some people might raise the question as to why we should concern ourselves with the issue of disparity between the rich and the poor. Is it not for reason of "being jealous of those who are rich and contemptuous of those who are poor"? I can tell you that it is definitely not because of that. Please think it over. Many studies on disparity between the rich and the poor have in fact noticed that disparity between the rich and the poor is linked with many problems, one of which is health. According to many people, in places with serious disparity between the rich and the poor, the death rates among the poor are higher than those among the rich. This is very normal. In Hong Kong, those chilled to death are mostly elderly people. In the second place, disparity between the rich and the poor in fact also has something to do with violence, crimes, suicides and broken families. It, at the same time, has something to do with harmony among the people in society. In places with extreme disparity between the rich and the poor, there are more conflicts among members of the community as well as among family members, causing splits more easily. Splits in society may also lead to slower economic growth.

Here is my conclusion. Please do pay attention to the point that aggravation of the disparity between the rich and the poor might lead more people to abject poverty, and ultimately bring unrest to society. This is something we do not want to see. So, I hope that the Government will formulate matching policies to address or counter the disparity between the rich and the poor. For instance, in the area of taxation, to consider introducing

progressive profits tax; in the area of social security, to consider bringing in retirement benefits and minimum wage; and, in the area of policies on employment and education, to consider more actively training Hong Kong's wage earners and workers so as to prepare them for forthcoming challenges. We do not want the Government to cite the examples of the United States and yet do nothing ultimately. Thank you, Madam President.

MISS CHOY SO-YUK (in Cantonese): Madam President, the aggravation of disparity between the rich and the poor has become a world trend, existing not only between rich countries and poor countries but also within affluent nations or regions. Take the United States as an example. Its economy has been soaring in recent years. However, those who can thereby enjoy a higher standard of living are only those earning high incomes. The incomes of the middle class and those of grassroots mostly remain stagnant or stay where they have been. In fact, the United States, Europe, mainland China and even Hong Kong are no exceptions.

On the other hand, as a result of the rapid development of the Internet and China's accession to the World Trade Organization (WTO), there will be no more marked growth in the number of low-skill jobs in Hong Kong. According to forecast, many members of the workforce inevitably will lose regular jobs. Regardless of the validity of such forecast, the Hong Kong economy is heading towards knowledge and technology. The change is progressing rapidly. In Hong Kong, those in the working population have indeed run into employment difficulty. Those who are unable to adapt themselves to the restructuring are indeed running the risk of being eliminated by the market. It is likely for the disparity between the rich and the poor to get worse.

Madam President, disparity between the rich and the poor is really an issue warranting much attention. It is also necessary for the Government to formulate some specific measures for the issue. However, I am of the view that, to solve the problem of disparity between the rich and the poor, it is of utmost importance that every citizen with the ability to work can find a job and bring his talents into full play, instead of being given financial assistance. The reason is that financial assistance, after all, just brings a temporary solution without getting to the root of the problem. The surest approach to get to the root of the problem is to step up training so as to make all those who fail to adapt to the

restructured economy adapt to the new labour market. The accomplishment of such a target certainly hinges on the Government's training and retraining efforts, a favourable business environment for the business sector, and people's efforts for self-strengthening. Much has been said about this. In early January this year, the Hong Kong Progressive Alliance (HKPA) also brought up a related motion. I think there is no need for me to repeat it.

However, I want to bring up one point. Among the 220 000-odd unemployed people in Hong Kong are indeed many individuals who, for reasons of old age, low academic qualifications or inadequate skills, are not given opportunity by the market and who are, therefore, unable to find jobs no matter how hard they try. There are, however, some other people who, for reasons of being impractical, are prepared to remain unemployed and waste their time, who prefer to apply for CSSA and let their incentive to work get eroded, but who are unwilling to accept jobs that are likely to lower their so-called "social status" even if they do have the ability to work or have actually found employment. I am of the view that society should actively promote the concept of equal status for all jobs so that people will not waste their abilities or neglect their social responsibilities for some illusory beliefs as "rank status" and "dignity" and so forth.

In putting forward such a viewpoint, I am not trying to be "sarcastic"; nor am I trying to comfort the unemployed by advising them to "walk when they cannot afford to ride". The reason is that in this new millennium, an age calling for equality in all areas, we should not look at professions as high or low since they are simply neutral; nor should we classify professions into different ranks. What is more, we should not link up professions with the question of "dignity." As a matter of fact, so long as a job is a proper one, it has its value for being there and is, therefore, respectable. It is, of course, nice to be a lawyer, a doctor or a scholar. However, a person being a competent watchman, secretary, shop attendant, cleansing worker or domestic helper full of respect for his job should also deserve respect and endorsement from society. In fact, the running of society would be severely affected if no one in society was prepared to take up those jobs.

We will not think of changing jobs, but will firmly hold our posts in a bid to do better still if we honour our work and respect our duties. Under such a job culture, some professions that appear to be unpromising may have the opportunity to breed more talents and enable the professions concerned to

acquire added value or even to export their products, services and talents. Why are Switzerland's footwear and hotel management so reputable? It is because their workers in all posts are diligent and treat every process seriously. Why are the A-1 abalones of Forum Restaurant and Wan Chai Ferry Peking Dumplings so popular in Hong Kong? It is because their operators, instead of muddling along with a view that their work is unpromising and demeaning, respect and enjoy their work, and make every effort to perfect every detail.

I think that no matter how restructured the economy is, and no matter how polarized the rich and the poor are, so long as more people in Hong Kong can treat all jobs as equal, there will still be a lot of employment options for the people of Hong Kong and a more balanced employment structure in Hong Kong, and Hong Kong naturally will be able to breed a greater variety of talents. As the economy prospers, our livelihood will also improve.

Madam President, I so submit.

MR FRED LI (in Cantonese): Madam President, I want to approach the question on how to help low-skill labour get out of poverty from the angles of the policies on social services and social welfare so as to solve the social problem of disparity between the rich and the poor.

In presenting his proposals, Mr CHAN Wing-chan, being a representative of trade unions, was inclined to place more emphasis on the personal aspects of the unemployed. The re-employment support scheme proposed by him is geared for the unemployed's personal needs in areas such as financial aid and employment counselling.

However, once the breadwinner of a family becomes unemployed, the whole family will be hit. The re-employment support scheme only gives financial assistance to the unemployed person, failing to deal with all the problems confronting that person's family. The psychological pressure stemming from unemployment suffered by the breadwinner of a family might lead to family problems and even affect the children psychologically. The person unemployed might need psychological counselling; so might that person's children and spouse. However, the re-employment support scheme only caters for the unemployed, but not their families. To actually help the unemployed and their families, each entire family should be taken as a unit. For instance,

counselling should be offered to the whole family so as to generate more mutual understanding among family members and thereby reduce disputes among them. If parents cannot afford to hire private tutors for their children because of unemployment, they might be referred to community centres for participation in remedial study classes, which are less expensive.

Mr LAW Chi-kwong proposes that the current CSSA system be used to give unemployed persons as well as their families financial assistance. Should officers of the Social Welfare Department (SWD) deem it necessary, they can recommend suitable services for them. This is a more effective way to help unemployed persons to deal with the various problems brought to their families as a result of unemployment.

Doubtless the CSSA system still leaves much room for improvement. Let me cite a real case to show where the problem is. A woman applied for CSSA after exhausting her savings. It took the SWD four weeks to consider her application. While her application was under consideration, she was being driven to utter desperation. Later she found a part-time job in a cafeteria. However, the SWD told her that as she worked less than 120 hours and earned less than \$3,200 every month, her income would have to be deducted from her CSSA. As a result, she was unable to have her income increased but had to shoulder travelling expenses and other expenses when she went to work. She does not understand why she was being penalized when she worked. A few months later, she was dismissed by the cafeteria. The SWD then asked her to join a programme known as the Support for Self-reliance Scheme. On the face of it, she was being given personal counselling in job search. However, each time the SWD officers just interviewed her for a few minutes, and could give her no help at all. The reason is that there are just too many cases requiring the attention of the SWD. She feels that for her to be interviewed twice a month is just to make it easier for the SWD to see if she is putting in efforts to look for employment and that there is no real concern for her.

As a Chinese saying goes, "One raises children in preparation for one's old age." This woman pinches all her hope on her two children. But now she worries that all her hope might come to nothing. With little education herself, she is not in a position to give her Primary Six son any coaching in his studies. Furthermore, she, occupied by part-time work, goes home late every day and, therefore, has no time to supervise and teach her children. Previously she was able to make use of after-school care. However, the Government has recently

cancelled after-school care allowance and cut back CSSA. To cut expenses, her son now seldom goes out with his classmates, thus becoming more and more an introvert. When he has problems with his schoolwork, he dare not seek advice from others. She is worried that her son might follow her footsteps and end up as one unable to complete Form Three and, given the present state of affairs in Hong Kong, remains poor. She is very much disheartened.

The Democratic Party calls upon the Government to improve the operation of the CSSA system and its complementary measures so as to increase assistance for the unemployed.

The Honourable Mrs Selina CHOW of the Liberal Party has just shown some misunderstanding with regard to Mr LAW Chi-kwong's amendment. Mr LAW Chi-kwong has not sought to introduce into the CSSA system a new unemployment relief scheme. My stress is that no new scheme has been introduced. Only the existing CSSA system is to be improved upon so as to help single persons or unemployed persons better. No new relief scheme has been brought in. It is hoped that the Liberal Party will not misunderstand the amendment. Take income allowance as an example. To encourage people to look for jobs, and not to deal them blows and confine them to the evil cycle of unemployment, we are requesting the SWD to review carefully the arrangements in respect of income allowance.

We are trying to understand the needs of the poor from the angles of social services and social welfare and to help the grassroots. Such assistance is very important. However, Mr CHAN Wing-chan's motion focuses on the aspect of labour. As just mentioned by the Honourable LEE Cheuk-yan, there is also the issue of taxation. The taxation system is a possible mechanism for wealth redistribution. I am convinced that a review of the taxation system can narrow the gap between the rich and the poor. With Mr LAW Chi-kwong's amendment, I hope Honourable colleagues will understand that we do share most of the viewpoints held by Mr CHAN Wing-chan, but we want to see the issue from the angle of social welfare. It is a pity that the Secretary for Health and Welfare is not present. So I hope that the Secretary for Education and Manpower will convey our views to him.

Madam President, I so submit.

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

MISS CHAN YUEN-HAN (in Cantonese): Madam President, quite a few Members have just spoken on the motion moved by Mr CHAN Wing-chan today. Over the years, the Legislative Council has held repeated debates on the issue of disparity between the rich and the poor. It seems that we are getting more and more familiar with the respective concept.

I notice that the Secretary for Education and Manpower is in attendance. It would have been even better if Secretary Dr YEOH was also here. The Gini coefficient reflects the situation of poverty in Hong Kong. Our forecast for the future is gloomy. In the past the Legislative Council had repeated debates on such a "gloomy" situation, which is caused by changes in our economic structure and a move in the direction of knowledge economy. Another cause is China's accession to the World Trade Organization (WTO), which might lead to business opportunities as well as unemployment for some people. These factors are bound to aggravate the existing disparity between the rich and the poor. If the Government still does not give the matter due attention, then the problem is going to get worse and worse. Hong Kong is an affluent place, yet the disparity between the rich and the poor here is very great. I call upon the Government to attach importance to this issue.

The respective concept becomes clearer and clearer as colleagues discussed it in this debate. We all agree that the problems must be solved. Unfortunately we are unable to eliminate some underlying elements and, therefore, cannot arrive at a consensus.

Today Mr CHAN Wing-chan has put forward a few proposals in the motion moved by him. An amendment was moved by Mr LAW Chi-kwong. With regard to Mr LAW Chi-kwong's amendment, we basically have no objection. However, there is one point that arouses my strongest objection and that is, why to date the Democratic Party still seeks to delete our re-employment support scheme. As rightly put by the Honourable Andrew CHENG, the re-employment support scheme is in fact derived from the idea of unemployment relief. Even in the '90s, we were already aware of the unemployment issue stemming from the entire economic structure. We already felt the gloom in those years when Hong Kong was having an economic boom as we noticed the serious problem of mismatching. In those years, because of mismatching, posts

went unfilled whilst people went unemployed. Though the Government did do some matching, it appeared that the matching was not at all appropriate. In view of such problems, we at that time raised the point on how to help them. Given the nature of their character, Hong Kong "wage earners" will not apply for CSSA if they can still afford it. So, what counts most is how to help them rejoin the workforce.

It is apparent for all of us to see that the unemployment problem is very serious today. It is, however, a pity that the Honourable Fred LI is the only Democratic Party Member present in the Chamber — I am sorry, Mr Fred LI, would you let your party know when you go back that I hope they can understand how serious the situation is with regard to unemployed persons applying for CSSA. Unemployed persons make up 10% of CSSA applicants. It has risen from 4% in the past to 10%. In fact Hong Kong "wage earners" are unwilling to get CSSA even if they have to work hard and only earn a meagre sum of \$2,000 to \$3,000 per month. They all want to continue to work in the market. This is the area where we should offer assistance to the "wage earners." Does CSSA work? The Democratic Party has waged the struggle for us for years. Mrs Katherine FOK promised to add to CSSA allowances for pagers, newspapers, travelling expenses and some other expenses. What has come of all that? Now there are even talks on cutting allowances for spectacles and denture. So, the hard reality is CSSA is not practicable. Why does the Democratic Party today seek to delete from Mr CHAN Wing-chan's motion the re-employment support scheme, which we derived from the idea of unemployment relief?

I call upon Democratic Party Members to consider the issue calmly. I consider today's debate to be a good one, but hope that ultimately they will accept this viewpoint of ours. No matter how conservative the Hong Kong British Government was in the past and the SAR Government is now, economic recession and the upsurge in unemployment rate still managed to force them to undertake projects such as the Youth Pre-employment Training Programme, the one-stop service plan, and the Support For Self-reliance Scheme. As a matter of fact, all those projects can be traced back to ideas put forward for unemployment relief by the Hong Kong Federation of Trade Unions (FTU). The Government just launched those projects with some fanfare, yet not doing much to offer relevant services. Anyway, something still has been done by such a conservative government in the face of serious unemployment. Yet all these are programmes outside the CSSA.

I want to ask colleagues from the Democratic Party to think it over calmly. Mr Fred LI has just raised the question as to what kind of assistance to dependents of unemployed persons we are to offer. In a Legislative Council debate of 1996 we clearly stated that the unemployed would be able to get assistance similar to that of CSSA unemployment relief, inclusive of financial aid, skills training, job placement service, and psychological counselling. We have one whole set of plans. Turning now to dependents of unemployed persons. With hardship brought to their livelihood as a result of unemployment, the CSSA should solve the problem. We at that time also made mention of this point. There are Members wishing to know if this will spend huge sums of public funds. I think this is comparable with a question about a birth cycle involving chicken and egg. At that time we already made a forecast, saying that if the Government failed to solve the problems of the unemployed immediately, then as the ranks of the unemployed eventually swelled and gained access to CSSA, it would be difficult for them to come out for job search again. So, do we want the unemployed to rejoin the labour market or do we want them to have difficulty in rejoining the labour market after getting CSSA? This is a comparison drawing analogy between chicken and egg. In fact, the Government has decided to spend billions of dollars to build a Disney theme park in a bid to stimulate Hong Kong's tourist industry and rejuvenate Hong Kong economy. Why are we so mean when it comes to the manpower issue in connection with helping the unemployed to rejoin the labour market?

According to what Mr Andrew CHENG just said, half a year is going to cost some \$3 billion in public money if there are 100 000 unemployed persons in Hong Kong and if each of them is to get \$5,000 a month. I have to stress that the figure is an exaggerated one, reached without careful calculation. The FTU conducted a survey in 1996, discovering that unemployed persons made up just a small portion of CSSA applicants, about 10%. According to our calculation then, even if the portion grows from 10% to 20%, the sum to be involved will still not be so huge. Furthermore, I have just said that it is an issue drawing the analogy between chicken and egg. If the Government today does not formulate any plan to help the unemployed to rejoin the labour market, then it is going to be difficult for the unemployed to rejoin the labour market later, and the financial burden on the Government will keep on growing too. Why does the Government now put the "chopper" onto the CSSA? It is because the Government says that expenses in that area are ever increasing. So the CSSA has been trimmed down to the present form.

Madam President, I call upon all Members to keep their heads and unanimously support Mr CHAN Wing-chan's original motion. Thank you, Madam President.

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

(No Member responded)

PRESIDENT (in Cantonese): Mr CHAN Wing-chan, you may now speak in response to Mr LAW Chi-kwong's amendment. You have five minutes.

MR CHAN WING-CHAN (in Cantonese): Madam President, the contents of Mr LAW Chi-kwong's amendment are basically in line with my main views. Thus it can be observed that the disparity between the rich and the poor is an issue of common concern. However, Mr LAW Chi-kwong seeks to delete the re-employment support scheme proposed by the FTU. I cannot accept that.

In his speech, Mr LAW Chi-kwong said that his amendment was one caring for poverty in families. However, I am of the view that his deletion of the FTU's re-employment support scheme is probably due to the fact that Members from the Democratic Party do not quite understand the scheme, which, we well understand, cares for families troubled by unemployment and poverty. Besides offering financial assistance, the scheme will also provide measures to help the unemployed to get training, after which to rejoin the labour market. So under this scheme, problems will be solved by helping breadwinners of families to rejoin the labour market. It is more positive than Mr LAW Chi-kwong's amendment, especially when it is seen from the viewpoint of workers. It is hoped that the Democratic Party will not behave like a restaurant customer who decides not to have a set meal just because he dislikes one of the dishes offered. It is hoped that the Democratic Party will support my motion so as to give the unemployed support and care for their plight in the event that Mr LAW Chi-kwong's amendment is negated. I call upon Honourable colleagues to support my motion.

According to the latest government figures, the unemployment rate is still as high as 5.7% even though the figure has gone down recently. Instead of going down, the unemployment rate of those less academically qualified or less educated is actually going up. As we all know, when workers lose their jobs, they can only turn to the CSSA system, which is obviously inadequate. Hong Kong workers, even when unemployed, usually seek to struggle on their own to solve financial problems, and look for help and apply for CSSA only when they are at the end of their tether. However, at present the CSSA system is lined with barriers, with no leeway left. What is more, the Support for Self-reliance Scheme in connection with the CSSA is a fragmented service carrying penalizing measures. So it has been under fire since its introduction, and is unable to give the unemployed real assistance. Therefore, we are of the view that on top of the need to give urgent financial aid, there is also the need to give the unemployed one whole set of retraining programmes, appropriate job placement advice and psychological counselling. It is obvious that the grassroots' needs can only be safeguarded and taken care of by assistance that is provided on two or even more legs.

The re-employment support scheme has two merits. In the first place, it strengthens the protection of local workers. In the second place, when "wage earners" run into the misfortune of losing their jobs, they still have the opportunity to improve their competitiveness through the scheme, thus dispensing with the need to immediately depend on CSSA as they might rejoin the market with their own efforts. In bringing up the re-employment support scheme again now, the FTU is not denying the importance of the policy on CSSA. We have no intention to do so, we are just seeking to strengthen the role of CSSA as a safety net. We want to propose for all Hong Kong "wage earners" a scheme which is outside the CSSA system and which is more effective, more practical, and more smooth for their return to the workforce. Thank you, Madam President.

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I know that many Members are also very concerned about the effects of economic restructuring on grass-roots workers and the problem of disparity between the rich and the poor. On this occasion today, I wish to look at these problems from the perspectives of labour and manpower policies.

The economy of Hong Kong has been undergoing constant restructuring over the past few decades, and in the course of all this, the structure of our labour market has also seen drastic changes. The period spanning the late 1970s is a milestone of our economic development. In 1979, the Mainland started to pursue a policy of economic reform and opening. This provided Hong Kong with huge supplies of cheap lands and labour, which in turn triggered off the expansion of our manufacturing industries to the Pearl River Delta on the one hand, and gave large numbers of business opportunities to our various services industries on the other. In the end, the economy of Hong Kong restructured and became a services-based economy. In just a matter of less than 20 years, the proportion occupied by the services industries in the Gross Domestic Product (GDP) of Hong Kong shot up from 67% in 1980 to 85% in 1998, while the proportion of the manufacturing industries fell sharply from 24% to a mere 6%. During this period of economic restructuring, the economy of Hong Kong grew rapidly. Calculated at the prices at that time, the GDP of Hong Kong during this period recorded almost an eight-fold growth, with an average nominal growth of 13% annually, or a real growth of over 5% per annum after deducting price changes.

As a result of this major economic restructuring, our workers switched from the manufacturing industries to the services industries. In 1979, our manufacturing industries employed some 870 000 workers, but in the third quarter of 1999, the number fell to some 240 000 workers, which means that over just a period of 20 years, 630 000 people in our workforce have switched successfully from the manufacturing industries to the services industries.

My purpose of quoting all these figures is to let Members feel for themselves how the flexibility, hard work, positive working attitude and adaptability of grass-roots workers in Hong Kong have enabled them to respond to the switch of our economy from the manufacturing industries to the services industries that started in the 1980s. Instead of being displaced, they have made immense contributions to the economic restructuring of Hong Kong. For this reason, I will never underestimate the perseverance and adaptability of grass-roots workers. And, the job of the Government should be to provide them with as much encouragement and assistance as possible, so that they can secure employment or switch to other occupations successfully.

The economy of Hong Kong is now becoming increasingly knowledge-based and a part of the globalized economy. Once again, grass-roots workers have to face a new challenge. Generally speaking, those with higher levels of knowledge and skills will be able to find jobs more easily than those with lower levels of knowledge and skills, and the wages they can get will also be higher.

I agree that the financial turmoil that swept through the whole of Asia two years ago has indeed dealt a severe blow to grass-roots workers. The SAR Government is extremely concerned about this. On 5 January, during the motion debate on manpower training, I explained to Members how the Education and Manpower Bureau would assist grass-roots workers with low skills and qualifications in increasing their "value", so as to enhance their employability in the new economy. I mentioned at that time that the Bureau had started to gather information about the training needs of middle-aged workers with low levels of education, and that an in-depth analysis would be conducted. The relevant work is now in full swing. I expect that in the third quarter of this year, we will be able to come up with some useful observations that can form the basis of our long-term strategy.

In recent years, we have been championing "lifelong learning" as part of our education reform. One integral objective of this is to provide greater numbers of formal or part-time educational opportunities to workers with low qualifications. It is hoped that they can thus be encouraged to learn on a lifelong basis and in turn enhance their ability to secure jobs or switch to other occupations successfully.

The SAR Government has in fact been doing the best it can to provide the assistance required by displaced workers wishing to rejoin the workforce. In the time to follow, I wish to say a few words on those issues which are of particular concern to Members.

The first one is a policy on priority employment. In a market economy, the employment situation of workers is closely related to economic development. As revealed by economic statistics, when there is sustained economic growth, new jobs will naturally emerge; but in times of economic downturn, the number of job vacancies will immediately drop.

The Hong Kong Government has been doing its best to create a first-rate business environment, to boost economic growth, to broaden our economic base, to improve our economic conditions, and thereby to increase job opportunities. At the same time, we also deploy huge resources on education, manpower training and manpower retraining. And, we also shoulder the expenses on other social services like the provision of medical care and public housing. All these government policies have directly or indirectly created many job opportunities. According to a recent estimation, the various infrastructure projects and measures to be implemented by the Government shortly may create more than 140 000 new jobs in the two years between 2000 and 2001. Most of these new jobs will be created by infrastructure projects, public works projects, housing projects and the various government measures relating to telecommunications, education and information technology. The year 2000 has seen a steady drop in the unemployment rate of Hong Kong, with the latest rate recorded at 5.7%. I am confident that in the coming year, the economy of Hong Kong will continue to improve. As the demand for grass-roots workers in society increases, the employment prospects of these workers will certainly improve as a result.

Assisting the unemployed in receiving appropriate training, looking for jobs and doing away with the need to live on CSSA are the key areas of work of the SAR Government in recent years.

For those in their working age who however need to receive CSSA because of their temporary inability to secure any employment, the Social Welfare Department will offer them financial assistance, and besides this, the Department has also put in place the Support for Self-reliance Scheme since June 1999 in conjunction with the Labour Department and the Employees' Retraining Board (ERB). Through the provision of extra assistance to CSSA recipients, the Scheme seeks to encourage and help them to rejoin the workforce.

Staff members of Social Security Field Units with special training will meet with Scheme participants regularly, offering them assistance in setting down job-seeking plans and recommending them to receive appropriate training or counselling. One of the major objectives of the Scheme is to encourage CSSA recipients with training needs to enroll in the appropriate retraining courses offered by the ERB; and, the ERB will process the applications from these recipients on a priority basis.

Between January this year and the inception of the Scheme in June last year, assistance has been offered to nearly 13 000 participants, and 910 of them have already secured employment, representing 7% of the total number of participants. This is in marked contrast to the success rate of 1% before the implementation of the Scheme, when all job-seekers had to approach the Labour Department on their own. In comparison, the Scheme is able to achieve a higher rate of success. Of the 910 participants who have succeeded in securing employment, more than 330 have even done entirely away with any need to receive CSSA, becoming genuinely able to stand on their own feet. The Social Welfare Department will continue to help and encourage more CCSA recipients with working ability to seek jobs.

The Government has been doing the best it can to provide training and retraining to workers with low levels of qualifications and skills. In this respect, the ERB has played a very significant role. As at the end of January, a total of 66 100 people were enrolled in the retraining courses offered by the ERB in the year 1999-2000. For day-time courses, 19 700 retrainees, or 62% of the total day-time enrollment, were of Secondary Three standard or below. The training provided to them covers many different types of occupations such as home help, property management, clerical and office work and personal care services. After receiving retraining on these types of occupations, these workers are able to attain an employment rate as high as 76%, which compares no less favourably with the rates of workers with other academic backgrounds.

In the future, the ERB will increase the number of training places and offer new types of courses suited to the needs of the market, so that more unemployed workers can be benefited. The ERB will also increase the proportion of its full-time courses, from 30% in the past to 50%, so as to cater for the needs of the unemployed.

Besides, following a comprehensive review in 1996, the ERB has expanded its training services to cover newly arrived citizens having training needs. And, it now offers a full-time job-seeking course of one week's duration tailor-made for newly arrived citizens. Through this course, the trainees can get to know the local labour market, the work culture here and so on. The course also aims to help its trainees prepare themselves psychologically for their adaptation to a new life, and interview skills are covered as well.

The Labour Department has also set up two employment service centres for newly arrived citizens. These centres provide a set of comprehensive employment services designed especially for those Hong Kong residents who have lived in Hong Kong for less than seven years. Such services can help them understand the local labour market better; they can also help them make appropriate pre-employment preparation and settle in quickly after getting a job. As at January 2000, the success rate for newly arrived citizens seeking jobs through the Labour Department was higher than 23%, which was lower than the corresponding rate for other job-seekers by just five percentage points.

Some Members suggest that the Government should develop the waste recovery and recycling industries, so as to provide more labour-intensive and low-skill jobs and boost the demands in the local labour market. In this connection, I understand that on 19 January, during the motion debate on "supporting the waste recovery and recycling industries", the Secretary for Environment and Food already gave a detailed account of the Government's plans.

As far as I am aware, the Planning and Lands Bureau has submitted the Buildings (Amendment) Bill to the Legislative Council. Under the Bill, all newly completed buildings are required to reserve sufficient room for the setting up of waste separation facilities. The Environment and Food Bureau is also conducting a study on waste recovery and recycling facilities, with a view to ascertaining how to make the operation of such facilities compatible with waste collection systems. The study will be completed in mid-2000. The Government is also looking for suitable sites and intends to lease them to waste recycling operators on short-term tenancy at reasonable rentals. As part of its long-term work, the Environment and Food Bureau is studying the feasibility of establishing a recycling park. The intention is to provide better facilities at a site on a "longer-term" basis.

What I have said covers the views of different Policy Bureaux and departments. To tackle the poverty problem, we of course need to provide social security as a safety net. But we should note that the best way to deal with this problem is not the establishment of any inter-departmental group, but a set of concrete measures to assist the unemployed in securing employment as quickly as possible. In this connection, the Government already set up a Task Force on

Employment as early as June 1998 under the leadership of the Financial Secretary; comprising representatives from the commercial sector, the labour sector, the academic sector and training bodies, the Task Force aims to work out measures and strategies to tackle the unemployment problem. Over the past one year since its establishment, the Task Force has put in place some 30 measures covering five different areas. Many of these measures are meant basically to assist workers with low qualifications and skills in securing employment. For example, we have tried to advance the commencement of public works and minor repairs works projects as much as possible, so as to increase the job opportunities for grass-roots workers. Moreover, we have also tried to enhance the employability of these workers by providing a much larger number of training and retraining courses relating to the construction industry and other trades suitable for them. At its 19th meeting held on 25 February, the Task Force decided to increase the number of information technology training places for workers of Secondary Three or Secondary Five standard. This is yet another example of our efforts to assist workers with low qualifications in upgrading their skills and securing employment successfully. The Labour Department is also doing as much as it can to provide the latest market information relevant to the specific needs of these workers, in the hope of helping them to secure employment successfully. In the past one year, more than 11 000 workers of Secondary Three standard or below succeeded in securing employment as a direct result of Labour Department assistance.

Finally, I wish to thank Members for putting forward their views on helping the unemployed. The Government will continue to do the best it can to assist the unemployed in securing employment. I am sure that given our flexibility and hard work, and coupled with appropriate government policies, we will certainly equip our workers for the challenges ahead.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the amendment, moved by Mr LAW Chi-kwong to Mr CHAN Wing-chan'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 CHAN Wing-chan rose to claim a division.

PRESIDENT (in Cantonese): Mr CHAN Wing-chan 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 CHEUNG Man-kwong, Mr SIN Chung-kai and Mr LAW Chi-kwong voted for the amendment.

Mr James TIEN, Dr Raymond HO, Mr LEE Kai-ming, Mrs Selina CHOW, Mr CHAN Kwok-keung, Mr Bernard CHAN, Mr CHAN Wing-chan, Mrs Sophie LEUNG, Mr WONG Yung-kan, Mr Howard YOUNG and Mrs Miriam LAU voted against the amendment.

Mr HUI Cheung-ching, Mr FUNG Chi-kin and Dr TANG Siu-tong abstained.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr Albert HO, Mr LEE Wing-tat, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr Andrew WONG, Dr YEUNG Sum, Miss Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr NG Leung-sing, Prof NG Ching-fai and Mr MA Fung-kwok voted for the amendment.

Miss CHAN Yuen-han, Mr Gary CHENG, Mr LAU Kong-wah, Mr TAM Yiu-chung and Mr YEUNG Yiu-chung voted against the amendment.

Mr David CHU and Miss CHOY So-yuk abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 18 were present, four were in favour of the amendment, 11 against it and three abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 23 were present, 15 were in favour of the amendment, five against it and two abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negated.

PRESIDENT (in Cantonese): Mr CHAN Wing-chan, you may now reply. You still have three minutes and 36 seconds.

MR CHAN WING-CHAN (in Cantonese): Madam President, it is now running late. I just want to make a brief response. First, I must thank the 13 Members who have spoken on this motion. As the Secretary has directly responded to that part of my motion on the waste recycling industry, I am appreciative of that.

The situation of disparity between the rich and the poor is getting worse and worse in Hong Kong. Quite a few Members have spoken on this, citing many examples in the process. The Secretary probably has clearly heard all that. But has he taken that in? The reason is that he has not directly responded to the issue on the disparity between the rich and the poor. Hong Kong's Gini coefficient, the yardstick measuring the disparity between the rich and the poor in society, went up sharply from 0.43 in 1971 to 0.52 in 1996, higher than those of the United States, China and Indonesia. It is especially surprising with Indonesia, whose coefficient is just 0.365. The Secretary just cannot dispute the point that Hong Kong's situation is even worse than that of developing countries.

As a matter of fact, at present the situation of disparity between the rich and the poor in Hong Kong is deteriorating rapidly. Deprived of bargaining power and rendered totally defenceless in the face of high unemployment, the masses of "wage earners" experience much hardship in their livelihood and are being rapidly pushed down to the poverty line. Madam President, the remuneration of those earning high incomes has gone up sharply in recent years. This is especially true of some businessmen, whose assets can often go up in value by 10 or 20-odd folds by just a turn.

Madam President, polarization that renders the poor even poorer and the rich even richer is bad to the people of Hong Kong, to the stability of Hong Kong and to the long-term development of Hong Kong. It harbours grave hidden worries and elements of instability. It is hoped that the Government and its officials will face up to it and address the issue.

Our Secretary is being praised in the newspapers today. There is one sentence saying that "he is both a fighter and a worker." I look forward to having the problem of disparity between the rich and the poor solved by such a Secretary. I do not want to find a "boneless" Secretary of him, one doing nothing and allowing the disparity between the rich and the poor to deteriorate.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr CHAN Wing-chan, 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 CHAN Wing-chan rose to claim a division.

PRESIDENT (in Cantonese): Mr CHAN Wing-chan 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:

Dr Raymond HO, Mr LEE Kai-ming, Mr CHAN Kwok-keung, Mr Bernard CHAN, Mr CHAN Wing-chan and Mr WONG Yung-kan voted for the motion.

Mr James TIEN, Mrs Selina CHOW, Mrs Sophie LEUNG, Mr Howard YOUNG and Mrs Miriam LAU voted against the motion.

Mr Michael HO, Mr CHEUNG Man-kwong, Mr HUI Cheung-ching, Mr SIN Chung-kai, Mr LAW Chi-kwong, Mr FUNG Chi-kin and Dr TANG Siu-tong abstained.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr LEE Cheuk-yan, Miss CHAN Yuen-han, Mr Gary CHENG, Mr Andrew WONG, Mr LAU Kong-wah, Miss Emily LAU, Mr TAM Yiu-chung, Mr NG Leung-sing, Prof NG Ching-fai, Mr MA Fung-kwok and Mr YEUNG Yiu-chung voted for the motion.

Mr Albert HO, Mr LEE Wing-tat, Mr Martin LEE, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Mr Andrew CHENG, Mr SZETO Wah, Mr David CHU and Miss CHOY So-yuk abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 18 were present, six were in favour of the motion, five against it and seven abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 23 were present, 12 were in favour of the motion and 10 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was negatived.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 8 March 2000.

Adjourned accordingly at eighteen minutes past Eleven o'clock.

Annex I

WRITTEN ANSWER

Translation of written answer by the Secretary for Trade and Industry to Dr LUI Ming-wah's supplementary question to Question 2

The computer exhibition the Honourable Member referred to is "CeBIT, Hannover", held in the city of Hannover in Germany, and the latest one ran from 24 February to 1 March 2000. Information on this exhibition has already been listed in Appendix II of the main reply. The average price per square metre of exhibition area charged by the Hong Kong Trade Development Council (TDC) on participating Hong Kong companies was HK\$4,200, which was 5.6% lower than the average price of HK\$4,450 (estimated) per square metre charged by the organizer. The TDC received an income of HK\$3,464,000 from organizing delegations to participate in the above exhibition. Against its expenditure of HK\$5,345,000, the TDC has to subsidize HK\$1,881,000.

Appendix II

<i>Name of trade fair</i>	<i>Date</i>	<i>Average price per square metre of exhibition area charged by the TDC (HK\$)</i>	<i>Average price per square metre of exhibition area charged by organizers (estimated) (HK\$)</i>
亞特蘭大運動用品展覽會（亞特蘭大） The Super Show (Atlanta)	10-13/2, 2000	4,222	3,333
美國國際玩具展覽會（紐約） American Int'l Toy Fair (New York)	13-17/2, 2000	5,543	3,068
法蘭克福國際消費品展覽會 Ambiente (Frankfurt)	18-22/2, 2000	7,600	5,326
世界辦公室及資訊設備展覽會 （漢諾威） CeBIT, Hannover	24/2-1/3, 2000	4,200	4,450

WRITTEN ANSWER — Continued

<i>Name of trade fair</i>	<i>Date</i>	<i>Average price per square metre of exhibition area charged by the TDC (HK\$)</i>	<i>Average price per square metre of exhibition area charged by organizers (estimated) (HK\$)</i>
東京國際食品及飲料展覽會（東京） Int'l Food & Beverage Exhibition (Tokyo)	7-10/3, 2000	2,777	4,842
德國杜塞道夫國際春季鞋類 展覽會（杜塞道夫） GDS Int'l Shoe Fair - Spring, Dusseldorf (Dusseldorf)	9-12/3, 2000	2,750	3,000
國際五金製品展覽會（科隆） Int'l Hardware Fair/DIY'TEC 2000 (Cologne)	12-15/3, 2000	3,178	2,844
東京玩具展覽會（東京） Tokyo Toy Show (Tokyo)	16-19/3, 2000	3,888	2,922
法蘭克福國際燈光照明及樓宇設施 展覽會 Light + Building Int'l Trade Fair for Light, Electronic and Building Services Technology (Frankfurt)	19-23/3, 2000	2,444	2,692
世界鐘表珠寶展覽會（巴塞爾） Basel 2000 - World Watch, Clock & Jewellery Fair	23-30/3, 2000	5,678	5,000
光學儀器及產品展覽會（紐約） Vision Expo (New York)	31/3-2/4, 2000	5,059	5,645

Annex II**WRITTEN ANSWER****Translation of written answer by the Secretary for Trade and Industry to Dr TANG Siu-tong's supplementary question to Question 2**

Having inquired the Hong Kong Trade Development Council (TDC), we found that the relevant information as contained in Appendix II of the main reply was not correct. We hereby furnish supplementary and amended information as follows:

- (1) last year, the TDC organized its first delegation to participate in the Bologna Children's Book Fair, and a total of eight Hong Kong companies took part. Among them, one set up its independent booth while the remaining seven companies joined the TDC's comprehensive exhibition booth. Instead of sending staff to attend the fair, the seven companies using the comprehensive exhibition booth only asked the TDC to display their information and products, as well as gather buyers' information. The eight companies have altogether taken up 48 sq m of exhibition area;
- (2) under Appendix II to the main reply, it was listed that the TDC charged HK\$1,875 per square metre of exhibition area. This represented the charge levied on the company setting up its independent booth. As regards the remaining seven companies, the average price per square metre charged by the TDC was \$564. On the whole, the average price per square metre charged by the TDC was HK\$782, which was 22% lower than the price of HK\$1,006 (estimated) charged by the organizer. Last year, the total expenditure incurred by the TDC as a result of organizing delegation to participate in the said fair was HK\$186,537. After deducting its income from the participation charges, the TDC still has to subsidize HK\$148,987;

WRITTEN ANSWER — *Continued*

- (3) as for the same fair held in 2000, four participating Hong Kong companies rented independent booths and another seven joined the comprehensive exhibition booth. These 11 companies have altogether taken up 64 sq m of exhibition area. The TDC charged the companies setting up their independent booths an average of HK\$2,333 per square metre of exhibition area, and an average of HK\$560 per square metre for the remaining seven companies. On the whole, the average price per square metre charged by the TDC was HK\$1,225, which was 22% higher than the price of HK\$1,006 (estimated) charged by the organizer. The TDC estimates that it will spend HK\$268,500 this year on this fair. After deducting its income from the participation charges, the TDC will still have to subsidize HK\$190,100.

Please accept our apology for quoting the wrong information in our earlier reply.

Appendix II

Development Schedule of the TDC in the United States, Western Europe and Japan

(April 1999 to March 2000)

<i>Name of trade fair</i>	<i>Date</i>	<i>Average price per square metre of exhibition area charged by the TDC (HK\$)</i>	<i>Average price per square metre of exhibition area charged by organizers (estimated) (HK\$)</i>
意大利波隆那兒童書展（波隆那） Bologna Children's Book Fair (Bologna)	8-11/4, 1999	1,875	1,006
東京國際書展（東京） Tokyo International Book Fair (Tokyo)	22-25/4, 1999	3,500	3,918
世界鐘表珠寶展覽會（巴塞爾） Basel '99 - World Watch Clock & Jewellery Fair (Basel)	29/4-6/5, 1999	5,977	5,090

WRITTEN ANSWER — Continued

<i>Name of trade fair</i>	<i>Date</i>	<i>Average price per square metre of exhibition area charged by the TDC (HK\$)</i>	<i>Average price per square metre of exhibition area charged by organizers (estimated) (HK\$)</i>
美國書展（洛杉磯） Bookexpo America (Los Angeles)	30/4-2/5, 1999	2,300	2,500
國際光學產品展覽會（米蘭） MIDO - Int'l Optics, Optometry & Ophthalmology Exhibition (Milan)	7-10/5, 1999	6,888	5,000
東京國際家庭用品展覽會（東京） Int'l Housewares Show (Tokyo)	23-25/6, 1999	2,667	2,918
美國 NSGA 運動用品展覽會（芝加哥） NSGA World Sports Expo 99(Chicago)	9-11/7, 1999	3,500	3,790
第十屆東京國際文具及辦公室用品展 （東京） ISOT - Int'l Stationery & Office Products Fair (Tokyo)	8-10/7, 1999	2,777	2,777
ISPO 國際運動器材及服裝展覽會 （慕尼黑） ISPO 99 Summer 51st Int'l Trade Fair for Sports Equipment and Fashion (Munich)	1-4/8, 1999	4,444	3,439
德國杜塞道夫時裝展覽會（杜塞道夫） CPD - Collections Premieren, Dusseldorf (Dusseldorf)	1-4/8, 1999	2,917	2,400
美國五金製品展覽會（芝加哥） National Hardware Show (Chicago)	15-18/8, 1999	3,944	3,444
意大利波隆那兒童書展（波隆那） Bologna Children's Book Fair (Bologna)	29/3-1/4, 2000	1,875	1,006

Annex III**WRITTEN ANSWER****Translation of written answer by the Secretary for Economic Services to Mr Fred LI's supplementary question to Question 4**

After the meeting, we have discussed this issue with the China Light and Power Company Limited (CLP). The CLP expressed that the cost of Units 7 and 8 belongs to commercially sensitive information agreed upon between its joint power company (that is, Castle Peak Power Company Limited) and its supplier, and is thus inappropriate to be disclosed. The CLP believes that once such information is disclosed, the Castle Peak Power Company Limited may be cast into a disadvantageous position when it will have to enter into discussion with other suppliers in the future to obtain the best terms.

The CLP also points out that when determining its tariff, the company has to consider various factors, and capital expenditure is only one of them. Thus, it is impossible for the company to state what effect the commissioning of Units 7 and 8, in 2005 and 2006 respectively, will have on its tariff. For example, despite the fact that the company has been having capital expenditure for the past two years, its tariff has remained unchanged. I would like to take this opportunity to reiterate that having discussed with the Government, the CLP has agreed to take measures to cut consumers' contribution towards the cost of electricity supply, thereby benefiting them. As regards the extra amount the CLP has to pay resulting from the delay in finalizing Units 7 and 8 of the Black Point Power Station, \$803 million is still outstanding. The company announced on 29 February 2000 that it has decided to give up the permitted return that can be derived from the aforesaid amount. According to the mode of calculation under the Scheme of Control Agreement and as assessed by its face value, it is estimated that such a move will save consumers around \$2.3 billion (or \$267 million in net present value) over the 25 years when the Units will be in effective operation.

Annex IV

WRITTEN ANSWER

Written answer by the Secretary for Economic Services to Miss CHOY So-yuk's supplementary question to Question 5

There are three primary avenues where feedback is obtained by the Airport Authority (AA) on the performance of Cargo Terminal Operators (CTO).

1. *Performance Monitoring Report*

As part of the overall monitoring scheme by the AA, a performance target report is designed to measure the performance of the CTOs. On a monthly basis, CTOs report their actual achievement percentages to the AA in comparison with targets. Any under-performing aspect will be queried by the AA, and the concerned CTO will be required to rectify and improve, in order to ensure that their performance meets the industry standard. For the past eight months since introduction of this reporting, the CTOs have met or exceeded the set targets. Key examples are:

<i>Indicator</i>	<i>Achievement</i>	<i>Definition</i>
Truck Queuing time (within 30 minutes)	96.0%*	The waiting time of a truck at the parking area for the OK signal to enter CTO after registration.
Cargo Reception (within 15 minutes)	99.6%*	The time the consignor/shipper waits at the collection point to be served for cargo reception.
Cargo Available for Collection (within 30 minutes)	96.5%*	The waiting time of the consignee, after submitting Shipment Release Form at import collection point, to receive the first piece of cargo.
Mishandling Rate (not more than 1.5 in 10 000 shipments)	1.25	Includes cargo wrongly forward, cargo missing its flight and unlocated cargo.

Note* 95% achievement is the agreed achievement target.

WRITTEN ANSWER — Continued**2. *Cargo Facilitation Committee***

The Cargo Facilitation Committee is a channel of communication with an aim to provide a forum for the industry to discuss common cargo issues. These meetings are held every two months.

Committee members include chairpersons/representatives from

- CLG (Carrier Liaison Group representing airlines)
- HAFFA (Hong Kong Association of Freight Forwarding Agents representing freight forwarders) who is also representing shippers/exporters and truckers in the meeting.
- CTO (Cargo Terminal Operators)
- Ramp handling operators (ad hoc basis)
- Customs and Excise Department
- AA

During the early meetings, the basis of performance, service standards and targets were determined. The actual performance is reported monthly and discussed during every meeting. The Committee, including CLG and HAFFA members, is satisfied with both CTOs' performance.

3. *Cargo Terminal User Survey*

The other avenue is in the form of surveys. Two independent surveys had been conducted by Lingnan University, one in May 1999 and the other in January 2000. Questionnaires were sent to airlines, freight forwarding agents, shippers and truckers with an aim to ascertain individual companies' satisfaction of the services and facilities provided by the two CTOs, and their suggestions for improvement. Results are promulgated to the CTOs and the Facilitation Committee members for discussion and any necessary follow-up.

WRITTEN ANSWER — *Continued**Survey Timing**May 1999**January 2000**Reflecting
feedback**February to April 1999
(low season period)**October to December 1999
(peak season period)*

Satisfaction Level

- Satisfied	67.2%	57.5%
- Neutral	21.0%	28.3%
- Dissatisfied	11.8%	14.2%

Annex V**INTERNATIONAL ORGANIZATIONS (PRIVILEGES AND
IMMUNITIES) BILL****COMMITTEE STAGE**Amendments to be moved by the Chief Secretary for AdministrationClauseAmendment Proposed

3 (a) In subclause (1), by deleting "(1)".

 (b) By deleting subclause (2).

4(1), 5(1) By deleting "3(1)" and substituting "3".
and (2)(a)
and 8(a)(ii)
and (b)(iii)

15 (a) By deleting the heading before the clause.

 (b) By deleting the clause.