

OFFICIAL RECORD OF PROCEEDINGS**Wednesday, 10 January 2001****The Council met at half-past Two o'clock****MEMBERS PRESENT:**

THE PRESIDENT

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

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

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

THE HONOURABLE DAVID CHU YU-LIN

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

THE HONOURABLE ERIC LI KA-CHEUNG, 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 JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE HUI CHEUNG-CHING

THE HONOURABLE CHAN KWOK-KEUNG

THE HONOURABLE CHAN YUEN-HAN

THE HONOURABLE BERNARD CHAN

THE HONOURABLE CHAN KAM-LAM

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

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI

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

DR THE HONOURABLE PHILIP WONG YU-HONG

THE HONOURABLE WONG YUNG-KAN

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

THE HONOURABLE HOWARD YOUNG, J.P.

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE YEUNG YIU-CHUNG

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH

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

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

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

THE HONOURABLE EMILY LAU WAI-HING, J.P.

THE HONOURABLE CHOY SO-YUK

THE HONOURABLE ANDREW CHENG KAR-FOO

THE HONOURABLE SZETO WAH

THE HONOURABLE TIMOTHY FOK TSUN-TING, S.B.S., J.P.

THE HONOURABLE LAW CHI-KWONG, J.P.

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

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

THE HONOURABLE ABRAHAM SHEK LAI-HIM, J.P.

THE HONOURABLE LI FUNG-YING, J.P.

THE HONOURABLE HENRY WU KING-CHEONG, B.B.S.

THE HONOURABLE TOMMY CHEUNG YU-YAN, J.P.

THE HONOURABLE MICHAEL MAK KWOK-FUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

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

DR THE HONOURABLE LO WING-LOK

THE HONOURABLE WONG SING-CHI

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE IP KWOK-HIM, J.P.

THE HONOURABLE LAU PING-CHEUNG

THE HONOURABLE AUDREY EU YUET-MEE, S.C., J.P.

PUBLIC OFFICERS ATTENDING:

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

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

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

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

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

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

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

MRS FANNY LAW FAN CHIU-FUN, J.P.
SECRETARY FOR EDUCATION AND MANPOWER

MS SANDRA LEE SUK-YEE, J.P.
SECRETARY FOR ECONOMIC SERVICES

MS ELAINE CHUNG LAI-KWOK, J.P.
SECRETARY FOR HOUSING

MR PAUL TANG KWOK-WAI, J.P.
SECRETARY FOR THE ENVIRONMENT AND FOOD

CLERKS IN ATTENDANCE:

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

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

MS PAULINE NG MAN-WAH, ASSISTANT SECRETARY GENERAL

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

TABLING OF PAPERS

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

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Antiquities and Monuments (Declaration of Historical Buildings) (No. 2) Notice 2000.....	368/2000
Dairies (Amendment) Regulation 2001	1/2001
Plant (Importation and Pest Control) (Fees) (Amendment) Regulation 2001	2/2001
Pounds Fees (Amendment) Regulation 2001.....	3/2001
Veterinary Surgeons Registration (Fees) (Amendment) Regulation 2001	4/2001
Dangerous Dogs Regulation (Amendment of Schedule 3) Notice 2001.....	5/2001
Rabies Regulation (Amendment of Schedule 1) Notice 2001.....	6/2001
Estate Agents (Registration of Determination and Appeal) (Amendment) Regulation 2001	7/2001
Commodities Trading (Trading Limits and Position Limits) (Amendment) Rules 2000.....	8/2001
Securities (Exchange—Traded Stock Options) (Amendment) (No. 2) Rules 2000.....	9/2001
Tax Reserve Certificates (Rate of Interest) Notice 2001.....	10/2001

Other Papers

- No. 56 — Report of changes to the approved Estimates of Expenditure approved during the second quarter of 2000-01 (Public Finance Ordinance : Section 8)
- No. 57 — Police Welfare Fund
Annual Report 1999/2000
- No. 58 — Consumer Council
Annual Report 1999-2000

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Honourable Members, this is the first meeting held in this Council in the 21st century. I hope that under concerted efforts made by Members, practical responses could be made to public aspirations. In the meantime, I would like to wish Honourable Members a happy, healthy and fruitful year.

Let us now turn to Council business. Questions. I would like to inform Members that question time normally does not exceed one and a half hours, with each question being allocated about 15 minutes. Supplementaries should be as concise as possible and Members should not make statements when asking supplementaries.

Level of Rents of PRH Units

1. **MR JAMES TO** (in Cantonese): *Madam President, regarding the level of rents of public rental housing (PRH) under the Housing Authority (HA), will the Government inform this Council:*

- (a) *of the median rent-to-income ratios (MRIRs) derived from the latest statistics, broken down by estate and household size respectively;*

- (b) *given that the overall rent of private domestic premises has dropped by 30% in the past three years, whether it has assessed if the HA's practice of freezing rather than lowering PRH rents was unfair to PRH tenants; if so, of the assessment results; and*
- (c) *whether it has assessed how the consumer sentiment of PRH families and the pace of recovery in Hong Kong economy have been affected by the persistent increase in the rent-to-income ratios of these families; if so, of the assessment results?*

SECRETARY FOR HOUSING (in Cantonese): Madam President,

- (a) The MRIR for PRH estates of the HA is compiled on an overall basis. For the third quarter of 2000, the overall MRIR is 10.2%. The HA does not compile MRIR for individual estates. Information on MRIR for HA tenants by household size for the third quarter of 2000 is tabled.
- (b) Tenants' affordability is the HA's primary consideration in setting the level of PRH rents. Other factors to be taken into account include estate facilities and location. PRH rents are inclusive of management fees, maintenance charges and rates. They are not linked to private housing rents and hence, are not affected by the adjustments of the latter. Over the years, PRH rents have been kept at an affordable level. The heavy subsidy by the Government and the HA allow some 73% of all tenants paying rents less than \$1,500 per month. Tenants facing short-term financial hardship may apply for the HA's Rent Assistance Scheme and may have their rents reduced by half. Tenants facing longer-term financial problems can apply for the Comprehensive Social Security Assistance (CSSA) under which their rents are fully covered by the Government. To ensure rational allocation of limited public housing resources, the HA has no plan to adjust downward the PRH rents in response to the drop of the rent of private domestic premises.

- (c) In 1998, the HA introduced the Tenants Purchase Scheme. Together with the Home Ownership Scheme and other housing loan schemes, over 90 000 better-off tenants have become flat owners. This, coupled with the fact that many tenants have opted for larger flats, and the surge of the CSSA cases among PRH tenants, have led to the rise in the overall MRIR. On the other hand, consumer sentiment is basically determined by factors like employment and salary level. Neither the Government nor the HA has assessed the correlation between the MRIR on the one hand and of consumer sentiment of PRH families and the pace of recovery of the Hong Kong economy on the other.

The MRIRs for PRH by household size
(as at the third quarter of 2000)

<i>Household Size</i>	<i>1P</i>	<i>2P</i>	<i>3P</i>	<i>4P</i>	<i>5P</i>	<i>6P</i>	<i>7P or above</i>	<i>Overall</i>
MRIR(%)	18.5	14.8	9.6	8.7	8.3	8.1	7.5	10.2

Note

(Footnote: P - number of person)

Note

- (1) The MRIR figures cover households who are receiving CSSA. About 50% of 1P and 18% of 2P households in PRH estates are CSSA recipients. Their rents are fully reimbursed by the Social Welfare Department.
- (2) The MRIRs for individual households size, though based on the General Household Survey of the Census and Statistics Department, are compiled on the basis of comparatively much smaller samples than those adopted for compiling the overall MRIR of all PRH estates. The MRIRs by household size shown above should be interpreted with caution as they are relatively less reliable than the overall MRIR.

PRESIDENT (in Cantonese): Secretary, please sit down first.

MR JAMES TO (in Cantonese): *Madam President, as stated in paragraph (c) of the main reply, the Government understands that consumer sentiment is basically determined by employment situation and salary level. This is judged from the angle of tenants' incomes. Nevertheless, viewed from the angle of expenditure, rents actually occupy a major share. Will the Government agree that lowering rents for hundreds of thousands of PRH tenants can in fact enhance their consumer sentiment, thereby indirectly facilitating economic circulation and further speeding up the pace of economic recovery?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, we did try to study the correlation between the level of PRH rents and consumer sentiment. The findings of the study revealed that in the past several years, the Consumer Price Index (A) has actually declined, the extent of which is even greater than the decline in the incomes of PRH tenants. Therefore, theoretically speaking, the purchasing power of PRH tenants should not have diminished. As PRH rents receive heavy subsidy from the Government and the HA, and there are still some 100 000 people on the Waiting List for PRH, we hope more people can be benefited from our limited resources and thus we have no plans to lower the level of rents.

MR JAMES TO (in Cantonese): *Madam President, the Secretary has not answered my supplementary question.*

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

MR JAMES TO (in Cantonese): *Perhaps the President could make a ruling. My supplementary question is: PRH rents form part of living expenses. Lowering the level of rents can actually enhance the consumer sentiment of PRH tenants, thereby speeding up economic recovery. However, when answering my question, the Government only pointed out that the decline in prices was much greater than that in PRH tenants' incomes. In other words, PRH tenants should*

have a greater affordability than before. The Secretary has only answered the part concerning prices while failing to say whether the lowering of rents will be useful. Has the Secretary considered this point?

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

SECRETARY FOR HOUSING (in Cantonese): Madam President, as I have pointed out in the main reply, the major factors affecting consumer sentiment include what expectations do families or individuals have of the economy as well as what they like — including preferences for spending or saving. Certainly, lowering the level of rents can reduce rental expenditure, thereby possibly enhancing the consumer sentiment of the tenants. However, in the overall interests of the community, we think we should not adopt a broad-brush approach in reducing rents.

DR PHILIP WONG (in Cantonese): *Madam President, what is the Government's major consideration in determining the level of rents in the past six years?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, in determining rents for new housing estates, the HA will observe two ceilings. First, for prospective PRH tenants entitled to an area of 5.5 sq m, the ceiling of rents payable for such kind of public housing will not exceed 15% of the monthly income of half of these prospective tenants. Second, for prospective PRH tenants who opt for 7 sq m, the ceiling of rents payable will not exceed 18.5% of the monthly income of these prospective tenants. Generally speaking, the HA aims to ensure that the rents are affordable to the prospective tenants.

Judging from the housing estates newly completed in the past six years, the average MRIRs for prospective tenants are 12.6% and 15.4% respectively, which are lower than the two ceilings, that is, 15% and 18.5%, cited by me earlier. Actually, the level of rents for new housing estates has remained unchanged for the past three years.

MR FEDERICK FUNG (In Cantonese): *Madam President, the Secretary said in part (b) of the main reply that tenants' affordability is the HA's primary consideration in setting the level of PRH rents. In fact, under the Housing Ordinance, there is one more ceiling, which the Secretary has failed to mention earlier, and that is, rent adjustment should not exceed the MRIR by 10%. Let us assume that tenants' affordability is the HA's primary consideration and the Government also agrees that the MRIR should not exceed 10%, or at least this is the affordable limit set by the law, but the Secretary has pointed out in part (a) of the main reply that the MRIR was 10.2%, a figure exceeding the limit for rent adjustment as prescribed under the Housing Ordinance. Such being the case, why does the Secretary still consider that the affordability of tenants has not been affected? If the tenants' affordability is being affected, why does the Government not lower the level of rents?*

SECRETARY FOR HOUSING (in Cantonese): *Madam President, under the Housing Ordinance, no adjustment can be made to PRH rent within three years after its previous adjustment. However, there is no provision prescribing that rents have to be lowered if in future the overall MRIR exceeds 10%. The HA's rent freeze is in compliance with the law. As I explained earlier, in the overall interests of the community, there is a need for the HA to benefit as many families as possible with its limited PRH resources. Therefore, the HA has no plan to reduce rents.*

MR FEDERICK FUNG (in Cantonese): *Madam President, I think the Secretary has not answered my supplementary question. She has only explained the mechanism, that is, the 10% ceiling must be observed in adjusting rents. But what we are talking about is rent freeze, so it does not really matter if the freeze exceeds the ceiling. Actually, my supplementary question is, given that 10% is the ceiling prescribed in the law, both the Government and the former Legislative Council have in the past agreed that it should be taken as the limit for the tenants' affordability. Now, 10.2% is beyond the limit, why does the Government not reduce rents? I am not asking about the mechanism.*

SECRETARY FOR HOUSING (in Cantonese): *Madam President, excuse me, I would like to explain why the MRIR has risen in the past few years and why the HA considers it not necessary to lower the level of rents in line with the rising MRIR.*

There are several reasons for the rising tendency of the MRIR. First, the Redevelopment Scheme for public housing estates implemented since 1988 will soon be completed. As a result of the Scheme, many old PRH flats of smaller areas and lower rents have been demolished. In other words, there is an improvement in the living environment of the residents, which lead to a rise in the rent-to-income ratio. Second, the median floor area entitlement for tenants has risen from 6.2 sq m in 1988 to the present day ratio of 9.2 sq m per person. As PRH tenants now live in larger flats, their rents naturally rise higher. Notwithstanding this, many tenants still opt for larger flats. Third, as I mentioned earlier, some 90 000 better-off tenants have in the past two years made use of green forms to apply for Home Ownership Scheme flats and flats provided under other schemes, thus expediting the rising trend of the MRIR. Fourth, the rise in the number of PRH tenants receiving CSSA has also helped to raise the MRIR for their rent-to-income ratios are relatively high. In 1995, there were approximately 60 000 such cases. The figure has risen to almost 110 000 recently. Meanwhile, the income of some people has shrunk as a result of the financial crisis. PRH tenants are no exception too. This is another reason for the rise of the MRIR. As these figures show that the affordability of PRH tenants is still within the ceiling set by the HA, so the HA is still acting according to the law and has not planned to reduce rents.

MR DAVID CHU (in Cantonese): *Madam President, will the Secretary consider formulating a new rental policy for worse-off elderly PRH tenants to alleviate their burden?*

PRESIDENT (in Cantonese): Mr CHU, which part of the main reply or the Secretary's reply is related to your supplementary question and could you raise your question in respect of the relevant part?

MR DAVID CHU (in Cantonese): *This involves the tenants*

PRESIDENT (in Cantonese): Mr CHU, please stand up while you speak.

MR DAVID CHU (in Cantonese): *This involves the tenants' affordability in paying rents.*

PRESIDENT (in Cantonese): Mr CHU, do you mean the tenants' affordability in paying rents?

MR DAVID CHU (in Cantonese): *Yes, I was referring to the tenants' affordability in paying rents.*

PRESIDENT (in Cantonese): I give you permission to raise this supplementary question as I believe this question may have some connections with the supplementary question raised by Mr Frederick FUNG earlier. *(Laughter)* Secretary for Housing, please answer the question.

SECRETARY FOR HOUSING (in Cantonese): Madam President, in principle, the rent of PRH flats should not be pegged with the income of individual tenants. Otherwise, our housing policy will be confused and illogical. The HA has been providing different types of PRH flats of different rents to meet the needs of different categories of tenants, including the needs of elderly tenants and tenants affected by redevelopment.

As I mentioned earlier, tenants facing short-term financial hardship may apply for the HA's Rent Assistance Scheme and have their rents reduced by half, or move to lower-rent flats, such as refurbished flats in urban areas. As for tenants facing long-term financial problems, we can help them apply for CSSA under which they may receive rental allowances granted by the Government.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, we can see clearly from the papers provided by the Secretary that there is a greater gap between the rents payable by one-person or two-person families and the MRIR. Although the Secretary explained in the note that more CSSA recipients can be found in such families, only at most 50% of one-person families are CSSA recipients, whereas more than 80% of two-person families are non-CSSA recipients. The current system is absolutely unfair to them for they are required*

to pay higher rents, thereby causing them to lead difficult lives. Will the Secretary inform this Council what the Government can do under the present policy to alleviate the rental pressure on one-person and two-person families? In particular, even though the Secretary said that PRH rents have been frozen recently, the relevant ratio has still reached as high as 10.2%

PRESIDENT (in Cantonese): Mr LEUNG, please put your supplementary question directly. Please be concise as far as possible for we have spent much time on this question.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, how can the policy of freezing rents alleviate the rental pressure of one-person and two-person families?*

SECRETARY FOR HOUSING (in Cantonese): Madam President, according to the latest statistics, the figures for one-person and two-person families who are receiving CSSA are, as Mr LEUNG said earlier, approximately 50% (that is, 31 000) and 18% respectively. We are very concerned about these figures too. Perhaps I can provide Members with some more figures: the MRIR for one-person families not receiving CSSA is 16.1%. In other words, 16% of the income of these people will go to the rent. The MRIR for two-person families not receiving CSSA is 13.3%. The reason for this phenomenon is very simple: the area entitlement of one-person and two-person families is comparatively larger. At present, the average area entitlement of PRH tenants is 9.2 sq m. A one-person family opting for self-contained accommodation will be entitled to 18.3 sq m and 27 sq m, which is double or even triple the size of an average PRH flat. This explains why they need to pay comparatively higher rents. Insofar as safety nets are concerned, as I mentioned earlier, tenants with short-term financial hardship may apply for rent assistance while those facing long-term financial problems may apply for CSSA. In addition, we will also consider any other problem they may encounter. If there is anything that our colleagues can help, we hope to be able to help the tenants. Nevertheless, as I said earlier, the option of taking a broad-brush approach in reducing rent is not in line with the overall interests of the community at the present stage.

PRESIDENT (in Cantonese): We have spent more than 19 minutes on this question. Although a number of Members are still waiting for their turn to raise their questions, I do not think it advisable for Members to continue raising supplementary questions. Let us move on to the second question.

Government's Efforts to Assist Professionals in Exploring Development Opportunities in Mainland

2. **MR LAU PING-CHEUNG** (in Cantonese): *Madam President, in the 2000 policy address the Chief Executive pledged that "the SAR Government will make every effort to keep our local professionals well informed of developments in the opening up of the China market" upon China's entry into the World Trade Organization (WTO). In this connection, will the Government inform this Council whether it will consider asking the Beijing Office of the SAR Government (the Beijing Office) to collect information on newly implemented economic policies and laws in the Mainland as well as related business information for expeditious transmission to the professional bodies concerned, and to provide one-stop support services to assist the professional bodies in exploring business opportunities in the Mainland; if not, of the ways to fulfil the Chief Executive's pledge?*

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): Madam President, at present, the Government uses multiple channels to collect and disseminate information concerning the opening up of the mainland market.

The Beijing Office, the Trade and Industry Department (TID) and the Hong Kong Trade Development Council (TDC) regularly collect through different channels the latest information on business-related laws, regulations and administrative measures, as well as macro-economic and trade developments in the Mainland. In addition, the TDC has designated staff to collect and analyse information on market developments in the Mainland, and to conduct research studies on specific topics.

As regards information dissemination, the existing channels include the TID's *Commercial Information Circular* and its SME (Small and Medium Enterprises) Information Centre, the TDC's *Business Alert* and its Business InfoCentre, as well as their websites which are hyperlinked to facilitate users in

getting relevant information. Starting from April this year, the TDC will issue a biweekly on-line newsletter to provide the latest information on infrastructure projects in the Mainland to local infrastructural service providers and relevant professional bodies.

In addition, in order for Hong Kong to leverage on the opportunities arising out of China's accession to the WTO, the Financial Secretary's inter-departmental group actively maintains a close dialogue with relevant authorities of the Central Government to understand the detailed arrangements for and progress of market liberalization in the Mainland. The Mainland/HKSAR Joint Commission on Commerce and Trade, set up by the Ministry of Foreign Trade and Economic Co-operation of the Central Government and the Commerce and Industry Bureau of the SAR, holds regular meetings to exchange information and views on economic and trade issues of mutual concern. Relevant information will be passed to business and professional bodies through the bureaux and departments concerned in a timely manner.

As for support services, since different professional sectors have different requirements for their business operation and regulation, it is appropriate to let the concerned bureaux and departments take charge of supporting individual professional sectors with which they are familiar. The mainland offices of the TDC also actively assist Hong Kong's professional sectors to explore business opportunities in the Mainland. In addition, the TDC has set up a Professional Services Advisory Committee through which the TDC solicits the views of the professional sectors on their needs and on the TDC's promotional efforts.

Regarding the role of the Beijing Office, promoting economic and trade co-operation between the Mainland and Hong Kong has all along been one of its main tasks. The Beijing Office will continue to closely monitor the mainland market, including the progress of liberalization of professional sectors, and report swiftly the latest developments to relevant offices in the SAR Government. At the same time, the Beijing Office will continue to actively assist Hong Kong's professional sectors in exploring the mainland market. For instance, the Beijing Office organized a seminar on Hong Kong's professional services in Xi'an last year to promote Hong Kong's professional services. Representatives from the Coalition of Professional Services and eight professional bodies were invited to participate in the event. The Beijing Office will continue to organize similar promotional activities and, in accordance with the requests and advice of relevant bureaux and departments, assist Hong Kong's professional sectors in their market development in the Mainland.

MR LAU PING-CHEUNG (in Cantonese): *Madam President, will the Government provide one-stop support services? According to the Government's main reply, at least three organizations, namely the Beijing Office, the TID and the TDC, are providing support services. Will the Government set up a one-stop contact point?*

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): *Madam President, maybe I have been too circuitous in answering the question. Actually, the Government has no intention to set up a one-stop service organization. The reason is very simple. As I mentioned earlier, since different professional sectors have different requirements for their business operation and regulation, it is most appropriate to let the concerned bureaux and departments take charge of supporting individual professional sectors with which they are familiar. Actually, the service provided by relevant bureaux to individual professional sectors can be considered a one-stop service. Although the Government and the TDC collect information through different channels and disseminate information through their own arrangements, professional bodies will be able to obtain the relevant information by contacting the bureaux responsible for the relevant professional sectors. They may also contact the relevant bureaux if they need more assistance. For instance, the Works Bureau takes charge of works-related professions while the Department of Justice takes charge of legal professions.*

MR ERIC LI (in Cantonese): *Madam President, the activities mentioned by the Secretary in his main reply are all activities of relatively high level. Generally speaking, these activities are carried out for the purposes of promotion, discussion and publicity. I believe that professional co-operation is a new area. The so-called one-stop services should include not only the provision of information. They should provide bona fide assistance to certain co-operative projects as well. The Secretary earlier stated that one-stop service has been provided by the Government. Will assistance be provided if SME professionals seek help from the relevant departments with respect to individual co-operative projects?*

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): *Madam President, it is inappropriate for the Government or the TDC to intervene if SME or other enterprises ask the Government to provide support involving commercial co-operation between enterprises. This is in fact the long-standing*

practice of the Government. The Government's aim is to provide opportunities for professional sectors or other enterprises to get in touch with enterprises or professional bodies in the Mainland. It will be up to the relevant organizations to decide how they are going to conduct business co-operations. It is inappropriate for the Government to intervene. Nevertheless, if these enterprises need more information on mainland policies, regulations or related issues when they contact mainland bodies, the Government will be pleased to render assistance and the enterprises can obtain relevant information from the relevant bureaux. For the time being, the Government has only set up one office, namely the Beijing Office, in the Mainland. The Beijing Office will exercise discretion to handle assistance requests. It will try its best to render assistance. As a quasi-government organization, the TDC is not considered part of the Government. Nevertheless, it has set up 10 offices in the Mainland. If professional bodies from Hong Kong wish to seek assistance in places where such offices are set up, the TDC will be pleased to exercise discretion to render help.

MR YEUNG YIU-CHUNG (in Cantonese): *Madam President, the Secretary indicated that the relevant bureaux or departments should be responsible for providing relevant services. Will the Secretary inform this Council of the specific work taken up by the relevant departments and whether a designated government official will take charge of such work?*

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): Madam President, let me refer back to the two examples I cited earlier again. The Commerce and Industry Bureau will liaise closely with relevant professional bodies with respect to changes in mainland rules and regulations, information about the market, as well as the progress of the entry of China into the WTO on a regular basis. At the same time, it will reflect the way the professional sectors look at mainland operation and their recommendations to the relevant mainland authorities. The Commerce and Industry Bureau has also organized a number of seminars and study tours to strengthen contacts between the people working in the construction industry in Hong Kong and in the Mainland. Through promoting co-operation between technological research organizations in Hong Kong and the Mainland, the Commerce and Industry Bureau has been actively promoting technology transfer between the two places.

On the other hand, the Department of Justice has set up a committee under the Legal Practitioners Liaison Committee with representatives from the Hong Kong Bar Association and the Law Society of Hong Kong to study the impact of the entry of China into the WTO on the legal services industry in Hong Kong. Regular meetings will be held to explore the opportunities brought about by the liberalization of the mainland legal services market, and to collect views on the provision of legal services in the Mainland by lawyers from Hong Kong and on the difficulties they face.

Although I am not too sure whether or not each bureau has designated an official to receive requests forwarded by professional bodies, I think it is not necessary to appoint a specific official to take charge of such work. If companies or individuals belonging to a professional sector, say, the legal sector, are not sure which official of the Department of Justice is responsible for a certain matter, they can contact their own professional body such as the Hong Kong Bar Association or the Law Society of Hong Kong to find out which official in the Department of Justice they should approach. This should apply to the Commerce and Industry Bureau too.

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

MR YEUNG YIU-CHUNG (in Cantonese): *Madam President, the Secretary has answered my follow-up question though his reply was not too clear. The Secretary indicated that the Hong Kong Bar Association can provide information on which official in the Department of Justice would be responsible for the relevant matters. Why can the Government not state clearly the responsible officials so that they can be contacted directly by the professionals?*

PRESIDENT (in Cantonese): Mr YEUNG, this is only your personal opinion. I do not consider it necessary for the Secretary to answer this question.

MISS CHOY SO-YUK (in Cantonese): *Madam President, the Secretary mentioned in the main reply that information was mainly disseminated through business and professional bodies and on the Internet. However, many small*

enterprises in Hong Kong do not belong to a specific professional or business body. Moreover, these enterprises do not have the habit of browsing through the Internet for information. In this connection, will the Government set up a specific department to serve these small enterprises, which are quite numerous, to provide them with a channel to access to information on business opportunities in the Mainland?

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): Madam President, companies or individuals can actually subscribe to the TID's *Commercial Information Circular* and the TDC's *Business Alert*, both of which are issued to business and professional bodies for information. Many enterprises are still unaware of such information, probably because publicity provided by the TID and the TDC is not adequate. I will discuss with the TID and the TDC and ask them to step up publicity so that more people could be informed of the availability of these publications so that interested enterprises or people can make subscriptions.

As regards the contact body for enterprises, as I mentioned earlier, a SME Information Centre has been set up under the TID. All SMEs are welcome to approach the Centre for information they wish to obtain. In addition, all enterprises and individuals can obtain information from the Business InfoCentre set up under the TDC. Of course, it will be most ideal if all enterprises can make use of personal computers and the Internet, for the TID and the TDC will immediately disseminate information through the Internet or e-mails. I think the Government and the Small and Medium Enterprises Committee should make more efforts in this area to enable SMEs in Hong Kong to make extensive use of latest information technology.

DR RAYMOND HO (in Cantonese): *Madam President, I agree with the Secretary for Commerce and Industry that he has been too circuitous in answering the question. His reply is actually quite abstract too. The Beijing Office must have a good understanding of the need of the professional bodies in Hong Kong in order to find out what services should be provided. Only in doing so can the Office play its role properly. While it may not be possible for Policy Bureaux in Hong Kong to maintain contact with every part of China, the Beijing Office can obtain a lot of information from the Central Government. Is the Secretary aware of the way the Beijing Office maintain its contact with the 10*

major professional bodies in Hong Kong to identify the services they require? When Mr Bowen LEUNG paid his duty visit in Hong Kong, has he taken the initiative to contact the 10 major professional bodies in Hong Kong to identify what services the Beijing Office can provide to them?

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): Madam President, I think I have given a very detailed reply, however it was Dr HO who considered my reply too abstract. Nevertheless, if I were to meet his demand, I will probably have to keep standing and explaining for half a day. I believe the President will not allow me to do so.

The Beijing Office certainly will not contact professional bodies in Hong Kong on a regular basis. Neither do we rely on the Beijing Office to act as a contacting agent with professional bodies. We rely mainly on the relevant bureaux to carry out such work for they will regularly contact with the professional bodies and are able to obtain first-hand information as regards the requirements or needs of these organizations. The relevant bureaux will definitely provide the Beijing Office with such information if there is such a need.

As regards whether it will be useful for Mr Bowen LEUNG to contact professional bodies in Hong Kong when he pays duty visits to Hong Kong, I will convey this proposal to Mr LEUNG for his consideration.

PRESIDENT (in Cantonese): Last supplementary question.

MR ERIC LI (in Cantonese): *Madam President, I wish to follow up the supplementary question I raised earlier. Just now, the Secretary indicated that it was inappropriate for the Government to get involved in the connection between two commercial organizations, that is to say, the Government should not get involved in B to B connection. While I appreciate the Secretary's reply, I hope he can understand that it is very often hard to differentiate between official and commercial organizations in the Mainland, many of their commercial organizations have certain connections with the government*

PRESIDENT (in Cantonese): Mr LI, please raise your supplementary question directly.

MR ERIC LI (in Cantonese): *Yes. The greatest difficulty in co-operation is to go through various procedures to obtain approval from the mainland government. Very often, what the enterprises need is assistance from mainland officials*

PRESIDENT (in Cantonese): Mr LI, I still do not understand what your supplementary question is about?

MR ERIC LI (in Cantonese): *Madam President, my supplementary question is: Under such circumstances, why cannot the Beijing Office provide assistance? This is because what is involved is the approval procedure of certain government organizations in the Mainland rather than negotiation between two commercial units. I think the negotiation should be formally handled by relevant Hong Kong officials before assistance can be rendered. Some mainland organizations stationed in Hong Kong are involved in similar work too. Why cannot the Beijing Office representing Hong Kong provide assistance in the Mainland?*

SECRETARY FOR COMMERCE AND INDUSTRY (in Cantonese): Madam President, as previously mentioned in the supplementary reply, the Beijing Office will exercise discretion if it is approached by certain organizations, professional bodies or enterprises seeking help. What "discretion" means is if there is a need to contact government departments or communicate with the mainland government, the Beijing Office will be pleased to provide assistance to enable these organizations or enterprises to contact the persons with whom they should liaise.

As regards the functions of the Beijing Office, the Basic Law has clearly stated that the Beijing Office should confine its work to the responsibilities as stated in the Basic Law. Therefore, it is inappropriate for Members to compare the responsibilities of the Beijing Office to foreign consuls stationed in Hong Kong. Nevertheless, the Beijing Office will provide assistance as far as possible.

PRESIDENT (in Cantonese): Third question.

Impact of Cross-boundary Travels between Residents of Hong Kong and Mainland on Domestic Consumption

3. **MRS SELINA CHOW** (in Cantonese): *Madam President, regarding the relationship between cross-boundary travels of mainland and Hong Kong residents and the local consumer market, will the Government inform this Council:*

- (a) *of the respective average daily numbers of Hong Kong residents visiting the Mainland during weekends, long weekends and public holidays, and the annual growth in such numbers in each of the past three years;*
- (b) *whether it has assessed the impact of Hong Kong residents' visits to the Mainland on the local consumer market; if it has, of the assessment result; if not, the reasons for that; and*
- (c) *whether it will consider simplifying the formalities for mainland residents' visits to Hong Kong and taking other measures to attract more mainland residents here and stimulate local spending?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, our reply to the question raised by the Honourable Mrs Selina CHOW is as follows:

- (a) The respective average daily number of local residents travelling to the Mainland (for tour and business purposes and so on) during weekends, long weekends and public holidays through the control points of the Immigration Department and the annual growth over the past three years are detailed in the Annex.

- (b) On the basis of the data collected from the General Household Survey conducted by the Census and Statistics Department, the Government Economist estimated that about 27.6 million non-business related private trips were made by local residents to the Mainland in 1999. Their spending on private trips to the Mainland was about \$30 billion.

In the first three quarters of 2000, the number of non-business related private trips made by local residents to the Mainland was estimated at 24.9 million, an increase of 25% over the same period last year. However, their total spending in the Mainland has dropped to \$22 billion, a decrease of 3% over the same period of last year.

The amount of spending by local residents visiting the Mainland as mentioned above is approximately equivalent to 4% of the local private consumption expenditure during the same period. The increasing number of visits to the Mainland in recent years, to some extent, has offset visits that might have been made to countries other than the Mainland. Their spending in the Mainland actually accounts for part of our overall spending in outbound travels. As such, the potential impact on the consumer market in Hong Kong should be smaller than the aforementioned amount and percentage of spending by local residents in the Mainland.

- (c) At present, mainland residents can come to Hong Kong to visit relatives or for sightseeing by obtaining a two-way permit from the mainland public security authorities or by joining the "Hong Kong Group Tour" Scheme. There is no need for them to apply for a separate entry permit from the Immigration Department. The Department has also simplified the relevant procedures. These include standardizing and simplifying the forms for visitors joining the "Hong Kong Group Tour" Scheme, reducing the time required for travel agents to notify the Department in advance of the arrival and departure of tours from 48 to 24 hours, and abolishing the requirement for submitting tour members' photos. Moreover, provided that the smooth clearance of other visitors is not affected, the Immigration Department will arrange designated counters at the various control points for clearance of mainland visitors.

To attract more visitors to come and spend in Hong Kong, the Government has spared no effort in fostering the sustainable development of the tourism industry.

- (i) We will continue to implement various tourism infrastructural projects, including several major projects and a series of other projects which can be carried out more speedily, for instance, the tourist signage pilot scheme, to improve some popular tourist attractions and to make Hong Kong more visitor-friendly.
- (ii) To enhance the service standards of the local travel agents, the Government will introduce a bill to put in place a licensing scheme for the regulation of inbound travel agents.
- (iii) The Hong Kong Tourist Association (HKTA) launched the Quality Tourism Services Scheme in late 1999 to promote the concept of quality service to the retail and dining sectors.
- (iv) The HKTA has also stepped up its promotional efforts in the mainland market. Representative offices have been opened in Beijing and Shanghai to promote Hong Kong to the mainland visitors, in particular the potential high-spending ones.
- (v) In addition, plans are also in hand to launch systematically a publicity and public education campaign on hospitality culture to enhance public understanding of the role of tourism so that visitors will feel welcomed.

We will continue to maintain close liaison with the HKTA and the trade to explore ways to improve tourism products. Efforts will be made to increase visitor arrivals and tourism receipts.

Annex

Average Daily Numbers of Local Residents
Visiting the Mainland (for Tour and Business Purposes and so on)
During Weekends, Long Weekends and Public Holidays

	<i>Weekends</i>	<i>Long Weekends</i>	<i>Public Holidays</i>
1998	129 871	154 684	90 841
1999	150 422 (+15.8%)	163 211 (+5.5%)	165 468 (+82.2%)
2000	163 045 (+8.4%)	171 412 (+5.0%)	117 577 (-28.9%)

Note: Public holidays immediately preceding or following weekends are categorized as "Long Weekends".

MRS SELINA CHOW (in Cantonese): *Madam President, from the figures given by the Secretary in part (b) of the main reply, I notice a very astonishing phenomenon in that there is an increase of 25% in the first three quarters of 2000 on the number of local residents who came to the Mainland to spend. The total spending in the Mainland within that period is \$22 billion. That will amount to as much as \$30 billion for the whole year. The figure bears a great difference to the number of mainland residents amounting to more than 3 million who came to Hong Kong and who spend a total of some \$2 billion over the same period. I would like to ask the Secretary that in view of these circumstances, what plans do we have to attract more people from the Mainland to visit Hong Kong so as to narrow the gap that I have described?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): *Madam President, with regard to the supplementary question raised by Mrs Selina CHOW, I would like to give my reply in two parts.*

First, with regard to the figures, we can compare the spending of visitors from Hong Kong and the Mainland. In 1998, visitors from the Mainland spent an average of \$5,487 in Hong Kong. The figures for 1999 were \$4,370; and the figures for January to September 2000 were \$4,824. As for the average spending of local residents in the Mainland, according to the figures which I have given in the main reply, the average spending of local residents in the Mainland

in 1999 was \$1,100. Our figures for the first three quarters of 2000 showed that it has dropped to \$900. Hence, it can be seen that there is a difference in the spending between visitors from the two places.

The second part of the supplementary question is about how to attract more people from the Mainland to visit Hong Kong. On the one hand, we will step up promotional efforts to attract people to come to Hong Kong. In this regard, I am grateful to the HKTA for organizing a series of high-key promotion activities in a number of major cities in the Mainland. On the other hand, we have stepped up our promotional efforts targeted against individual tourists. For example, in 1999, the HKTA launched the VIP Card Scheme participated by over 250 retail outlets. The Scheme gave visitors discount offers and the response was overwhelming. Such a kind of promotion should be continued. In addition, the HKTA also holds food festivals in which more than 200 restaurants and eateries take part. The HKTA also publishes dining guides. These promotional activities will promote Hong Kong to the mainland visitors, in particular the potential high-spending ones. As far as I know, apart from these promotional activities, the HKTA plans to put in more resources on promotional efforts in the mainland market by 8.1%, or \$15.2 million. Apart from these activities, we hope to promote the image of Hong Kong as an attractive place to visit among the tourists. We therefore are making some improvements to the "Hong Kong Group Tour" Scheme to aim at the smooth clearance of mainland visitors. We will also work to enhance the service standards of the local travel agents and we have submitted a proposal last month for the regulation of inbound travel agents. A bill in this regard will be introduced to the Legislative Council shortly.

MR KENNETH TING (in Cantonese): *Madam President, would the Secretary inform this Council of the amount of charges and time needed for mainland visitors coming to Hong Kong to complete the relevant procedures, and with regard to the time needed, will advance notice of 24 hours be required?*

PRESIDENT (in Cantonese): Which Policy Secretary would like to answer this question? Secretary for Economic Services.

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, as far as I understand, there are different entry procedures for different types of mainland residents coming into the territory. As I have mentioned in my main reply, those visitors joining the "Hong Kong Group Tour" Scheme do not need to apply for a separate entry permit from the Immigration Department in Hong Kong once they have been approved by the Public Security Bureau in the Mainland. As for the approval procedure in the Mainland, we have discussed the matter with the China National Tourism Administration in the hope of simplifying the relevant procedures as much as possible. As for group arrangements for the "Hong Kong Group Tour" Scheme, the procedures required by the Immigration Department have been simplified as much as possible. The time required for the travel agents to notify the Department in advance of the arrival and departure of the tours have been reduced from 48 hours to 24 hours. And in terms of the paper work, we have also simplified that as much as we can. What I am talking about is not the entry permit but the arrival notice which we have simplified. As to the procedures required by the authorities in the Mainland, these are handled by the tours and I think differences do exist between different counties and municipalities.

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

MR KENNETH TING (in Cantonese): *Madam President, may I ask how much are the charges for mainland visitors joining the "Hong Kong Group Tour" Scheme and whether the Hong Kong Government would collect extra charges in this respect?*

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

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, the Hong Kong Government will not levy any extra charges. The relevant procedures are handled by the tours and the documents are issued by the mainland authorities, so the charges are not collected by the Hong Kong Government. As to the fees charged by the mainland authorities, I do not have any information on these.

MR SIN CHUNG-KAI (in Cantonese): *Madam President, I think the difference in spending between the local and mainland residents on a tour is mainly due to the quota for visitors, that is, the quota for these visitors is more than 1 000 per day. May I ask the Secretary whether a review can be made of the policy so that more residents from the Mainland can come here for a visit, or whether any special measures can be adopted to give preferential treatment to mainland residents living close to Hong Kong, such as those living in Shenzhen, to come to Hong Kong for an one-day visit and to minimize the visa requirements for such visits, thereby reducing the difference between the spending of Hong Kong residents and mainland residents? May I ask if there is any possibility of relaxing the entry control in this respect?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, the supplementary question raised by the Honourable SIN Chung-kai just now involves two kinds of visas. One is visas for the "Hong Kong Group Tour" Scheme where the mainland visitors come to the territory through the travel agents in the Mainland and such belongs to the nature of touring group. As a matter of fact, since its launching in 1983, the "Hong Kong Group Tour" Scheme saw an increase in the daily and annual quotas. We are in constant contacts with the mainland authorities regarding the issue and the latest quota is 1 500 to 2 000 per day. The quota was not used up over the past year. Only 81% of the quota was used up last year.

Another type of visa is the two-way entry permit. This is different from the visa issued under the "Hong Kong Group Tour" Scheme. According to the information I have at hand, there are about 1 000 people who come to Hong Kong from the Mainland using the two-way entry permit every day.

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

MR SIN CHUNG-KAI (in Cantonese): *Madam President, I am aware that the quota concerned has been increasing since 1983. My supplementary question is whether there is any possibility of its being further increased in the future. The Secretary has not answered this supplementary question earlier. Does the*

Government have any measures or schemes in mind in this regard to negotiate an increase in the daily quota of 2 000 visitors from the Mainland with the mainland authorities?

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

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, we have discussed with the mainland authorities in this regard and the relevant quota has already been revised upwards. If there is any need for further increase, we will be glad to discuss the issue with the mainland authorities. I can give Honourable Members an idea of the total figures. The quota in question has been raised from 547 500 per annum to 730 000 per annum. When I said earlier that 81% of the quota for last year was used up, I was referring to this quota of 547 500. As for the quota of 730 000, it has not yet been used. We would be pleased to talk with the mainland authorities to raise the quota further should the need arise.

MR TOMMY CHEUNG (in Cantonese): *Madam President, may I ask the Secretary whether she would talk to the China National Tourism Administration on an increase to the number of travel agents organizing tours to Hong Kong so that the vast number of people who wish to visit the territory can do so as soon as possible and avoid the incidence of a bottleneck which may hinder their plans of travelling to Hong Kong?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, I am grateful to the Honourable Tommy CHEUNG who has raised this supplementary question. We have discussed the matter with the mainland authorities and as I am aware, the number of mainland travel agents who are permitted to organize tours to Hong Kong has been increased from four to 17.

PRESIDENT (in Cantonese): The Council has spent more than 16 minutes on this question. The last supplementary question.

MR HOWARD YOUNG (in Cantonese): *Madam President, the Secretary has said earlier that the relevant quota has not been used up. However, I do not think that the crux of the matter lies in the inadequacy of the quota in the "Hong Kong Group Tour" Scheme. I have learned from many fellow traders in the tourist trade that some of the seven-day package tours for Hong Kong organized in the Guangdong province do not include accommodation for those who join the tours. Only one meal and the transportation expenses are included and the fees for the tour are as much as \$1,800. That is very expensive. This is of course outside the ambit of our Economic Services Bureau. However, may I ask the Secretary for Economic Services whether she has reflected the situation to the China National Tourism Administration to point out that it may be due to the fees for such tours being too expensive that the quota for such tours is not used up?*

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Madam President, if we have received appropriate information in this respect and if we think this matter can be discussed with the China National Tourism Administration, we will certainly discuss it with them. However, as we always uphold the principle of a free economy and so if we are to make any intervention on the fees charged in the Mainland, that would be definite difficulties.

However, with regard to the "Hong Kong Group Tour" Scheme, some flexible arrangements have actually been made. In the past, the length of stay that visitors may stay in Hong Kong used to be subject to very severe restrictions, but now it can be shortened to one or two days. If there are some visitors who want to stay in the territory for a very short period of time, the "Hong Kong Group Tour" Scheme can equally accommodate their requests.

PRESIDENT (in Cantonese): Fourth question.

Review of Employees' Compensation System and Rehabilitation Policy

4. **MR ANDREW CHENG** (in Cantonese): *Madam President, regarding the review of the employees' compensation system and rehabilitation policy, will the Government inform this Council:*

- (a) *of its initial assessments on the recommendations made in the Review of Employees' Compensation System in Hong Kong, published by the Hong Kong Federation of Insurers (HKFI) last November, in particular about adopting a step-down approach after statutory compensations have been paid to injured workers over a certain period of time, stipulating that employees are not entitled to statutory and civil compensations at the same time, and implementing a mandatory rehabilitation programme;*
- (b) *whether it plans to set up a committee to review comprehensively the employees' compensation system and the relevant legislation in Hong Kong; and*
- (c) *whether it will consider formulating a comprehensive rehabilitation policy in respect of injured workers for the sake of providing better treatment to them and protecting their rights for reinstatement after recovery?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese):

Madam President,

- (a) According to the Review of Employees' Compensation System in Hong Kong published by the HKFI, the total amount of employees' compensation doubled over the past six years but the amount of premium collected decreased by half, resulting in serious underfunding of the employees' compensation insurance business. The crux of the problem lies in the intense competition within the industry, improper risk management and excessive fees charged by the intermediary. In face of these problems, the Report makes a number of recommendations such as re-formulating the premium strategy, imposing limits on intermediary commission, enhancing information management and data collection on occupational safety records. These recommendations are constructive. I hope the industry will give serious consideration to these recommendations and make concerted efforts to put them into practice.

The Report also makes a number of recommendations for better managing pay-out in respect of employees' compensation. As a matter of principle, the Government considers that operation of the insurance industry is the main cause of under-funding. Unless there is sufficient evidence that the existing system is being abused, we do not agree to reduce, by any means, employees' compensation which is lawful and reasonable.

The length of sick leave for an injury at work is decided by a registered medical practitioner or the Employees' Compensation Assessment Board, taking into account the injury sustained by the injured employee, while the loss of earning incapacity of the injured employee is assessed by the Employees' Compensation Assessment Board. In the light of the relevant assessment, the amount of compensation will be calculated in accordance with the provisions in law. We should not suspect that these independent professionals would make biased and unfair decisions. In fact, the Labour Department's statistics show that, for all work-related injuries in 1999 for which sick leave of more than three days were granted, 75% were granted sick leave of less than 30 days and 95% less than six months.

The information provided in the HKFI's report also indicates that statutory compensations amounted to 65% of total employees' compensations awarded. While compensations for civil law damages are on the rise, their proportion has remained relatively small. As for mandatory rehabilitation programme, it is not a common international practice and the HKFI study has not comprehensively assessed its effectiveness. At present, there are local agencies providing rehabilitation services to employees who suffer permanent disability as a result of work-related injuries and offering them training courses to help them recover as soon as possible and re-enter the labour market. We consider it inappropriate to introduce legislation to require employers to offer jobs to employees who have not yet fully recovered. Such a move will also create problems for small and medium enterprises.

- (b) The Government agrees with paragraph 5 of Part II of the Report, which states that the existing employees' compensation system has been able to provide fair and equitable compensation to employees injured at work as well as family members of deceased employees. There is therefore no need to set up a Task Force to review the existing system and the legislation concerned. To resolve the problem within the insurance industry, members of the industry should exercise self-discipline and draw up solutions.

In addition, it is noted that in conducting the study, the consultant had interviewed members of the insurance industry only, without seeking the views of other stakeholders, for example, the labour sector, employers, claimants, legal and medical practitioners handling employees' injury cases and relevant government departments, and so on. The Government will consult relevant parties on the Report.

- (c) At present, the Hospital Authority provides medical treatment and rehabilitation services, including occupational rehabilitation, to members of the public who sustain injuries. Employees who have sustained injuries, be they of a temporary or permanent nature, are entitled to such treatment and rehabilitation services.

In addition, the Employees' Compensation Ordinance prohibits an employer from dismissing an employee while the latter is on sick leave resulting from work-related injury. Offenders will be liable to a maximum fine of \$100,000 on conviction. This provision would enable an injured employee to resume work after rehabilitation.

MR ANDREW CHENG (in Cantonese): *Madam President, although it is said in part (a) of the Secretary's main reply that mandatory rehabilitation programmes are not a common international practice, I also know that in some advanced places such as New South Wales in Australia or in Sweden, a set of sound rehabilitation policy is actually being implemented. May I ask the Government whether it will consider the enactment of legislation — first, to make it mandatory for an employee injured at work to receive a specific type of treatment during the rehabilitation period, and second, to make sure that after*

his recovery, an employee injured at work who has sustained partial incapacity can have the right to change his job or be transferred to another post with similar duties, so as to avoid the sole reliance of employees injured at work on insurance compensation, a problem which has exerted so much financial pressure on the insurance industry?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I think the Labour Department should have studied the experience of other places in respect of rehabilitation services. The report of the insurance industry itself also mentions such arrangements in some countries, but the information provided is very fragmented, and there is no assessment on their actual effectiveness. Currently, rehabilitation services are provided by several bodies. In regard to health matters, for example, the Hospital Authority will provide the most appropriate kinds of treatment to all workers injured at work. Besides, we also provide career counselling to workers injured at work who are no longer able to take up their original jobs, so as to assist them in securing alternative employment. As I pointed out in the main reply, we have not received any complaints from employers or employees about any problems with the existing rehabilitation arrangements. As regards the point raised by Mr Andrew CHENG in the second part of his supplementary question — whether or not the insurance industry has been plunged into the difficulty of under-funding because some employees would rather claim compensation instead of working, we are of the view that the cause of the problem is mainly the intense competition in the industry itself, and the existing rehabilitation arrangements are not directly involved. Besides, the Government also does not think that we should enact any legislation making it mandatory for employers to reinstate some specific employees even before they have fully recovered, the reason being that not all companies are capable of offering these employees any suitable alternative posts which can at the same time accommodate the needs of the companies themselves.

MR LAU CHIN-SHEK (in Cantonese): *Madam President, it is said in part (b) of the Government's reply that the existing employees' compensation system has been able to provide fair and equitable compensation to employees injured at work as well as family members of deceased employees. But, as we all know, and as many employees injured at work or family members of deceased employees have repeatedly pointed out, the existing system has not been revised*

in any way for a very long time — the maximum compensation for an injured employee has remained unchanged at the level of eight years of his wages, and that for a deceased employee six years. That being the case, why does the Government still claim that the levels of compensation are fair and equitable?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, if Mr LAU has studied my main reply at all carefully, he would realize that I only said that "the Government agrees with the Report". "Fair and equitable compensation" is just a comment made in the Report, and we only agree to this comment. As for the employees' compensation system mentioned by Mr LAU, it has in fact been improved from time to time. For example, in 1997, the amount of compensation was raised — the remuneration that an employee injured at work can receive during his sick leave has since gone up from two thirds to four fifths of his wages. This shows that the Government has been trying to make improvements in this respect.

MR BERNARD CHAN (in Cantonese): *Madam President, it is mentioned in the Secretary's main reply that the serious problem of under-funding faced by the employees' compensation insurance business was caused entirely by the improper management of the industry itself, and that the Report made quite a number of recommendations. The success of the recommended reforms may well mean drastic increases in insurance premiums. May I ask the Secretary whether she thinks that this may produce very huge impacts on employers?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I agree that the current situation is caused by a combination of many factors, but we also think that the consultant is correct in pinpointing the fact that the industry is marked by many problems. As for whether or not charges will really go up drastically as a result, the industry itself must conduct detailed studies. As I pointed out in the main reply, the total amount of employees' compensation doubled over the past six years, but the amount of premium collected decreased by half. This means that if the amount of premium collected can be raised to the level of six years ago again, we will be half way through the road of solving the problem. Besides, the consultant also recommends a re-formulation of the premium strategy. Should we, for example, raise the premium for those employers who operate workplaces which repeatedly

cause accidents on their employees? The rationale is very much similar to that behind third party insurance. If a driver is frequently involved in traffic accidents, the premium for his third party insurance should be raised. I think a measure like this will make employers pay more attention to the safety conditions at their workplaces. In brief, I find all these recommendations very constructive, but I also think that the concerted efforts of all in the industry is required. Unfortunately, the operation of the industry is now marked by a comparatively lacking in co-ordination.

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, it is pointed out by the Government in its main reply that the main problem actually lies with the improper management of the industry itself. I support this viewpoint. But I also have to say that competition is inevitable. The industry has also said that it is facing immense difficulties, and some have even said that if they are not allowed to do it, they may as well quit altogether. That being the case, will the Government reconsider the implementation of a central employees' compensation insurance system which both the labour sector and the commercial and industrial sector proposed a decade or so ago? I think such a system will be much simpler and more straightforward.*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, if ever any member of the insurance business now say that he wishes to withdraw from the competition, I am sure that his counterparts will certainly be very delighted, because there are simply too many competitors in the business now; if some of them really withdraw, I am sure that the industry will certainly be more healthy. As for a central insurance system, I do have some reservations, because I am afraid that once a monopolistic situation occurs, and once this type of insurance policies is accepted by only one organization, efficiency may only drop. If we think that foreign experience should be learnt, then we should look at the case of New South Wales in Australia. There, a central insurance system was once adopted, but it has been decided that it should be replaced by privatization. It is only when there is some degree of open competition in the market then it is possible to improve on efficiency.

MR ALBERT HO (in Cantonese): *Madam President, it seems that the Secretary is trying to lay all the blame on the industry. But has she ever considered*

whether there could be some win-win solutions? By this, I mean that we should make full efforts to study the more advanced systems of foreign countries, so as to improve the treatment and rehabilitation services we provide to those injured at work. This is good in two ways. First, the injured worker can receive adequate and satisfactory medical care. Second, this can enable the injured worker to recover more quickly, thus shortening his sick leave and making it possible for him to start working at an earlier time. In a way, the compensation paid by the industry can be reduced, and it does not have to shoulder such a heavy burden. Has it ever occurred to the Secretary that our rehabilitation services can actually be improved? For example, an additional team can be set up, so as to help a worker injured at work to recover as soon as possible, say, within one month. This is because what is done at the initial stage is the most important. This is the view of the industry.

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese):

Madam President, it seems to me that Mr HO is apparently suggesting that our medical sector has not done its utmost to provide appropriate treatment and rehabilitation services to workers injured at work. I do not know whether Members representing the medical sector will agree with him. In any case, we do not have any good reasons to believe that since the sick leave granted by us is long, medical doctors would be trying to delay the progress of treatment, for this is simply against their professional ethics. The win-win situation referred to by Mr HO is naturally our desired objective, which explains why I made a point of mentioning in the part (a) of the main reply that the Report has made quite a number of constructive recommendations. If the implementation of these recommendations requires any co-operation from the Government or the Labour Department, for example, requiring them to provide occupational safety records or enhance its information management, I think the Government is always prepared to join hands with the industry, and in fact, there are many areas that can be improved. Sometimes, some employers may under-report the wages of their employees, and as a result, the amount of compensation received by their employees are smaller than they should be. I think we should do more to make improvements in this respect, in order to have the loopholes plugged. And, if trade unions and workers' representatives say that more work should still be done to improve our rehabilitation services, we are always prepared to consider their views.

MR FRED LI (in Cantonese): *Madam President, it is mentioned in the last paragraph of part (a) of the Secretary's main reply that some local agencies are already providing rehabilitation services to workers injured at work to assist them in resuming work in their former posts. But I must point out that in many cases, the problem is not so much that employees are reluctant to start working again, but that employers are not very willing to let them do so. This is because employers simply do not know what kinds of jobs can be offered to them, and they are also worried that these workers may run into troubles again. May I ask the Government what measures it can take to enhance the relationship among employers, employees and the professionals responsible for providing rehabilitation services, so as to allay employers' worries and assist these employees in taking up their former posts or even in changing their jobs?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, actually, throughout the entire rehabilitation process, the Employees' Compensation Assessment Board and those assisting workers injured at work in their rehabilitation, such as doctors, will all provide a lot of reports on the progress of rehabilitation to employers for their reference. If it is observed that an employee is fit for work again, we see no reason why his employer should refuse to let him resume duty. That said, we still have some worries. If employers are forced to allow their employees to start working again before they have fully recovered, or if they force their employees to do so in order to reduce the amount of compensation payable, this may not be good from the perspective of rehabilitation, and in addition, this may pose operational difficulties to their businesses, for there may not be any suitable jobs for these employees.

PRESIDENT (in Cantonese): The Council has already spent more than 16 minutes on this question. We shall move on to the fifth question.

Council for Sustainable Development

5. **MR BERNARD CHAN** (in Cantonese): *Madam President, in the 1999 policy address, the Chief Executive proposed to set up a Council for Sustainable Development and intended to make a grant of \$100 million to provide funding support for initiatives which aim at enhancing public awareness of sustainable development. In this regard, will the Government inform this Council:*

- (a) *why the Council has not yet been set up and when it is estimated to be officially set up;*
- (b) *of the detailed terms of reference of the Council; and*
- (c) *of the estimated time when the public may submit applications for such funding support?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, the Government has commissioned a consultancy study on sustainable development to examine how to promote and implement the principle of sustainable development in Hong Kong. Sustainable development for Hong Kong means finding ways to reduce pollution and waste while pursuing economic wealth and improving the quality of life, meeting our own needs and aspirations without doing damage to the well-being of future generations, and reducing the environmental burden that we put on our neighbours and making a concerted effort to preserve common resources.

In adhering to the principle of sustainable development, the Government, the various sectors of the community and the general public need to work together and very often, fundamental changes will have to be made to mindset. In respect of institutional arrangement, the consultancy study recommended the setting up of a Sustainable Development Unit within the Government to encourage and assist the Government to incorporate the concept of sustainable development in the decision-making process.

The Government has accepted this recommendation and intends to set up the Sustainable Development Unit shortly. Its main duties include putting in place a mechanism requiring all Policy Bureau to undertake sustainability impact assessments on major policy proposals; facilitating the sustainability impact assessments undertaken by the Bureaux; providing analysis and support to the Council for Sustainable Development; as well as co-ordinating the training courses provided for Bureaux and departments. We plan to consult the Panel on Environmental Affairs and the Panel on Planning, Lands and Works of the Legislative Council in February this year on the establishment of the Sustainable Development Unit. We will seek necessary funding approval from the Finance Committee thereafter.

Apart from the Government, the key to achieving sustainable development is to enhance public awareness and to encourage the community to put the concept of sustainable development into practice. This will be one of the key tasks of the Council for Sustainable Development. The Council will also provide expert advice to the Government and will report to the Chief Executive.

The Government conducted two rounds of extensive public consultation respectively during the study period and after the consultant had made recommendations. Views expressed by the public on the consultant's recommendations, including those on the establishment of the Council for Sustainable Development, are diverse. In view of this, the Sustainable Development Unit will carefully consider all these views, and consider the relationship between the Council and other relevant statutory or advisory bodies, and will examine thoroughly the experiences of overseas countries or territories with institutions similar to the Council for Sustainable Development. The aim is to ensure that the Government of the Special Administrative Region, the Council for Sustainable Development and the general community will push ahead the concept of sustainable development and the overall work relating to sustainable development in an effective manner.

MR BERNARD CHAN (in Cantonese): *Madam President, with regard to the third paragraph of the main reply, I noticed that there are some inconsistencies in meaning between the Chinese version and the English version. I would like the Secretary to clarify them. In the Chinese version, the Secretary stated that the Sustainable Development Unit would be established and that the Administration would later on seek approval from the Finance Committee for an allocation of \$100 million to provide funding support for programmes initiated by the public for the purpose of promoting sustainable development. In this connection, I do not know how much of this \$100 million will be allocated as funding support for promotional programmes initiated by the public and how much of it will be for the work of the Sustainable Development Unit. The English version of the main reply did not make reference to this point. According to the English version, the funding will be used to facilitate the development of the Sustainable Development Unit. There is no mention of promotional programmes initiated by the public.*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, let me apologize on behalf of the colleague who translated this main reply. This \$100 million will be used to provide funding for initiatives relating to sustainable development, not for setting up the Sustainable Development Unit. Just now I stated that after the relevant Panels have been consulted, we will formally seek funding approval from the Finance Committee to set up the Sustainable Development Unit.

MR LEE CHEUK-YAN (in Cantonese): *Madam President, the Council for Sustainable Development may be a rather "super" Council judging from the powers to be conferred on it in future, for all policies will be subject to sustainability assessments, and one of the objectives of the Council is to reduce pollution and waste. However, it seems that the Secretary has not mentioned in the entire main reply when the Council for Sustainable Development will be set up. The Secretary stated that consultation will be conducted on the establishment of the Sustainable Development Unit and the Administration will seek funding approval from the Finance Committee after the Unit has been established. But when will the Council for Sustainable Development be set up? I also hope that the Council can be set up as soon as possible. It is because this proposal was made in 1999 and the Government has implemented a myriad of policies that wasted resources. The Lamma power plant, for instance, is certainly a waste of resources. I hope that this "super" Council can address the problem of the Lamma power plant.*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, first of all, I do not wish to draw any conclusion on the construction of the Lamma power plant since this issue is outside my purview

PRESIDENT (in Cantonese): Secretary, this is just the personal opinion of Mr LEE.

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, I wish to state clearly that from my experience, policies implemented by the Government pursuant to studies would not be policies that waste resources. On the establishment of the Council for Sustainable Development, as I said in the

last paragraph of the main reply, the Sustainable Development Unit will examine the views on the Council's terms of reference collected during the two rounds of consultation in 2000, and look into the relationship between the Council and the existing statutory or advisory bodies in Hong Kong, together with the objectives and *modus operandi* of the Council. Analysis will also be made in respect of the operation and results of similar councils in overseas countries before we will recommend the establishment of the Council to the Chief Executive. We, therefore, do not have the relevant timetable yet. I am aware that in 2000, two countries revised the formation and *modus operandi* of their sustainable development councils. In view of this, I do not wish to see the Council for Sustainable Development set up in Hong Kong taking the wrong path or wasting resources. Therefore, I will ask the Head of the Sustainable Development Unit to conduct thorough analyses in order to ascertain the form that the Council for Sustainable Development should take to meet the needs of Hong Kong before we formally recommend its establishment.

MISS EMILY LAU (in Cantonese): *Madam President, it is not my wish either to see the Secretary and the Government taking the wrong path or wasting resources. In the several rounds of consultation, I had repeatedly said that the meaning of sustainable development was not as narrow as being confined to the three points stated by the Secretary in his main reply. I also remember that many organizations did mention political development, human rights, the rule of law, and so on. The Secretary said in his main reply that public views are diverse. But why does the Government, having listened to so many views, still insist on rejecting these views and refusing to incorporate public views in the objectives of the Council? Moreover, the Secretary stated that we must draw on overseas experience to ensure that we are not taking the wrong path. Is it that many countries also adopt those three meanings as their definition of the concept and that the concept does not have any broader meaning?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, in fact, the terms of reference of similar councils in other countries or the meanings they adopt are different. In some countries, racial harmony or political development in the country may be incorporated in the concept of sustainable development. But we also see that sustainable development in some countries is defined as economic development, improvement on people's livelihood, conservation of resources and environmental protection. The

meanings that I explained in the first paragraph of the main reply are based on those stated by the Chief Executive in the 1999 policy address, and they remain the guiding principles in Hong Kong.

MISS EMILY LAU (in Cantonese): *Madam President, the Secretary did not answer my supplementary question. Surely the Secretary knows that this is the Chief Executive's definition in the 1999 policy address. But during the process of consultation, members of the public had put forward many views. Why does the Government reject their views?*

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

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, the Government has not rejected public opinion. Just that given our present development, sustainable development should be defined as drawing a balance among economic development, improvement on people's livelihood and environmental protection.

DR RAYMOND HO (in Cantonese): *Madam President, the Secretary also said just now that sustainable development can be made on a regional basis. May I ask about the communication between the Governments in Hong Kong and the Mainland in this connection? Does the Secretary know whether sustainable development is regarded as one of national policy by the mainland Government and how will the Mainland carry out this area of work? In this regard, to what extent is the Hong Kong Government liaising and co-operating with the mainland Government?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, our country upholds sustainable development as a national policy and has at the same time drawn up a range of indicators and targets in respect of sustainable development. When studying the directions of various countries or cities, or the definitions they adopt, we have certainly studied mainland documents in relation to sustainable development. In fact, the consultant was commissioned by the Planning Department. The Planning Department, which

is also tasked to study the long-term development of Hong Kong, is currently engaging in a study of the development in 2030. The direction of sustainable development in the Pearl River Delta region and South China is definitely a topic to be covered in the study.

MISS CHOY SO-YUK (in Cantonese): *Madam President, as the Secretary has said in his main reply, sustainable development is a community-wide campaign. I would like to know that on education front — the Secretary for Education and Manpower is also present — what specific plans has the Government to promote the concept of sustainable development?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, with regard to the three meanings that I explained just now, education is already covered in the areas of economic development, improvement on people's livelihood and environmental protection. Education will obviously be one of the measures to encourage participation from all members of the community in future. In fact, we should begin to inculcate the concept of sustainable development in the public when they are young at age. In future, we may have to make changes to certain lifestyles in Hong Kong or introduce new practices. In some countries, for example, in order to reduce wastes, customers have to pay a deposit for each bottle of soft drink they bought, and the deposit will be returned to them if they return the bottle. It is impossible to achieve this objective if it is the Government who suggested the proposal and then unilaterally implemented the scheme. To some degree, the Government must carry out many rounds of consultation to obtain public acceptance and consent. So, apart from the need to work in concert with colleagues responsible for education, efforts of green groups will also be required to accomplish the task.

MISS CHOY SO-YUK (in Cantonese): *Madam President, I was asking what specific plans the Government has.*

PRESIDENT (in Cantonese): Which Policy Secretary will answer this question? Secretary for Planning and Lands.

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, this question may have to be referred to the future Sustainable Development Unit for discussion with other relevant institutions. But if the funding of \$100 million is approved, I am sure that many plans can then be carried out.

PRESIDENT (in Cantonese): Last supplementary question.

MISS CYD HO (in Cantonese): *Madam President, in fact, sustainable development is certainly related to our population policy, and the Government must collect information in this connection. Given that a population census, which is to be carried out every 10 years, will be conducted by the Government in March this year, I would like to ask the Secretary this: Since sustainable development is a concept which has been under study for a long time, will the Government try to grasp the latest population profile in Hong Kong in the forthcoming population census through questionnaires, so that we do not have to wait for the next census, only to be conducted another decade later? If the Government will do so, can the Secretary briefly explain it to us now?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, this is a technical question. I must discuss with colleagues responsible for carrying out the census what else within their scope of responsibilities will need to be surveyed in the context of sustainable development, apart from conducting a survey of the population and making assessments. This is a technical question and I need to study it with colleagues responsible for this area of work.

PRESIDENT (in Cantonese): Sixth question.

Safety of Food Products Containing Genetically-modified Corn Ingredients

6. **MISS CYD HO** (in Cantonese): *Madam President, towards the end of last year, the Food and Drug Administration of the United States directed food manufacturers to recall 300 food products because they contained genetically-*

modified corn ingredients unauthorized for human consumption. Human consumption of foods containing such ingredient, which is branded Starlink, may result in allergic reactions or even death. In this connection, will the Government inform this Council whether:

- (a) it knows if food products and animal feeds containing that kind of corn ingredients are being sold in Hong Kong; if it does, of the details; if not, the reasons for that;*
- (b) it has taken steps, including approaching food importers and relevant authorities in the United States, to ensure that foods being sold in Hong Kong do not contain that kind of corn ingredients; if so, of the details; if not, the reasons for that; and*
- (c) it has put in place a mechanism for the expeditious and concurrent recall from food importers, wholesalers and retailers of food products containing such corn ingredients; if so, of the details; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese):
Madam President, with regard to the three points contained in the Honourable Cyd HO's question, my reply is as follows:

- (a) The Environmental Protection Agency (EPA) of the United States has already approved the use of "Starlink corn" in animal feed. Yet, the EPA is still investigating whether "Starlink corn" may trigger allergic reactions in humans. Therefore, it has not approved "Starlink corn" for use in food intended for human consumption. The EPA's Scientific Advisory Panel as pointed out that there is up till now no evidence to suggest that "Starlink corn" may be harmful to humans or may trigger allergic reactions. So far, we have not received any reports of food allergies or poisoning linked with the consumption of "Starlink corn" in Hong Kong.

According to the records of the Food and Environmental Hygiene Department (FEHD) and the FDA of the United States, only one consignment of Taco shells containing "Starlink corn" was imported to Hong Kong in last September. No other food containing

"Starlink corn" has entered Hong Kong. The consignment was very limited in quantity and the local food trader has already handed over all the stock to the FEHD for destruction.

As regards animal feed, most of the animal feed used in Hong Kong is imported from the Mainland. Only 4% is imported from the United States. Furthermore, "Starlink corn" only constitutes 0.3% of the total annual corn production in the United States. There, we believe that the chance of animal feed containing "Starlink corn" being used in Hong Kong is very low.

- (b) On receiving reports about the "Starlink corn" case, the FEHD immediately alerted food importers and retailers that "Starlink corn" had not been approved for use in food intended for human consumption and urged them to recall all food containing "Starlink corn" and to cease selling such food. According to the Public Health and Municipal Services Ordinance (Cap. 132), it is an offence to sell any food that is unfit for human consumption. The maximum penalty upon conviction is a fine of \$50,000 and imprisonment of six months.

The FEHD also launched an investigation into the incident. The department contacted the United States Consulate in Hong Kong and the FDA to obtain more information. We understand that the Government of the United States has initiated a series of control measures, including recalling all food containing "Starlink corn", instructing the food trade to set up a tracing system of "Starlink corn", and purchasing all "Starlink corn" harvested in 2000, to ensure that "Starlink corn" will not be used in food. In addition, the Government of the United States now requires all food manufacturers to register and obtain permission from the United States Government before they can purchase "Starlink corn". All "Starlink corn" must only be used for animal feed or industrial purposes.

- (c) Whenever any food unfit for human consumption is known to have entered the market, the FEHD will immediately take control measures and inform the food trade to initiate a recall. If any local food trader does not co-operate, the FEHD can seize and destroy

any food that is unfit for human consumption according to section 59 of the Public Health and Municipal Services Ordinance (Cap. 132). In addition, the FEHD may initiate prosecution against the food trader for selling food that is unfit for human consumption.

At the same time, the FEHD will advise the public to avoid consuming any food that may be contaminated, and to return any such food to the relevant retailer. The FEHD will urge the food trade to set up public inquiry services. The department will also answer public inquiries and disseminate up-to-date food recall information through the media, government webpages and inquiry hotlines.

We are considering the setting up of a regulatory framework for mandatory recall of food that is unfit for human consumption by the food trade. We will put forward a proposal this year.

MISS CYD HO (in Cantonese): *Madam President, I remember that in some cases in the past, such as those involving contaminated eggs and dairy products from Europe, the Government would provide the public with information so that the public knew about it and would not purchase these food products for consumption. But in handling this incident of "Starlink corn" and Taco shells, the Government did not take similar actions. Why has the Government failed to inform members of the public that these food products are unfit for human consumption? Has the Government considered establishing a labelling system for genetically-modified food (GMF) in the long run, so that the public can have make their own choices?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): *Madam President, in the "Starlink corn" incident, the Government, after having learnt of the problem from foreign news networks on 18 September, obtained the relevant information from the United States on 19 September. This was mainly due to the time difference between Hong Kong and the United States. We took action on the same day asking all retailers to recall the product and made public this piece of information.*

On the question of establishing a GMF labelling system, the Government is looking into its feasibility. We hope to put forward proposals in the first half of the year for public consultation.

MISS CYD HO (in Cantonese): *Madam President, I have already known the development of this incident. My question was why has the Government failed to inform members of the public that Taco shell is unfit for human consumption?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, I think Miss HO was asking why we informed them. We knew that the FDA of the United States still considered that this kind of corn might not fit for use in food intended for human consumption. Since we knew that this kind of corn had not yet been approved for use in food for human consumption, we therefore asked the food trade to recall it.

PRESIDENT (in Cantonese): Secretary, what Miss HO wanted to ask the Government was why had it failed to inform members of the public that this kind of food is unfit for human consumption.

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, I already replied just now that the Government had informed the public through the media and urged the food trade to provide inquiry services. Meanwhile, the Government has also answered public inquiries relating to this matter.

MR LEE CHEUK-YAN (in Cantonese): *Madam President, in part (b) of the main reply, the Secretary stated that according to law, it is an offence to sell any food that is unfit for human consumption, and the maximum penalty upon conviction is a fine of \$50,000 and imprisonment of six months. In the Taco Shell incident, food traders had recalled the product. Does it mean that they have already committed an offence, or were they actually not having knowledge about it? As these corn chips are not labelled as GMF, could it be that even the food traders did not know about it? But if they were aware of it and still put this kind of food up for sale, will the Government institute prosecution against them?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, in this incident, we believe they did not know about it. In fact, "Starlink corn" should not be used in food intended for human consumption in the first place. It can only be used in animal feed. As far as I know, even the Government of the United States was not aware of it. It was only after some green groups had conducted tests and suspected irregularities that the United States authorities sought clarification from the manufacturers who admitted the inclusion of this ingredient. So, basically, this incident should not have occurred.

MISS EMILY LAU (in Cantonese): *Madam President, I wish to follow up on the same question and perhaps the Secretary can take this chance to explain to us clearly when the Government informed the public, importers and retailers. From the Secretary's reply just now, it seems that the Government had not informed them. But the Secretary said later that the Government did inform them. Madam President, I hope the Secretary will clarify whether he has misled the Legislative Council, and tell us whether the Government had informed the public. If the Government had informed the public, when did it do so?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, just now I already mentioned that the Government took action on the same day, that is, 19 September, asking all retailers to recall the product.

MISS EMILY LAU (in Cantonese): *So it cannot be taken as having informed the public, Madam President, and what I asked the Government concerns with a different matter. I trust that you, Madam President, will recall that the Secretary afterwards said that the public had been informed.*

PRESIDENT (in Cantonese): Secretary, please explain in more detail with regard to the question raised by Miss LAU.

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, if the exact date is required, I must go back and check before I can provide this information to the Member. But as far as I know, after informing the retailers, the Government should have informed the public and released information on the recall of this kind of food right away. But for the actual date and time, I must go back and check before giving a reply to the Member. (Annex)

PRESIDENT (in Cantonese): Secretary, can you tell Members expressly that the Government did inform the public?

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Yes, we have done so, Madam President,

MR FRED LI (in Cantonese): *Madam President, I do not wish to comment on individual cases. We just have to look at parts (b) and (c) of the Government's main reply and we know where the problem lies. At the beginning of part (b) of the main reply, it is stated that the Government immediately alerted food importers and retailers after receiving reports about the case. Then part (c) of the main reply explained in the outset what the Government would do if any food with irregularities is known to have entered the market. From these two parts of the reply, we can see that the Government is but very passive. Has the Government any mechanism or technology in place for inspecting and labelling GMF imported to Hong Kong? Can the Government address the issue earlier so that there is no need to take remedial action after something has gone wrong?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, the Government has a mechanism in place to ensure exchange of information with major countries from which food is imported to Hong Kong. Inspection of GMF is a relatively new task, and the problem is that the present-day technology cannot prove that GMF is hazardous to health. As I said earlier on, this is a very special case for basically it does not concern GMF and instead, mistakes were made in that animal feed was mixed with food intended for human

consumption. Therefore, I think what we must do is to maintain liaison with the relevant governments and to obtain information on the kinds of GMF under control in their markets or those that have been approved for sale in the market. We must put in place a mechanism for exchanging and receiving information so that when we come to know about any food being banned from sale in other countries, we can also ban its import to Hong Kong.

MR FRED LI (in Cantonese): *Madam President, the Secretary did not answer part of my question, and that is, whether or not the Government of the Special Administrative Region has in place the technology for food inspection so that it can uncover similar problems? The Secretary only said that the Government would liaise with overseas countries and what it would do when being notified of any such case.*

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

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, I believe the Government possesses the technology to check whether the food has been modified genetically. Nevertheless, the Government does not have the technology for checking individual type of GMF, such as the "Starlink corn". It is because we must know its exact genetic sequence before we can find the answer. However, we will ensure that if we learn of any problem from the United States, for instance, if the "Starlink corn" is banned from being imported, the Government will then ban it from being imported to Hong Kong.

MISS CHOY SO-YUK (in Cantonese): *Madam President, the Secretary stated at the end of part (a) of his main reply that the chance of animal feed containing "Starlink corn" being used in Hong Kong is very low. I also think that the chance is low, but does the Government consider the case settled because the chance is low, or will it take follow-up actions or conduct studies to see if that is so? Has the Government taken any follow-up action or is it thinking of simply closing the case?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, with regard to this question, I think we have two main considerations. First, under the existing law, we can only obtain information about where the animal feed comes from and so far, there is no legislation governing the ingredients of animal feed. In this incident, it is most important to note that "Starlink corn" is permitted to be used in animal feed. The use of "Starlink corn" in animal feed will not cause any problem. The United States authorities also confirmed that there will not be any problem even if we have eaten animals fed on "Starlink corn". It is mainly because a kind of protein will be produced by the modified genes which are non-toxic. The protein so produced will be dissolved in animals and will not remain in the meat of animals and therefore, human consumption will not be of any problem. What gives cause for concern now is whether direct consumption of this kind of protein by humans will lead to allergic reactions. This is currently under study by the relevant authorities in the United States.

PRESIDENT (in Cantonese): Last supplementary question.

MISS CYD HO (in Cantonese): *Madam President, the main reply stated that most of the animal feed used in Hong Kong is imported from the Mainland and that imported from the United States is believed to have taken up a very small proportion and so, there will not be any problem with the animal feed used in Hong Kong. However, the United States is an exporter of corn to many countries. Do we have a system to track down the countries which import corn from the United States and find out whether the food that we imported from these countries contains this GMF ingredient? Particularly as the Mainland is supplying us with such a substantial part of animal feed and even food for human consumption, do we have a mechanism to safeguard that food imported from the Mainland is not contaminated by this kind of GMF?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, first, I must clarify that GMF is not necessarily contaminated for it is not scientifically proved that consumption of GMF will certainly cause problems.

As regards liaison with the Mainland, in the case of "Starlink corn", for instance, when we were aware of the problem, we did approach the Mainland to ascertain if "Starlink corn" was used in food for export. Their answer was in the negative. They did not use "Starlink corn" in food. With regard to animal feed, I have mentioned just now that the case for animal feed is somewhat different, for we do know that "Starlink corn" is permitted to be used in animal feed. To put it in simple terms, we have been liaising with the Mainland to follow up on the development of GMF and animal feed there. As far as we know, they do not export GMF products.

WRITTEN ANSWERS TO QUESTIONS

Demand and Supply of LPG Filling Stations

7. **MRS MIRIAM LAU** (in Chinese): *Madam President, regarding the adequacy of liquefied petroleum gas (LPG) filling stations to meet demand, will the Government inform this Council:*

- (a) *of the current number of LPG taxis in service;*
- (b) *of the number of LPG filling stations now in operation, and the maximum number of vehicles that can be served simultaneously at each filling station;*
- (c) *of the respective numbers of LPG filling stations scheduled to be constructed and converted, and the expected commissioning date and location of each station, as well as the maximum number of vehicles that can be served simultaneously by each filling station;*
- (d) *whether it has received applications last year for the construction of LPG filling stations on private land; if so, of the number of such applications and their outcomes; if any application has been rejected, the reasons for that; and*
- (e) *whether it has adopted measures to encourage the construction of LPG filling stations on private land; if so, of the details of such measures; if not, the reasons for that?*

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

- (a) There were 4 225 LPG taxis in service as at 31 December 2000.
- (b) There are at present 12 LPG filling stations in operation. The maximum number of vehicles that can be served simultaneously at each filling station is as follows:

<i>LPG Filling Station</i>	<i>No. of vehicles that can be served simultaneously</i>
1. LPG Filling Station at Fung Yip Street, Chai Wan	2
2. LPG Filling Station at Kai Fuk Road, Kowloon Bay	2
3. LPG Filling Station at Tai Po Road (Sha Tin Heights section)	2
4. LPG Filling Station at Tsing Yi Road, Tsing Yi	2
5. Petrol-cum-LPG Filling Station at Pokfulam Road	4
6. Petrol-cum-LPG Filling Station at Kam Tin Road, Shek Kong	4
7. Petrol-cum-LPG Filling Station at Siu Lek Yuen, Sha Tin	8
8. Dedicated LPG Filling Station at Fung Yip Street, Chai Wan	24
9. Dedicated LPG Filling Station at Ngo Cheung Road, West Kowloon	24

<i>LPG Filling Station</i>	<i>No. of vehicles that can be served simultaneously</i>
10. Dedicated LPG Filling Station at Fung Mat Road, Sheung Wan	12
11. Dedicated LPG Filling Station at Wai Lok Street, Kwun Tong	24
12. Dedicated LPG Filling Station at Yuen Chau Tsai, Tai Po	24

(c) Our target is to provide adequate LPG filling capacities for the entire fleet of 18 000 LPG taxis by the end of this year. Discussions with various oil companies are underway to retrofit suitable existing petrol filling stations with LPG filling facilities. A number of oil companies have agreed in principle to retrofit not fewer than 19 existing petrol filling stations by the end of this year. These petrol filling stations are located throughout the territory including Chek Lap Kok and will come into operation at different times of this year. We aim to conclude discussions with oil companies and to finalize the details as soon as practicable. In addition, we will tender out the second batch of government land for development of more dedicated LPG filling stations to serve LPG taxis. The Government will continue to closely monitor the progress of the LPG taxi scheme and will do all we can to meet the above target.

(d) According to our record, the Town Planning Board has approved four planning applications for the development of petrol-cum-LPG filling stations since April 1999. The applicants are at present making applications to the Lands Department for relevant land use modifications. Another planning application which failed to meet the relevant safety and traffic requirements was rejected by the Town Planning Board.

- (e) The Government is offering incentives to the operators of those existing petrol filling stations which are suitable for retrofitting with LPG filling facilities. These retrofitted petrol filling stations will be granted free lease/tenancy extensions; and where necessary, additional government land at nil premium/rent will also be granted for installing LPG filling facilities. The above incentives are not applicable to similar development on private land. Nevertheless, we will expedite the processing of such applications where practicable.

Statistics on PRH Estates

8. **MR ALBERT HO** (in Chinese): *Madam President, regarding the various types of rental housing blocks constructed by the Hong Kong Housing Authority and the Hong Kong Housing Society, will the Government inform this Council of:*

- (a) *the earliest and the latest years of completion for individual blocks, and the respective usable areas of the largest and the smallest units, in respect of each type of these housing blocks; and*
- (b) *the names of Harmony-type or Concord-type estates, together with the occupation date, number of blocks and total number of units of each of these estates?*

SECRETARY FOR HOUSING (in Chinese): Madam President,

- (a) A breakdown of the rental housing blocks constructed by the Hong Kong Housing Authority by type, together with their earliest and latest years of completion as well as largest and smallest usable areas as at September 2000, is set out at Annex A.

There are no typical flat types in the rental housing blocks constructed by the Hong Kong Housing Society. A breakdown by estate, together with details of earliest and latest years of completion as well as largest and smallest usable areas as at September 2000, is at Annex B.

- (b) Harmony-type or Concord-type estates are constructed by the Hong Kong Housing Authority. The Hong Kong Housing Society does not have these types of estates. A list of Harmony-type rental blocks, together with their occupation dates, number of blocks and number of units as at September 2000, is at Annex C. Concord blocks used to be built exclusively for the Home Ownership Scheme. Since September 2000, some Concord blocks have been re-designated for rental purpose. They are Fu Tai Estate and Yat Tung Estate, respectively comprising seven blocks totalling 2 240 units and 10 blocks totalling 3 200 units. They are scheduled for intake around April 2001.

Annex A

Hong Kong Housing Authority

List of Rental Estates by Block Type with Year of Completion and Size
(as at 30 September 2000)

<i>Block Type</i>	<i>Year of Completion</i>		<i>Internal Floor Areas in square metres</i>	
	<i>Earliest</i>	<i>Latest</i>	<i>Largest</i>	<i>Smallest</i>
1 Mark	1965	1971	39.39	7.85
2 Twin Tower	1970	1984	42.80	32.67
3 Slab	1957	1991	78.87	7.85
4 H-type	1979	1986	67.91	28.06
5 Double H	1979	1988	68.38	20.90
6 Trident	1984	1992	54.38	9.41
7 Harmony	1992	2000	52.66	10.53
8 Harmony Rural	1993	2000	52.63	16.98
9 Cruciform	1997	1983	51.44	22.02
10 Linear	1960	2000	50.20	11.28
11 I Block	1981	1983	39.58	32.24
12 Others	1957	2000	60.12	7.95

Annex B

Hong Kong Housing Society

List of Rental Estates with Year of Completion and Size
(as at 30 September 2000)

<i>Estate Name</i>	<i>Year of Completion</i>		<i>Internal Floor Areas in square metres</i>	
	<i>Earliest</i>	<i>Latest</i>	<i>Largest</i>	<i>Smallest</i>
1 Ming Wah Dai Ha	1962	1978	53.5	16.5
2 Healthy Village	1965	1993	39.5	16.5
3 Lai Tak Tsuen	1975	1976	56	25
4 Kwun Lung Lau	1967	1968	51.5	23
5 Yue Kwong Chuen	1962	1965	51	15
6 Prosperous Garden	1991	1991	46.5	16
7 Ka Wai Chuen	1984	1993	58.5	17
8 Lok Man Sun Chuen	1970	1974	56.5	18.5
9 Chun Seen Mei Chuen	1965	1966	43.5	26
10 Kwun Tong Garden Estate	1965	1990	54	19
11 Verbena Heights	1996	1996	38.5	15.5
12 Moon Lok Dai Ha	1964	1965	49	20.5
13 Clague Garden Estate	1989	1989	44.5	19.5
14 Bo Shek Mansion	1996	1996	50	16.5
15 Cho Yiu Chuen	1977	1981	71	16
16 Broadview Garden	1991	1991	47	27
17 Jat Min Chuen	1981	1982	44.5	18.5
18 Tui Min Hoi Chuen	1984	1986	42.5	17
19 Lakeside Garden	1997	1997	43	20.5
20 Sha Tau Kok Chuen	1988	1991	54	21

Hong Kong Housing Authority

List of Harmony Rental Blocks
(as at 30 September 2000)

<i>Estate</i>	<i>First Intake Date (Year/Month)</i>	<i>No. of blocks (Nos.)</i>	<i>No. of flats (Units)</i>
1. Choi Fai Estate	1995/08	2	1 351
2. Cheung Hang Estate	1994/05	2	1 511
3. Chung On Estate	1996/09	2	1 567
4. Fortune Estate	2000/07	1	731
5. Fu Tung Estate	1997/09	3	1 664
6. Hoi Fu Court	2000/02	2	1 254
7. Hung Hom Estate	1999/09	1	493
8. Ho Man Tin Estate	1999/02	7	4 367
9. Hau Tak (1) Estate	1993/05	6	4 271
10. Hing Tung Estate	1996/05	4	2 151
11. Hing Wah (1) Estate	1999/12	2	1 518
12. Ka Fuk Estate	1995/03	3	2 045
13. Kai Tin Estate	1997/05	3	2 355
14. Kwai Chung Estate	1998/03	3	2 279
15. Kwai Fong Estate	1993/03	4	2 850
16. Kam Peng Estate	1996/09	1	253
17. Kwai Shing East Estate	1993/03	7	4 786
18. Kwong Tin Estate	1993/02	4	2 453
19. Ko Yee Estate	1994/12	2	914
20. Lai On Estate	1993/03	5	1 438
21. Lee On Estate	1993/11	5	3 632
22. Lok Fu Estate	1994/12	4	1 640
23. Lei Muk Shue (1) Estate	1999/10	3	2 317
24. Lei Muk Shue (2) Estate	1999/01	1	485
25. Ma Hang Estate	1994/01	5	916
26. Ming Tak Estate	1996/05	2	1 561
27. On Yam Estate	1994/06	8	5 492

<i>Estate</i>	<i>First Intake Date (Year/Month)</i>	<i>No. of blocks (Nos.)</i>	<i>No. of flats (Units)</i>
28. Pak Tin Estate	2000/06	7	2 769
29. Ping Tin Estate	1996/12	7	5 521
30. Shek Lei (1) Estate	1994/11	2	1 515
31. Shek Lei (2) Estate	1994/12	2	1 321
32. Sau Mau Ping (1) Estate	1993/12	2	823
33. Sau Mau Ping (3) Estate	1996/03	2	1 582
34. Siu Sai Wan Estate	1993/05	3	2 008
35. Sheung Tak Estate	1998/06	7	5 153
36. Shek Yam Eat Estate	1996/03	3	2 490
37. Tsz Ching Estate	1993/07	7	5 259
38. Tsz Lok Estate	1995/10	9	5 951
39. Tsz Man Estate	1994/10	3	2 043
40. Tin Yiu (1) Estate	1993/01	1	633
41. Tin Yiu (2) Estate	1993/03	6	3 823
42. Tsui Ping South Estate	1995/08	4	3 158
43. Tin Shui (1) Estate	1992/12	7	4 615
44. Tin Shui (2) Estate	1993/11	5	3 170
45. Tin Tsz Estate	1997/05	4	3 392
46. Tin Wan Estate	1997/12	4	3 036
47. Tin Wah Estate	2000/01	4	3 207
48. Tai Wo Hau Estate	1993/05	3	2 156
49. Un Chau Estate	1999/10	3	2 397
50. Wah Sum Estate	1995/09	2	1 481
51. Wang Tau Hom Estate	1994/12	4	1 768
52. Lower Wong Tai Sin (2) Estate	1994/12	7	3 158
53. Yung Shing Court	2000/05	2	1 591
54. Yiu Tung Estate	1994/03	11	5 305
	Total	213	135 619

Development of New Landfills

9. **MR NG LEUNG-SING** (in Chinese): *Madam President, regarding the development of new landfills, will the Government inform this Council:*

- (a) *of the remaining capacity of each of the existing landfills and the respective years in which they are anticipated to be filled up;*
- (b) *whether it has searched for sites for the development of new landfills; if so, of the sites under consideration; if not, the reasons for that; and*
- (c) *whether it has discussed with the relevant mainland authorities the possibility of developing landfills in the Mainland for disposal of waste transferred from Hong Kong; if so, of the progress and outcome of the discussions, and the sites identified initially, as well as the estimated average per-tonne cost for disposal of waste?*

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

- (a) By the end of 2000, the remaining capacity of the Western New Territories Landfill is 52 million tonnes, and that of the Southeast New Territories Landfill and the Northeast New Territories Landfill are 28 million tonnes each.

The life expectancy of landfills varies with the forecasts and assumptions on waste quantities, impact of waste reduction initiatives, as well as the availability of bulk waste treatment facilities. In the worst-case scenario, where there is no waste reduction measures, no increase in the recovery rate, no bulk waste treatment facilities and no new outlets for public fill, all three landfills could be exhausted in the next five to seven years. If measures to reduce waste, increase the recovery rate, introduce bulk waste treatment facilities and reuse public fill in reclamation projects are successful, the landfills could last another 10 to 15 years.

- (b) We have commissioned a study in February 2000 to investigate the feasibility of extending the existing landfills and to identify potential new landfill sites within Hong Kong. The study will be completed in late 2001.
- (c) We have held initial discussions with the mainland authorities to exchange information and experience on waste management, and to explore collaborative opportunities. So far, no specific proposal has been raised.

Medical Blunders in Public Hospitals

10. **MISS LI FUNG-YING** (in Chinese): *Madam President, regarding medical blunders in public hospitals, will the Government inform this Council whether it knows:*

- (a) *the total number and a breakdown of such blunders; the respective numbers of those cases resulting in the death or severe trauma of the patient;*
- (b) *the number of cases in which the Hospital Authority (HA) has made compensation to the patients concerned or their families; and the amount of compensation in each case; and*
- (c) *the number of medical and nursing staff disciplined for making mistakes resulting in such blunders,*

since 1 January 1999?

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

- (a) To identify clinical risks and improve the delivery of health care services, the HA maintains a medical event reporting system, under which public hospitals are encouraged to notify the HA Head Office of any medical events which may have affected the well-being of a

patient and in respect of which a complaint could potentially arise. It should be noted that the causes for medical events are numerous and complex. In many cases, death or injuries to patients reported in these medical events may be due to natural causes and are not attributable to human error or professional negligence. The number of reported medical events for 1999 is 492 and the provisional figure for 2000 is 518.

The HA is unable to provide a breakdown of the requested information on how many of these events were attributable to human error or professional negligence and resulted in death or severe injuries to patients, due to the complexity involved in collating the data. To do this, the HA needs, first of all, to establish the factors contributing to the medical events such as the patients' primary presenting illnesses, co-existing illnesses, severity of the illnesses, general health status, intrinsic limitations and risks of medical treatment, organizational and environmental conditions, and human factors. This requires detailed analysis, an adequate period of clinical follow-up and, in some cases, due legal process.

The final outcome of a medical event on a patient can only be determined after the patient has received the follow-up medical treatment and rehabilitation process, the duration of which has to depend on the patient's condition. The relevant cause for the event may only be deduced in the light of investigations, expert medical opinion and legal input. As such, the required breakdown is not readily available.

- (b) In 1999, the HA paid ex gratia settlement amounting to some \$1.45 million for eight out of the 492 reported medical events. Three cases involved deaths while five involved minor injuries to the patients concerned. Some \$170,000 was paid out for two out of the 518 reported events in 2000. These two cases involved minor injuries to the patients. The settlement amount for each individual case cannot be disclosed as the HA is bound by confidentiality obligation to the insurers on non-disclosure of the individual amounts.

- (c) According to the HA's records, 42 of the reported events in 1999 involved the institution of disciplinary action, and for 2000, the figure was 38. It should however be noted that there are a host of reasons for taking disciplinary actions. The staff have been disciplined, not necessarily due to human error or professional negligence, as very often the outcome of these medical events are result of natural causes. For instance, a number of staff have been disciplined for communication and behavioural problems, not for the clinical outcome of the events.

Faulty Design of Watercloset System in PRH Estates

11. **MR FREDERICK FUNG** (in Chinese): *Madam President, it has been reported that the watercloset system in some newly-occupied public rental housing (PRH) estates are faulty in design. The siphonage effect resulting from several upper floor units flushing at the same time will suck out the water retained in the sanitary pails in units at middle or lower floors, thereby causing the emission of soil pipe stench through the pails into the relevant units. In this connection, will the Government inform this Council:*

- (a) *of the number of complaints it received last year from residents of PRH estates about water in the sanitary pails of their units being sucked away strangely or stench emitting from the sanitary pails, the names of the PRH estates involved and the reported number of units with such problem in each estate;*
- (b) *of the solutions to the problem; and*
- (c) *whether the affected residents will be compensated; if so, of the details; if not, the reasons for that?*

SECRETARY FOR HOUSING (in Chinese): Madam President, last year, the Housing Department (HD) received eight complaints from tenants in public housing (six from Pak Tin Estate tenants and two from Ho Man Tin Estate tenants) regarding the problems mentioned in the question.

In Pak Tin Estate, the concerned downpipes and underground drains have been cleared and a trial ventilation pipe has been installed. In Ho Man Tin Estate, the flushing water system has been re-commissioned. These repairs should help to avoid the problem of water seal being sucked out.

If any tenant wishes to make a claim for damages to his/her fixtures and fittings as a result of these problems, the HD will forward such claim to the insurance adviser of the Housing Authority for assessment.

Control of Advertisement Signboards

12. **MR LAU WONG-FAT** (in Chinese): *Madam President, regarding the control of advertisement signboards, will the Government inform this Council whether:*

- (a) it has studied the effect of the size of the overhanging advertisement signboards, as well as the distance between these signboards, on the dissipation rate of the exhaust emitted by vehicles running on the concerned streets; if so, of the details; if not, whether it will conduct a study in this respect;*
- (b) it will take into account the dissipation of vehicle emissions in drawing up the regulatory details for advertisement signboards; if not, of the reasons for that; and*
- (c) it will consider setting an upper limit on the projection of advertisement signboards over a street, so as to avoid their blocking the view above?*

SECRETARY FOR PLANNING AND LANDS (in Chinese): Madam President, the main objectives of the present regulatory framework for advertisement signboards are to ensure public safety and to reduce environmental nuisance. There are specified limits on the projection of advertisement signboards over streets. The current requirements on the erection and maintenance of signboards are outlined in the "Guide on Erection and Maintenance of Advertising Signs", published by the Buildings Department.

As set out in the Guide, the basic requirements are that a signboard should not obstruct or reduce the required natural lighting and ventilation or open air provided to buildings. It should not project more than 4.2 m from the main building line or beyond the centre line of a street. Where two signboards have been erected from the opposite side of a street, there should be a minimum clear distance of 3 m. Adjacent signboards should have a minimum lateral distance of 2.4 m. In addition, minimum clearances of 3.5 m over a pavement and 5.8 m over a street (7 m over a tramway) are required.

The Environmental Protection Department considers that there is no scientific reason to suspect that advertisement signboards would have a significant effect on the dispersion of motor vehicle emission or on the air quality at the roadside. Our priority is to reduce street level air pollution at source. To achieve this, the Administration has adopted a multi-pronged approach to reduce vehicle emissions, which includes encouraging the use of public transport; adopting stringent diesel and other vehicle emission standards; replacing in-use diesel vehicles with cleaner alternatives; retrofitting in-use diesel vehicles with emission reduction devices; promoting better vehicle maintenance, and enhancing enforcement against smoky vehicles. Our target is to reduce the emissions of particulates and nitrogen oxides by vehicles by 80% and 30% respectively by end-2005.

Construction of Concrete Batching Plants in Vicinity of Tong Yan San Tsuen

13. **MR TAM YIU-CHUNG** (in Chinese): *Madam President, regarding the three concrete batching plants, approved in 1999-2000, to be built in the vicinity of Tong Yan San Tsuen, will the Government inform this Council:*

- (a) *whether it has assessed the impact of the plants on the environment and traffic in the neighbourhood after all of them have commenced operation; if so, of the details; if not, the reasons for that; and*
- (b) *of the measures it will take to ensure that the operation of the plants will not affect the daily lives of the local residents, and will not jeopardize their health and life?*

SECRETARY FOR PLANNING AND LANDS (in Chinese): Madam President, at present, the traffic condition in Tong Yan San Tsuen area is on the whole satisfactory. Other than the morning rush hours when the outgoing traffic relatively heavy, the traffic flow for the rest of the day is quite smooth. As concrete batching plants normally do not operate during rush hours in the morning/evening, it is unlikely that heavy traffic will be generated by the three concrete batching plants. Our assessment is that the access roads in the area will be sufficient to accommodate the traffic generated by the plants after commencement of operation.

In accordance with the Air Pollution Control Ordinance, these concrete batching plants are required to obtain a licence issued by the Environmental Protection Department (EPD) for operation and production. The EPD will issue a licence only if it is satisfied, after assessment, that the operation of the plant would not have any adverse impact on the environment.

The concrete batching plants fall within an area planned for industrial use, and the land uses in the surrounding area include concrete batching plant and other industry-related activities such as workshops, open storage yards or warehouses and so on. It is therefore unlikely that the concrete batching plants concerned will have an adverse environmental impact on the surrounding developments.

Apart from safeguarding against any adverse impact in the approving process, the Government will also adopt a series of measures to ensure that the concrete batching plants will not cause inconvenience to or jeopardize the health and life of the local residents after they have commenced operation. For example, the Town Planning Board has imposed conditions on landscaping and provision of drainage facilities in the relevant planning permissions. The Planning Department will monitor compliance of these conditions by the plant operators. The EPD will ensure that the licensees will install facilities to prevent air pollution and operate the plant and machinery in proper manner as required under the licences. The EPD will also conduct regular inspections in the area and will take prosecution action against plants in breach of the relevant legislation. The Transport Department will closely monitor the road and pedestrian traffic condition in the area and will take appropriate traffic improvement measures to ensure the smooth flow of traffic and the safety of pedestrians when necessary. When processing the applications for Short Term Waivers for these plants, the District Lands Office, Yuen Long will duly

incorporate the requirements of the government departments on minimization of possible nuisances caused by the plants into the conditions of the waivers so as to facilitate control by the relevant government departments.

Landscaping of Government Slopes

14. **MISS CHOY SO-YUK** (in Chinese): *Madam President, at the meeting of the Panel on Planning, Lands and Works on 18 October last year, the Acting Secretary for Works said that "every government slope upgraded under the Landslip Prevention Measures Programme in 2001 and thereafter will be landscaped." In this connection, will the Government inform this Council of the number of slopes it plans to upgrade in this and the next two years and, in particular, the number which will be dressed up in green; and the reasons for some slopes not thus dressed up?*

SECRETARY FOR WORKS (in Chinese): Madam President, the Government plans to upgrade 150 government man-made slopes each year under the Landslip Preventive Measures Programme in 2001 and in the next two years. All of these slopes will receive landscaping treatments. By landscaping treatment, we mean any one of the following: vegetation cover, retaining existing trees, provision of planters, using graphic design, colouring or painting, hard landscaping, mixed hard/soft covers, or a combination.

It has always been and continues to be our top preference to achieve aesthetic improvement by providing vegetation cover on slopes. However, in choosing a surface cover for slopes, we need to consider its practicability. It is quite safe and relatively easy to plant vegetation on gentle soil slopes. But on steeper slopes, it is undesirable on safety and technical grounds to use vegetation cover. From past experiences, the steep slope surface will result in a rapid erosion by surface water and the displacing of seeds in the early stage of planting. In addition, the depth of topsoil on steep slopes tends to be shallow, further inhibiting the growth of seeded vegetation. In such cases, landscaping measures other than vegetation cover will be adopted to improve the appearance of the slopes. Of the slopes to be upgraded in this and the next two years, about 70% will have vegetation cover.

Utilization of Government House

15. **MR HOWARD YOUNG:** *Madam President, will the Government inform this Council:*

- (a) *of the total number of events held at Government House in the past two years, with a breakdown by the type of events and by whether they were held during daytime or in the evening; and*
- (b) *whether it has recently reviewed if Government House could be open more frequently to tourists?*

CHIEF SECRETARY FOR ADMINISTRATION: Madam President,

- (a) A total of 162 and 194 events were held in Government House in 1999 and 2000 respectively. The following is a breakdown by the types of events and by whether they were held during daytime or in the evening:

	1999		2000	
	Daytime	Evening	Daytime	Evening
Breakfast/luncheon events	60		81	
Dinners		52		53
Ceremonial functions/ receptions/meetings/ community activities	50		60	
Sub total	110	52	141	53
Total	162		194	

- (b) Government House is an official venue used by the Chief Executive and by the Government of the Hong Kong Special Administrative

Region (SAR) to receive visiting dignitaries and to hold important official and ceremonial functions. Organizations that meet certain criteria may also apply to use Government House to hold events that are of benefit to the community. In addition, Government House is open four times a year to public visits. In the past two years, over 95 000 members of the public visited Government House during these open days.

In view of the operational requirement and the need to maintain the status and security of Government House for holding important official and ceremonial functions by the SAR Government, we currently have no plans to open it more frequently to tourists. However, we will keep it under review and will consider arrangements that will facilitate tourist visits to Government House while addressing the operational and security needs of the building.

Effectiveness of Education Television Programmes

16. **MR YEUNG YIU-CHUNG** (in Chinese): *Madam President, regarding educational television (ETV), will the Government inform this Council:*

- (a) *of the production costs for ETV programmes in each of the past three years;*
- (b) *of the percentage of schools which currently broadcast ETV programmes in class, and the average number of classes per week in which these programmes are broadcast;*
- (c) *whether it has conducted any survey to ascertain if the contents of these programmes are well-received by students; if it has, of the details; if not, the reasons for that;*
- (d) *of the criteria adopted for assessing the benefits of these programmes to students; and*
- (e) *of the measures in place to promote the future development of ETV?*

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

Part (a)

ETV programmes are jointly produced by the Education Department (ED) and the Radio Television Hong Kong (RTHK). The total expenditure on ETV programmes in the 1997-98, 1998-99 and 1999-2000 financial years were \$51.6 million, \$56.4 million and \$71.5 million respectively.

Part (b)

According to a survey conducted by the ED in September 2000, about 97% of primary schools and 91% of secondary schools showed ETV programmes (including broadcast and pre-recorded programmes) in class in 1999-2000 school year. On average, ETV programmes are shown in 1.5 periods per week for a primary class, and 1.2 periods per week for a junior secondary class. Senior secondary students rely less on ETV programmes as a complementary learning tool. On average, ETV programmes are shown every six to seven weeks.

Part (c)

The RTHK conducts surveys from time to time to gauge the popularity of ETV programmes amongst students. According to the latest survey conducted in June 1999, 88% of respondents at primary levels and 55% of respondents at secondary levels indicated that they liked watching ETV programmes. These students considered that ETV programmes helped widen their perspectives, assisted them in acquiring knowledge beyond textbooks, and facilitated their learning process through a more lively approach.

Part (d)

At present, schools are asked to evaluate the teaching and learning effectiveness of every new ETV programme by completing a Programme Evaluation Form. Areas for evaluation include whether the programme covers key points of teaching and learning, whether it can achieve the aims of teaching, whether it can assist teachers to teach and students to learn, and whether it can stimulate students' thinking process. On the basis of schools' feedback, the ED

and the RTHK assess the benefits which ETV programmes can bring to students. The feedback collected will also be used as the basis for improvement of ETV programmes.

Part (e)

Various measures have been/will be launched to enhance the ETV service:

- (i) In view of the survey results mentioned in part (c) above, the ED and the RTHK will review the existing ETV programmes for secondary students and will consider how best to make use of latest technological developments to enhance learning through television or other media.
- (ii) On top of subject-based programmes, the ED and the RTHK have produced a number of thematic cross-curricular series, for example, "China Land Series" ("大地中華系列") and "History of Science and Technology Development in China" ("中國科學技術史"), to make learning more interesting and in context. More thematic programmes will be produced in future.
- (iii) To expand the target audience, the ED and the RTHK have been producing special programmes for teachers and parents. One example is the 10-episode "Curriculum Pioneer Series" ("課程先驅系列") on new approaches in teaching and learning which has been broadcast during the ETV air-time since September 2000.
- (iv) Some ETV programmes have been recorded as VCDs and CD-ROMs for use by schools
- (v) The RTHK has been showing real-time ETV programmes on its own web page since January 2001. Many ETV programmes are also available on the HKeducationCITY.net on a video-on-demand basis. By end of 2001, all ETV programmes will be available for viewing on the web on a video-on-demand basis.

As a new initiative to support student learning, the RTHK plans to launch a web programme which offers advice on homework starting from the next school year.

Regulation of Advertisements and Signboards Relating to Chinese Medicine Practice

17. **MR LEUNG YIU-CHUNG** (in Chinese): *Madam President, will the Government inform this Council whether persons other than registered medical professionals have contravened any stipulations in the Chinese Medicine Ordinance (Cap. 549) by claiming in advertisements or on signboards that they can cure certain illnesses such as spur or provide certain kinds of specialist Chinese medicine treatments such as acupuncture therapy; if they have contravened the stipulations, how it has promoted the public's awareness of such stipulations; if they have not, of the reasons for that?*

SECRETARY FOR HEALTH AND WELFARE (in Chinese): Madam President, the Chinese Medicine Ordinance (Cap. 549), which has yet to be fully implemented, was enacted in July 1999 to control the practice, use, trading and manufacture of Chinese medicine. Under the Ordinance, practising Chinese medicine is defined as practising on the basis of traditional Chinese medicine in general practice, acupuncture or bone-setting. Upon the implementation of the relevant provisions of the Ordinance later this year, any persons who are not registered or listed Chinese medicine practitioners (CMPs), but practising in the profession and wilfully or falsely pretending to be qualified to practise Chinese medicine or to be a registered/listed CMP, will be regarded as contravening the provisions of the Ordinance.

The Chinese Medicine Council of Hong Kong and the Department of Health have made use of various channels to publicize the above requirements to the Chinese medicine profession as well as the public, including press conferences, press briefings, roving exhibitions, and distribution of pamphlets. These publicity efforts will be stepped up prior to the implementation of the relevant provisions later in the year.

The Chinese Medicine Council of Hong Kong will also promulgate Codes of Practice which registered and listed CMPs are required to observe upon registration or listing. The Codes will stipulate rules governing the promotion of services by means of advertisement. Those found to be in breach of the Codes may be subject to disciplinary proceedings by the Practitioners Board of the Chinese Medicine Council.

At present, advertisements relating to health care matters are also regulated under the Undesirable Medical Advertisements Ordinance (Cap. 231). This Ordinance provides that no person shall publish any advertisement likely to encourage the use of any medicine, surgical appliance or treatment for the diseases specified in the Ordinance, such as cancer, venereal disease and AIDS.

Disputes between Government and Contractors over Public Works

18. **MR ALBERT CHAN** (in Chinese): *Madam President, will the Government inform this Council:*

- (a) *of the number of cases referred for arbitration over the past three years among the disputes between the Government and the contractors over public works; among them, the number of cases in which the Government lost, as well as the total amount of payments awarded to the contractors; and*
- (b) *how it has learned from the previous cases to reduce its chances of losing in future arbitration cases?*

SECRETARY FOR WORKS (in Chinese): Madam President,

- (a) Over the past three years from 1 January 1998 to 31 December 2000, there were a total of 27 new cases between the Government and contractors referred to arbitration. Of these, an arbitrator's award was issued in respect of three cases in each of which the decision was against the Government. As a result, the Government paid a total amount of \$22.9 million to the successful contractors.

It should be noted that in the majority of cases, the contractor voluntarily withdrew (five cases) or settled the dispute with the Government (10 cases) prior to the arbitration hearing. The remaining nine cases are still continuing.

- (b) In arbitration, like litigation, neither party can be sure if it will win as the final decision will depend upon the arbitrator's assessment of the relevant evidence and contract provisions. However, the

Government endeavours to ensure that the arguments and evidence in support of its case are well presented to enhance its prospects of a successful outcome.

The Government does learn from its experience in arbitration cases, although the outcome of most cases depend upon their own facts and circumstances. These experiences, together with knowledge about the latest development in the law, will be the basis of any review on the improvement of drafting of contract documents conducted from time to time.

It should be noted that arbitration is only one of the means by which construction disputes are resolved and, wherever possible, the Government will consider negotiation or mediation of disputes before they escalate into formal arbitration proceedings.

Educating Youngsters about Ethical Conduct When Using Internet

19. **MR SIN CHUNG-KAI** (in Chinese): *Madam President, will the Government inform this Council whether any measures are in place to encourage schools and the organizations concerned to educate youngsters about the ethical conduct and correct attitude to adopt when using the Internet, and to caution them against illegal Internet activities; if so, of the details; if not, the reasons for that?*

SECRETARY FOR EDUCATION AND MANPOWER (in Chinese): Madam President, the Government recognizes the importance of helping young people develop a positive attitude and ethical conduct in using the Internet. Indeed, this is one of the "Information Technology (IT) Learning Targets" for primary and secondary students launched since the 2000-01 school year.

All primary students have to take a "Computer Awareness Programme" which aims to cultivate a positive attitude (for example, respecting intellectual property rights, copyright and privacy) in using the Internet. As for secondary students, four IT-related subjects are offered which cover, among other things, the proper use of the Internet, computer ethics and computer-related crimes.

In addition, the Education Department (ED) has issued guidelines on the safe and proper use of the Internet. For example, students are advised not to reveal personal particulars in communicating with strangers on the Internet, and to report any indecent messages. They are also required to respect intellectual property and use decent languages.

As regards teacher training, a module on "Guidance Programme to Develop Correct Attitude towards IT Application" is included in the pre-service and in-service training for student guidance officers and teachers starting from this year. In addition, four related teacher training programmes are organized for serving teachers.

Children and youth centres occasionally organize workshops and seminars to alert parents and young people to possible hazards arising from the use of the Internet, and how they should respond. The ED has been working with non-government organizations in designing the seminars and preparing guidelines.

From time to time, the Television and Entertainment Licensing Authority (TELA) also runs similar publicity campaigns and public education programmes. The TELA also works with the ED and schools in organizing talks on the proper use of the Internet.

The Information Technology Services Department has produced a VCD entitled "Explore IT with our Children" for distribution to all parent-teacher associations of secondary schools. The main focus of the VCD is on how parents should guide their children in using the Internet.

In addition, the police organizes exhibitions, seminars and symposiums on computer crimes for teachers and students. One of the themes is juvenile involvement in such crime. The police has also published, in collaboration with the ED, a pamphlet on "How to Keep Your Child Safe on the Internet" for distribution to parents. Furthermore, the police publicizes from time to time prevention measures against computer crime, and advises on the appropriate use of the computer and Internet on the "Police magazine" television programme.

Anonymity of Victim of "Specified Sexual Offence"

20. **MR CHEUNG MAN-KWONG** (in Chinese): *Madam President, the Crimes Ordinance (Cap. 200) provides for the anonymity of a victim of a "specified sexual offence". In this connection, will the Government inform this Council:*

- (a) *whether it has assessed if the above anonymity provision has been contravened by the media displaying photographs of the victims whose appearance have been partly covered or disclosing the victims' physical characteristics or other personal particulars when they report news relating to "specified sexual offences"; if it has made such assessment, of the findings;*
- (b) *of the number of prosecutions instituted against the media agencies for contravening the anonymity provision in the past five years, and the details of and judgements on those cases; and*
- (c) *whether it plans to amend the legislation to explicitly stipulate that incest and acts of sexual assault on children are "specified sexual offences", so as to prohibit the media from disclosing the identity of the victims of these offences; if so, when such a bill will be introduced into this Council; if not, of the reasons for that?*

SECRETARY FOR SECURITY (in Chinese): *Madam President, based on the information provided by the Department of Justice, my replies are as follows:*

- (a) Section 156(1) of the Crimes Ordinance (Cap. 200) provides that: unless under the circumstances allowed by the above Ordinance, the media, when reporting news related to a "specified sexual offence", should not report any matter which is likely to lead members of the public to identify the complainant. If any media is suspected of reporting the personal information of the complainant or publishing photograph of the complainant whose appearance has been partly covered, and such personal information or photograph is likely to lead the public to identify the victim, then the media has committed an offence and is liable to prosecution.

The Government has not regularly assessed whether the daily reports made by the numerous media contravene section 156 of the Crimes Ordinance. If individual law enforcement departments consider that a particular report breaches the above provision, or receives complaint against a particular article from the person concerned or other interested party, the department will assess whether the content of that report is likely to lead the public to recognize the identity of the victim of the case and may investigate further.

- (b) No relevant statistics and information on cases for the past five years could be provided as the court, the Department of Justice and the police have neither kept separate statistics on the number of prosecutions initiated under section 156(1) of the Crimes Ordinance, nor the detailed information of such cases, if any.
- (c) The Law Reform Commission recommends in its Consultation Paper on Civil Liability for Invasion of Privacy published in August 1999 that, certain sexual offences including incest and gross indecency with a child under the age of 16 should be covered by section 156 of the Crimes Ordinance. The Administration will consider the Final Report to be published by the Law Reform Commission before deciding whether to introduce legislative amendments in this respect.

Regarding sexual assault against children, it is already covered by section 156 if the nature of assault falls within section 118 (rape) or section 122 (indecent assault) of the Crimes Ordinance.

BILL

First Reading of Bill

PRESIDENT (in Cantonese): Bill: First Reading.

EDUCATION (AMENDMENT) BILL 2000

CLERK (in Cantonese): Education (Amendment) Bill 2000.

Bill 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 Bill

PRESIDENT (in Cantonese): Bill: Second Reading.

EDUCATION (AMENDMENT) BILL 2000

SECRETARY FOR EDUCATION AND MANPOWER: Madam President, I move that the Education (Amendment) Bill 2000 be read the Second time.

The Education Ordinance and the Education Regulations regulate the operation of schools and their teaching activities. The Bill updates the Ordinance and the Regulations which were last reviewed and amended in 1993. It consists of a miscellany of amendments which aims to delete archaic provisions, remove unnecessary restrictions on schools, and streamline administrative procedures. For example:

- Clause 5 removes the statutory requirement to issue each school manager with a certificate, which will help to reduce non-essential administrative work.
- Clauses 17 and 18 reduce the frequency of fire drills and the maintenance of fire equipment in schools to a more practical, yet safe, level.
- Clause 23 removes the requirement to register students' associations with the Director of Education.

The Bill also includes a number of amendments to safeguard the rights of parents and students, and to facilitate more effective enforcement of the Ordinance. For example:

- Clause 14 prohibits the publication of any advertisement containing false or misleading information including course contents and teachers' qualifications. At present, the Ordinance only proscribes false advertisements in relation to a school's premises and registration status. We further propose to increase the penalty from a fine of \$25,000 to \$100,000.
- Clause 10 empowers school inspectors to demand proof of identity and personal particulars of any person found in school premises where illegal activities are suspected. This will facilitate further investigation or prosecution work.
- Clause 15(e) relaxes the time limit for taking out prosecution. At present, prosecution must take place within six months from the date an offence is committed. Some offences may not be brought to the attention of the authority immediately. We, therefore, propose to start the countdown of six months from the date the offence comes to the notice of the Education Department instead.

Madam President, I commend the Bill to Honourable Members.

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

MEMBERS' BILL

Second Reading of Members' Bill

PRESIDENT (in Cantonese): Members' Bill: Second Reading.

Resumption of Second Reading Debate on Members' Bill

PRESIDENT (in Cantonese): This Council now resumes the Second Reading debate on the Prior of the Order of Cistercians of the Strict Observance Incorporation (Amendment) Bill 2000.

PRIOR OF THE ORDER OF CISTERCIANS OF THE STRICT OBSERVANCE INCORPORATION (AMENDMENT) BILL 2000**Resumption of debate on Second Reading which was moved on 13 December 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 Prior of the Order of Cistercians of the Strict Observance Incorporation (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 respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections and by the Election Committee, who are present. I declare the motion passed.

CLERK (in Cantonese): Prior of the Order of Cistercians of the Strict Observance Incorporation (Amendment) Bill 2000.

Council went into Committee.

Committee Stage

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

PRIOR OF THE ORDER OF CISTERCIANS OF THE STRICT OBSERVANCE INCORPORATION (AMENDMENT) BILL 2000

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Prior of the Order of Cistercians of the Strict Observance Incorporation (Amendment) Bill 2000.

CLERK (in Cantonese): Clauses 1 to 9.

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 respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections and by the Election Committee, who are present. I declare the motion passed.

CHAIRMAN (in Cantonese): Council will now resume.

Council then resumed.

Third Reading of Members' Bill

PRESIDENT (in Cantonese): Members' Bill: Third Reading.

PRIOR OF THE ORDER OF CISTERCIANS OF THE STRICT OBSERVANCE INCORPORATION (AMENDMENT) BILL 2000

MR AMBROSE LAU (in Cantonese): Madam President, the

Prior of the Order of Cistercians of the Strict Observance Incorporation (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 Prior of the Order of Cistercians of the Strict Observance Incorporation (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 respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections and by the Election Committee, who are present. I declare the motion passed.

CLERK (in Cantonese): Prior of the Order of Cistercians of the Strict Observance Incorporation (Amendment) Bill 2000.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Member's motions. Twelve proposed resolutions under the Interpretation and General Clauses Ordinance.

Mr LAU Chin-shek and Mr James TIEN have each given notice to move 12 proposed resolutions under the Interpretation and General Clauses Ordinance. The motions proposed by Mr LAU Chin-shek and Mr James TIEN are identical and have the same effect. As Mr LAU Chin-shek submitted his notice at an earlier date, I will call upon Mr LAU Chin-shek to move his motions. Irrespective of whether Mr LAU Chin-shek's motions are passed or not, Mr James TIEN may not move his motions.

First motion.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR LAU CHIN-SHEK (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed.

In the middle of last month, we debated and voted on 22 resolutions on freezing government fees and charges in this Chamber. At that time, I told colleagues in advance that as long as the Government insisted on tabling proposals continuously to increase its fees and charges during this period, I would surely move more resolutions in opposition. Today, I am moving 12 proposed resolutions, including the present one, to freeze government fees and charges, which can be said as yet another step to combat government intentions for a fee increase.

I do not think I need to repeat the reasons for my blanket opposition to increases in government fees and charges and price increases by public utilities, before any improvement can be seen on people's livelihood. In fact, over and over again, the rationale for a freeze on government fees and charges has been stated. So, today, I will focus on some recent data on our economy and people's livelihood. I hope colleagues may consider them when they vote.

Last year, the economic growth of Hong Kong was substantially adjusted from the initial projection of 5% to 10% recently. This year, we can expect an economic growth of around 4.5% to 5%, which is very promising indeed. Moreover, based on present government income and expenditure figures, I trust this fiscal year will probably record a surplus rather than a deficit as the original forecast.

Up to the present, official views still hold that there will be a deficit of over \$10 billion for this year. The Financial Secretary has even said at the beginning of last month that this time it would not be a "cry wolf" tactic but a real danger of having a deficit. As I have pointed out repeatedly, the Government usually overestimated its expenditure but underestimated its revenue. Thus, at the end of the day, the final account will look much better than the original forecast. Financial figures recently released by the Government can further support my assessment.

As Members may be aware, two weeks ago, the Government announced its financial status as at the end of November in this fiscal year, which showed that total expenditure less income recorded a provisional deficit of \$28.7 billion. Since most of the tax revenue is collected in the remaining months of a fiscal year, the financial status of the Government will certainly improve later. However, what is most noteworthy is that the provisional deficit for the same period in the last fiscal year was \$38.9 billion, but the final account showed a surplus as high as \$10 billion. Thus, from the present financial position of the Government, I find it difficult to imagine there is no surplus in the final account of this fiscal year.

If my analysis is correct, I hope the Government will not use the projected "deficit of \$10 billion" anymore as a pretext to increase its fees and charges. I hope the Government would stop saying it is going broke. It should instead look at the possibility of a moratorium due to the improved financial position of the Government.

Compared to the much-improved financial position of the Government, the general working class have not been so fortunate as to benefit from the substantial economic growth, which is what Members may have known, I believe. Last week, a survey revealed that the general working class was hoping to have some "increases" to their salaries this year. At least, this may help them cover the extra amount needed to subscribe to the Mandatory Provident Fund (MPF). However, even this modest wish may not come true after all because, as shown by some recent surveys, most small and medium enterprises will probably continue to freeze wages in the coming year. Therefore, nearly 2 million people in the working class will be directly affected. A majority of those lucky 20% or 30% who can secure an "increase" may only receive a 2% to 3% increment, which falls short of the 5% needed for the MPF. Today, a regional survey released showed that the wage increases in Hong Kong last year were the second lowest in Asia. It is estimated the wage increases in Hong Kong would become the lowest in Asia this year, that is, Hong Kong would drop from the second lowest to the lowest position. As one can imagine, in the coming year the livelihood of the working class in Hong Kong will not have any concrete improvements.

In fact, the quality of living of the general public not only fails to improve, some workers even suffer from a deteriorating living condition. Data from the Labour Relations Division of the Labour Department show that in the past year cases of recovery actions for non-payment and deduction of wages have not improved from the 1999 figure but have increased sharply from the 1998 figure. I expect as the Chinese New Year approaches and employers have to start making their contributions to the MPF, cases of arrears of wages, withholding of wages and deduction of wages will abruptly rise by 20%. It is definitely going to be a difficult time for the working class in the upcoming Chinese New Year.

More unfortunate are the series of blows to people's livelihood that are yet to come. Only the Western Harbour Tunnel Company Limited had implemented its fare increase when this Council debated the freeze of government fees and charges last month. In less than a month's time, the Hongkong Electric Company Limited has made an application to increase its service charges and the Cable & Wireless HKT Limited, its monthly charges for local telephone service. I trust more utility companies such as the New World First Bus Services Limited, the Star Ferry Company Limited, the Hongkong Tramways Limited, taxis, Tate's Cairn Tunnel Company Limited, the Tai Lam Tunnel and so on will wait for their turn to apply for fare increases.

Honourable colleagues, like what the Secretary for the Treasury's letter to everyone yesterday stated, the Government will, as it usually does, surely maintain that the economy has improved and that the "user pays" principle should be adhered to again for fees and charges to be adjusted. The Government will even deny it is going to trigger off a surge in fees and charges. It will stress that the present lot of increases on fees and charges are not livelihood-related, neither will it affect businesses in general. However, if one takes a serious look at the situation of the general public and the plight in which the working class find themselves in, I think the facts are clearer than ever!

Many people have the impression that political parties or Members of the Legislative Council have engaged themselves in too many debates but have done too little to benefit the people. I think debates are necessary when people hold different views, but Members should also think more in terms of what can be done to benefit the people. Frankly speaking, Members may face many constraints in opposing the surge in fees and charges and in curbing fare increases by public utilities, but certainly this Council can, nonetheless, freeze government fees and charges as an important step in stopping the Government from turning a green light on fare increases by public utilities. We have lost some time and as a result, one after another, the public utilities implemented their fare increases. I hope Members can unite today to contribute towards "opposing the surge of fees and charges" for the benefit of the people. Members' voting will be watched by the people. It will hinge upon the decision of the Members, which will decide whether the surge of fees and charges can be checked.

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

Mr LAU Chin-shek moved the following motion:

"That the Dutiable Commodities (Amendment) (No. 2) Regulation 2000, published as Legal Notice No. 330 of 2000 and laid on the table of the Legislative Council on 29 November 2000, be repealed."

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

I will call upon Mr James TIEN to speak.

MR JAMES TIEN (in Cantonese): Madam President, the motion on fee increases has actually been debated in this Council several times before. We have indeed put forward similar arguments last time. I only want to make a few more remarks today.

We noted recently that the United States had started to lower the interest rates. There must be some reasons for the United States in doing so. Most importantly, its economy has started to slow down. From the data on Hong Kong export, we can see that many exports, particularly hi-tech products such as chips, have started to drop. If the United States economy really slows down, will the 4% economic growth projected for Hong Kong next year come true? To me, this is really doubtful. If our economic growth drops from the predicted 4% to 2% or 3% next year because of the economic problems faced by the United States, the small and medium enterprises (SMEs) in Hong Kong will have to suffer more.

The Honourable LAU Chin-shek has told of many difficulties faced by wage earners. I would like to move similar amendments too. As Mr LAU has succeeded in moving his amendments before me, we are now to debate the motions moved by him. SMEs are actually facing similar hardship. If their business is stagnant, it will be very difficult for wage earners to receive a pay rise. Mr LAU has also mentioned the point that Mandatory Provident Fund (MPF) contributions have to be made this year. Although many major companies may still be able to offer a pay rise of 2% to 3%, it will be extremely difficult for SMEs to give a 2% to 3% pay rise, in addition to making the 5% MPF contributions. The Government's proposed fee increases include both livelihood-related and non-livelihood-related items. The Government has proposed increases for non-livelihood-related items, though they actually affect all companies in the business sector. Let us look at licence fees. The impact of the increase should be even greater on SMEs than on big companies. Both big and small companies, regardless of their business turnover, are required to apply for the same kind of licences. I agree with the Secretary that the proposed increases are very small for some increases range from several tens to several hundred dollars only. They are apparently just a small figure. Moreover, as analysed by the Secretary, only a few companies will be affected. Nevertheless, we still feel that we should not support the increases as a matter of principle.

Moreover, in 2000, we experienced deflation. It is now 2001, will we then experience inflation? Of course, even if the American economy slows down, Hong Kong might still face inflation. The Liberal Party has always supported the Government's proposed fee increases. At times of inflation, the Government will bring up pay rises and cost-recovery. The Liberal Party is supportive of all these guiding principles. It was also based on such principles that we supported the Government's proposals for fee increases. This year, however, even if there is inflation, we think the Government is not justified to ask for fee increases because of rising costs as it has been able to put costs under control, and it has not given civil servants any pay rises.

As a matter of fact, I would like to take this opportunity to give praise to the Government. Do not say that we always criticize the Government. Many of the fee adjustment proposals are actually for downward adjustments. In other words, these proposals are aimed at lowering fees. I have to commend a number of government departments for making concerted efforts to achieve this. We have never heard that the Government has proposed to make the so-called downward adjustments in this Council for all previous adjustments were for increases. Now it has been proved that some departments have achieved excellent results in controlling costs and reducing expenditure. We should indeed commend the Government for that. If improvement can be made to Hong Kong economy next year, the Liberal Party will support the Government's proposed fee increases if costs continue to rise despite the excellent work done by the Government in controlling costs.

I would also like to say a few words on the point raised by Mr LAU Chin-shek in connection with whether there will still a deficit budget. Mr LAU has told Members what he has in his mind. I share his view too. I agree that the possibility of having a \$10 billion deficit this year is really doubtful. When the Financial Secretary announced the statistics today, he did not show that he was perfectly sure that there would be a deficit either. We still have three months to go before the publication of the Budget. Actually, most revenues go to government coffers in January, February and March every year. In other words, government coffers might receive huge revenues within these months every year. The figures cited by the Financial Secretary this time last year differ greatly from those released by the end of March last year. The same thing may happen this year too. This is why I believe the deficit predicted by the Government might not emerge. Under such circumstances, I am more convinced that the Government should suspend all fee increases.

Madam President, I share the views of Mr LAU Chin-shek. Even though I am not the mover of the motions, I still hope Honourable colleagues can lend their support and refrain from treating livelihood-related and non-livelihood-related fee increases differently. In short, given the current deflationary situation, I would like to appeal to Members to support Mr LAU's motion and vote against all increases proposed by the Government. Thank you, Madam President.

MR SIN CHUNG-KAI (in Cantonese): Madam President, the House Committee agreed on 1 December to form a Subcommittee to study the 12 pieces of subsidiary legislation which were gazetted on 24 November on the revision of fees and charges. I now speak in the capacity of the chairman of the Subcommittee.

The Subcommittee has held a meeting with the Administration on 13 December and the Administration provided further information on some of the issues raised by the members. The Administration was of the view that these 12 pieces of subsidiary legislation were not directly related to the people's livelihood and general commercial activities. The Subcommittee decided after discussion to let individual members consider whether they would want to support these pieces of subsidiary legislation. I will speak on the amendment moved by the Honourable LAU Chin-shek.

Madam President, now I will speak on behalf of the Democratic Party. In the last debate on this issue, the Democratic Party supported the Government's proposal to increase the fees and charges. However, this time the Democratic Party will support half of the 12 items of increases in fees and charges proposed by the Government. We will not support the proposal to increase the fees and charges for the remaining six items. These are mainly items concerning the services of the Judiciary. The specific reasons for our opposition to the increase of fees and charges for these six items will be explained by Mr Albert HO of the Democratic Party later.

I would like to respond to one or two questions regarding the issue of financial deficits. I have studied the financial budgets of the Government for the past few years and my impression is that a few years ago, there was certainly a huge surplus in our public coffers. Given this fact, is there a need for the Government to collect such a huge amount of fees and charges? So the Democratic Party thought at that time that the fees and charges should be frozen.

As for the deficits of the current financial year, there may be differences in the analyses made. As a matter of fact, things will be clear in two or three months' time. Both the Democratic Party and I myself think that there would be deficits this year. There are two main reasons — but certainly, it would be better if the Secretary will explain these himself than for me to do so. However, there are two important sets of figures which I have looked at. First, there has been a shortfall of \$5 billion in revenue from the sale of the shares of the MTR. Second, the rate of return of the reserves which are put into the Exchange Fund has been disappointing — just as Mr Joseph YAM, the Chief Executive of the Hong Kong Monetary Authority, has referred to many times. There is even a possibility of negative growth. Last year, the \$36 billion deficit as forecast in the budget turned into surplus and the major factor accounting for that is the excellent rate of return of the Exchange Fund. So unless there are colossal changes in the next few months, the situation we had last year will not happen again. From the information I have to date, however, I think there will be deficits in the Government. When deficits happen, one thing will have to be addressed and that is, do we need a balanced budget?

We have more than \$400 billion financial reserves. The views of the Democratic Party on the deficits in the budget have been passed to the Financial Secretary and we hope that there will be a minor deficit in the budget for the year 2001-02 so that our financial reserves can be spent on the people in the form of government expenditure. That is how the Democratic Party would view it. Nevertheless, this does not mean that we want to freeze government fees and charges indefinitely, otherwise it will force the Government to increase its revenue from other sources, for example, by increasing the taxes. Recently, the Executive Council has talked about some proposals which can well be described as fantasies, and I will strongly oppose to proposals like the levy of the poll tax. We wish to give a warning here that the Democratic Party is strongly opposed to any government proposals to increase taxes on the general public in the year 2001. But the increase of profits tax is an exemption. Mr James TIEN may of course oppose to such an increase. However, in our submission to the Financial Secretary, we have proposed the idea of raising the profits tax for large-scale firms by 0.5%. If government deficits will continue for one or two years, we will look into what areas the Government should first increase its fees and charges, thereby increasing its revenue.

Mr LAU Chin-shek has just mentioned the plight of the working class in general. This includes the problems of unemployment and contributions to the

MPF and so on. We share the same feelings. So I would support Mr LAU's proposal to freeze the livelihood-related fees and charges, including school fees and water tariff. Some of these fees and charges have been proposed by the Government that they will be frozen. I think these fees and charges are all directly related to the people's livelihood. As for the various fees increase proposals made by the Government, I think the one who will benefit the most is the Honourable David CHU if we are to propose a freeze on such fees. It is because he has guns and he is a member of the gun club. If we are to freeze the licence fees for guns, he will certainly be the one who benefits the most. However, what I want to say is, do we need to subsidize those who own guns? Should they not pay the related fees in full? Many of those who are present here are solicitors and barristers, I think their income is considered to be very lucrative, and if their licence fees are increased from \$300 to \$360, do we need to freeze that as well? Why are they not required to pay the full cost of their licences? I feel that it is not reasonable. So, the policy of the Democratic Party has not changed. We are still opposed to the proposals to increase the fees and charges of those livelihood-related items. Then, what are these items? We will need to look at each and every one of these items and this position of ours may differ from that of the Government. It does not matter whether a more lenient or stringent standard is applied on each occasion, we will naturally make our views known on these proposals to increase fees and charges.

As for today, we will lend our support to six proposals to increase fees and charges while for the remaining six, we will oppose to them. Mr Albert HO will speak on behalf of the Democratic Party later to explain why we oppose to the proposals to increase fees and charges for these other six items.

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, as far as I can recall, this is the third time the issue of the increase in fees and charges is discussed in this Council recently. The views of the government representatives and those from my Honourable colleagues have been presented very clearly. The speech given by Mr James TIEN earlier has been very brief and concise. It may be due to the fact that Honourable Members do not want to repeat the cliché they have said before and to make their speeches appear hackneyed. However, both sides fail to convince each other and so the issue is tabled before this Council again for debate and everybody still wants to make his stand known.

Why do I want to speak today? The most important reason is that I think some points in the letter which Miss YUE, the Secretary for the Treasury, has sent us yesterday deserve discussion. Although we have heard about many of the points before, the Government is still quite misleading in certain issues. So I must talk about them.

The first point is about the issue of economic recovery. The Secretary in her letter stressed that freezing the government fees and charges was one of the measures adopted by the Financial Secretary in 1998 to alleviate the hardship of the people. And so when the economy recovers, fees and charges must be revised. The Government thinks that our economy has recovered and become stable, and so it proposed to increase the fees and charges in April to June last year. As a matter of fact, the so-called stabilization and recovery of the economy referred to by the Government is that there was a growth of about 10% registered in the gross domestic product (GDP) during the first three quarters last year. But does this 10% growth in our GDP imply a stabilization and recovery of our economy? Have members of the public benefited from it? Madam President, I think at this point in time, the answer is negative. The growth in GDP, as the figures have shown, is driven by exports and those who benefit are a minority. The situation of most of the members of the general public, the working class and those in the service sectors have not improved very much. That implies the wages of the employees have not increased, but on the contrary, been slashed. Even if there has been an increase, the amount is still very small. The recent figures provided by the Government do make this point very clear. During the first quarter last year, the adjustment in the average monthly income of the employees in Hong Kong was minus 0.4%. Though there was an increase in the second quarter, it was only 1.6% in the positive. That shows that the employees have not really been benefitted from an economic recovery, so if fees and charges are to be raised at this moment, it would only add to the burden of the public who has not recovered from the economic depression. Therefore, I think that since the public has not been benefitted from the economic growth, an increase in the fees and charges is undesirable.

Second, the Government denies that it is taking the lead in causing this wave in the increase of fees and charges. In the past, we had stressed many times that if the Government took the lead to raise its fees and charges, public utilities would definitely follow suit. But the Government does not agree to this view. The letter from the Secretary for the Treasury, Miss YUE, yesterday stresses that when public utilities and private firms decide to raise the fees and

charges, they are acting on commercial principles such as the overall economic situation and their own financial situation and so on. However, the situation in real life has rendered the rationale used by the Secretary invalid. The most obvious example is the increase in tariff by the Hongkong Electric Company Limited (HKE). In last April to June when the Government was proposing to revise its fees and charges, the HKE was making secret moves to increase its tariff. In September it raised the fuel rebate but it did not adjust the tariff downwards. And so the HKE could revise its tariff upwards any time by reducing the fuel rebate. In November, the HKE applied to the Government for an increase in tariff. The power tariff was raised by 4.87% this January. The HKE made a profit of \$5.2 billion in the year 1999. The profits for the first half of last year were \$2.17 billion. Despite such an excellent financial position, the company still wants to increase its tariff. That has refuted what the Secretary has said in her letter. She was saying that private companies would consider their financial position before they made any attempt to raise the fees and charges. I want to point out that in a capitalist society, profit maximization is the first and foremost principle which private companies will go by. These companies are always thinking of increasing the prices in order to make more profits. For companies which enjoy a monopolistic control of the market like the HKE, even if they increase the fees and charges, the clients will not go away because they have no other choice. So the company will make more profits simply by increasing the tariff. To stop it from increasing the tariff, the only way is to resort to public pressure so that it will not reap staggering profits. The Government by taking the lead in increasing fees and charges is offering these companies a pretext that the Government has agreed that the economy has recovered and so they may increase the fees and charges. Since the Government has increased its fees and charges, it has no grounds to oppose similar moves taken by the utilities. There are some members of the public, including some of my friends in the Democratic Party, who are saying that it is wrong to argue that the Government has caused a wave of increases in fees and charges by taking the lead. For example, on a radio programme today Mr SIN Chung-kai accused us of being irrational and unscientific. He said that public utilities would consider a lot of factors before they made the move to increase the fees and charges, they would not do so simply by following what the Government was doing. I do not think Mr SIN's argument itself is scientific either. He cannot offer any examples to refute our argument. On the contrary, the objective reality is that more and more public utilities have applied to increase their fees and charges after the Government has announced its plans to revise the fees and charges. These companies include the HKE, New World First Bus and the Western Harbour Crossing.

Madam President, Miss YUE has not refuted our argument completely. In the letter she points out that one of the factors which companies will take into consideration is the overall economic situation. As a matter of fact, the so-called overall economic situation is merely a way of looking at things. The public has not been benefitted from the growth in the economy and it is certainly an economic situation where increase in fees and charges is not appropriate. The fact that the Government has taken the lead in raising fees and charges has sent home the wrong message, because the Government has exaggerated the economic growth and claimed that the economy has recovered in order to justify its plans to raise fees and charges. The fact that the public has not been benefitted from it has been ignored. For the private sector companies, since the Government claimed that the economy has recovered and that fees and charges can be increased, they would naturally apply for an increase in fees and charges immediately. In addition, the Secretary mentions in her letter that the Government does not think that public utilities and private companies would purely rely on the fee revision proposed by the Government to justify the increase of fees and charges on their clients. The key word here is "purely". The Secretary only denies that the increase in fees and charges by the Government is the only reason which leads to the increase in fees and charges by the private companies. But she does not deny that the Government by taking the lead in increasing the fees and charges is one of the reasons which has caused the private companies to raise their fees and charges. That shows that the Government does not deny categorically our argument that the increase of fees and charges by the Government would lead other public utilities to take the same move.

The Government has stressed that the items for which fees and charges are to be increased will not affect the people's livelihood and the amount of increase will not exceed \$100. But it is not sure if the increases will affect people's livelihood. For example, the licence fees of pawnbrokers are raised from \$4,000 to \$4,600. The increase is 15% and though that is not a huge increase, it is certainly a substantial one. It can be imagined that the pawn shops will transfer the additional cost to the customers and they will reduce the value of the articles pawned. Will this not have any impact on those people having financial difficulties and who have to pawn things? If it does, then can we not say that it is related to the livelihood of the people?

It is my hope that the government officials and those Honourable Members who support the Government can show how certain items of fees and charges are not related to the people's livelihood if they are to use the ground that the items for increases are not related to the people's livelihood. Last time I posed the question of how to define livelihood-related items. If Honourable colleagues are to show their support to the Government again this time, I hope they can tell me why certain items are not related to people's livelihood. Besides, Miss YUE has pointed out that the amount of increase is not substantial and the amount of increase in most items does not exceed \$100. Why is the Secretary only emphasizing the actual amount of increase but not the percentage? It is because she knows it well enough that the percentage is staggering. The 12 amendments proposed by the Government are in fact related to 156 items and all except one are increases in fees and charges within a range of 6.9% to 21%. Five of the items have a rate of increase of 20% or above. Forty-six items have an increase of more than 10%, the rest are mostly 8% to 9%. Are these rates of increase too excessive when the public at large is still to be benefitted from the economic recovery? Are they necessary? I wish to ask Mr James TIEN, will the impact of these increases on small and medium enterprises be far too great? That is something we need to think about.

The last point I wish to discuss is whether or not full cost recovery is reasonable. Another explanation offered by the Government is cost recovery. This reason has been refuted many times by Honourable colleagues in previous debates. Cost recovery is not a sound reason. My Honourable colleagues have pointed out that the Government has not done the job of cost control well enough. For the sake of administrative convenience and of saving the expenses for cost computation, only the costs in general are computed, there is no detailed breakdown of the costs of individual items of service. The result is that the valuation of certain items is too high and if full cost recovery is to be made for all items, then some of the users of these services will have to pay more than they should. This is also a violation of the principle of cost recovery to achieve equity. Apart from that, there is also room for discussion for cost recovery, such as whether the cost of all services provided should be recovered. In fact, the Government also accepts that there are some items whose costs need not be fully recovered, such as university education. Since there are such arrangements, why can we not discuss what items whose costs should be fully recovered and what items whose costs should not? Why can we not discuss these issues?

Take the example of court charges, the current rates already represent a cost recovery of more than 90% and why is there a need for 100% cost recovery? We should know that the items of fees and charges levied in the courts such as photocopying fees are meant to facilitate court proceedings. As a government which respects the rule of law, it should have the responsibility of providing all kinds of convenience so that justice can prevail. Why is it not reasonable if the Government is to bear part of the expenses in this respect? Therefore, the Government cannot make use of the principle of cost recovery to dip into the pockets of the public. It should study every proposal to increase fees and charges and whether 100% cost recovery should be made.

Madam President, the Chief Executive of the Hong Kong Monetary Authority, Mr Joseph YAM, announced yesterday that he was glad that our foreign exchange reserves reached \$838.5 billion and we were again among the top three places in the world with the greatest amount of reserves. May I ask given this huge amount of reserves, why is the Government making all these efforts and taking the lead in raising fees and charges just because of this meagre amount of \$6 million and putting the people in such great misery? Madam President, I so submit.

MR FREDERICK FUNG (in Cantonese): Madam President, this topic has in fact been debated in this Council numerous times. I will not repeat what has been discussed previously. As for certain points raised by my colleagues today, I will only say a few words on some of the key points to state my viewpoint clearly. In my opinion, a total of four issues raised in the debate warrant reconsideration by the Government.

First, the economy. The Government suggested that it might be the appropriate time to raise fees and charges because the economy had revived. It further explained that it decided to freeze and even reduce fees and charges in previous years because the economy was gloomy at that time. Nevertheless, I must stress that the general public has yet to enjoy the fruit of the economic recovery. It is still uncertain as to whether the economy will continue improving to benefit the public in the coming few months. Besides, I once heard the Financial Secretary, Mr Donald TSANG, said he did not support the proposals of raising fees and charges either because he was not sure whether or not Hong Kong would be attacked by another financial turmoil. Yet I must clarify that this remark was made by the Financial Secretary before the United

States decided to cut interest rates. As reckoned by many people, the sudden decision of the United States to cut interest rates reflected that its economy might deteriorate. Given the fact that the United States is one of the major importers of Hong Kong goods, the volume of goods sold to the United States will definitely drop if its economy deteriorates. This will in turn affect Hong Kong economy.

Second, our neighbouring regions in South China are making constant efforts to snatch the Hong Kong market. Earlier in the debate, a question was raised during the question time concerning how many people will go to Shenzhen to buy daily necessities on each Saturday, Sunday or even everyday. Now travel agencies even organize tour groups for people crossing the boundary to do Spring Festival shopping in addition to sightseeing groups. This means that a great number of people of Hong Kong will visit the Mainland to buy daily necessities and conduct transactions from time to time. Actually, we have been unable to address such problems and see how we can compete with our neighbouring rivals. I can only see the constant occurrence of conditions that are negative. I am still waiting for the Government to come up with a positive measure to handle these problems and help small and medium enterprises (SMEs) to survive. For these reasons, I think it is premature for the Government to tell us that the economy has improved.

Now let me turn to pay rises. Although some major organizations have indicated that they will give their employees pay rises ranging from 0.3% to 6% in the coming few months, I was also told by many employers that they could not afford to do so. This is because they considered making the Mandatory Provident Fund (MPF) contributions tantamount to giving their employees a pay rise. While a number of companies indicated that their employees would not receive a pay rise in real terms, some even said that they would cut wages. Because of the need to make MPF contributions, some employers have opted for other ways of salary payment or replaced salary with something else, such as housing allowance, living allowance, and so on in order that the sum of money paid will not be considered as part of wages. As a result, workers may receive more allowances in name but there is actually no increase in their wages. The actual wages they receive might even be lower than what they have before. This is why I consider it not timely for the Government to propose fee increases.

Third, the Government, including the Financial Secretary, has kept saying that there might be a \$10 billion deficit in the coming year. Although the

Financial Secretary said there would be no recurrence of "crying wolf" this time, the wolf was here before and we were told of the story of "crying wolf" repeatedly. Even if the Financial Secretary tells me what will and will not happen, I will not be able to know for sure whether it is true or not until April. Even if he tells me today that the "crying wolf" is not a story and the wolf is really on its way, I have to wait until April before I can be sure whether I should believe him for it is still uncertain at the moment. In the past when Hong Kong economy performed so badly, the Financial Secretary was still able to shake up great changes, turning a \$36.5 billion deficit into a \$10 billion-odd surplus. Therefore, unless he tells me the deficit will reach \$45 billion by adding up the \$30 billion-odd deficit predicted by him in the story he told us last year and the \$9.9 billion surplus of last year, I will not believe that the Government will have such a big deficit; and however powerful the Financial Secretary is, I do not think he can turn a \$40 billion-odd deficit into a surplus! This is what I think. If the deficit is only \$10 billion, there is no big deal insofar as the Financial Secretary is concerned because he is a man of ability. Therefore, unless the Budget is formally published, I do not believe the deficit will run up to \$10 billion. It might turn out to be just a few hundred million dollars or at most one billion or two billion dollars. Eventually, we might even have a surplus. After accumulating experience from all those years, I will definitely not say I believe a certain deficit will come true unless it is supported by proof.

Lastly, Madam President, I want to say a few words on the "cost recovery" and "user pays" principles. The Hong Kong Association for Democracy and People's Livelihood and I have all along objected to these principles the very first day they were proposed by the Government. The Government used to say this — a point particularly made by the Secretary for the Treasury in her letter — Members should not take a broad-brush approach in blocking the Government's proposed fee increases. Conversely, I also hope the Government can refrain from applying the "cost-recovery" and "user pays" principles in a broad-brush manner. We have to ask: First, is it really inappropriate for some items to recover cost? If the answer is affirmative, then there is no need to apply the "user pays" principle. Second, is it right to calculate on the basis of costs? I have mentioned this point in previous debates as well. The costs shown on the papers presented to Members today are already lower than what I have personally experienced. For instance, the charge for providing photocopying service in the Court is to be raised from \$4 to \$4.5, which is enough for making dozen of photocopies in Sham Shui Po. This is because the charge for photocopying a page in Sham Shui Po ranges only from

\$0.2 to \$0.3, in great contrast to the Government's photocopying charge of \$4 to \$4.5 per page, which is enough for making 20 photocopies in Sham Shui Po. Small operators also need to make a profit, but still they only charge \$0.2 to \$0.3 for photocopying a page. It is therefore impossible for the Government to convince me that the photocopying charge of \$4.5 a page is merely enough for recovering the cost. If I were to make photocopies, I would rather go to Sham Shui Po. There is such a great difference between the Government's definition of "cost recovery" and the definition of so-called "costs" known to the man in the street. At the common people level, an operator charging \$0.2 to \$0.3 for photocopying a page can already make a profit. Yet the Government maintains that it may incur losses even if it charges \$4.5 for photocopying a page. This explains why I think there must be something wrong with the Government's definition of the term "costs". Of course, the calculation methods may be different. For the Government, the costs include staff salaries, overtime allowance, and even pension, welfare, and so on. This is why the Government has to charge \$4.5 for photocopying one page. It is only right that the operators of stationary shops in Sham Shui Po should include these items into their costs, but why can they still charge \$0.2 to \$0.3 for a page whereas the Government has to charge so much more? It is easy for the Government to argue for cost recovery. Such an argument sounds not only nice but also appealing. However, if we put ourselves in the actual situation, we can see a difference of 20 times. Although "cost recovery" sounds like a slogan applicable to every situation, I am not at all convinced.

In view of the different situations I cited earlier, I find it hard to accept or support the Government's proposed fee increases. Why do I agree with Mr LAU Chin-shek and Mr James TIEN in raising objection in a broad-brush manner? The main reason is that the Government may really take the lead in raising fees. It should not underestimate its intensity in proposing increases and its reverberating impact. This is because numerous public utilities will follow the footsteps of the Government in raising fees and charges. Although their deficits are relatively smaller than government deficit, their accounts can show that they are making no profit. Under such circumstances, we will find it harder to negotiate with public utilities because the Government is proposing fee increases when its actual surplus or deficit remains still unknown. Why can the public utilities not ask for fee increases for they already knew the exact extent of their losses? The Government has always insisted on its "user pays" principle. Why should the public utilities and businessmen be barred from adhering to the "user pays" principle and incur losses instead? This is not convincingly at all.

The Government has indeed no ground to propose fee increases. At least, no one can say that the Government asks for fee increases too. This is one of the reasons why I support blocking all fee increase proposals.

After the publication of the Budget in a few months' time, if it is really found that the Government has a \$10 billion deficit or the business sector and SMEs really give wage earners a pay rise, the Government can perhaps propose increases for certain non-livelihood-related items. I believe I will give the Government my support then. Thank you, Madam President.

MR CHAN KAM-LAM (in Cantonese): Madam President, I do not believe anyone will like to see an increase in fees and charges. The position of the Democratic Alliance for Betterment of Hong Kong on this has always been that the Government and the public enterprises should consider the present economic situation and that the public has encountered great difficulties over the past three years, so the proposals to revise the fees and charges should be carefully considered.

We agree that the costs for some items of government services should be recovered. However, there should be a certain period of adjustment before costs are fully recovered. So when we deliberated last year on this kind of proposal for the increase of fees and charges, we gave an advice to the Government that it should be careful about it. The reason is that even if our economy is experiencing positive or even robust growth, but the salary or the fringe benefits of the public at large are not increasing, any proposal to increase the fees and charges will be opposed. So we need to consider all proposals to increase prices or fees when we want to make any such increases. With regard to livelihood-related fees and charges, we hope that they will not be increased. As for those items which are not related to people's livelihood or are not directly related to it, we would support government proposals to increase the fees and charges, but the extent of increase should be carefully determined.

As to the number of proposals to increase fees and charges tabled before this Council today, we will lend our support to some of the proposals, but we will vote against some of them because we think that the Government has not been too reasonable in calculating the costs. Besides that, as some of these items will have an impact on the low-income groups, so even if the amount of increase is only \$30 to \$40, it will create an impact on them. So we ask that the fees and charges for these items be frozen. In other words, we would support

some of the amendments proposed. I hope that the Government will listen to the views of the people when making these proposals. For example, there is an amendment which the Honourable CHAN Yuen-han will discuss later and that is on the annual fees of security personnel permits. The Government proposes an increase of \$23 and that is not a great amount, but as the income earned by security personnels is but a meagre amount, some of them make only \$7,000 to \$8,000 a month, which is only slightly better than the watchmen or security guards. We think that the increase of fees for security personnel permits will add to their financial burden and that is not a proper thing to do. Therefore, we demand that such fees should be frozen.

In addition, I would like to point out that although the economy has improved somewhat over the past year and that the Government may manage to make its ends meet, I would like to remind the Government that it is because it has sold some of its assets. I hope the Government can give serious thoughts to that and would not try to make its ends meet by selling its assets. For only by spurring the growth of the economy that there can be a balance between public revenue and expenditure.

With regard to the calculation of costs in the Judiciary, the Government should make use of this opportunity, in which Members call for a freeze in fees and charges, to make a review of each item of the services it provides to see whether a general and often inaccurate approach should be taken to calculate the costs. The Government should adopt a more accurate and refined approach to calculate the costs. That would be fairer to the service users. For when we are talking about the "user pays" principle, we are referring to the basic cost which users of this service should pay. About the example of photocopying which is often cited, the charge for photocopying a page in the courts is \$4.5, but that is 10 times that of the market price of \$0.45. And there may be shops which will charge even less. Then why should we take this general and inaccurate approach in calculating the costs? We agree that this approach may be more efficient or reasonable in terms of accounting or administration, it is because if fees are not increased in this item, it is not possible to lower the fees for another item. However, we are of the view that when it comes to the "user pays" principle, a member of the public may use the photocopying service, but he may not use other kinds of services. So, we should classify the services and then calculate the real costs. That is a more reasonable approach to take. We also notice that certain charges are quite low. Take for example the courier service which costs a few dozen dollars for each document. But the fees charged by the Government are only \$48. I think that is a rather inexpensive item of service, is it not?

I really hope that the Government can make a fresh review of each item of service it provides to see what adjustments should be made. It should also find out what kind of service charges should be reduced and what kind of service charges should be increased. I think all fees and charges should be set at reasonable levels. The fees charged by the Judiciary are not reasonable, so we ask that they should be frozen. Thank you, Madam President.

MISS MARGARET NG (in Cantonese): Madam President, of the 12 fee revision proposals we have today, I would support some of the proposals made by the Government and for some others I would support the motions on items 7, 8, 9, 10, 11 and 12 on the fees charged by the Judiciary. I would support these motions and I will not support the increase in fees proposed by the Government.

On the amounts of increase in fees and charges, in fact they are not very substantial and most of them will not pose a great economic or practical difficulty to the public or the legal profession. This especially applies to those "one-off" charges like the increase of registration fees for solicitors and barristers from \$330 to \$360. Though this increase will not create any great financial hardship, the principles and methodology used in computing the charges are quite problematic. Owing to this reason, I cannot support the proposed increases made by the Government on these items.

This issue has already been discussed twice in the Panel on Administration of Justice and Legal Services. The first time was in 20 June last year and the second time was on 19 December. Madam President, please allow me to talk about the cause and developments of this event. The event is originally linked to a similar case of fee revision under the Criminal Procedure Ordinance, that is, the intended increase of the charge for each page of stenographic record of trial from \$17 to \$18. I received a lot of complaints from members of the public who thought that the charge was too expensive. It is because a request of such a set of records may mean more than 100 pages or even a few hundred pages and the total expenses would be very substantial. That would pose practical difficulties to the public. For example, a member of the public is found guilty after the trial and when he is to decide whether to lodge an appeal or not, he may need to consult legal advice. If he does not have the representation by a lawyer, he may need to obtain such a set of court records and to consider whether he has any grounds for appeal. On failing to pay for the fees for such a set of records, he may be prevented from obtaining legal advice which may in turn bar him from the right to justice.

Therefore, the question I asked in June last year was: Could the charges be waived? At that time the representative from the courts told us that the decision to waive the charges was not to be made by the courts because the charges were collected on behalf of the Treasury according to the stipulations and the courts could not waive these charges. When the fee revision issue came up again, the issue was brought up for discussion in the Panel meeting. When the issue was raised in December, we had wanted to look into ways of waiving these charges and to ask the Administration to give an explanation of how the charges were computed under the principle of cost recovery. The major principle behind this seems to be all right. But I have always queried the validity of the principle of cost recovery especially when those who use the service do not have any control over the costs because there is only one service provider and they have no choice. In such circumstances, is "cost recovery" reasonable? I always have doubts on that. Now it is the first time in which we know how costs are computed. We find that "cost recovery" means the overall costs in the Judiciary and it does not refer to the cost of that particular item of service alone. According to information provided by the Government, this refers to the administrative costs of the entire Judiciary and where some of the costs have been removed already. We have no idea as to what kind of costs have been removed. We only know that almost all the administrative costs (apart from those related to the judges and the courts plus the expenses of the administrative officers in the Judiciary and the related administrative costs) are included. On that occasion we raised a question and that was: Were the fees related to those senior officials who appeared before the Panel meeting on that day to explain the issues to Members included? The answer is positive. Their fees are also included, and so are their salary, fringe benefits, housing allowance and so on. Hence, we queried why such expenses should be included in the costs for the records of the trials. If the "user pays" principle is applied, then what in fact has the user used and what has he paid? The two do not seem to fall in line. And so a lot of absurd results are produced. Just now a number of Honourable Members have mentioned that photocopying fees are to be increased from \$4 to \$4.5 per page. Mr Frederick FUNG has assured us that photocopying fees are very cheap in Sham Shui Po and they may be as low as \$0.2 to \$0.3 per page. Therefore, the charges collected in the courts are really ridiculously high.

In fact, the most serious problem can be said to be the court records. The public should have the right to justice and this may be affected by this policy on the charging of fees. Madam President, this is a vital problem and it is not a theoretical one. It would have a very important bearing on the decision I make today.

Miss Denise YUE, the Secretary for the Treasury, wrote a long letter to us and offered a sincere explanation. She mentioned the charges in the Judiciary. She was of the view that those with financial difficulties could obtain legal and financial assistance from the Legal Aid Department. But that will not get the problem solved. Those who obtained legal aid may of course gain access to this set of records with the help of the Legal Aid Department, with the costs paid by the Department on their behalf. The question is, however, not every application for legal aid may be successful. The persons concerned may therefore need to seek independent legal advice. What can legal advice be based on? Naturally, the court records. So there will not be any problem if the persons concerned can receive aid from people in the Legal Aid Department to handle their appeal. But those who do not obtain legal aid may need to face considerable difficulties. As a matter of fact, apart from legal aid, no other form of assistance is provided by the authorities.

Madam President, owing to the above reasons, I urge the Government to conduct a review of the policy. There is no urgent need to apply the cost recovery principle to revise fees charged by the Judiciary. According to information from the Government, even if this principle is used, the revision that needs to be made is only 8% since 92% of the costs have already been recovered under the current fee schedule. The amount of 8% is actually very small when the overall administrative costs of the entire Judiciary is to be taken into consideration.

I will therefore support the motions on these several items and oppose the Government's proposals to increase the fees and charges collected by the Judiciary. Thank you, Madam President.

MR ALBERT HO (in Cantonese): Madam President, the Democratic Party will support six of the 12 fee increase proposals today and oppose the other six. Five of the six proposals we oppose relate to court fees. I will now explain why we oppose the increase of these fees.

As some colleagues said, even if we are not against the principle of cost recovery, we have still raised a lot of questions about the cost computation. I do not wish to repeat this point. I believe the Treasury should consider whether to conduct a comprehensive review and refer the cost computation to the relevant Panel for a detailed study. I certainly have no wish to see the Council being

accused of incurring additional costs because it has frequently held discussions on this matter and raised objections, or because today's debate drags on too long. I would not like to see the more we oppose, the higher the fees.

Another main reason why the Democratic Party opposes the relevant items is that these judicial services are inseparably tied up with people's livelihood. Everyone should have the basic right to seek justice through the law. I am sure people who have been involved in lawsuits can tell everyone that the choice would bring about an unpleasant experience for the parties involved. Very often, it is the last resort when there is no alternative. One is forced to be involved in lawsuits because there is no other alternative.

As we all know, the plaintiff has instituted legal proceedings to protect his rights, while the defendant has no choice. Money is inevitably spent in this respect. It is possible for people from all walks of life to be involved in lawsuits. Employees or employers, rich people or middle-class people, professionals or the grassroots may have to use court services. That is why we believe that court services are inseparable from the lives of the general public.

Second, although fee increases are proposed on five main categories, each of them consists of many small items that involve all court fees such as fees for applications and petitions, penalty tickets, copies of court records and summons, and all these will be revised. Therefore, we also have to consider the question of accumulated increase rate. It is because all who are involved in lawsuits will use various court services, they will be affected by the various fee increases if fees for all the services are increased. This is the second point.

Third, the Government should actually be aware that the fees of solicitors and barristers have been adjusted downwards throughout the legal sector. However, the Government has told us today that it has to increase charges due to increased costs and this is hard to understand. Everyone knows that solicitors' fees have been greatly slashed while barristers' fees have also been reduced considerably. Not only has the Government not reduced the fees of the relevant services accordingly, but it has also proposed to increase them by more than 10%. I believe this is hardly acceptable.

Besides, with regard to legal aid, as Miss Margaret NG just said, while it is true that many people can obtain legal aid, there are many more others who are

not eligible for legal aid. Even for people who have obtained legal aid, it merely pays the relevant fees provisionally in many cases. After the plaintiff has obtained workmen's compensation or an amount of compensation, he has to pay all court fees himself. Thus, the payment of fees through an advance from legal aid does not help reduce the burden of some respondents. Certainly, as the Secretary mentioned at the end of her letter, respondents who are destitute can ask the judge to reduce or even waive the relevant fees. I believe only the really destitute can have their fees waived, and it would be very hard for those who are not very poor or who have financial difficulties to have their fees waived or reduced by the Court. As we know, the courts of Hong Kong are operating everyday, providing various services to the public and members of the public are forced to use these services to protect their rights. How can we say that the services provided by the courts are not directly related to people's livelihood? In view of this, we must express our opposition.

Let me remind Members that the sixth resolution today relates to the fees for obtaining some government documents, including the fees for documents that need to be certified by the Government or photostatic copies of documents. These fees are also closely related to people's livelihood. Very often, people have to obtain photocopies of birth, marriage and death certificates or obtain different certificates from various departments and these are also related to people's livelihood. Children may need these documents for studies and the public may need to obtain these documents to complete certain formalities. These are also closely related to their lives. Many of the documents are needed as evidence in court. For these reasons, Members should vote against the sixth fee increase proposal. If Members agree to the principle that fees which have a direct impact on people's livelihood should be frozen, I hope they will consider opposing the sixth to the tenth fee increase proposal and support Mr LAU Chin-shek's motion in repealing these fee increases.

Thank you, Madam President.

MR AMBROSE LAU (in Cantonese): Madam President, with regard to whether we should support the fee increases of certain public services by the Government, the Hong Kong Progressive Alliance (HKPA) bases its consideration on two principles: first, before full economic recovery, the fee increases so imposed should not have a substantial effect on people's livelihood; second, the fee increases should not substantially increase the operating cost of

the business sector. In the view of the HKPA, the items and rates of fee increases this time do not have a substantial effect on people's livelihood and the business sector, hence they deserve our support. However, the HKPA considers that there are some problems with the cost structure of the Judiciary and the standards of charges for individual items. Since only the overall operating cost of the Judiciary is provided, without a breakdown on the data and formula of cost computation for each service, the Council and the public do not have the benefit of adequate information when making our judgment.

The HKPA considers that the photocopying fees charged by the courts at different levels are too high. The Government has also failed to give adequate proofs that there is a need to increase the fees for making copies of books in the library to \$4.5 per page. That is why the HKPA cannot support the proposal to increase judicial fees. If the Government deems it necessary, it can re-submit the relevant fee increase proposal after improving the method of cost computation and discussing with Members of this Council.

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

MISS CHAN YUEN-HAN (in Cantonese): Madam President, my colleague, Mr CHAN Kam-lam, has expressed his view on a series of fee increase proposals put forward by the Government today. I would now like to express views on behalf of the Hong Kong Federation of Trade Unions (FTU).

As mentioned by my colleague earlier, members of the FTU have once again examined some of the issues arisen in connection with the proposed fee increases. Our principle is we will definitely disagree with proposed increases related to the livelihood of the people. Neither will we support proposed increases affecting the grassroots. I would like to cite an example in connection with the second resolution moved by Mr LAU Chin-shek and Mr James TO — Firearms and Ammunition (Amendment) (No. 2) Regulations 2000 (L.N. 331) — whereby the Government proposed to increase certain fees for armed security staff. These employees, classified as security employees of categories (c) and (d), are receiving an extremely low monthly salary of \$7,000 to \$8,000. The Government's proposal of levying a higher licence fee on them for possessing arms is unfair to them. After discussing with relevant workers' unions, we were given to know that they oppose such fee increases. Therefore, we will object to the proposed fee increase gazetted in L.N. 331.

Earlier in the debate, some colleagues cited some increases in judiciary fees and charges, such as photocopying fees and other miscellaneous fees. In scrutinizing these fee items, the legal consultant of the FTU questioned why labour unions or workers should be asked to pay such a high fee for the photocopying service provided in the Court. It was eventually found out that various fees were originally extremely high. I am very pleased that some Honourable colleagues questioned why the Court should charge such a high fee for photocopying one page of paper. Why should we raise objection as the Government's proposed increase is actually very small? This is because the basis for the fees charged by the Government is already extremely high. Some colleagues mentioned earlier that the Government stated in relevant Legislative Council Panels that the government officials' fees were also included. Can these fees be considered as the cost of providing services? In my opinion, government costs differ greatly from the costs of business operation. The Government should indeed reconsider this matter. I believe the Secretary, Miss Denise YUE, should note from the several discussions held on fee increases that colleagues of this Council had started to look into the method used by the Government to calculate the costs of its services. I think the Government should accumulate the experience learned this time. We will definitely object to the proposal of raising legal fees and charges this time.

We will also object to the fee increases related to the Fees for Official Signature and Miscellaneous Services (Amendment) Notice 2000 (L.N. 335) for they are closely related to the people's livelihood. For this reason, the FTU will not support the Government in raising fees and charges for related items and will support the amendments moved by Mr James TO and Mr LAU Chin-shek instead.

Madam President, given the fact that our economy is still in the doldrums, the FTU will object to any proposed fee increases that is likely to affect the people's livelihood while the economy is still in the course of recovery, though the Government has been insisting that the proposed fee increases are minimal. For the reasons stated above, we will vote against certain fee increases proposed by the Government.

Thank you, Madam President.

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

(No Member responded)

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, I know that besides the motions they have moved, Mr LAU Chin-shek and Mr James TIEN will also move the motion to repeal 11 other pieces of subsidiary legislation on revising government fees and charges afterwards. The subsidiary legislation concerned were submitted to the Legislative Council for scrutiny on 29 November last year, and the fees and charges involved will not affect people's livelihood and businesses in general.

Madam President, first of all, I wish to offer a brief explanation on the Government's position regarding the revision of its fees and charges. Following this, I am going to divide the 12 resolution to be moved by Mr LAU this afternoon into four major categories and comment on each of them.

Madam President, I understand that the Government's proposal to revise its fees and charges at this very time has aroused the concern of some Members, and these Members all queried why the Government should have submitted these fee revision proposals to the Legislative Council on the one hand while the Financial Secretary announced on 27 November the freezing of four items of fees and charges directly affecting people's livelihood on the other hand.

Members may still remember that the freezing of government fees and charges was in fact one of the series of short-term measures announced by the Financial Secretary in his 1998 Budget to ease people's plight. As originally arranged, the freeze was to last for a year, until last February. However, taking into account the fact that the economy had not yet recovered by then, and having listened to the views of Members and different sectors of the community, the Financial Secretary decided to prolong the freeze until there was a marked positive economic growth.

Actually, we have emphasized repeatedly that the freeze on fees and charges is simply a special relief measure adopted during our economic downturn. As soon as our economy starts to grow again, there is a need for us to resume the implementation of the "user pays" principle for the sake of equity. Therefore, between April and June last year, when we observed that our economy was regaining the pace of steady recovery, we started to submit to the then Legislative Council a number of fee revision proposals which would not directly affect people's livelihood and the majority of enterprises. With the exception of a few items, most Members did not object to our proposals, and they are now being implemented one by one. Since some of the items of fee

revision would require legislative amendment before they could be implemented, we started to put forward these motions on fee revision in separate batches as soon as the new Legislative Council convened in October last year.

We also appreciate that some Members do not agree that the Government should revise its fees and charges at this stage, whether or not the fees and charges concerned will affect people's livelihood, because they are of the view that this will trigger off a surge of fees and charges. We cannot agree to such a viewpoint.

Generally speaking, when public utility companies and private commercial enterprises adjust their fees and charges, they will look at the overall situation on the basis of commercial principles, such as the overall economic situation, corporate finances, costs and revenue forecasts, acceptance by users and the interests of shareholders. For these reasons, we do not think that public utility companies or any private enterprises will ask for fee increases simply on the ground that the Government has revised its fees and charges. This is especially the case with public utility companies, because they are autonomous in their operation and cannot thus apply to the Government for fee increases by saying that the Government has revised some of its fees and charges. In fact, during the motion debate on fee revision last month, I already explained very clearly that when the Government examined any increases in public utility charges, it will carefully consider all relevant factors, including the financial situation of the public utility operators concerned, their costs and revenue forecasts, performance and public acceptance of the rates of increases applied for.

Although the Government's fee revision proposals will not affect people's livelihood and enterprises in general, some Members still think that the users of the services concerned will try to shift the increases to the general public. I am sure that Members will also agree that our proposed items of revision will produce only a very small impact on a very small minority of people and trades and occupations. Besides, the actual amounts of increases are going to be very small too, and some of the fees and charges are even of a one-off and non-recurrent nature. For example, if we look at the items of fees and charges discussed in the motion debate today — the fees for temporary liquor licences, firearms and ammunition licences and pawnbroker licences, the fees charged by various courts and the registration fees for legal practitioners, I am sure that Members will also agree that they are not related in any way to the services absolutely required by people in their daily life. As a result, the livelihood of people in general will not be affected.

Madam President, I am now going to comment on the first category of resolutions, that is, the first resolution moved by Mr LAU Chin-shek earlier on and the other three he is going to move later, covering the amendment regulations on revising the various fees charged by the Licensing Office of the police in respect of temporary liquor licences, firearms and ammunition licences, the storage of firearms, ammunition and imitation firearms and also pawnbrokers' licences.

Temporary liquor licences are issued to organizers of public functions who wish to sell alcoholic beverages during their functions. The applicant must be a holder of a liquor licence, and fees are charged on a daily basis. The last time that these fees were revised was in May 1995. As indicated by a costs estimate based on the prices in 2000-01, the existing level of fees can only achieve a cost-recovery rate of about 15%.

Since this item of fees have not been revised for five years, we now propose to raise the temporary liquor licence fee by \$50, from \$240 to \$290. Actually, even after the increase, the licence fee is still far lower than the costs involved.

Over the recent few years, there has been an increase in the number of requests to sell alcoholic beverages at large-scale activities, one example being rave parties. In order to ensure public safety and order, the police would apply particularly cautious vetting procedures to such applications, including site visits by senior police officers, detailed examination of the information submitted by applicants and the imposition of additional licensing requirements as appropriate, taking account of the nature, scale and duration of the event in question.

For this reason, while the overall efficiency of handling this type of applications has increased, the costs involved have also become higher than those in 1995. But the number of operators affected by this type of fees is actually very small. In the year just passed, the total number of temporary liquor licences issued by the police was only 60; of these, 45 were one-day or two-day licences. Since the proposed amount of increase is just \$50, the revision would not possibly impose any burden on operators or cause them to shift the increase to consumers.

There are nine types of licence fees connected with firearms and ammunition, and these cover licence issuance, renewal, amendment,

replacement and exemption. The last time that these fees were revised was in May 1995. At present, the highest costs recovery rate for most of these fees is only about 50%.

Our proposals this time include the downward adjustment of one item of licence fee relating to dealers of firearms and ammunition. Because of lowered costs, we now propose to lower the licence fee by \$2,100, or 15%, so as to keep in line with the "user pays" principle and the target of full costs recovery. In addition, we also propose to increase the rest of the eight items of fees, and the amounts of increase range from \$7 to \$565.

Since firearms and ammunition may be used by lawless elements for criminal purposes that endanger public safety and order, there is a need for the police to impose strict licensing control, under which only those in genuine need who are able to meet the relevant requirements are permitted to possess and use firearms and ammunition for proper purposes.

These proposals of fee revision will not impose too great a burden on the people concerned, and the number of those affected will also be very small. In the case of dealer's licence, for example, only six new licences for firearms or ammunition dealers were issued in the first 11 months of last year, and the number of licence renewals also stood at seven only; as for the licence renewal applicable only to dealers of used firearms and ammunition, the number was simply two. All these show that such fees will only affect a very small number of people, so taxpayers simply should not be asked to continue subsidizing these people.

Firearms and ammunition storage services are provided by the police to those with lawful needs for the temporary storage of their firearms, ammunition and imitation firearms, so that they can have sufficient time to apply for an arms licence. As I have already pointed out, firearms and ammunition are dangerous articles, and if they fall into the hands of lawless elements, a threat may be posed to public safety. That is why there is a need for the police to impose very strict control. The last time that the fees for such services were revised was in May 1995. And, the highest costs recovery rate for all these services was only about 50%.

We now propose to increase these fees each by \$12; even after the adjustment, we can at most recover about 45% to 60% of the costs incurred. In

the past, only a very small number of people had requested the police to provide storage services for their firearms and ammunition, so this fee revision will definitely not affect the wider community and businesses in general.

The issuance of pawnbroker's licences is basically meant to regulate transactions in the pawnbroker business, so as to ensure that this type of commercial activities can meet the various regulatory requirements and adhere to proper practices.

In the past year, the Licensing Office of the police issued a total of 12 new pawnbroker's licences and approved 157 applications for licence renewal. When vetting each of such applications, the police will examine in great detail all relevant supporting information and the background of the applicant. The District Council members and residents of the district in which the pawn shop in question is to be located will also be consulted. All applications will be referred to the Licensing Office for final vetting and approval.

The fees for pawnbroker's licences can only achieve a cost recovery rate of 70%. We now propose to adjust the annual licence fee upward from \$4,000 to \$4,600.

Pawning services are not widely used by the general public, so this proposed fee revision is unlikely to affect the broad masses of people. In addition, since the amount of increase is just minimal, averaging about \$1 a day, there will not be any significant impact on the operating costs of the pawnbroker business. As a result, the likelihood of pawnbrokers trying to shift the costs to consumers is very small.

On 15 June last year, we consulted the Panel on Security Affairs of the then Legislative Council on the various proposals mentioned above, and members on the Panel did not raise any objection to them.

Therefore, I urge Members to negative the resolutions already moved and to be moved by Mr LAU Chin-shek on repealing a total of four items of fee revision relating to temporary liquor licences, firearms and ammunition licences and pawnbroker's licences.

Madam President, I now wish to comment on the second category of resolutions, that is, the six resolutions to be moved by Mr LAU Chin-shek relating to the amendment regulations and rules on the revision of fees charged by the Judiciary and various courts.

Fees are charged by the Judiciary for the services rendered by law courts and tribunals at various levels in the course of litigation, such as commencement of proceedings, setting down a case for trial, execution of court decisions and provision of other court services. The last time that these fees were revised was in 1994.

As shown by the latest overall costs estimate on the basis of 2000-01 prices, the fees charged by the Judiciary can only achieve a cost recovery rate of 92%. Therefore, we now propose to increase these fees roughly by 8%, so as to achieve full cost recovery. But the increases in actual money terms will be very minimal, ranging from \$0.5 to \$180. Fees charged by law courts are usually paid on a one-off basis at the commencement of proceedings, and these services are not widely used by the general public. In addition, since the rates of increase are very low, the revision of these fees will not produce any significant impacts on the broad masses of people.

In spite of this, some Members still said that these fee increases will affect some people, especially those who are in financial difficulties. But I must point out that these people can actually apply for legal aid and financial assistance from the Legal Aid Department. In 1999, the Legal Aid Department issued about 10 000 Legal Aid Certificates to eligible applicants. As for those in financial difficulties who are not eligible for legal aid, they can apply to the Registrar of the relevant Court for permission to remit, waive or defer the payment of the fees payable to the Judiciary. It should also be noted that the court fees of a case are actually negligible when compared with the litigation charges involved. For example, the court fees charged by the High Court for hearing a case, including the fees for issuing a summons and setting down a case for trial, will just amount to \$2,300 after the fee revision. But lawyers in general will charge about \$2,000 per hour. For this reason, we do not think that the increase in court fees will impose any extra financial burden on the applicant which is so heavy as to prevent him from pursuing justice.

Madam President, some Members also mentioned the costs incurred by the Judiciary for the delivery of its services and also the method of computation involved. I wish to offer a brief explanation here. Since the services provided by law courts at different levels and tribunals are different, and also since there are more than 300 items of fees and charges, the Judiciary has been adopting the practice of overall costing since 1989, which means that the relevant computations are based on the overall costs incurred by all divisions instead of the costs of individual services. This can yield a higher costs efficiency when compared with costs computation based on individual services. However, both of these two methods — overall costing and costing on the basis of individual services — are able to meet recognized accounting practices and criteria. The costs computed at the end by using any of these two methods will not have any overall differences. Hence, the costs computed under the overall costing approach adopted by the Judiciary will not be higher than those computed under other approaches.

Members have expressed concern over the various items of proposed fee revision this time, and one of these items is the photostatic copy fee charged by the courts. They are of the view that the increase of the fee from \$4 per page to \$4.5 per page will significantly increase the burden of the users. As shown by the statistics of the Judiciary, the number of cases requiring massive photocopying of court documents is very small. In many courts, there are self-service photocopiers available for public use, and the charges of such self-service photocopiers are much lower than those charged by the courts. Therefore, when there is alternative, the fee revision will not pose too great an extra burden on users. And, we must not forget that those in need can still seek financial assistance through various channels. We think that the proposed fee revision of the Government should gain support from Members. Another point I must raise is that when we consulted the Panel on Financial Affairs of the then Legislative Council on the revision of these fees on 15 June last year, members on the Panel did not raise any objection to the proposal.

Therefore, this afternoon, I hope that Members can negative the resolutions moved by Mr LAU Chin-shek on repealing the six Regulations and Rules concerning the fees charged by the Judiciary and various courts.

Madam President, I now wish to comment on the third category of resolutions, that is, the resolutions to be moved by Mr LAU Chin-shek on repealing the rules and regulations concerning the certification and other miscellaneous services provided by government departments to members of the public.

The fee revision proposals in this category cover three items, including the fees charged for providing certifications, alterations, endorsement of official documents or their duplicates by a public officer to the public. These fees were last revised in October 1994. We now propose to increase these fees by \$15 each, that is, from \$140 to \$155. The rate of increase is very mild. On 15 June last year, when we consulted the Panel on Financial Affairs of the then Legislative Council on this fee revision, members on the Panel did not raise any objection.

The various bureaux and departments of the Government provide certifications, alterations, endorsement of official documents or issue duplicates to the public. In the past year, there was an average of about 400 such applications each month, some examples being applications for records of particulars of motor vehicles issued by the Transport Department, entry and exit records issued by the Immigration Department, or Certificates of Exemption from Estate Duty issued by the Inland Revenue Department. Since the rate of increase in question is mild, people's livelihood and general businesses should not be affected.

Madam President, some Members may query why the provision of such a simple service should require a fee of \$155. I think there is a need for me to give a brief explanation here. Upon receipt of an application, the department concerned will first have to search the relevant records in the register or archive, so as to verify the information provided by the applicant before preparing the copies or documents required and forwarding them to a senior officer for checking, certification, signing, endorsement or alterations. Although different departments may assign officers at different ranks and apply different procedures to provide such services, the procedures they follow are basically the same as what I have outlined above. As for the fees charged, they can aptly reflect the average time and resources spent by public officers on handling each application. That is why the proposed fee should be considered appropriate. Naturally, the various departments will try as much as possible to assign the work to officers at lower ranks whenever appropriate, so as to control costs.

Madam president, I hope that Members can negative the resolutions to be moved by Mr LAU Chin-shek on repealing the Fees for Official Signatures and Miscellaneous Services (Amendment) Notice 2000.

Madam President, finally, I wish to comment on the resolution to be moved by Mr LAU Chin-shek on the registration fees for legal practitioners. There are five items of fees, including those for the registration as solicitors, barristers and notaries public. These fees were last revised in February 1994. All these fee are to be paid by legal practitioners on a one-off basis upon the acquisition of their professional qualifications. These five items of fees can only recover 92% of the total costs now. That is why we now propose to increase the existing fees by 8% each, so as to recover all the relevant costs. The proposed increases are very mild, ranging from just \$30 to \$90 in actual money terms and will not impose any heavy extra burden on legal practitioners.

Madam President, I wish to stress that even after the implementation of the proposed increases, a legal practitioner will need only to pay a one-off fee of \$1,500 to gain recognition as a solicitor or barrister. What is more, these fees will affect only a small number of people, for in the year that passed, recognition was given to about 150 solicitors and 40 barristers only. I am sure that Members here will not support the idea of requiring taxpayers to continue subsidizing this small number of professionals.

On 20 June last year, when we consulted the Panel on Administration of Justice and Legal Services of the then Legislative Council, members on the Panel did not raise any objection to the proposed fee revision.

Therefore, I call upon Members to vote against the resolution to be moved by Mr LAU Chin-shek on repealing the Legal Practitioners (Fees) (Amendment) (No. 2) Rules 2000.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now call upon Mr LAU Chin-shek to give his reply.

MR LAU CHIN-SHEK (in Cantonese): Madam President, I very much hope my colleagues can support the resolution. The debate conducted today is very meaningful no matter Members finally vote for or against the resolution. In particular, we have been able to dig out the significance behind recovering the cost of providing services and what are included. I believe the arguments for levying fees and charges for the services provided by the Government, such as the judiciary services, and the fee-charging of private lawyers have greatly widened the horizon of the general public. This is really meaningful.

In order not to waste Members' time, I would not repeat the arguments. I would only like to clarify that we are not asking for an indefinite freeze on fees and charges, this is a point that has been misinterpreted and misunderstood. I would like to stress that we are of the view that the general public has yet to enjoy the economic fruit of the so-called economic recovery. The freezing period we are referring to is actually a specific period of time. I remember Mr Eric LI suggested in the previous debate that the freezing period should last six months. Today, Mr James TIEN suggested one year. We agree that the freezing period should last for a specific period of time rather than indefinitely. I absolutely agree that the Government should not be barred from raising fees and charges for ever. This is not what we really want. I hope Honourable colleagues can understand that they might become supporters of the Government's proposal if they oppose this resolution moved by me. Should that happen, our resolutions will definitely be negated. Insofar as Members are concerned, it is not difficult for them to do so and there is nothing to worry about. Nevertheless, Members should note that what we are appealing for today is only this period of time. I hope Members can consider giving the public "a break". Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr LAU Chin-shek 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 LAU Chin-shek rose to claim a division.

PRESIDENT (in Cantonese): Mr LAU Chin-shek 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, Dr Raymond HO, Mr Eric LI, Mrs Selina CHOW, Mrs Sophie LEUNG, Mr Howard YOUNG, Mr LAU Wong-fat, Mrs Miriam LAU, Mr Abraham SHEK, Miss LI Fung-ying, Mr Tommy CHEUNG and Mr Michael MAK voted for the motion.

Dr LUI Ming-wah, Miss Margaret NG, Mr CHEUNG Man-kwong, Mr CHAN Kwok-keung, Mr Bernard CHAN, Mr SIN Chung-kai, Mr WONG Yung-kan, Mr Timothy FOK, Mr LAW Chi-kwong, Mr LEUNG Fu-wah, Dr LO Wing-lok and Mr IP Kwok-him voted against the motion.

Geographical Constituencies and Election Committee:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Mr LAU Chin-shek and Mr Frederick FUNG voted for the motion.

Miss Cyd HO, Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr Andrew WONG, Mr Jasper TSANG, Dr YEUNG Sum, Mr LAU Kong-wah, Miss Emily LAU, Miss CHOY So-yuk, Mr Andrew CHENG, Mr SZETO Wah, Mr TAM Yiu-chung, Mr Albert CHAN, Mr WONG Sing-chi, Miss Audrey EU, Mr David CHU, Mr NG

Leung-sing, Prof NG Ching-fai, Mr YEUNG Yiu-chung and Mr Ambrose LAU 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, 25 were present, 13 were in favour of the motion and 12 against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 29 were present, four were in favour of the motion and 24 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 negated.

MRS SELINA CHOW (in Cantonese): In accordance with Article 49 (6) of the Rules of Procedure, I move that in the event of further divisions being claimed at this meeting in respect of motions on the remaining subsidiary legislation on the Agenda, the Council shall proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mrs Selina CHOW be passed. Does any Member wish to speak?

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

In the event of further divisions being claimed at this meeting in respect of motions on the remaining subsidiary legislation on the Agenda, the Council shall proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): The second proposed resolution under the Interpretation and General Clauses Ordinance.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR LAU CHIN-SHEK (in Cantonese): Madam President, I move that the motion as set out on the Agenda be passed. The resolution seeks to amend the Firearms and Ammunition (Amendment) (No. 2) Regulation 2000 and to freeze the fee revision proposal of an increase of 15% to 20% in respect of the fees for the issue or renewal of licences for possession of firearms and ammunition, approval for exemption of such licences, amendments made to the licences or the terms and conditions thereof, and the re-issuance of the licences or the waiving of fees payable for such purpose. As for the fees charged on the security personnel permits, I would not repeat that point as it has been discussed by Miss CHAN Yuen-han earlier.

I so submit to move the motion.

Mr LAU Chin-shek moved the following motion:

"That the Firearms and Ammunition (Amendment) (No. 2) Regulation 2000, published as Legal Notice No. 331 of 2000 and laid on the table of the Legislative Council on 29 November 2000, be amended by repealing sections 2(a), (b), (c), (d), (e), (f) and (h).

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

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 motion moved by Mr LAU Chin-shek 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 LAU Chin-shek rose to claim a division.

PRESIDENT (in Cantonese): Mr LAU Chin-shek has claimed a division. The division bell will ring for one minute.

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, Dr Raymond HO, Mr Eric LI, Mrs Selina CHOW, Mr CHAN Kwok-keung, Mrs Sophie LEUNG, Mr WONG Yung-kan,

Mr Howard YOUNG, Mr LAU Wong-fat, Mrs Miriam LAU, Mr Abraham SHEK, Miss LI Fung-ying, Mr Tommy CHEUNG, Mr Michael MAK, Mr LEUNG Fu-wah and Mr IP Kwok-him voted for the motion.

Dr LUI Ming-wah, Miss Margaret NG, Mr CHEUNG Man-kwong, Mr Bernard CHAN, Mr SIN Chung-kai, Mr Timothy FOK, Mr LAW Chi-kwong and Dr LO Wing-lok voted against the motion.

Geographical Constituencies and Election Committee:

Mr LEE Cheuk-yan, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Mr Jasper TSANG, Mr LAU Chin-shek, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr Frederick FUNG, Miss Audrey EU and Mr YEUNG Yiu-chung voted for the motion.

Miss Cyd HO, Mr Albert HO, 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 TAM Yiu-chung, Mr Albert CHAN, Mr WONG Sing-chi, Mr David CHU, Mr NG Leung-sing, Prof NG Ching-fai and Mr Ambrose LAU 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, 25 were present, 17 were in favour of the motion and eight against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 29 were present, 11 were in favour of the motion and 17 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): I now call upon Mr LAU Chin-shek to move the third proposed resolution.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR LAU CHIN-SHEK (in Cantonese): Madam President, I move that the motion as printed on the Agenda be passed. This resolution amends the Firearms and Ammunition (Storage Fees) (Amendment) Order 2000, freezing the proposed increase by 15% to 20% in the fee payable for the storage of arms, imitation firearms or ammunition and for the storage of arms and ammunition awaiting shipment.

As I have indicated clearly my position during the debate, I will not repeat the points made. Thank you, Madam President.

Mr LAU Chin-shek moved the following motion:

"That the Firearms and Ammunition (Storage Fees) (Amendment) Order 2000, published as Legal Notice No. 332 of 2000 and laid on the table of the Legislative Council on 29 November 2000, be repealed."

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

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 motion moved by Mr LAU Chin-shek be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

PRESIDENT (in Cantonese): I think the question is not agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections and by the Election Committee, who are present. I declare the motion negatived.

PRESIDENT (in Cantonese): Fourth proposed resolution under the Interpretation and General Clauses Ordinance.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR LAU CHIN-SHEK (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed. This resolution seeks to amend the Pawnbrokers (Amendment) Regulation 2000 to shelf the proposal to increase the fee for the issue or renewal of a pawnbroker licence by 15%.

I have made my stand clear earlier and I will not repeat it. Thank you, Madam President.

Mr LAU Chin-shek moved the following motion:

"That the Pawnbrokers (Amendment) Regulation 2000, published as Legal Notice No. 333 of 2000 and laid on the table of the Legislative Council on 29 November 2000, be repealed."

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

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 motion moved by Mr LAU Chin-shek be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

PRESIDENT (in Cantonese): I think the question is not agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections and by the Election Committee, who are present. I declare the motion negated.

PRESIDENT (in Cantonese): I now call upon Mr LAU Chin-shek to move the fifth proposed resolution.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR LAU CHIN-SHEK (in Cantonese): Madam President, I move that the motion printed on the Agenda be passed. The resolution seeks to amend the Bills of Sale (Fees) (Amendment) Regulation 2000 to freeze the proposed increase of 7% to 11% with respect to the charges levied by the Registrar of the High Court for the registration of Bills of Sale.

Actually, from this motion onwards, most of the following resolutions involve the freezing of various fees and charges for the services provided by various courts/tribunals. I am particularly concerned with increases related to proceedings and relevant services. Earlier on, a number of Members told us their point of views in this area. As the people affected include the general public, I will elaborate on my point of view in this aspect when I move relevant resolutions later. Thank you, Madam President.

Mr LAU Chin-shek moved the following motion:

"That the Bills of Sale (Fees) (Amendment) Regulation 2000, published as Legal Notice No. 334 of 2000 and laid on the table of the Legislative Council on 29 November 2000, be repealed."

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

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

MR ANDREW WONG (in Cantonese): Madam President, just now, during the debate on the first resolution in this Council, the Secretary for the Treasury said that not many people would make photocopies in the courts. I wonder how many photocopies were made. Will the Secretary for the Treasury please enlighten us? Second, the Secretary said that many courts had self-service photocopying machines. I wonder if there are such self-service photocopying machines in every court. How is this service provided? For instance, are they operated by coins or through other means? The public may find it very inconvenient to operate these copying machines. Another point I wish to make clear is that one cannot copy some of the documents by himself. He has to have the documents copied by staff of the courts.

If the Secretary can give me a satisfactory answer to these questions, I might consider supporting the Government's stand with regard to the second group referred to by the Secretary and oppose this resolution. Making photocopies is actually an important matter. For those people who already feel helpless in legal issues, the increase of photocopying fees or the need to insert coins into the self-service copying machines will be very irksome to them. I hope the Secretary for the Treasury can elucidate this point.

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

(No Member responded)

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, for the sake of getting a vote of support from Mr Andrew WONG, I will try as much as possible to answer his questions.

I do not have any information at hand which can enable me to answer all the three questions asked by Mr WONG. However, I can still answer one of his questions which involves my comment that the public demand for photostatic services every year is not high. The information I now have relates to the High Court. In the case of the High Court, the fees collected from the provision of photostatic services amount from \$20,000 to \$30,000. Calculated on the basis of the current charge, that is, \$4 per page, the total number of xeroxed pages in the High Court will just be some 6 200. This is what is situation is. Thank you, Madam President.

PRESIDENT (in Cantonese): Mr LAU Chin-shek, do you wish to give a reply?

(Mr LAU Chin-shek indicated that he did not wish to reply)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr LAU Chin-shek 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 LAU Chin-shek rose to claim a division.

PRESIDENT (in Cantonese): Mr LAU Chin-shek has claimed a division. The division bell will ring for one minute.

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, Dr Raymond HO, Mr Eric LI, Miss Margaret NG, Mrs Selina CHOW, Mr CHAN Kwok-keung, Mrs Sophie LEUNG, Mr WONG Yung-kan, Mr Howard YOUNG, Mr LAU Wong-fat, Mrs Miriam LAU, Mr Abraham SHEK, Miss LI Fung-ying, Mr Tommy CHEUNG, Mr Michael MAK, Mr LEUNG Fu-wah and Mr IP Kwok-him voted for the motion.

Dr LUI Ming-wah, Mr CHEUNG Man-kwong, Mr Bernard CHAN, Mr SIN Chung-kai, Mr Timothy FOK, Mr LAW Chi-kwong and Dr LO Wing-lok voted against the motion.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr LEE Cheuk-yan, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Mr Andrew WONG, Mr Jasper TSANG, Mr LAU Chin-shek, Mr LAU Kong-wah, Miss Emily LAU, Miss CHOY So-yuk, Mr Frederick FUNG, Miss Audrey EU, Mr David CHU, Mr YEUNG Yiu-chung and Mr Ambrose LAU voted for the motion.

Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Mr Andrew CHENG, Mr SZETO Wah, Mr TAM Yiu-chung, Mr Albert CHAN, Mr WONG Sing-chi, Mr NG Leung-sing and Prof NG Ching-fai 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, 25 were present, 18 were in favour of the motion and seven against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 29 were present, 16 were in favour of the motion and 12 against it. Since the question was agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was carried.

PRESIDENT (in Cantonese): I now call upon Mr LAU Chin-shek to move the sixth proposed resolution.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR LAU CHIN-SHEK (in Cantonese): Madam President, I move that the motion as set out on the Agenda be passed. The resolution seeks to amend the Fees for Official Signatures and Miscellaneous Services (Amendment) Notice 2000 and to freeze the fee revision proposal which proposes a 10% increase in the fees payable for the verification of and changes in official documents and for the issue of copies of such documents by public officers to the public.

Madam President, although this item of fee revision only involves one figure, that is, an increase from \$140 to \$155, that is actually related to the services provided by many bureaux and departments and the subjects are those who request a verification or change of official documents and those who request an official copy of these documents. In other words, all members of the public may be affected by this fee revision proposal. I doubt very much why this item is not considered by the Government to be livelihood-related. That is absolutely not sensible. What is more, one thing which baffles me and those Honourable colleagues which have spoken earlier is that why should a copy of the documents issued by public officers cost \$155? The only explanation of charging such an expensive fee across the board is that all the direct and indirect costs of the government departments concerned are included. Is this then the so-called "user pays" principle? Is this reasonable? I hope Honourable colleagues will consider this point when they are to cast their votes later and will not accept the so-called "user pays" principle simply in such wholesale terms.

Thank you, Madam President.

Mr LAU Chin-shek moved the following motion:

"That the Fees for Official Signatures and Miscellaneous Services (Amendment) Notice 2000, published as Legal Notice No. 335 of 2000 and laid on the table of the Legislative Council on 29 November 2000, be repealed."

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

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 motion moved by Mr LAU Chin-shek 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 LAU Chin-shek rose to claim a division.

PRESIDENT (in Cantonese): Mr LAU Chin-shek has claimed a division. The division bell will ring for one minute.

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, Dr Raymond HO, Mr Eric LI, Mrs Selina CHOW, Mr CHEUNG Man-kwong, Mr CHAN Kwok-keung, Mr Bernard CHAN, Mrs Sophie LEUNG, Mr SIN Chung-kai, Mr WONG Yung-kan, Mr Howard YOUNG, Mr LAU Wong-fat, Mrs Miriam LAU, Mr LAW Chi-kwong, Mr Abraham SHEK, Miss LI Fung-ying, Mr Tommy CHEUNG, Mr Michael MAK, Mr LEUNG Fu-wah and Mr IP Kwok-him voted for the motion.

Dr LUI Ming-wah, Miss Margaret NG, Mr Timothy FOK and Dr LO Wing-lok voted against the motion.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr Albert HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Mr Jasper TSANG, Dr YEUNG Sum, Mr LAU Chin-shek, Mr LAU Kong-wah, Miss Emily LAU, Miss CHOY So-yuk, Mr Andrew CHENG, Mr SZETO Wah, Mr Albert CHAN, Mr WONG Sing-chi, Mr Frederick FUNG, Miss Audrey EU, Prof NG Ching-fai and Mr YEUNG Yiu-chung voted for the motion.

Mr Andrew WONG, Mr TAM Yiu-chung, Mr David CHU, Mr NG Leung-sing and Mr Ambrose LAU 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, 25 were present, 21 were in favour of the motion and four against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 29 were present, 23 were in favour of the motion and five against it. Since the question was agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was carried.

PRESIDENT (in Cantonese): Mr LAU Chin-shek, please move your seventh proposed resolution.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR LAU CHIN-SHEK (in Cantonese): Madam President, I move that the motion as printed on the Agenda be passed. This is the seventh motion proposed by me. The resolution seeks to freeze the proposed 8.5% increase in the various fees for instituting appeal proceedings in the Court of Final Appeal, and also the proposed increases ranging from 11% to 12.5% in the fees for document search and photostatic copy of a document made in the Registry.

This resolution together with a total of five resolutions to follow all involve fees in connection with proceedings in Courts and tribunals. Increasing these fees across the board will entail an additional revenue of \$6 million, and these increases will have the greatest impact among all the fee increase items before us today.

Speaking of legal proceedings, doubtlessly all members of the community will be affected. Moreover, I believe the judicial system is established to seek social justice. Any person who considers that his or her rights and interests are being infringed on should have the right to seek impartial adjudication from the Court. I, therefore, cannot in the least accept that "user pays" should apply even to fees and charges for court services. This is downright a humiliation to judicial services and violates the principle of justice. Thank you, Madam President.

Mr LAU Chin-shek moved the following motion:

"That the Hong Kong Court of Final Appeal Fees (Amendment) Rules 2000, published as Legal Notice No. 336 of 2000 and laid on the table of the Legislative Council on 29 November 2000, be repealed."

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

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 motion moved by Mr LAU Chin-shek be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

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

PRESIDENT (in Cantonese): Mr LAU Chin-shek, your eighth proposed resolution please.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR LAU CHIN-SHEK (in Cantonese): Madam President, I move that the eighth motion as printed on the Agenda be passed.

The resolution seeks to amend the High Court Fees (Amendment) Rules 2000 to freeze the proposed 7% to 12.5% increase in the various fees payable in respect of proceedings or matters in the High Court.

I so submit, Madam President. Thank you.

Mr LAU Chin-shek moved the following motion:

"That the High Court Fees (Amendment) Rules 2000, published as Legal Notice No. 337 of 2000 and laid on the table of the Legislative Council on 29 November 2000, be repealed."

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

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 motion moved by Mr LAU Chin-shek be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

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

PRESIDENT (in Cantonese): Mr LAU Chin-shek, your ninth proposed resolution please.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR LAU CHIN-SHEK (in Cantonese): Madam President, I move that the ninth motion, as set out on the Agenda, be passed.

This resolution seeks to amend the District Court Civil Procedure (Fees) (Amendment) (No. 2) Rules 2000 to shelf the proposal to increase the fees charged in connection with all procedures related to any case or matter of the district courts by 8% to 12.5%.

Madam President, I so submit. Thank you.

Mr LAU Chin-shek moved the following motion:

"That the District Court Civil Procedure (Fees) (Amendment) (No. 2) Rules 2000, published as Legal Notice No. 338 of 2000 and laid on the table of the Legislative Council on 29 November 2000, be repealed."

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

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 motion moved by Mr LAU Chin-shek be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

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

PRESIDENT (in Cantonese): Mr LAU, please move the tenth proposed resolution.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR LAU CHIN-SHEK (in Cantonese): Madam President, I move that the tenth motion as printed on the Agenda be passed.

The resolution seeks to amend the Coroners (Fees) (Amendment) Rules 2000 to freeze the proposed 9% to 12.5% increase in the various fees payable in respect of photostatic copies of documents, searches, certifications and so on at the Coroner's Office.

I so submit, Madam President. Thank you.

Mr LAU Chin-shek moved the following motion:

"That the High Court Fees (Amendment) Rules 2000, published as Legal Notice No. 339 of 2000 and laid on the table of the Legislative Council on 29 November 2000, be repealed."

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

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 motion moved by Mr LAU Chin-shek be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

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

PRESIDENT (in Cantonese): Mr LAU Chin-shek, your eleventh proposed resolution please.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR LAU CHIN-SHEK (in Cantonese): Madam President, I move that the eleventh motion as printed on the Agenda be passed. The resolution seeks to amend the Small Claims Tribunal (Fees) (Amendment) Rules 2000 by freezing the proposed fee increases ranging from 7.5% to 10% in respect of all procedures carried out at the Small Claims Tribunal.

With these remarks, Madam President, I move the motion. Thank you.

Mr LAU Chin-shek moved the following motion:

"That the Small Claims Tribunal (Fees) (Amendment) Rules 2000, published as Legal Notice No. 340 of 2000 and laid on the table of the Legislative Council on 29 November 2000, be repealed."

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

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 motion moved by Mr LAU Chin-shek be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

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

PRESIDENT (in Cantonese): Mr LAU Chin-shek, your twelfth proposed resolution please.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR LAU CHIN-SHEK (in Cantonese): Madam President, I move that the twelfth motion, the last of similar motions today, as printed on the Agenda be passed.

This resolution amends the Legal Practitioners (Fees) (Amendment) (No. 2) Rules 2000, freezing the proposed revision by 8.5% to 9% of the fees payable to the Registrar of the High Court in connection with the admission of solicitors and of barristers and the registration of notaries public.

Madam President, with these remarks, I so move.

Mr LAU Chin-shek moved the following motion:

"That the Legal Practitioners (Fees) (Amendment) (No. 2) Rules 2000, published as Legal Notice No. 341 of 2000 and laid on the table of the Legislative Council on 29 November 2000, be repealed."

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

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 motion moved by Mr LAU Chin-shek 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 James TIEN rose to claim a division.

PRESIDENT (in Cantonese): Mr James TIEN has claimed a division. The division bell will ring for one minute.

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

PRESIDENT (in Cantonese): Has any Member not voted? Will Members present who have not voted please press the "present" button before their seats.

If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Kenneth TING, Mr James TIEN, Dr Raymond HO, Mr Eric LI, Miss Margaret NG, Mrs Selina CHOW, Mrs Sophie LEUNG, Mr Howard YOUNG, Mr LAU Wong-fat, Mrs Miriam LAU, Mr Abraham SHEK, Mr Tommy CHEUNG and Mr Michael MAK voted for the motion.

Dr LUI Ming-wah, Mr CHEUNG Man-kwong, Mr CHAN Kwok-keung, Mr Bernard CHAN, Mr SIN Chung-kai, Mr WONG Yung-kan, Mr Timothy FOK,

Mr LAW Chi-kwong, Miss LI Fung-ying, Mr LEUNG Fu-wah, Dr LO Wing-lok and Mr IP Kwok-him voted against the motion.

Geographical Constituencies and Election Committee:

Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Mr LAU Chin-shek, Mr Frederick FUNG, Mr David CHU and Mr Ambrose LAU voted for the motion.

Miss Cyd HO, Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr Andrew WONG, Dr YEUNG Sum, Mr LAU Kong-wah, Miss Emily LAU, Miss CHOY So-yuk, Mr Andrew CHENG, Mr SZETO Wah, Mr TAM Yiu-chung, Mr Albert CHAN, Mr WONG Sing-chi, Miss Audrey EU, Mr NG Leung-sing, Prof NG Ching-fai and Mr YEUNG Yiu-chung 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, 25 were present, 13 were in favour of the motion and 12 against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 28 were present, six were in favour of the motion and 21 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. As Members are already very familiar with the time limits on speeches, I will not repeat the relevant points. I just want to remind Members that I am obliged to direct any Member speaking in excess of the specified time to discontinue.

First motion: Prohibiting smoking.

PROHIBITING SMOKING

MR BERNARD CHAN (in Cantonese): Madam President, I move that the motion printed on the Agenda be passed.

To start with, I am not sure whether I need to declare an interest. I am a non-smoker.

Some people might find it strange for me to raise this question today. I am not a doctor. Neither have I joined any organizations related to smoking or health. Why have I raised this question? It is precisely for this reason that I hope Members can note that not only certain people in the community are being affected by smoking. Moreover, smoking is not a concern to certain people only. Every one of us may be affected by passive smoking. Therefore, we should all show concern for this issue.

I believe many people in Hong Kong would like to see more public places being designated as no-smoking areas, because passive smoking is not only a nuisance, but also harmful to our health.

I am not a doctor. A lot of data have however shown that both smoking and passive smoking can injure our health.

According to the information released by the American Cancer Society, smoking has caused nearly one in five deaths in the United States. The fact that the Environmental Protection Agency of the United States has classified passive smoking as Category A carcinogen indicates that the harmful effect of passive smoking on human beings is not to be neglected. In the United States, approximately 53 000 people die of heart disease, pulmonary disease or other diseases induced by smoking every year. Next to smoking and drinking, passive smoking has become the third major cause of death. Each year, 3 000 non-smoking adults die of lung cancer induced by passive smoking.

Besides, passive smoking can lead to other respiratory problems, such as coughing, chest discomfort, reduced pulmonary function, and so on. In the United States, 150 000 to 300 000 infants and babies below 18 months of age contract lower respiratory tract diseases every year, resulting in 7 500 to 15 000 hospitalization cases. Passive smoking also increases the incidence rate of asthma.

Not long ago, many people in Hong Kong could be found smoking in cinemas, buses, taxis, shopping arcades and other places and yet we thought it was not at all improper for people to do so and smoking would cause no problem at all. Nowadays, we will no longer agree with such way of thinking. We will no longer tolerate people smoking in such places and causing the effect of passive smoking to spread.

In fact, many countries have designated a lot of places as no-smoking areas.

In the United States, nearly 50 states have enacted anti-smoking legislation, including designating no-smoking areas in such places as schools, elevators, government premises, restaurants, medical establishments, museums, shopping malls, retailing shops, and so on. California, Maryland and Washington require all offices to provide smoking rooms with independent ventilation systems or else smoking will be strictly prohibited. Of all these anti-smoking states, 42 prohibit smoking in public premises, 44 in government offices and 23 in private offices.

In Australia, restaurants and food establishments in most states have been designated as no-smoking areas. The Singaporean Government even prohibits smoking when more than two passengers are waiting in the line for buses or taxis.

Of course, I am not suggesting that Hong Kong should enact legislation immediately to expand no-smoking areas.

Similar anti-smoking legislation is also in place in France and Italy. However, the law is seldom strictly enforced. As a result, the public has basically failed to comply with the law in practical terms. Of course, I understand there is enforcement difficulty. It is precisely for this reason that I decided to move this motion debate today to demand the Government to fully consult the public and assess the people's view on expanding no-smoking areas as well as listening to their opinions.

If most people wish to live in an environment with more smokeless areas, the Government will need to examine the issue carefully and make preparations to enact a set of laws acceptable to the community to safeguard public interest.

Today, an increasing number of data shows that most people wish to expand the no-smoking areas. A survey conducted by the Hong Kong Council on Smoking and Health showed that 69% of the people in Hong Kong would like smoking to be banned in all restaurants.

A survey conducted by the Democratic Party recently has also shown that as many as 80% of the respondents support enacting legislation to ban smoking in restaurants while 70% of the respondents support prohibiting smoking in offices. A large volume of data suggests that expanding the no-smoking areas has become the general trend. Of course, I personally agree that no-smoking areas should be extended to restaurants and offices.

I do understand that it is impossible to designate more places as no-smoking areas overnight. It involves such issues as how many people actually support this idea, what places should be designated as no-smoking areas, how the law should be enforced, and so on. We should examine and investigate the matter in a more careful and comprehensive manner and explore the public's views on the expansion of no-smoking areas and on what places should be designated as no-smoking areas. Such information will help the Government better grasp the situation.

After all, the scale of the surveys carried out by non-government organizations is limited. If the Government can take charge of conducting the surveys, the scope can definitely be widened, thus enhancing the acceptability of the policies to be implemented by the Government in future.

I must stress here that I have no bias against smokers. I believe adults have the absolute right to choose to smoke. By the same token, I believe we have the right to choose not to be a passive smoker.

In Hong Kong, the number of smokers accounts for 15% of the total population. However, 85% of the population has to put up with passive smoking. A non-smoker is not duty-bound to put up with the smoke exhaled by smokers. Can we say non-smokers have no right to choose not to become a passive smoker while smokers have the right to smoke? In such a crowded city as Hong Kong, we are indeed obliged to respect one another and try as far as possible to get along with other people in public areas peacefully.

Nowadays, most smokers have actually tried all possible means to exercise restraint in order not to affect other people. As long as the law is feasible, I believe they will be willing to abide by the law for the sake of others. Actually, according to researches conducted by the World Health Organization, anti-smoking legislation has proved very effective in helping smokers to smoke less. This is why I think the designation of more no-smoking areas will benefit all people, except tobacco dealers as a matter of course.

Some tobacco dealers disagree with expanding no-smoking areas on the ground that there is difficulty in enforcement. In their view, more legislation will only lead to greater difficulty in enforcement, rendering our efforts completely futile. Of course, we must not neglect such difficulty. However, it does not mean we should not take any action. We should face the issue squarely and conduct a review to plug the loopholes in order to improve enforcement. I believe there is no contradiction between improving the existing legislation and studying the feasibility of expanding no-smoking areas. Neither is there any problem of prioritization. The Government can definitely examine ways to step up enforcement on the one hand and conduct study on the other. Otherwise, it will only give people the impression that the Government is trying to stall the matter.

Starting from July 1997, the Government requires all restaurants with more than 200 seats to designate one third of its area as no-smoking area. It has been more than one year since the law took effect and yet no prosecutions have been initiated by the Government so far. Certainly it does not mean there have been no offences, only that the enforcement has been difficult. How can a restaurant be divided into smoking and no-smoking areas when both areas are sharing the same ventilation system? To what extent can such division help the patrons sitting in the no-smoking areas for they are exposed to tobacco fumes exhaled by people smoking in neighbouring seats too. The no-smoking area actually exists in name only. Actually, we will not need to divide restaurants into smoking and no-smoking areas if a complete ban on smoking in restaurants can be introduced progressively. This will also facilitate law enforcement.

In Hong Kong, more than 5 000 people die of smoking-induced diseases every year. In addition, smoking has put the health of tens of thousands of smokers at risk. Hundreds of millions of dollars are spent annually treating major diseases induced by smoking.

In the long run, more smoking places will mean more people being forced to be passive smokers. The more profound impact on the people also implies that the Government will need to spend more on public health. For the sake of our health and the health of the next generation, we must examine this issue expeditiously.

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

Mr Bernard CHAN moved the following motion: (Translation)

"That, in view of the hazards of passive smoking, this Council urges the Government to conduct studies on the necessity for and feasibility of designating more public places as no-smoking areas; in the course of the studies, the Government should ensure that the public are fully consulted and their views are included in the study report."

THE PRESIDENT'S DEPUTY, MRS SELINA CHOW, took the Chair.

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

DEPUTY PRESIDENT (in Cantonese): Dr LO Wing-lok, Miss Cyd HO and Mr Tommy CHEUNG will move amendments to this motion respectively. Their amendments have been printed on the Agenda. In accordance with Rule 34(4) of the Rules of Procedure, the motion and the three amendments will now be debated together in a joint debate.

DEPUTY PRESIDENT (in Cantonese): In accordance with Rule 34(5) of the Rules of Procedure, I will call upon Dr LO Wing-lok to speak first, to be followed by Miss Cyd HO and Mr Tommy CHEUNG; but no amendments are to be moved at this stage.

DR LO WING-LOK (in Cantonese): Madam Deputy, whenever the question of prohibiting smoking is discussed, many people will direct the spearhead at smokers and restaurant owners, thus intensifying and polarizing the issue. As a result, a very simple topic targeted at "safeguarding public health" is politicized and all efforts may ultimately be "fruitless". So, the Government can remain indifferent under the pretext that the community fails to reach a consensus, and tobacco dealers are glad that the community is divided over this issue, continue to promote the sale of their products and come out the sole winner of this debate. If that is the attitude of Members, I have to tell them that this does not comply with public opinion and Members and the Government will lose the support of the people.

I have worked for the control of smoking for many years and I am now a member of the Hong Kong Council on Smoking and Health and I earnestly want to safeguard public health. In my view, smokers, owners and staff of restaurants should not be the targets of our action because they are direct or indirect victims. We must identify clearly that tobacco dealers are the culprits and I hope that we can identify this focus clearly during our discussions and we must not direct the spearhead at the victims.

As the medical sector has proved long ago that smoking is hazardous to health, I will not dwell on the details. It is worth mentioning that smoking is actually a chronic disease, that is, a smoker will become reliant on the chemical substance — nicotine. To those people who have been misled by tobacco dealers and who are temporarily unable to kick the habit, we should show full sympathy and encourage and support them in kicking the habit of smoking as soon as possible instead of pinpointing at and reproaching them. Of course, smokers should also understand that smoking is not a "personal" matter because air is shared by all and it is utterly unfair for a person's habit to pollute air that is shared by all.

Statistics show that 85% of the adult population are non-smokers and the remaining 15% are smokers. If we base on concepts of democracy and emphasize looking after the interests of the public, how can we neglect the feelings and interests of the majority non-smokers?

Since the full implementation of the Smoking (Public Health) Ordinance, the loopholes of the legislation have obviously appeared and the most denounced loophole is the designation of not less than one third of the seats in a restaurant of

200 seats or above as no-smoking areas as it basically has nominal effect in protecting non-smokers. Eating in the same space and under the same air-conditioning system, non-smokers will still be forced into passive smoking inevitably. The legislation also relies on the restaurant owners or management personnel for enforcement at the front line. If patrons of restaurants are not co-operative and insist on smoking in no-smoking areas and are unwilling to present their identity cards for verification, I believe even the Honourable Tommy CHEUNG will not be able to convince them. What can he do then? Should he report to the police or exercise the power conferred by the legislation and use "suitable" force to enforce the law and drive those patrons away? Even if Mr Tommy CHEUNG manages to record the patrons' identity cards, what should he do next? Should he report to the police or the Food and Environmental Hygiene Department or the Department of Health? The relevant provisions in law are fairly unclear and the restaurant owners or the management personnel are at a loss as to what to do. They may ultimately end up doing nothing and the purpose of the legislation will be defeated. Therefore, I urge the Government to review the current position in enforcing the existing legislation and make amendments so that the legislation will be more explicit and easier to implement to really protect public health.

Some restaurant owners worry that a total ban on smoking in restaurants will affect their business. I understand their worries and I therefore request that economic assessments be conducted in relation to the prohibition of smoking in restaurants. To conduct economic assessment in relation to the prohibition of smoking in restaurants, we have to conduct it for the relevant restaurants before and after the prohibition of smoking, therefore, such studies and surveys will only be completed after the relevant prohibition has become effective. Technically speaking, the assessments cannot possibly be completed before the prohibition of smoking in restaurants. I am going to cite a survey published in a medical journal in the United States in May 1999, entitled "a comparison between tourism and hotel earnings before and after the total ban on smoking in restaurants". A survey is conducted on six cities in California, Utah, Florida, Los Angeles, New York and San Francisco and the findings show that the income of four regions have obviously increased after the implementation of total prohibition of smoking in restaurants, while there is no obvious difference in four other regions and income has seen slow growth but business has not reduced in one region. I hope this survey will dispel the worries of restaurant owners.

However, employers and management personnel are actually obliged to provide staff with a safe working environment. Working in a smoky indoor environment for long hours will greatly increase the chances of contracting an illness and this is grossly unfair to wage earners. They have to sell out both labour and their health. A few weeks ago, this Council held a heated debate over the burial grant for people who died of pneumoconiosis. The trade union representatives in this Council should look after the funeral affairs of wage earners as well as work hard for the well-being of wage earners when they are living so as to prevent them from contracting work-related illnesses. Therefore, the control of smoking in restaurants is consistent with the mission of trade union representatives to safeguard the interests of workers. The trade union representatives in this Council should agree that restaurants should adopt further measures to control smoking. Furthermore, employer representatives should also support the implementation of measures to control smoking in the workplace to safeguard employees' health.

Some think that it is better tackling the problem at root, so instead of controlling smoking, they consider prohibiting smoking a more viable course of action and have proposed a total prohibition of the sale of tobacco products. However, the scope of such action will be too great and the spearhead will be directed at smokers. Smoking is a reliance on chemical substances and the habit may not be kicked within a short while, therefore, it is unfeasible to implement a total ban on the sale of tobacco products at once and it is unfair to smokers and those who temporarily fail to kick the habit of smoking.

In my view, the most effective strategy to control smoking covers three aspects: firstly, stopping all forms of publicity on tobacco products to prevent people especially the youth from being misled and develop a craving for cigarettes in order to stop the expansion of the tobacco market; secondly, encouraging smokers to give up smoking; and lastly, protecting non-smokers from the harm of passive smoking. Given time, the smoking population will gradually decrease and the tobacco product market will shrink and will even be eliminated. According to the research data published by the Centre for Disease Control and Prevention of the United States in November 2000, extending the no-smoking areas and placing more restrictions on smoking would effectively reduce the chance of passive smoking in the workplace. Eight out of 10 research studies also indicate that this will reduce the quantity inhaled by smokers every day. Three of 10 researches also show that extending the no-smoking areas will increase the rate of successful quitting of smoking. Thus, designating more no-smoking areas is a very effective measure for controlling smoking.

Lastly, the control of smoking is related to public health and the Government should step forward and address the appeals of the majority public. Therefore, it is incumbent on the Government to review and amend the relevant legislation, and it is really ridiculous for political parties and Members to propose amendments by way of a private bill. I hope that the Government will not become a "lame duck" in the control of smoking. I hope that political parties and Members who are not affiliated with any political party will sincerely co-operate with one another and practically and realistically work towards safeguarding public health in order to narrow the scope of directed action and target at tobacco dealers. I believe the control of smoking in Hong Kong will then be unprecedentedly successful.

I so submit.

MISS CYD HO (in Cantonese): Madam Deputy, there is indeed no reason for us to oppose the original motion and Dr the Honourable LO Wing-lok's amendment today. Consultations, studies, researches, surveys and reviews are all good measures worthy of support. They enable us to get hold of more information and so, they definitely will do no harm at all.

That said, I must point out that the wordings of the original motion and the amendment appear to have failed to clearly reflect the positions stated by the two Members to the media. In fact, their positions are clear and explicit, and are not in any way neutral. They call for the extension of no-smoking areas. But in order to seek consensus, and particularly to entice support from the representative of the catering industry, Mr Tommy CHEUNG, a very neutral motion has been proposed. So, I consider it necessary indeed to propose an amendment. I hope to spell out a clear direction and that is, to extend the no-smoking areas.

Both the amendment and the original motion mentioned the need to carry out studies and compile reports to see how the extension should be implemented. I wish to remind Members that in fact, many studies have already been carried out and many reports published. The two Members also cited lots of statistics when they spoke just now. Among those studies, some were carried out in Hong Kong and some by overseas institutions, and there were reports compiled by international authorities. They all come to the same conclusion that passive smoking is hazardous to health and will cause medical expenditure to increase.

Here, I would also like to cite a number of examples (and there are two pages of them). Restaurants in the United States conducted surveys in 1995 and 1998, and the findings were released through the Journal of the American Medical Association. Moreover, the G8 countries also published a study report in 1997 on the health hazards to children exposed to environmental tobacco smoke. In response to this report, the World Health Organization convened an international conference on tobacco and children's health in Geneva in 1999. Singapore made a report in 1993 and Beijing also did so in 1995. In 1999, the United States National Institute of Health made a report. New Zealand also concluded a report showing that many cases of stroke are caused by smoking. All these are study reports made by other people in the international community.

What is the case in Hong Kong? We carried out four surveys between 1982 and 1987, and the findings were incorporated into the reports of the United States Environmental Protection Agency and the British Medical Association in 1992 and 1997 respectively. In 1995, a large-scale survey was conducted and 96% of the interviewees supported enacting legislation on tobacco control. In 1989, 1994 and 1998, surveys were conducted by the former district boards on the impact of passive smoking on children's health. How many more reports do we need? Since so many reports and statistics are readily available, can we be a bit more assertive in proposing the direction of expanding the no-smoking areas? We certainly appreciate that a social norm cannot be established right after a piece of legislation is made to that effect. We also appreciate that the catering industry has reservations about this proposal.

I have with me now the survey report published by the Hong Kong Council on Smoking and Health in March 2000. It is stated that 98% of the respondents supported making legislation to the effect that half or even all of the seats in restaurants should be designated as no-smoking areas. The catering industry is gravely concerned that the designation of no-smoking areas may affect their business. Dr LO Wing-lok has said earlier that according to detailed economic analysis in overseas countries, a complete ban on smoking bears no relation to a drop in business. While there has not yet been any economic assessment carried out on the catering industry with regard to a ban on smoking, the findings of many surveys nonetheless show that more consumers would wish to see a further prohibition of smoking in restaurants. Therefore, we hold that the concern of the catering industry is unwarranted. They can have the load off their mind and should drum up more courage to choose a "win-win-win" option by throwing weight behind the extension of no-smoking areas, which is beneficial to the public, restaurant workers and the catering industry.

Another argument against the ban on smoking is put forward by Members representing the labour sector who are also friends of the Frontier. They argued that smoking a cigarette after meals is the best treat for the grassroots and so, how can we possibly deprive them even of their right to smoke during tea breaks at a quarter past three? I think it smacks of very serious class discrimination by our labour representatives against the grassroots. First, not all grass-roots people are smokers. Second, not every smoker among the grassroots is oblivious to their social responsibilities and will force others to smoke passively. Third, the grassroots will also dine with their families and friends in restaurants and the health of their families and friends should also be protected. Therefore, I very much hope that Honourable colleagues representing the labour sector will not think that anti-smoking is a plaything of the middle class, which is not correct. This is the first point. Second, health is a universal pursuit irrespective of social status. Be it the middle class or the grassroots, all must attach importance to their health. Therefore, we hope that Honourable colleagues representing labour interests will support our amendment later on.

Restaurants aside, passive smoking in many other places does give cause for our concern. Under the existing law, public places such as cinemas, theatres, lifts, amusement game centres, supermarkets, banks and shopping malls are designated as no-smoking areas. But still, some public places are not yet included for discussion, and the workplace is a case in point. In fact, the Harvard Report (which is a study report made in Hong Kong) has also pointed out that many non-smokers in the workforce are exposed to second-hand tobacco smoke, and for this reason, the number of days of sick leave taken by them has increased by 39% yearly. Certainly, I will lobby the Liberal Party which represents employers and the commercial and industrial sector on this basis. If the number of days of sick leave taken by workers can be reduced by almost 40%, even employers who are smokers themselves will consider it worthwhile to prohibit smoking in the workplace for this will pare down the operating costs. On medical expenditure, Members have said earlier that the expenditure is as high as \$110 million. Now that we always talk about the need to review the medical services and discuss ways to reduce medical costs, a prohibition on smoking can reduce medical expenditure by \$110 million.

Madam Deputy, prevention is always better than cure. To facilitate the tobacco control policy as mentioned above, we should do more on the education front apart from making legislation to designate no-smoking areas. In the last

term of the Legislative Council, Dr LEONG Che-hung proposed a Members' Bill seeking to regulate advertisements on cigarette packets and also tobacco advertisements. He proposed, among other things, to print on cigarette packets enlarged pictures of the heart and lungs affected by tobacco, or some statistics, so that smokers can get the message that smoking is hazardous to health when they buy the cigarettes. The Canadian Government launched in 1999 a national tobacco control campaign known as "Tobacco or Kids". Recently, laws have been passed in Canada requiring tobacco companies to print on cigarette packets enlarged pictures of the heart and lungs affected by tobacco. The Canadian experience has also affected the policies of other countries including Australia, Singapore, South Africa and Thailand. I hope we can draw on overseas experiences and put across a stronger message of tobacco control.

Furthermore, statistics also show that smoking among adolescents has become an increasingly alarming problem. According to statistics released in November 2000, among students aged 16 or above, 20% of boys and 13% of girls are smokers. Madam Deputy, these students are only 16 of age, and they roam the streets after school puffing cigarettes. If the habit of smoking is formed as early as in adolescence, it may very likely develop into a habit of taking drugs. Indeed many drug abusers have advised others "never take the first puff of cigarette". However, in an attempt to imitate their elders, to look as if they have experienced many vicissitudes in life, and to demonstrate independence and power in order to project a self-image, they imitate the adults and smoke. What is more, all cool and neat heroes portrayed by popular culture, such as in movies or television series, are holding a cigarette in their hands. Besides, the Government's anti-smoking campaigns targeting at youngsters were boring and failed to keep pace with the times. These campaigns are grossly obsolete indeed and are unable to keep to the beat of youngsters.

Therefore, I very much hope that in its anti-smoking initiatives targeting at young people, the Government can consider engaging input from youngsters with a more creative approach that catches up with the trend of the times, with a view to finding ways to deter this bad habit in adolescence. Madam Deputy, we actually see the largest number of Hong Kong people resorting to civil disobedience against this anti-smoking ordinance. We can see on the streets every day many people performing civil disobedience. Therefore, I think there are indeed problems with the enforcement of this ordinance. I will support Dr LO Wing-lok's amendment and support a review of the ordinance. Thank you, Madam Deputy.

MR TOMMY CHEUNG (in Cantonese): Madam Deputy, the amendment proposed by me today is double-barrelled. The first part calls on the Government to study the existing legislation in respect of the designation of no-smoking areas, which is broadly the same as the amendment proposed by Dr LO Wing-lok. If Members support Dr LO Wing-lok's amendment, they should also support this part of my amendment.

So, I will focus on the second part of my amendment which calls on the Government to fully consult the public and conduct economic assessments on all relevant industries when considering designating more public places as no-smoking areas. This part of my amendment is not in conflict with Mr Bernard CHAN's original motion and Dr LO Wing-lok's amendment. It only seeks to extend the scope of consultation to cover the relevant industries and the economic aspect, so that the studies will be conducted in a more thorough and comprehensive manner.

Madam Deputy, the catering industry is society in miniature. About 80% of restaurant owners and workers do not smoke and may as well hate to smoke passively. A total prohibition on smoking in restaurants is indeed conducive to the operation of restaurants. Workers do not have to empty and wash the ashtrays, and there will be no more carpets burnt by cigarette butts. Table cloths may even be burnt if cigarette butts not completely distinguished are not handled properly, and this will cause losses to restaurants. Therefore, a total prohibition on smoking will actually do good to the operation of restaurants for the costs can be reduced and there will be no more breaking of ashtrays. But why do restaurant owners and workers still have reservations and feel worried about the total prohibition on smoking or the extension of no-smoking areas in restaurants? Simply enough, they are worried that their business would be adversely affected. This is the position of the catering industry.

Some Members have said that a total ban on smoking in restaurants will not be a big problem because restaurant business should not be affected given that smoking is prohibited in all restaurants. I may not take issue with this view, even though many restaurants will indeed lose some business. For example, as people who play mahjong are mostly smokers, how can they play mahjong if they are not allowed to smoke? But on the other hand, I have received many views from the industry, and according to their assessments, a complete ban on

smoking will lead to a drop of at least 10% to 20% in business. Restaurants in some districts even consider that their restaurants will be hit the hardest for most of their customers are smokers and that their business may fall by 30% to 40%. But is it really the case? No one knows. Will the impact on restaurants be transient and may last a few months only and business will subsequently rebound, just as some Members have said? I have no idea at all. I believe no one in this Council can give a definite answer at this point in time for we are only speculating, or making reference to overseas experience, and all these are nothing more than theories. We are just listening to what other people are saying.

I have learned that studies had been made in Britain on whether smoking should be completely banned in restaurants and in the end, the proposal was not implemented. I have also learned that after smoking is completely banned in air-conditioned restaurants in Singapore, the number of Japanese tourists has dropped drastically for the Japanese dislike the lack of liberty to smoke in restaurants. I am worried that if smoking is prohibited in restaurants in Hong Kong, the number of tourists from the Mainland will fall all at once. What can we do? Will that be the case in reality? I am not sure. There are so many unknowns, and it is precisely because of this reason that in my amendment, I call on the Government to conduct economic assessments when considering the extension of no-smoking areas, and to draw on overseas experience and collect comprehensive information and data, so that the industry and society can understand the true impact of the relevant legislation on restaurants, the tourism industry and other affected trades.

Honestly, if the economic assessments conducted by the Government showed that a total prohibition on smoking would not have any significant impact on restaurant business, and just as some Members have said earlier, the business of restaurants in overseas countries has increased after smoking is banned and the worst scenario is that the restaurants are doing the same amount of business, I believe restaurants would automatically ban smoking across-the-board even if there is no legislation made to that effect, for this will boost their business. In that case, the prohibition might be implemented even more effectively than the Government making legislation to that effect, given the difficult business environment nowadays. However, if the results of the assessments showed that a total ban on smoking would have a serious negative impact on restaurants and

the Hong Kong economy, dampen investment sentiments and impede the operation of restaurants, resulting in even more restaurants closing down and thus affecting the livelihood of the 200 000 workers in the catering sector, I believe that without my proposition, Members will certainly handle the issue of total prohibition on smoking in restaurants with greater care.

I have great faith in market regulation. Allowing the free market to decide the size of no-smoking areas in restaurants or other public places will alleviate the sufferings of the industry. While a longer time may be required, it can reduce the conflict between the business sector and the public, and also that between smokers and non-smokers. It can also save the business sector or a particular trade from suffering substantial losses. Take the restaurant that I own as an example. I run a restaurant in a private club and the restaurant is not subject to regulation by the Smoking (Public Health) Ordinance. Five or six years ago when this Ordinance had yet come into operation, I already took the initiative to designate half of the seats in my restaurant as no-smoking areas, and this designation is still being strictly implemented now. I did so not to serve my own purpose, but at the request of patrons. This is an instance of market regulation. The imposition of a total ban on smoking by airlines for economic benefits is also attributed to the market economy.

Colleagues from the Democratic Party have told me that the wording of my amendment is perfectly fine, but the problem is that this amendment is proposed by me. I am considered to have a predetermined position and that is, to take exception to the ban on smoking, so it is very difficult for them to support me. I do not know why the Democratic Party would have this view. Is it because I smoke a cigar once in a while and I am the owner of a restaurant that I must oppose the prohibition on smoking? Here, I wish to state clearly to colleagues from the Democratic Party and members of the public that I do not have a predetermined position. I am only asking the Government to conduct economic assessments along with the public consultation so as to obtain more statistics. Could it be wrong for me to make this plea?

I am a businessman and I will certainly run my restaurant from a commercial point of view. If the Government has statistics to show that a total prohibition on smoking in restaurants can boost business even by a mere \$2, or that it will entail no losses, I would throw weight behind the prohibition. I would put it into practice immediately and persuade other members of the trade

to follow suit. I would absolutely not oppose the total prohibition on smoking to the neglect of business gains because I like to smoke cigar.

Finally, I wish to say a few words about the telephone survey conducted by the Democratic Party earlier. The findings of this survey show that over 70% of the respondents support a ban on smoking in restaurants and offices. In fact, the Democratic Party does not have to conduct any survey to come to this conclusion. The reason is simple. Most people in Hong Kong are non-smokers, and over 80% of the respondents interviewed by the Democratic Party are non-smokers too. They certainly dislike other people smoking. How will any non-smoker like the person by his side puffing cigarettes? As a responsible parliamentary assembly, we should not conclude that smoking should be banned in all restaurants in Hong Kong simply on basis of a survey that has interviewed 1 000 people only. Instead, we should make reference to more comprehensive information and statistics.

I respect the right of non-smokers to refuse breathing second-hand tobacco smoke, and I am also concerned about the health hazards of passive smoking to employees at the workplace. However, I maintain that the Government must widely consult the public and the affected industries, and also assess the impact of the prohibition on the economy. This Council should not encourage the Government to act so rashly as to make legislation without conducting prior economic assessments. Nor should it pass the responsibility of deterring smoking onto restaurants and restaurant workers.

I wish to emphasize that my amendment solely requests the Government to conduct economic assessments in addition to the other initiatives, and I have no intention whatsoever to cause delays. I, therefore, urge Members present to support my amendment.

I will support Mr Bernard CHAN's original motion. Mr CHAN has assured me that the public consultation mentioned by him includes consultation with the industry. I will also support Dr LO Wing-lok's amendment for his amendment is similar to the first part of my amendment. As for the Honourable Cyd HO's amendment which proposes a total prohibition on smoking in restaurants and indoor public areas without prior studies and consultation, I am very sorry to say that I will not support it.

With these remarks, Madam Deputy, I propose the amendment.

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

MR TIMOTHY FOK: Madam Deputy, my constituency stands for healthy living. I, therefore, fully endorse the motion today seeking a total ban on smoking in public places. I will not expound on the positive effects of such a ban, which has already been adopted in Hong Kong in government buildings, theatres, concert halls and passenger airlines. I shall leave the explaining to my Legislative Council colleagues. What we are trying to accomplish is to catch up with other communities, such as some American states and Canadian provinces, which have such a ban. They have seen a dramatic decline in smoking and cost saving in health care related to the treatment of illnesses caused by the habit. We can expect the same.

My constituents have also made the biggest sacrifice for the campaign against smoking. We pay the price in having lost \$25 million per year worth of tobacco sponsorship when this Council elected to outlaw such funding. Four years on, we still have not recouped the loss or found an alternative source of income.

Our financial situation is dire as a result. Once, we in sport and art could count on three steady sources of revenue. We had government funding which came through for sports through the Sports Development Board and for the arts through the Arts Development Council. We had the patronage of the Urban Council. We also had the tobacco industry, the product of which we did not approve but the funding of which we had relied on.

Now, the Urban Council is history and its resources, including the income from rates, have gone into the general treasury. Now we must compete against other groups for a share of that money, and we are disadvantaged in lobbying because we are not perceived to be as important or worthy as the other policy priorities, such as education and health care. This is despite sport and art being integral to education and beneficial to health. Now we are deprived of tobacco sponsorship and without the means to market and brand ourselves so that we may tap other corporate sources of income. We have become in a way a ward of the Government and the role of a supplicant is not one that anybody should envy.

We support the ban on smoking in public places. We encourage smokers to wean themselves from the addiction. We will carry this message with us

everywhere we go. But we also appeal to the Financial Secretary not to overlook our needs in his next Budget due in March. May we, with diffidence, ask that he would consider setting aside a percentage of the government levy on cigarettes for the funding of sport and art. This way, our various sports and arts can develop and attract more participants, who can in turn lead healthy and creative lives.

Madam Deputy, with those remarks, I support the motion.

DR DAVID LI: Madam Deputy, I would like to thank the Honourable Bernard CHAN for putting this matter before the Legislative Council. I believe that it is important to send a clear message that this Council supports effective measures to extend the ban on smoking in public areas. Our long-term goal must be to extend the freedom to breathe smoke-free air to all who want it.

Over the past 20 years, the Government has moved carefully and deliberately to expand the smoke-free environment. It first banned smoking on buses and in cinemas. Most recently, this Council passed the Smoking (Public Health) Ordinance, the first comprehensive attempt to limit smoking. It is now time to pick up the momentum.

The motion before us calls for the Government to conduct studies on the necessity for, and the feasibility of, designating more public places as no-smoking areas. This is a very broad, and very apt, statement. If the Government takes up this proposal, we will have a comprehensive list of public areas that may be designated as no-smoking areas. We will have an understanding of the problems involved in implementing a no-smoking policy in these areas. And we will also have a good sense of public views on this issue.

However, we must not sit idly while the Government studies the issue. There is a clear case for speedy action to extend the ban on smoking in public areas right now. The ill effects of smoking and passive smoking are well known. Smoking is no longer just a nuisance. It is a serious public health issue.

To date, the most strenuous objections to a widening of the ban have come from the restaurant trade. The common argument is that extending the ban to restaurants will harm their business.

That may be a reason to continue the slow and steady approach adopted by our Government. However, I believe that the current rules on no-smoking areas in restaurants are not effective at all. While they may be a useful step on the road to a complete ban, the measures satisfy no one. Enforcement is difficult, and Hong Kong's efficient air-conditioning systems ensure that all smoke is evenly distributed to all diners in short order.

A complete ban on smoking in restaurants would be easier to administer than the current system, and would be welcomed by millions of non-smokers in Hong Kong. It would also be welcomed by our tourists, many of whom come from countries which already restrict smoking in restaurants. The impact on the restaurant trade could very well be positive.

Even more urgently needed, however, is the action on smoking in the workplace. An individual can choose whether or not to patronize a certain restaurant. At work, there is little or no choice. Day in and day out, many are forced to breathe the second-hand smoke of their colleagues. Now that the ill effects of passive smoking are well-known, how can we, in all conscience, ignore their plight? The time has come to extend the ban on smoking in public areas to the workplace.

The debate is no longer over whether smoking is a public health hazard. It is over how to limit the ill effects of smoking. The matter deserves urgent attention.

Madam Deputy, I am pleased to support Mr Bernard CHAN's motion.

MR YEUNG YIU-CHUNG (in Cantonese): Madam Deputy, let me start with a witticism popular among smokers: "A cigarette after a meal renders one happier than a fairey." However, as Hong Kong gets on with the anti-smoking campaign, the warning: "Smoking is hazardous to health" strikes deep into every home. Smoking does not generate happiness any more. Rather, people begin to realize that "a packet a day rots the health of the whole family quickly." As Members are aware, smoking causes two major types of hazards: direct hazards on smokers and consequences of passive smoking on non-smokers who inhale harmful fumes involuntarily. In addition to causing respiratory and heart diseases, smoking also play a part in senile dementia, arteriosclerosis, loss of eyesight and other ailments. Through inhaling unfiltered sidestream smoke

over a long period of time, passive smokers will take in three times as much of the toxic tar and six times as much the toxic nicotine as smokers do. So, one can say, "one smoker in a family can jeopardize the health of the whole family." Data shows that each year, over \$800 million is spent on treating diseases related to smoking. If we take into consideration the fires caused by unextinguished cigarette butts each year, the losses of lives and property is immeasurable. So, smoking not only injures our health, it also hurts our "wallets".

Sometime ago, the Hong Kong Council on Smoking and Health conducted a survey on smoking among young people. The results showed that 25% of the students had the experience of smoking, representing a 4% rise from the result of a similar survey done in 1994. This implies that after some years, the rate of adult smokers will rise, as there have been reports indicating that 80% of the long-time young smokers will continue smoking into adulthood. In addition to peer influence, young people pick up the harmful habit of smoking for they think smoking makes them look mature or cool. Curiosity also drives young people to their first puff.

Since 1987, the Hong Kong Government has started to impose control on tobacco. Control on tobacco advertising was tightened in the '90s, when public places such as restaurants and shopping arcades were required to designate smoking and no-smoking ones. The duty rate of tobacco was drastically increased with a view to bringing the number of smokers down. Undoubtedly, the Government has put in some anti-smoking efforts. However, survey results show that the number of smokers has been on the rise, underpinning some inadequacies in past government policies. At present, no tobacco advertising appears in any of the media in Hong Kong and some of the public places are either designated as no-smoking areas or are provided with no-smoking areas. For the sake of the people's health, the Democratic Alliance for Betterment of Hong Kong (DAB) supports a total ban on smoking at all public areas. However, we have great misgivings about enforcement. Over the last several years, we have in place the requirement that restaurants with 200 seats or more should set aside no-smoking areas. But experience tells us restaurant owners do not want to antagonize their clients and smokers are allowed to smoke as they please. So, the law is ignored. Ironically, in some restaurants, due to interior design limitations, smoking areas and no-smoking ones stand side by side, thus defeating original intent of the legislation. That kind of scenario has been worrying the DAB regarding the designation of no-smoking areas.

Madam Deputy, a total ban on smoking will indeed have far-reaching effects on some industries, especially the catering industry and some entertainment industries. Because of the ban, some people will surely choose to eat or entertain themselves at places where smoking is allowed. Moreover, no one can imagine the extent of losses to be suffered by the relevant industries once the ban is implemented at all indoor and public places. Thus, any policy on banning smoking must not be implemented before there is sufficient consultation among those industries that are affected, so that the financial implications can be assessed and the effects on the businesses evaluated when the Legislative Council makes the relevant laws in future.

Madam Deputy, lastly, I would like to talk about the anti-smoking campaign. The strategy being employed in the campaign is to create through the media an image of a selfish middle-aged man dreaded by everyone as if he is a god of plague. This is outrageous and bad labelling, aiming just to marginalize or demoralize or belittle smokers. Sometimes, I cannot help being disappointed. Is it part of the Hong Kong civic education for us to belittle others before we can drive a message home? Must we belittle or label smokers to drive smokers away? Can Hong Kong not educate its people to deal with the issue properly?

Madam Deputy, I am not speaking for smokers but I feel an urge to say what I said. In Hong Kong, we need to turn hostility into harmony. Though smoking harms other people, smokers are not themselves villains. It may be counter-productive to continue marginalizing smokers because young people may treat smoking as a rebellious behaviour and a sign of individuality and would therefore be enticed into smoking, which is exactly what the anti-smoking campaign seeks to avoid. Indeed, as everyone knows, peer relationship is a major factor causing young people to take up the habit of smoking. Has the Government ever given any serious thought to using the "school network" and the "social network" among the young people to instil in them correct values?

Madam Deputy, I so submit.

MISS CHAN YUEN-HAN (in Cantonese): Madam Deputy, I wish to declare an interest first. I am the Honorary Adviser of the Action on Smoking or Health, and I oppose smoking. We know that smoking is hazardous to health and will cause a myriad of diseases, including heart diseases, cancers and respiratory

diseases. Thanks to publicity efforts made over a long period of time, I believe many members of the public do appreciate these hazards.

According to a report of the World Health Organization, 4 million people died of tobacco-related diseases in the world each year. In other words, one in every 10 adults died of diseases caused by smoking. By 2030, this ratio will rise to one in every six adults, which means that 10 million people will die from smoking each year. In Hong Kong, about 5 500 people died prematurely from smoking each year, accounting for about 13% of the total deaths in the year. From this, we can see that the number of deaths caused by smoking has been on the rise and there are even signs that the problem is worsening. Smoking will not only take its toll on the health of smokers, but also do harm to the health of other people. According to the information of the medical profession, passive smoking can affect the health of non-smokers, and is particularly harmful to children. Besides, naked light inadvertently left over from smoking are also a major cause of fire in Hong Kong. One third of fires that broke out in Hong Kong was caused by smoking. Moreover, our medical costs related to smoking are as high as \$800 million annually. All these figures show that smoking has caused a diversity of problems.

Madam Deputy, in view of the harm that can be caused by smoking, the Government has made some efforts in this regard over the years. For example, the Smoking (Public Health) Ordinance was enhanced in 1997 to gradually step up regulation of smoking in public places, impose sanctions on tobacco advertisements, and so on. We support the Government's anti-smoking position. While the Ordinance has come into operation for years, it has not been as effective as desired and is plagued by many loopholes. Information shows that 60% of the restaurants has not put up enough "No Smoking" signs in no-smoking areas as required by the law. Further, tobacco companies can display huge advertisements at small shops to continue promoting tobacco products. However, actions taken by the Hong Kong Government between 1999 and March 2000 were no more than issuing verbal and written warnings and no prosecution has ever been instituted. This shows that practical deterrent actions are still lacking on the part of the Government in its anti-smoking campaign. It has been 20 years since the Government began the anti-smoking campaign in the 1980s, but the number of smokers among youngsters has been on the rise, particularly among females, and the age of smokers is getting younger and younger. Some surveys estimated that there are now 28 000 smokers among junior secondary school students in Hong Kong. In this

connection, I think it is necessary for the Government to consider conducting assessments or research studies on the provision of resources and the measures taken for anti-smoking purpose. The Administration should take this point into serious consideration.

Apart from peer influence and the fact that youngsters consider smoking "cool", cigarette advertisements are also a reason for the continuous increase in the number of young smokers. A survey conducted by the University of Hong Kong has proved that youngsters are induced by tobacco advertisements to smoke. Images frequently portrayed in tobacco advertisements are considered most attractive to children and adolescents. Attempts are still being made by the tobacco industry to recruit new smokers, mainly targeting at females and young people, through attractive advertisements and sponsorship for sports and cultural activities. While the Smoking (Public Health) (Amendment) Ordinance 1997 has already prohibited the outdoor display of tobacco advertisements and those in the printed media, cigarette vending stalls or retail shops employing less than two persons are nonetheless exempted and are allowed to display tobacco advertisements. There are, however, many grey areas in this Ordinance. For instance, cigarette advertisements are put up by tobacco companies at small shops but the advertisements comprise words so large that they can be seen at places far away. Another example is that tobacco companies vigorously advertise non-tobacco products under tobacco brand names in an attempt to circumvent the statutory restrictions. Moreover, we can often see in movies the lead actors or actresses puffing cigarettes. This will have an adverse impact on our young people indeed. All these examples reflect loopholes in the existing legislation. Therefore, I think the Government should propose amendments to the existing legislation on tobacco advertisements to enhance protection for the public against the harm of tobacco.

On the other hand, members of the public have expressed lots of views recently on the need to extend no-smoking areas in restaurants. According to surveys conducted by the Democratic Party, many people consider the proposal feasible. I think it merits our consideration.

We, however, also note that many members of the catering industry are concerned that people have already been eating out less during the economic downturn and the imposition of further restrictions may affect their business. Before this debate today, I have on many occasions consulted trade unions in the catering industry and listened to their views. They all appreciate that in order

to strike the right balance, studies and reviews are required, as proposed by the original motion and the amendments. Therefore, I hope that before any legislative amendment is made, the Government should conduct studies and hold discussions with the relevant industries before reaching a decision. I think this will be a more objective approach.

Madam Deputy, despite widespread community support for a total ban on smoking in public places and the workplace, certain difficulties are bound to arise in implementation, particularly in respect of the catering industry. Therefore, it is necessary to study the ways and feasibility of implementing the prohibition before formally putting it into practice. This echoes my earlier remarks that the current legislation has loopholes and is vulnerable to manipulation. If we intend to ban smoking in offices and catering establishments, consideration should also be given to other alternatives in addition to conducting consultation. I think no one would wish to enact a piece of legislation that is impossible to enforce.

Madam Deputy, I wish to emphasize that many people hold that the objective of deterring smoking can be achieved through publicity and education. But in my view, publicity and education are not enough because if the specific legislation is lax and no concrete action taken, I am gravely concerned that the problem of smoking among youngsters will continue to worsen, thus bringing about even more serious consequences. Therefore, I hope the Government will attach importance to this issue.

I so submit. Thank you, Madam Deputy.

THE PRESIDENT resumed the Chair.

DR RAYMOND HO (in Cantonese): Madam President, although the Hong Kong Government has carried out the anti-smoking campaign for years, little success has been achieved. Smokers, many of them young at age, can still be seen everywhere. In view of this, the Government has enacted legislation to require the designation of no-smoking areas in large restaurants. But over the past year or so since the legislation came into operation, offenders abounded. Non-smokers were still forced to breathe second-hand tobacco smoke. For health reasons, I consider it necessary for the Government to designate more public places as no-smoking areas and impose a total ban on smoking.

As we all know, smoking can do very serious harm which includes a myriad of severe diseases. Women who smoke during pregnancy may give birth to babies with health problems. For those whose lungs have problems, smoking will further weaken the functions of their lungs and affect their respiration. People suffering from heart diseases can be said as taking the path to death if they continue to smoke. The problem before us is that in order to satisfy their need to smoke in public places, these people are forcing non-smoking people to inhale second-hand tobacco smoke to the detriment of their health.

Madam President, while I am aware of the concern expressed by some restaurants over the impact of a total prohibition of smoking on their business, I do not share their view. The success of a business depends on its market strategy, such as the quality and price of products, and so on. Take restaurants as an example. The taste of food, the hygiene condition of the restaurant, the standard of services, and whether or not the price is reasonable are the major considerations of customers. Their choice does not really depend on whether or not smoking is allowed in the restaurant they patronize. Even though some smoking customers may really choose a restaurant because smoking is allowed there, and if this assumption holds, we can also infer that some non-smoking customers will also choose a restaurant where smoking is completely prohibited. Recently, the Democratic Party has conducted a survey and found that over 70% of the respondents support a total prohibition of smoking in restaurants and the workplace. The Executive Director of the Council on Smoking and Health (COSH), Mr Marcus YU, said in a radio programme at the end of last year that one year after smoking is totally banned in restaurants in 15 cities in the United States, 50% of the restaurants registered a growth in business whilst the other 50% are doing the same amount of business. Will a total prohibition of smoking in restaurants result in a drop in business? I think the answer is no.

Madam President, I support designating more public places as no-smoking areas. I also support the Government actively reviewing the existing anti-smoking legislation for its effectiveness is questionable indeed. The Government began to implement this anti-smoking legislation in July 1999, but no one has been prosecuted over the past year or so. However, this does not mean that no one has violated the law or the law has produced a deterrent effect as desired during this period of time. This can be illustrated by looking at both the smokers and tobacco companies.

In respect of smokers, Mr Marcus YU has stated that since the legislation came into effect, the COSH has received over 10 000 complaints, expressing dissatisfaction that the legislation is rendered virtually null and void for many people still smoke in no-smoking areas. Madam President, this is not at all difficult to imagine. Even though hospitals are designated as statutory no-smoking areas, we can still see people smoking in hospitals. As the police is responsible for prosecuting smokers who contravene the law, hospital staff can only advise smokers in breach of the law not to smoke, thus making it difficult for the anti-smoking measures to be enforced. I, therefore, hope that the Government can step up its enforcement efforts.

In respect of tobacco companies, loopholes are found in the existing Smoking (Public Health) Ordinance. For example, while the Ordinance prohibits tobacco advertisements on display, such as light boxes, small shops with less than two employees are nevertheless exempted. It is reported that large-scale cigarette advertisements and light boxes are displayed by tobacco companies at conspicuous places of these small shops. Given that the quantity and size of cigarette advertisements displayed at small shops are not subject to the existing Ordinance, tobacco companies can therefore take advantage of this loophole and continue to promote their products vigorously. In this connection, I consider it necessary for the Government to make amendments to the existing anti-smoking legislation.

Smoking is hazardous to health and this is a fact known to all. Apart from affecting the health of smokers, smoking will also affect the health of people around the smokers. Under the current anti-smoking legislation, tobacco companies are only required to print on cigarette packets the words "Smoking is hazardous to health". But from cigarettes available in the market, we find that this warning on cigarette packets is written in words so small that the warning simply cannot serve its purpose. It is reported that in order to step up publicity of the health hazards posed by smoking, the Canadian Government has required the printing on cigarette packets of enlarged colour pictures of smoking-related diseases, such as oral ulcers, since December last year. Canadian officials stated that pictures are 60 times more convincing than all the other means to deter smoking. I think the Government should consider the feasibility of adopting this measure in Hong Kong.

Madam President, given that the existing anti-smoking legislation is not as effective as desired, I think the Government must review the legislation in the light of prohibiting smoking. To protect the health of Hong Kong people, I support the designation of more public places as no-smoking areas and impose a total prohibition of smoking. Smoking is a human right, and it is also a human right to refuse breathing tobacco smoke. Therefore, it is necessary for the Government to ensure that members of the public are fully consulted before implementing any new anti-smoking programme.

Madam President, I so submit. Thank you.

MRS SELINA CHOW (in Cantonese): Madam President, although we do have a strong consensus among us on the health hazards of smoking whenever this issue is discussed in this Chamber, we will invariably have a heated debate on this topic on each of these occasions.

In fact, the problem before us today is similar to those we dealt with before in that we must figure out which party we are targeting at when considering this issue, just as Dr LO Wing-lok pointed out earlier. It is because when Members intend to draw up regulations to drive out smokers, all the measures are actually targeting at smokers, even though Members have said that they are not. As such, we must consider the question of the so-called political correctness. In the past, non-smokers accounted for over 70% of the population and now, over 80% are non-smokers, so it follows that the remaining 10% or so of people who smoke must conform to our view and therefore, we must tell them that they are absolutely not allowed to smoke at places where we go. When considering this issue, there is a point of principle that I always find difficult to accept. However, I can accept that the general public has the right not to breathe second-hand tobacco smoke. So, on the question of segregation, I believe studies should be conducted on, for instance, ways to enforce segregation effectively. On this point, studies must be carried out.

Legislation has already been put in place. It is not that we have no governing legislation, and the designation of no-smoking areas is already provided for therein. However, actual enforcement is difficult. Given that enforcement is already difficult when part of an area is now designated as smoking area, if we take one step further to designate the whole area as no-smoking, is it possible for such designation be practically implemented? It may

not be possible to do so. Therefore, the first point we must study is how the legislation can be practically and effectively implemented when it comes into operation? Now that the legislation has already been enacted, do we, therefore, have to study where the loopholes lie?

Speaking of loopholes, we all know that some difficulties are involved in the designation of no-smoking areas. Meanwhile, it is also difficult to decide who should be made responsible for the enforcement of the law. We know that in restaurants, or on social occasions or at places where people go for leisure or entertainment, it may really be difficult to simply rely on the staff there for enforcement. Therefore, we must conduct in-depth studies on ways to help them with the enforcement work, or ways to facilitate the implementation of this legislation. We consider that this problem should be resolved expeditiously.

On the issue of passive smoking, we know that in some overseas countries or territories, measures can indeed be taken to effect segregation for they may have more advanced techniques for this purpose. Therefore, it is not true to say that this measure is impossible now. I once walked into the Heathrow Airport and was puzzled to find that a group of people was smoking in an area in the middle of the airport, but this area was not segregated by walls or glasses or whatever. I saw many shops surrounding the area and the non-smoking customers shopping around did not smell any tobacco smoke at all, whereas people who wanted to smoke would automatically enter this area for smoking. Why? After some inquiries, I learned that the ventilation system of the airport is so well-designed that some heavy-duty ventilators are centred around the smoking area. As many people know that it is a smoking area, non-smokers who do not wish to breathe tobacco smoke can also be protected even though the area is not segregated by walls or glasses, and that is why I said that segregation can be feasible. Under that circumstance, a balance can be struck. The fact is that a minority of people has the habit of smoking. Although it may not be a good habit, they are at liberty to take up and maintain this habit. In fact, cigarettes are not contrabands. People do have the right to smoke, but they should not affect other people in doing so.

In respect of society, I think when considering the majority of people — at present, 85% of the people do not smoke and even if this percentage will increase to 90% in future, or no matter how many non-smokers there will be — should we also have regard for the minority? Yet, I agree that they should not be allowed to smoke unrestrictedly. In fact, statistics show that publicity efforts made by

the Government in recent years are sufficient and the promotion of tobacco has already been subject to restrictions. Moreover, as the Honourable Timothy FOK has said, tobacco companies are even not allowed to sponsor certain activities. From the overall attitude of the community, we can see that sufficient publicity efforts have been made, but has the number of smokers come down subsequently? The past few years have not seen a drop in the number of smokers, who still account for 15% of the population. I would not venture to say that the Government is not doing a good job in respect of publicity, but is it enough to solely rely on publicity? I am pleased to learn from the newspapers that Secretary YEOH has recently set up a smoking cessation centre to provide smoking cessation counselling services for smokers, which is a desirable initiative. It is because there may be many smokers who wish to quit smoking but may not necessarily have access to proper counselling. In this regard, the Government may have to inject more resources and provide more manpower to assist smokers to quit smoking. Only in this way can smokers be provided with genuine assistance to kick the habit. However, if the existing policy is known to be ineffective but it is still suggested that this policy should be extended across the board without prior consultation or studies, or without identifying ways to implement the policy, we do not see any reason to support such a policy.

Therefore, I think a rational approach is to conduct prior studies before actual implementation, as suggested by Dr LO Wing-lok, Mr Tommy CHEUNG and Mr Bernard CHAN. Furthermore, we must not marginalize smokers. We must help them, rather than exterminating them or driving them out.

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, many colleagues have already discussed the harmful effects of passive smoking, and so, I am not going to talk about this again. On the question of extending the no-smoking areas, though people who oppose the idea have advanced many reasons such as rights of the individual, adverse effects on business and enforcement difficulties, all these reasons have been refuted by anti-smoking supporters. Anti-smoking supporters have pointed out smokers should not infringe upon the rights of non-smokers, and that customers and workers of restaurants are all affected by the harmful effects of passive smoking. Besides, as pointed out by many colleagues, the experience of enforcing such legislation in other countries and Hong Kong has shown that the extension of no-smoking areas will not adversely affect business. I must also add that the problem can actually be solved if more thoughts are given to the work of enforcement. All this shows that the

arguments of those against the extension are actually very unconvincing. The extension of no-smoking areas seems to have become our consensus. That said, I still hope that when we study how to implement the extension of no-smoking areas, we can still consider again how we can balance the rights of different parties, so as to work out an ultimate solution to the problem.

Madam President, the exercise of one's rights should not be built upon the infringement upon others' rights. This is the most fundamental concept underlying liberalism. For this reason, since passive smoking will affect the health of other people, smokers have to be deprived of the right to smoke in indoor public areas. But liberals also tell us that while we seek to implement the majority decision, the rights of the minority should be protected. We should not deprive the right of smokers to smoke simply because this is the wish of non-smokers, who are in the majority. This is also a point we have to consider. In fact, many of the people that I know, especially grass-roots people like construction workers, all look forward to a cup of tea and a puff in a cafeteria at a quarter past three every day, as a means of relieving their work pressure, and as the best enjoyment they can have. If we impose a total ban on smoking in all food establishments, they will have no place to smoke, to relieve their work pressure. To them, this is a big problem, and needless to say, they will also be deprived of a good treat. Although I do not think that they should smoke, I still do not think that we should ignore them because this is their pastime. So, when we explore the possibility of extending the no-smoking areas, I hope that we can give serious thoughts to the needs of some particular people, to really solve the problem, instead of forcibly imposing a ban on smoking without any regard for those affected. To these people, smoking is just a habit and hobby, which should not be equated with crimes like robbery. It is therefore not appropriate to punish and restrict them severely. Looking at the matter from a different perspective, I would think that though we now have a clearer consensus than before, we must still realize the most important is that we point is thus think that the enactment of laws can solve all problems. Rather, we should remind ourselves the most important point is to increase public awareness in this respect in the long run.

Madam President, actually, to eliminate the problem of passive smoking once and for all, we should reduce the number of smokers, instead of simply trying to impose restrictions on smoking. I am afraid that more no-smoking areas will only lead to resistance from smokers, and I am also worried that resistance may be especially strong from young people nowadays, who are

largely rebellious. Some surveys show that 15% of the people in Hong Kong are smokers, and according to a survey conducted on 21 044 students in 64 secondary schools in 1999, the rate of smokers among students aged 16 or above is 20% for boys and 13 % for girls. All this shows horrifying rates of increase over the corresponding figures for 1994: 57% for Secondary One boys and 40% for Secondary One girls. And, those for Secondary Two and Three girls are even 67% and 100% respectively, in contrast to the 30% and 8% for boys. These figures tell us that the number of smokers will only increase in the future. Therefore, anti-smoking efforts should start at the tender age and at root, instead of relying on extending no-smoking areas to cure the symptoms only.

Madam President, the problem of teenage smokers is very much psychological in nature. To many teenagers, smoking is the symbol of "being in", a fashionable habit. The more adults disapprove of this habit, the more teenagers will become interested in it. This is all the result of a rebellious mentality. If we wish to change the mentality of teenagers, we must not resort to restriction and coercion or else they will only become even more rebellious. Therefore, we must enhance our communication with teenagers, such as by inviting their idols to act as publicity ambassadors, who can lead teenagers away from tobacco by means of their appeal. Unfortunately, society is adopting a totally opposite approach. For example, schools all adopt high-handed measures to punish student smokers, and society is seeking to extend the scope of no-smoking areas to restrict the freedom of smokers on the excuse of combating passive smoking. All this will only make teenagers more rebellious and aggravate the problem of teenage smokers.

Madam President, the ultimate solution to the problem of passive smoking lies in urging our next generation not to smoke, so as to gradually reduce the number of smokers in society. Only in this way can we solve the problem. The suppressive measures now being adopted will, I think, only make smokers have the wrong impression that non-smokers, who are in the majority, are trying to oppress smokers, who are in the minority. This will achieve the opposite result of arousing hard feelings, and will not help solve the problem at all. I hope that members of the public can look at the matter with tolerance, consider various ways that can balance the interests of smokers and non-smokers and seek long-term solutions, instead of resorting to any restrictions or prohibition as a solution.

I so submit. Thank you, Madam President.

DR TANG SIU-TONG (in Cantonese): Madam President, although it is known that smoking is deadly, most smokers just keep on smoking. This tells us that to many smokers, smoking has become a habit or even a kind of enjoyment. As for the young persons, smoking may perhaps be a symbol of being imposing. In any case, the problem remains that the price for this habit is terribly high. According to a relevant research study, in Hong Kong, every year some 5 500 people lose their lives as a result of smoking. As regards the 20-odd smoking-induced diseases, the medical expenses on treatment for lung cancer, coronary heart disease and chronic respiratory diseases, for example, amount to as much as \$800 million a year. Another study also points out that the additional medical expenses spent on treating passive smoking-related respiratory diseases paid by employees amount to some \$100 million a year, while the amount shouldered by employers and the Government is \$45 million and \$12 million respectively. What is more, according to the 1995 statistics, close to 28 000 people of Hong Kong fell ill and were admitted to hospital because of smoking, representing a large proportion of the total hospitalization cases handled by the Hospital Authority. From this we can see that in addition to further safeguarding the health and liberty of non-smokers, extending the no-smoking areas can also help to alleviate the depletion of social cost and enable public resources to be more reasonably allocated.

Some people from the catering industry worry that extending the no-smoking areas may cause their business turnover to suffer a further blow when there is still a downturn in the industry. According to a survey conducted by the Hong Kong Council on Smoking and Health, if smoking should be prohibited in all food premises, 20% of the people interviewed would patronize restaurants more often, while only 3% would patronize less. And assuming that the services provided by two restaurants are the same, 84% of the interviewees said they would patronize the one with a no-smoking area. I believe these survey results should be able to allay the worry harboured by the catering industry.

Actually, under the existing legislation, only restaurants providing indoor seating accommodation for more than 200 persons shall designate not less than one third of such premises as a no-smoking area. This arrangement is unfair to non-smokers. In the first place, while at present six out of seven persons in Hong Kong are non-smokers, restaurants only have to designate one third of their premises as a no-smoking area. Besides, even if restaurants have designated one third of their premises as a no-smoking area, the no-smoking

seating accommodation available to non-smoking customers in reality may fall short of one third of the area concerned. This is attributable to the insufficient law enforcement efforts on the part of the Government, as well as the fact that restaurant employees are not vested with the power to enforce the law and do not dare to stop customers from smoking in no-smoking areas for fear of losing business. Moreover, since the no-smoking area is smaller in size than the smoking area, the ventilation there will naturally be poorer. That being the case, if any customer should smoke in the no-smoking area in breach of the law, the impacts of passive smoking on the non-smoking customers there might be even graver.

Certainly, cigarette smoking and drug abusing are two different things; so long as smokers do not affect others, they should have the freedom to smoke to relieve boredom. We should appreciate that while some smokers may not be able to quit smoking within a short time, there are also businesses which happen to be patronized by mostly smokers and thus have difficulty prohibiting smoking in their premises. After all, the objective of the Government is to curb smoking, rather than killing the business opportunities of the relevant industries. If the Government should, in implementing its anti-smoking measures, force the affected industries to suffer any unnecessary losses high-handedly, not only would it have difficulty in mobilizing the affected industries to help ban smoking, it might even have forced the relevant industries to comply in appearance but oppose in secret.

For these reasons, if the Government should really designate more public places as no-smoking areas, it must implement the measures concerned flexibly and make an effort to persuade businesses to accept the arrangements rather than forcing everything upon them. Apart from that, the Government must also listen more to the views from the various sectors of society, including the affected industries, the smoking population, and, in particular, the non-smokers, with a view to formulating a proposal acceptable to all parties concerned. After all, the success or otherwise of the proposal to designate more public places as no-smoking areas and the successful implementation of the anti-smoking laws and regulations depend on the co-operation of the affected industries and that of the smoking population.

Madam President, I so submit.

MR MARTIN LEE (in Cantonese): Madam President, I support banning smoking in all indoor public places. Precisely, I support banning puffing smoke in all indoor public places. I can still recall, in 1986 when I was participating in the drafting of the Basic Law, I did propose to include in the Basic Law provisions prohibiting smoking in all indoor public places. At that time, one of the members of the Drafting Committee, who was also a Judge of Hong Kong, pointed out that he had the freedom to smoke. Madam President, he certainly has the freedom to smoke, but he does not have any freedom to exhale smoke. This is because the smoke he exhales is not only a nuisance to other people, it also impacts on the health of other people. I therefore proposed to set out the following under the Basic Law: "In order to safeguard the right of others to be not forced into passive smoking, the people of Hong Kong shall have the freedom to smoke but not the freedom to exhale smoke." Regrettably, this insightful view of mine was not incorporated into the Basic Law. That is why we cannot find any provision for this in the Basic Law today.

More than a dozen years have passed since then. Today, although the medical profession in Hong Kong has reached a consensus regarding the hazards of passive smoking, some people still consider that the proposal to ban smoking in public places is targeting at smokers and is therefore an infringement on their freedom. These people also argue that alcohol and drugs should be put under more stringent control since the problems of alcoholism and drug abuse are far more serious.

The public have already given their verdict on the harmful effect of tobacco, alcohol and drugs on both the human body and society. Just because we urge the Government to exercise control over smoking in public places does not necessarily mean that we will not or should not concern ourselves with problems of alcoholism and drug abuse. However, whereas those indulging in alcoholism and drug abuse will incur harms to themselves only, the smoke exhaled by smokers will cause harmful effect direct on other people, affecting the health of every single person in the vicinity and even costing many their lives. If we agree that emission from smoky vehicles and factories must be subject to stringent control because of its harmful effects on human health, then why should the smoke exhaled by smokers, which is equally harmful to people's health, not be subject to control? If the Government keeps sending out the message that smoking can be carcinogenic, why should it allow innocent members of the public to be forced into passive smoking and eventually incur cancer?

Hong Kong is a densely populated city with very limited space. Whereas a smoker may choose to smoke or not to smoke when he takes out a cigarette, the people near him do not have any choice at all. For those who do not want to be forced into passive smoking, they have no choice but to leave the place because it is just impossible to ask them to stop breathing. But since Hong Kong does not have any law providing against smoking in indoor public places, no matter where you go, you just could not escape the hazard of passive smoking. At present, although restaurants are required to designate an area of its seating accommodation as a no-smoking area, the no-smoking area may only be perfunctory. For instance, if someone sitting in the smoking area puffs at a cigarette when I am having my meal in a restaurant, even though I am sitting in the no-smoking area, the smoke he exhales will still be brought to me and all the other customers in the restaurant through the central air-conditioning system. If I do not want passive smoking, my only choice is to give up my right to eat in public food premises. Likewise, in case someone should smoke in his office, other people working in the same office just could have no choice. After all, no one would give up his job just to avoid passive smoking.

Actually, this is not the first time we debate smoking and health-related issues. Thanks to the vigorous lobbying efforts of the Hong Kong Council on Smoking and Health, the former Legislative Council debated a motion on anti-smoking in January 1997. The motion we debated then was more comprehensive and forceful. The motion urged for a total ban on direct and indirect tobacco advertising and on tobacco sponsorship for cultural and sports events, as well as introducing legislation to designate all indoor public places as smoke free areas, so as to protect Hong Kong citizens, and in particular teenagers, against the health hazards caused by direct and passive smoking. At that time, the Democratic Party was in strong support of the motion, which was eventually carried. More than three years down the line, the motion we are now debating today seeks to urge the Government to conduct studies on the feasibility of designating more public places as no-smoking areas and to implement in stages a total ban on smoking in all indoor public places. I feel sorry to say that the attitude we hold in our capacity as legislators towards anti-smoking has retrogressed rather than progressed over the past three years.

As revealed in a study report published by the Department of Community Medicine of the University of Hong Kong in 1991, compared to people who have not encountered passive smoking before, those who have been subject to passive smoking account for 30% more of the people seeking medical treatment for respiratory diseases such as influenza, common cold and fever.

Although smokers are the one inflicting harm on other people's health, the medical expenses so incurred are borne by passive smoking victims, employers and the Government. This phenomenon of "you smoke, I pay the price" will of course put public health care expenditure under heavy pressure. Because of the pressure from public health care expenditure, the Government is now discussing new financing proposals on the one hand and considering requiring the public to make medical contributions on the other. Recently, a certain state government in the United States has successfully brought civil proceedings against tobacco companies to claim compensation for the astronomically smoking-induced medical expenses that taxpayers have been paying over the years. Will the Government of the Special Administrative Region consider claiming losses from tobacco companies as well? As for the Consumer Council, will it consider making use of consumer representative action to help those members of the public who have been victimized by passive smoking to claim compensation?

To protect the public from the harms of passive smoking, a more effective and direct approach is to legislate to ban smoking in all indoor restaurants and indoor workplaces. To this end, the Democratic Party is now preparing a Member's Bill. Under Article 74 of the Basic Law, the written consent of the Chief Executive shall be required before any Members' Bills are introduced. Towards the end of June last year, Dr the Honourable LEONG Che-hung introduced a similar Member's Bill to expand the size of no-smoking area in restaurants after obtaining the written consent of the Chief Executive. I therefore hope that the Chief Executive will, basing on the same principle, give his written consent for the Member's Bill to be introduced by the Democratic Party into the Council then.

Madam President, I so submit.

MR MICHAEL MAK (in Cantonese): Madam President, the points I am going to make have in fact been raised by a number of Members already. Nevertheless, I still wish to expound on them to add force to the anti-smoking voices.

I am returned to the Legislative Council by the Health Services Functional Constituency, naturally, the health of the public is an unshirkable responsibility of mine; besides, I have also concerned myself very much with issues in this respect all along. There is sufficient evidence showing the harmful effects of

smoking on human health, lung cancer and heart diseases being just some of the examples. Therefore, I sympathize very much with those non-smokers who are constantly exposed to passive smoking, regardless of whether they are adults or unborn fetuses, for the various kinds of health hazards they have suffered.

As indicated in the statistics of the Department of Health, the number of first attendance at chest clinics recorded in 1999 was about 39 000. Of these patients, close to 25% had contracted tuberculosis, some 30% had thoracic infection, and 3% were suffering from chronic thoracic diseases. In 1998, cases of hypertension and chronic thoracic diseases accounted respectively for 20% and 2% of the approximately 5 million total attendance of patients recorded at the general out-patient clinics of the Department. All these diseases and illnesses are most probably directly or indirectly related to smoking. In addition to affecting adversely the health condition of the people, smoking will also cause society to suffer economic losses. According to the public health care expenditure statistics prepared by the Hospital Authority, public hospitals spend some \$800 million annually in treating patients with smoking-related diseases. From this we can see that the harmful effects of smoking are now spreading in all directions.

At present, many people working in offices with central air-conditioning system are very often choked by the smoke exhaled by their colleagues smoking indoors and thus have difficulty breathing or even contracted respiratory diseases and thoracic diseases. As regards restaurants where a portion of the seating accommodation has been designated as a no-smoking area, the situation seems to have not improved either. Even though the larger-sized restaurants with seating for more than 200 persons have designated an area of the seating accommodation as a no-smoking area, customers sitting in the no-smoking area will still be menaced by heavy smoke because of the central air-conditioning system. For those customers in the no-smoking area who are sitting right next to the smoking area, their situation is particularly appalling, yet they are unable to lodge any complaint. What is more, even if there should be any customers smoking in the no-smoking area, restaurant employees would very seldom take action to rectify the situation in order not to drive the customers away, thus rendering the relevant legislation practically non-existent. The situation in those Hong Kong-style cafes patronized by most local residents is even worse. Given that such cafes are mostly small shops measuring 200 sq ft to 300 sq ft which do not have enough seating accommodation for 200 persons, very often non-smoking customers have to suffer the smoke exhaled by smoking customers surrounding them.

Some people might argue that since cigarettes are not contrabands, it is not reasonable to implement harsh measures to deprive smokers of their freedom to smoke. In this connection, I must say that Honourable Members should never try to dismiss the proposal to extend the no-smoking areas by dressing up passive smoking as an issue of human rights and freedom or by talking nonsense to confuse people. Some people may oppose extending the no-smoking areas on the pretext of human rights and freedom, I just hope Members will not be misled by such arguments. Whether or not smoking is a kind of freedom may be open to question, but it is certainly not a basic human right. On the other hand, if we do not extend the no-smoking areas, the health condition of non-smokers will certainly be gravely impaired. This will in turn add tremendously to the public health care expenditure.

With regard to the amendment proposed by Mr Tommy CHEUNG, which urges the Government to conduct economic assessments on all the affected industries as a result of extending the no-smoking areas, I am afraid such a proposition is meaningless. In my opinion, apart from striving for the interests of their respective functional constituencies, Members of this Council must also pay due regard to the well-being and benefits of the public at large. Earlier on in the debate, Mr CHEUNG claimed that the cost of prohibiting smoking in restaurants would be a 10% to 40% drop in business turnover. I just hope this is not any pretext he uses to defer the imposition of a total ban on smoking in restaurants to satisfy those people who advocate "smoking after meals". Actually, if smoking is banned in all restaurants, there will not be any smoking area or no-smoking area and all restaurants will be competing on an equal basis; as such, economic losses would be out of the question.

Further still, I consider there is a need to earnestly review the enforcement position of the Smoking (Public Health) Ordinance (Cap. 371). This is because even though most public places like cinemas and shopping arcades have already been designated as no-smoking areas, we can still see a lot of people breaching the law and smoking in such public places, and thus filling such places, in particular cinemas, with heavy smoke. I just hope the law enforcement agencies will take the first step to rectify the situation; otherwise, people will just think the relevant legislation exists in name only.

Madam President, I so submit.

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

MR LAW CHI-KWONG (in Cantonese): Madam President, this is a rather interesting motion. There are three amendments to the motion, and that should not be considered too many. On the other hand, all the three amendments start to amend the original motion from its first point, which seems to be the first time that something like that has happened. What impresses me most is that Dr the Honourable David LI and Mr Timothy FOK, who rarely speak, have spoken in support of the motion. This tells us how important the motion is. It is a pity that the Honourable Andrew WONG has yet to speak in support of the motion. Had he done so, I trust most people who support banning smoking would have been pleased. What is most interesting is that two of the Members with the same second names, that is, the Honourable YEUNG Yiu-chung and the Honourable LEUNG Yiu-chung, who usually hold conflicting views, have spoken with one voice today. Both of them used to be teachers, and they both worry that overly strict control on smoking might arouse rebellious sentiments among young people and would therefore be counter-productive. I cannot agree with this logic. If the same logic is applied to drugs, we should not be banning drugs. The question remains: Why should something hazardous to our health not be banned? So, the key question is not whether the issue would arouse rebellious sentiments among young people. Rather, the question we must ask ourselves is: Should the material be banned and would it be correct to ban it? We should give young people a clear and correct message.

In this debate, many Members have quoted the survey results from the Democratic Party, which is rare. I am not sure if it is done for the sake of political correctness, but I thank them for the credit they have given us. The stance of the Democratic Party towards the prohibition of smoking is very clear, and I trust Members are also aware that our ultimate aim is a total ban on smoking in all indoor public places.

Many people (including Secretary YEOH) advocate a gradual and orderly approach to implementing the policy of imposing a total ban on smoking. That is also the approach the Democratic Party has along considered worth giving thought to. Nevertheless, we would ask this question: What is a gradual and orderly approach? As a start, we have selectively designated certain public places like cinemas, the airport, shopping arcades, and so on as no-smoking areas. This is already a gradual and orderly approach. We may go one step further by designating all indoor workplaces, universities, secondary schools and

primary schools as no-smoking areas. However, as far as food premises are concerned, should we start by designating one third of the premises as no-smoking areas, then one half, two thirds, three quarters, four fifths? If we go on like this, when can we achieve a total ban? Is this the so-called gradual and orderly approach? I think this is just a rather ambiguous way of doing things. Though I agree that setting aside a portion of a restaurant as a no-smoking area as a start is acceptable, I do not think it is necessary to progress, as the next step, to one half of the restaurant, then two thirds and then three quarters, and so on.

We understand the catering industry is concerned about a total ban. Some of them ask: "Why us?" Well, as I mentioned just now, a number of public places such as cinemas, the airport, shopping arcades, and so on have been designated as no-smoking areas. It is already quite late now to ban smoking in restaurants. So, restaurants have been more lucky compared to those places. Given that the people of Hong Kong who rate eating before anything else, we are in fact lagging behind other regions in banning smoking in restaurants. Just think, which do people do more often, eating out or going to the cinema? Obviously, people go to restaurants more often. If passive smoking is hazardous to our health, we should ban smoking in restaurants in the first place.

In fact, both the Government and Members of the Legislative Council have been very lenient towards restaurants. We must now move towards a total ban on smoking in restaurants. I have also considered this question: Is it too much trouble to extend no-smoking areas gradually? We are reviewing whether we have left out some places that should be included. If we designate secondary and primary schools as no-smoking areas, should we not designate the Vocational Training Council and the Construction Industry Training Authority as no-smoking areas as well? Should all teaching venues be included? This is quite clumsy. When can we achieve a total ban on smoking at all public places? The Government may consider an approach in which the law may state "all indoor public places with more than a certain number of persons must ban smoking". I hope the Government will consider this idea. The Democratic Party may not have the capacity to demand such legislation, but why can we not directly and totally ban smoking at such places rather than add one place at a time? A place that sells fruit may show films at the same time. Would it be treated as a cinema and so smoking should be banned there? Thus, some strange scenarios may arise, and the Government should therefore consider drawing up some legislative guidelines.

We do agree that a review should be conducted in respect of the enforcement of the law. We should not refrain from legislating just because somebody does not abide by the law. Earlier in the debate, Mr LEUNG Yiu-chung cited an example. He said that since there would always be law-breakers like robbers, and so on, if we could not effectively eradicate robberies or arrest all robbers, should we refrain from outlawing robberies? I agree with what Mr LEUNG said in that robberies and smoking are two different things. But the difference between the two is just a matter of degree. Smokers have committed a wrongful act by adversely affecting the health of other people, whereas robbers may affect the rich only to the extent that a small portion of the money is taken away and so the effect is not so serious. I am sorry I have gone a bit too far but I think a wrongful act is a wrongful act. People's views towards such acts should not be our consideration.

A moment ago, the chairman of the Democratic Party indicated that he would present a Member's Bill to amend the existing Smoking (Public Health) Ordinance to prohibit smoking in all indoor restaurants and workplaces. However, we do welcome the Government to present its own bill and we will see who does that faster. We welcome any ambitious moves by the Government to designate more places as no-smoking areas.

The Democratic Party will support the amendments proposed respectively by Dr LO Wing-lok and Miss Cyd HO. However, we will abstain from voting on the amendment proposed by Mr Tommy CHEUNG, not only because we find Mr CHEUNG's reasons for his amendment very interesting but, most importantly, because we do not think there is any need for economic assessments, which may not be feasible after all.

Thank you, Madam President.

MR JAMES TIEN (in Cantonese): Madam President, all of us, especially Members of the Liberal Party, have our own views on whether smoking should be prohibited. It appears that Members of the Democratic Party oppose smoking in unison on this occasion, but we in the Liberal Party fail to draw a general conclusion after repeated discussions. I am against smoking and I support the designation of more no-smoking areas. If the Democratic Party really wishes to propose a private bill, it will be easier for us if restaurants and offices will be dealt with separately. We should know that Mr Tommy CHEUNG representing the industry must look after restaurants.

At present, some larger restaurants have designated smoking and no-smoking areas but patrons are very unfortunate for those who want to smoke are sitting very close to those in the no-smoking areas. When smokers blow out smoke, non-smokers will stare at them, much to the former's embarrassment. Yet, restaurants cannot cope with an extension of the smoking area for the time being. Just like Mr Tommy CHEUNG, I also wonder how a small restaurant such as a cafe that can only accommodate dozens of patrons can be divided into smoking and no-smoking areas. If the Government really implements a total prohibition of smoking in restaurants, as some colleagues just said, will patrons not eat? They will eat and if all cafes implement a total prohibition of smoking, they will still need to eat and drink there and the only difference is that smokers can no longer smoke there. However, many cafe owners have indicated that this will affect their business because patrons will then have to smoke outside the cafes. Many examples in foreign countries such as New York show that smoking is not allowed in all offices. As quite a few Members mentioned earlier in the debate, this has given rise to a strange phenomenon. At around 10 am every day, a lot of people will suddenly leave their office for a few puffs and then return to their seats. If the Government considers introducing legislation, it should include all offices because we find it hard to prohibit smoking in offices. It seems not democratic for employers to specify that smoking is prohibited in offices. Some employees may want to smoke while some others may not, should employees vote? If so, I believe non-smokers will outnumber smokers. Do employers need to designate another area for smokers? I think some offices should consider this point.

I am going to talk about shopping malls. A lot of people come and go in shopping malls and non-smokers cannot help taking in the smoke blown out by smokers. What can we do about the problem in shopping malls? I believe we should adopt another method and we can make reference to many foreign examples. What will be the effect in future? Taking cinemas as an example, a method has recently been adopted in Hong Kong. There were controversies when the Government initially legislated on the prohibition of smoking and when the legislation was first implemented, the right and left rows of seats in cinemas were respectively designated as no-smoking and smoking areas, but the measure was not effective because smoke blown out by those on the left would float to the right. The same happened on aeroplanes. A few rows in the front were designated as smoking areas while a few rows at the back were designated as no-smoking areas, but smoke also floated here and there. At present, most

airlines prohibit smoking not because there are legal provisions but because they are doing so voluntarily. There were a lot of criticisms in the past — they might not be criticisms but I also noted that — the Japanese like smoking very much but Japanese airlines have also prohibited smoking now. Conversely, we do not see any airline choosing to exceptionally permit smoking on their flights in order to attract more passengers. I believe the airlines also find it unnecessary to do so. If a passenger needs to take an aeroplane, he can put up with not smoking during the flight. From foreign examples of the prohibition of smoking by airlines and cinemas, we can see that if smoking is prohibited in a certain place, though people may not feel comfortable with the practice at the very beginning, they will gradually get used to doing so later. On the whole, the prohibition of smoking is favourable to the health of non-smokers and it can conversely do good to the health of smokers. Smokers will have fewer opportunities to smoke and it will be better for their health.

There are a few amendments to the motion today and the Liberal Party has clearly stated that it does not support the amendment proposed by Miss Cyd HO because she has proposed not to consult and discuss with other people. We conversely wish to convince Mr LAW Chi-kwong. As regards the amendment proposed by Mr Tommy CHEUNG, if the amendment proposed by Dr LO Wing-lok is passed, the amendment proposed by Mr Tommy CHEUNG will be different from the version seen by Members because it will be revised to delete the beginning part. It will be largely the same as the amendment of Dr LO Wing-lok, with the added allusion to the conduct of economic assessments and consultation to canvass the views of the relevant industry. I hope that the Democratic Party will also support the amendment proposed by Mr Tommy CHEUNG.

Thank you.

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

(No Member responded)

PRESIDENT (in Cantonese): Mr Bernard CHAN, you can now speak on the three amendments. You have five minutes.

MR BERNARD CHAN (in Cantonese): Madam President, first of all, I would like to thank the 15 Members for speaking on the motion and I believe all of them are non-smokers. I also agree to the comments made by Mr LAW Chi-kwong, but it is a great pity that some Members who smoke have not had the chance to speak. I do not think it is fair because we have spoken but we have not allowed those Members who smoke to express different views on the topic.

I absolutely support the inclusion of "this Council urges the Government to review the current position in enforcing the existing Smoking (Public Health) Ordinance" proposal in the amendment of Dr LO Wing-lok. I understand that there are difficulties in enforcing the existing ordinance but as I have said, I do not think there is any contradiction between the necessity for and feasibility of reviewing the existing ordinance and studying the extension of no-smoking areas since both tasks can be taken forward at the same time.

I personally support Miss Cyd HO's amendment that demands a total prohibition of smoking in all restaurants and offices in phases and I also hope that the Government will move in this direction and ultimately achieve the total prohibition of smoking. But I have not mentioned this point in my motion because I wish to give Members more room for discussion and initiate the expression of views by more Members.

Some people oppose the prohibition of smoking in restaurants and offices for they think that it is undemocratic and not liberal. Some Members have said that smoking is not an offence and the freedom and right of smokers to smoke should be respected. This I can agree. Yet, have the smokers respected the rights of non-smokers when they smoke?

I am not asking all Hong Kong people not to smoke or the designation of the whole territory as no-smoking areas, thus, turning Hong Kong into a smoke-free city. I only wish to know if a balance can be struck between smoking and not smoking so that smokers and non-smokers can get along with one another peacefully.

In his amendment, Mr Tommy CHEUNG has proposed conducting economic assessments on all the affected industries and I basically support him. Some think that extending the no-smoking areas in restaurants will reduce patronage. I definitely sympathize with the restaurant owners but I am afraid they may have worried too much about it. As a Member has said, the

prohibition of smoking and having meals are two different matters. Even if smoking is completely prohibited, people need to eat after all and I do not think they will choose not to patron restaurants because of the total prohibition of smoking in restaurants. A Member has also said that most airlines have specified that passengers cannot smoke on board but those who need to take an aeroplane will not switch to taking a cruise just because they cannot smoke on a flight. Moreover, the time spent on a flight is often longer than that taken to have a meal but passengers still observe the rule and respect one another. Why can they not smoke on the street or in other ventilated places after having a meal? Then, they will not affect other non-smokers or cause a nuisance.

Lastly, I would like to say that different organizations and people have recently expressed their views and publish information after studying this topic and the relevant discussions have become more enthusiastic. I hope that the government officials concerned will no longer be indifferent to these voices. The discussions in the community have shown that people are concerned about this topic and the Government should expeditiously study the necessity for and feasibility of extending the no-smoking areas.

Thank you, Madam President.

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, let me first express my sincere gratitude to Mr Bernard CHAN for moving this motion at a time when we are about to review the Smoking (Public Health) Ordinance. I also wish to thank Members for putting forward their valuable opinions in this motion debate. These opinions will provide immense assistance to us during the formulation of our anti-smoking policy in the future.

As pointed out by many Members, huge amounts of medical research have proved that passive smoking may cause great damage to health. The research findings of an authoritative medical journal of the United Kingdom, for example, show that if a non-smoker is frequently exposed to passive smoking, his chances of contracting heart diseases and lung cancer will be 25% higher than those of ordinary people. In addition, quite a number of other medical studies also find that if a non-smoker is frequently exposed to passive smoking, the concentration of tobacco-related carcinogenic substances present in his urine will be three times higher than those of ordinary people. Also, passive smoking may cause a variety of ailments such as respiratory diseases, cot death and otitis media.

The established anti-smoking policy of the Government aims to discourage people from smoking through legislation, administrative measures and education and publicity. For passive smoking, the long-standing policy of the Government is to reduce its impact on the public in indoor areas as much as possible through a gradual and orderly approach. Under the Smoking (Public Health) Ordinance, smoking is now prohibited in most indoor areas, including shopping malls, department stores, banks, amusement game centres, cinema auditoriums, theatres, specified areas in large-scale food establishments, supermarkets, the airport, public lifts and means of public transport. In addition, the management of all food establishments, universities, tertiary institutions and schools registered under the Education Ordinance are also given the authority to decide on their own whether to designate all or part of the premises under their management as statutory no-smoking zones. The prohibition has not only eliminated the nuisance experienced by people frequenting these premises, but also benefited the workers there. The scope of no-smoking areas mentioned above is very extensive, and this is in line with the international anti-smoking trend.

From the health perspective, we think that there is a need to continue to extend the no-smoking areas in public places, because this will not only protect the health of people using these places, but also make sure that the workers there will not be affected by passive smoking. We are now evaluating the effectiveness of the existing anti-smoking legislation since its implementation, and we will also study various ways of achieving the eventual goal of designating all food establishments and indoor workplaces as statutory no-smoking areas. In the course of all these studies, we will thoroughly consider the responses of members of the public, the views of the relevant organizations and people, matters relating to enforcement and the schedule of implementation. We will shortly submit a discussion paper to the Panel on Health Affairs of the Legislative Council and then incorporate our concrete proposals into the amendment bill for the scrutiny of the Legislative Council.

In the course of reviewing our tobacco control policy, we will take steps to ensure that members of the public are sufficiently consulted, and that their views are seriously considered. Actually, the Council on Smoking and Health has conducted quite a number of questionnaire surveys to gauge people's views on individual topics such as the designation of no-smoking areas in food establishments and workplaces, and the relevant findings have been relayed to my Bureau. Besides, we are now conducting a household survey on the habit of smoking, and people's views about the banning of smoking in indoor workplaces are included. The findings will be released later this year.

Under the law, it is an offence to smoke in statutory no-smoking areas. The maximum fine upon conviction is HK\$5,000. For prosecution figures, in 1999, for example, the police and other enforcement agencies instituted a total of 3 555 successful prosecutions.

In addition, the implementation of other provisions under the Smoking (Public Health) Ordinance has also been satisfactory on the whole. This includes the legislative control over the display of warnings on tobacco products vending machines, cigarette packets, newspapers, magazines and large tobacco signboards.

In respect of enforcing the law on banning smoking in food establishments and shopping malls, however, we have encountered many difficulties, and this is especially the case with the enforcement in some particular no-smoking areas. Since 1998 and 1999, when the law on banning smoking in all shopping malls and designated areas in large-scale food establishments became effective, we have received many complaints from members of the public about inadequate enforcement actions in no-smoking areas. For this reason, we have discussed the matter with the relevant departments for many times. However, since the scopes of no-smoking areas are extensive and their locations scattered, and also since illegal smoking usually spans a very short time, it is often difficult for law enforcement officers to take any immediate actions on complaints about this type of offences. Moreover, we also realize that the existing legislative provision requiring a large-scale food establishment to designate one third of its area as a no-smoking areas has made it very difficult for the operator to clearly define a no-smoking areas. This has increased the difficulty in enforcement as a result.

In view of all these difficulties, we will shortly set up a tobacco control office under the Department of Health, so as to enhance law enforcement and the education work on anti-smoking. The office will take proactive steps to contact the management of no-smoking areas and advise them on the attitude and ways to deal with such offences, with a view to enforcing the relevant legislation more effectively.

I must emphasize here that no country in the world has actually been able to enforce anti-smoking laws effectively solely by imposing penalties. Actually, when it comes to an ultimate solution to this problem, the key lies in whether or not society as a whole can change its perception of indoor passive smoking. As a result, in the long run, education should be the only ultimate solution.

Overseas experience shows that if we are to ensure compliance with the anti-smoking laws, attempts to change the tobacco addiction culture and smokers' behaviour through civic education, anti-smoking publicity and the collective influence of non-smokers will work far more effectively than penalties alone. That is why we will work closely with anti-smoking organizations to step up our publicity and education work on anti-smoking.

A survey conducted by the Hong Kong Council on Smoking and Health (COSH) in March last year shows that more than 70% of the respondents support an extension of no-smoking areas in food establishments. This finding is in line with our policy direction. We are of the view that to protect the health of restaurant patrons and workers, we should phase in a total ban on smoking in all food establishments. Naturally, when consideration is given to amending the relevant legislation, we will seek the views of the industry. On the economic implications of this, the findings of a number of surveys conducted in different cities in the United States indicate that the prohibition of smoking in food establishments has not caused any negative impact on patronage. And, it stands to reason to believe that if a total ban is introduced in all food establishments, the presence of no-smoking areas in individual food establishments will not cause their customers to switch to other food establishments. A survey conducted by the COSH shows that if a total smoking ban is introduced in all food establishments, 20% of the respondents will increase their patronage of food establishments, and 80% of them say that the prohibition will not change their patronage of food establishments. Only 3% of the respondents say that they will reduce their patronage. Therefore, the industry need not worry too much that prohibition on smoking in food establishments may reduce their business turnover, because the increase in patronage resulting from the prohibition will far outnumber the resultant decrease.

The requirement on displaying health hazard warnings on tobacco products is an important part of our tobacco control policy. At present, it is required by the law that such warnings must be printed in black against a white background on all tobacco products, and that these warnings must be changed once every two months to increase the deterrent effect on buyers.

We know that in Canada, a new form of health warnings on tobacco packages comprising both pictures and written words has recently been introduced. We will continue to follow the international developments in this respect and the effectiveness of such new warnings on further reducing the

number of smokers for reference in our future consideration on whether we should introduce similar health warnings into Hong Kong.

We also notice the increasingly serious problem of teenage smokers in recent years. A recent survey conducted by the COSH indicates that more and more teenagers have taken up this bad habit. In just a matter of five years from 1994 to 1999, the number of smokers among Secondary One to Secondary Three students has increased by about 40%. Effective anti-smoking education and publicity is vitally important to ameliorating this problem. To this end, the Government and other organizations have sought to step up their efforts of imparting the anti-smoking message to all primary and secondary students in Hong Kong through various channels. For example, the COSH has planned to stage 400 shows of an anti-smoking drama entitled "Smoke Free Master" in all primary and secondary schools in Hong Kong in the next three years. It is expected that this can impart the anti-smoking message to all the 120 000 primary and secondary students in Hong Kong. Besides, we are also examining the possibility of enacting laws to designate all school premises, including tertiary institution campuses, into no-smoking areas, so as to make sure that our next generation can grow up in a smoke-free environment.

In order to back up the anti-smoking efforts mentioned above, the Financial Secretary already earmarked \$20 million in the Budget last year for the purpose of enhancing anti-smoking services and education. In the latest policy address, the Chief Executive has also pledged to increase the resources for anti-smoking work.

International experience tells us that the work against passive smoking is both long and difficult. The enactment of legislation must be backed up by enforcement, and enforcement is just one of the many segments of the entire tobacco control campaign. The self-restraint of smokers, the collective influence of non-smokers and the anti-smoking awareness of the whole community are all absolutely essential. We will continue to join hands with Legislative Council Members, relevant anti-smoking organizations and the public to spread the message on the harmful effects of passive smoking to every corner of society. That way, everyone in Hong Kong will eventually be able to benefit from a smoke-free environment in indoor public places.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now call upon Dr LO Wing-lok to move his amendment.

DR LO WING-LO (in Cantonese): Madam President, I move that Mr Bernard CHAN's motion be amended, as set out on the Agenda.

Dr LO Wing-lok moved the following amendment: (Translation)

"To add "to review the current position in enforcing the existing Smoking (Public Health) Ordinance and" after "this Council urges the Government"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr LO Wing-lok to Mr Bernard CHAN'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.

(No hands raised)

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

PRESIDENT (in Cantonese): As Dr LO Wing-lok's amendment has been passed, Miss Cyd HO has withdrawn her amendment.

PRESIDENT (in Cantonese): Mr Tommy CHEUNG, as Dr LO Wing-lok's amendment has been passed, I have given consent for you to revise the wordings of your amendment, as set out in the paper circularized to Members on 9 January. When you propose the revised amendment, you have at most three minutes to explain the revised wordings in the amendment.

MR TOMMY CHEUNG (in Cantonese): Madam President, I move that Mr Bernard CHAN's motion as amended by Dr LO Wing-lok, be further amended by my revised amendment, as set out in the paper circularized to Members on 9 January.

Madam President, now that Dr LO's amendment has been passed by the Council, obviously Members all agree that there is a need for the Government to review the existing Smoking (Public Health) Ordinance. I do share this view. Indeed, my revised amendment only seeks to add after the motion as amended by Dr LO a very small request, which is to urge the Government to conduct economic assessments on all the affected industries when it consults the public on the proposal to designate more public places as no-smoking areas, so as to collect more data and relevant information. My revised amendment only aims to help perfect the consultation exercise and studies to be conducted by the Government; there is no question of it having any fixed stance on the support or otherwise for designating more public places as no-smoking areas or seeking to play for time. I hope Members will vote in support of it.

With regard to the overseas situation mentioned by the Secretary earlier, such as the figures of the United States, I should like to point out that although I have also read the relevant report, I am not so sure about the figures quoted in it. This is because the report has made no mention of the economic buoyancy of the United States, nor has it conducted any assessments on the states and cities not banning smoking altogether to see whether businesses there are performing better compared to the past. Further still, the report has made no mention of the experience of other countries in this respect either. The United Kingdom, for example, has conducted assessments and consequently decided to not imposing any ban on smoking after finding out that the tourism industry and other relevant industries would otherwise be gravely affected.

Madam President, in addition to commissioning international consultants to conduct economic assessments on the affected industries, I also hope Members can support my proposal to urge the Government to conduct similar assessments simultaneously with mine. That way, we can study the two reports together to see whether the relevant industries can really remain unaffected. If there should really be no effect on the relevant industries, I am sure the majority of the employees and investors concerned will support a total ban on smoking. Thank you, Madam President.

**Mr Tommy CHEUNG moved the following revised amendment:
(Translation)**

"To add "; at the same time, the Government should conduct economic assessments on all the affected industries and include the views of the industries in the study report" after "their views are included in the study report"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Tommy CHEUNG's amendment to Mr Bernard CHAN's motion as amended by Dr LO Wing-lok, 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)

Miss Cyd HO rose to claim a division.

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

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

PRESIDENT (in Cantonese): Mr LAU Chin-shek, please cast your 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, Dr Raymond HO, Mr Eric LI, Dr LUI Ming-wah, Mrs Selina CHOW, Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Mr Bernard CHAN, Mrs Sophie LEUNG, Mr Howard YOUNG, Mr LAU Wong-fat, Mrs Miriam LAU, Mr Timothy FOK, Miss LI Fung-ying, Mr Tommy CHEUNG, Mr IP Kwok-him and Mr LAU Ping-cheung voted for the amendment.

Mr Michael MAK and Dr LO Wing-lok voted against the amendment.

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

Geographical Constituencies and Election Committee:

Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Dr TANG Siu-tong, Mr NG Leung-sing and Prof NG Ching-fai voted for the amendment.

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

Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Mr Andrew CHENG, Mr SZETO Wah, Mr Albert CHAN, Mr WONG Sing-chi and Mr Frederick FUNG abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 23 were present, 18 were in favour of the amendment, two against it and three abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 24 were present, eight were in favour of the amendment, five against it 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 amendment was negatived.

PRESIDENT (in Cantonese): Mr Bernard CHAN, you may now reply and you have up to five minutes 21 seconds.

MR BERNARD CHAN (in Cantonese): Madam President, once again I thank colleagues for participating in this debate. I hope Members will support the motion as amended, urging the Government to conduct studies on extending the no-smoking areas. I also hope that through this debate today, the health of the President, Members and all people in Hong Kong will be taken seriously and safeguarded by the Administration. Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Bernard CHAN, as amended by Dr LO Wing-lok, be passed.

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Second motion: Strategic Sewage Disposal Scheme.

STRATEGIC SEWAGE DISPOSAL SCHEME

MR FREDERICK FUNG (in Cantonese): Madam President, I move this motion on the Strategic Sewage Disposal Scheme (SSDS) today because I hope that the Government can abandon its approach adopted for the past 10 years on the issue of the treatment of sewage. I hope that the approach on "sewage disposal" can be replaced by "sewage treatment" and that the sewage can be re-used. In addition, I hope that the Government can conduct a serious and thorough investigation to ascertain if there was any dereliction of duties on the part of the departments, officials, consultancy firms and contractors concerned in the blunders and delays in completion of the relevant works to apportion responsibilities and to require the responsible parties to make compensations to the affected residents such as those in Tseung Kwan O who have suffered losses as a result of their buildings being affected by the unusual ground settlement caused by the works.

The second aim of my motion is to urge the Government not to make the same mistakes again and to accept the recommendations made by the International Review Panel (IRP) in the consultancy report to treat sewage in a distributed system and to re-use the treated effluent.

As we all know, the SSDS Stage I mainly comprises the construction of a deep tunnel and a sewage treatment works. The tunnel is constructed so that sewage treatment can be centralized in the treatment works at Stonecutters Island. But that idea has been questioned and many experts on environmental engineering have made the criticism that most of the funds are used in the construction of the tunnel instead of treating the sewage and improving the water quality. More importantly, many professional bodies have criticized this approach of deep-sea sewage disposal as lacking in flexibility and making maintenance work in future very difficult. For the sewage collection tunnel is deep and long and since this is the only tunnel which disposes of sewage, it would be very difficult to handle if any mishap should it arise. Moreover, the existing design of the tunnel makes no allowance for any increase in the volume of disposal and so it may not be able to cope with the increase in sewage as the population grows.

The series of blunders which happened since the commencement of the Stage I works have caused substantial losses to the economy, environment, people's livelihood and society. That has also made the public and the environmentalist groups question whether there has been any dereliction of duties on the part of the departments, officials, consultancy firms and contractors in the planning and construction of the SSDS works. I would like to make an analysis of the various points made in the motion on SSDS.

First of all, when the various departments were planning the SSDS, they focused only on the then economic benefits to the neglect of other sewage disposal solutions which were also feasible. In this way, the long-term environmental protection effects were simply overlooked. Originally, the Scheme planned to build two sewage treatment works to provide primary sewage treatment and to implement subsidiary treatment by lime dosing. After a review of the Scheme was made in 1995, the treatment system at Stonecutters Island was upgraded to chemical treatment by the use of iron trichloride, that is to say, chemically enhanced primary treatment. This treatment method will be able to achieve a greater sedimentation effect in a relative shorter time, while eliminating 80% of the suspended solids and 70% of the Biochemical Oxygen Demand.

In other words, the Government planned to dispose of 2 million tonnes of effluent each year and to discharge 400 000 to 600 000 tonnes of treated effluent into the South China Sea.

As such, the sewage disposal scheme is in effect merely a waste dumping or sewage discharge scheme. It is merely aimed at cleanliness is what matters to the eye and to dump waste water into the South China Sea, making other people's place dirty while allowing oneself to sit back in comfort.

Madam President, I think you are well aware that in the 1980s, many countries along the North Sea coast in Europe were doing the same thing by discharging sewage into the North Sea. In the 1990s, the North Sea was found to be polluted and that caused adverse effects on the ecology and environment there. These countries had to eat the bitter fruit of their making. So they switched to sewage treatment methods and succeeded in recycling sewage. At the beginning of the 1990s when the Hong Kong Government was deciding on the method of sewage disposal, it was fully aware of the above-mentioned case.

At that time, many professionals, green groups and even the Hong Kong Association for Democracy and People's Livelihood (ADPL) warned the Government that it should upgrade the enhanced primary treatment method adopted in 1995 to secondary or even tertiary treatment. There should also be a distributed system of treatment at various locations on Hong Kong Island, in Kowloon and in the outlying islands. However, the Government rejected the idea and said that secondary treatment plants required large areas of land and given the scarcity of land and exorbitant land prices, the proposal would be very costly. At that time, the green groups refuted the argument and proposed that the demand for land could be reduced by the use of deep wells to effect a biological treatment of sewage or to adopt a relatively more costly method of injecting oxygen instead of air into the effluent. Moreover, they were of the view that the new secondary treatment method was not only more cost-effective but also space efficient. It would not cause damage to the environment and the treated effluent could be recycled for use as flushing water. The sludge produced could be converted into useful resources such as fertilizers. That would be better than iron trichloride which would produce chemical sludge that had to be disposed of in the landfills. And so the former method would have more lasting environmental protection effects than the chemical treatment method which relies on the addition of chemicals and would cause environmental pollution. Unfortunately, the relevant departments ignored these proposals which would be able to treat sewage more effectively.

Madam President, when after the project works were launched, the Works Bureau and the Drainage Services Department, and so on hastily commenced the works. Owing to reasons such as insufficient supervision of the contractors, lack of expertise in that area or ignorance of the geological conditions and so on, there were repeated delays in the SSDS Stage I works and a constant, rise in the construction costs. The Report No. 30 by the Audit Commission in June 1998 on the acceleration of the SSDS Stage I points out that there were delays in the two advance contracts awarded in mid-1994 by the Public Works Bureau and some of the works were not completed on schedule and could not be handed over to the contractor of the main contracts on the specified dates. In order to prevent further delays to the SSDS, the Government had to spend an extra \$143.4 million to order acceleration measures to mitigate the delay in the completion of the works.

In June 1996, work for the six sewage collection tunnels in SSDS Stage I had to be suspended due to the seeping of underground water into the tunnels. In 3 December 1996, negotiations between the Drainage Services Department and the tunnel works contractor of SSDS Stage I, the Campenon Bernard SGE/Maeda Corporation Joint-venture, broke and the Department re-possessed the site for the sewage works. As only 38% of the works was completed then, it was estimated that the sewage treatment works at Stonecutters Island could only treat 25% of the sewage in 1997. The delays in the tunnel excavation works incurred a huge amount of contract sum payable as a result of the termination of contract. The amount has risen from the estimated \$1.3 billion in 1994 to \$3.3 billion in 1997, representing a rise of 77%.

In addition, the departments concerned did not provide sufficient information and data and deliberately cheated and misled the public and Members of the Council. The Report of the Director of Audit released on June 1998 also pointed out clearly that the details of the acceleration measures which amounted to \$143.4 million and their justifications were not reported to the legislature in the quarterly progress reports from 1 July 1995 to 31 March 1998.

In view of the repeated delays in the tunnelling works, it can be seen that the contractors did not conduct a thorough study into the geological structure of the tunnel sites. There was also a lack of accurate assessment of the load of the transportation of sand and mud during the tunnelling works and there was no contingency measure devised for such purpose. There was also insufficient supervision of the contractors by the relevant departments and officials. As a

result, the excavation works suffered repeated delays. However, the departments were still cheating the former Legislative Council and insisted that the works could be completed on schedule. In 26 March 1998, the Drainage Services Department applied for additional funding for the sewage disposal scheme from the then Provisional Legislative Council. At that time, both the Works Bureau and the Drainage Services Department stated that they were confident that the SSDS Stage I works could be completed by the end of 2000. Unfortunately, the Chief Executive said in the policy address delivered at the beginning of October 1999 that due to delays in the tunnelling works in Stage I, the works could only be completed in 2001. So it was only when further fundings were applied owing to delays in the completion of the works that the public, the former Legislative Council, the Provisional Legislative Council and the Members knew the truth behind the facts and often times, these had become *fait accompli*.

We are of the view that there has not been adequate supervision by the relevant government departments on the professional competency of engineering consultants. There have also been marked preferences for certain companies and a generosity towards some companies which have repeatedly made erroneous professional assessments. In 1993, the Montgomery Watson Hong Kong Limited was commissioned by the Government as the engineering consultants for sewage projects. As a result of strong criticisms on the methods of treating sewage, in January 1994 the Government commissioned the Montgomery Watson Hong Kong Limited to undertake a review of the chemical sedimentation process at the treatment works on Stonecutters Island. In June 1994, the report by the Montgomery Watson Hong Kong Limited re-affirmed the cost-effectiveness of the lime sedimentation method and suggested that it was workable. However, in April 1995, the panel of three international experts hired by the Government concluded that the lime sedimentation treatment in Stage I was not appropriate because this method could not achieve the desired level of Biochemical Oxygen Demand. These experts thought that when deciding on the best sewage treatment methods, the most important criterion was the Biochemical Oxygen Demand. Therefore, they recommended the use of chemical treatment by iron trichloride, that is, chemically enhanced primary treatment.

There are two points that warrant discussion here. First, despite the errors made in the feasibility study on the Stage I works by the consultancy firm, the same firm was commissioned by the Government to conduct a review of the

Stage I works and the findings of the assessment made by the consultancy firm were exactly the opposite of the views of the IRP. Second, the Government allowed the consultancy firm to complete its project and thereafter undertake supervision and review, thus causing a conflict of interests. To put it simply, when the consultancy firm found out some problems at the later stages of the review, would it refute the conclusions drawn in its earlier study? It only makes people become suspicious that the Government is favouring British consultancy firms.

The result is that a host of blunders arose in relation to the SSDS Stage I works and the problems thus caused have affected quite a substantial number of groups and individuals. The ADPL and I do have much regret for this. And as the Chief Executive emphasized in the policy address the system of accountability of senior officials, the Government of the Special Administrative Region (SAR) should make a serious review of the co-ordination and responsibility of the various departments, officials, consultancy firms and contractors, so that there will be no shirking of responsibilities among the departments when policy blunders arise.

The far-reaching impact of the SSDS Stage I works on various groups and individuals can best be seen in the unusual settlement in the Tseung Kwan O area. The places affected include the Tseung Kwan O Industrial Estate, Area 86 of Tseung Kwan O and the Tseung Kwan O town centre. Residents of the Tseung Kwan O town centre affected include those of the five completed public housing estates and Home Ownership Scheme estates under the Housing Authority, namely Po Ming Court, Kwong Ming Court, Tong Ming Court, Beverly Garden and Sheung Tak Estate. The total number of residents affected is over 60 000.

The investigation report on the unusual settlement in Tseung Kwan O made by the Works Bureau states clearly that the cause of the problem is the loss of groundwater in the soil layers in the reclamation area due to excessive pumping. Hence, the only plausible cause of settlement is that the groundwater is lost to the tunnel built under the SSDS Stage I off the Tseung Kwan O reclamation area. As the report has confirmed that the unusual settlement is related to the works of the SSDS Stage I, therefore, the departments and companies which have been negligent of their duties should make reasonable arrangements for or offer compensation to the groups and individuals who have suffered losses as a result of the unusual settlement. They can, for example, consider the request of the owners of Beverly Garden and Tong Ming Court to set up a maintenance fund or to offer a 20-year warranty on the structural safety of the buildings.

Another controversy surrounding the Scheme is the commissioning of engineering consultants. In 1993, the Government commissioned a British consultancy firm, Montgomery Watson Hong Kong Limited, which specializes in tunnel engineering, to undertake a study on the sewage disposal scheme. The company was responsible for the proposal of the scheme to conducting a review of it. The company undertook a review of the chemical sedimentation process in the treatment works at Stonecutters Island. What happened in the end was that the three-member IRP overrode the conclusions of the review undertaken by the Montgomery Watson Hong Kong Limited on the sewage treatment method. However, the Government still awarded a contract to that company to undertake environmental impact assessment on SSDS Stage II. Did the Government not have any favouritism in this matter?

What the Government should do is to penalize those consultancy companies which have made repeated errors and failed to reach desired levels of professional competency. Punitive measures may include disqualifying them from submitting tenders within a certain period of time, or alternatively, these companies can be completely prohibited from submitting tenders on government projects. These measures will make these environmental engineering consultants more accountable and make sure that the consultancy studies will be professionally undertaken. So when selecting consultancy firms, the Government should not simply look at the proposed fees, but also the past performance of these companies. It should never do things out of favouritism.

I do not intend to discuss the recommendations of the IRP here, for I think we will have more opportunities to do so in future. But we must note that, in respect of improving the sewage treatment work, the IRP report has recommended the adoption of the biological aeration filter (BAF) technology after chemically enhanced primary treatment. In my opinion, the departments and consultancy firms concerned should make a detailed study of the BAF technology as a means to ensure the quality of treated effluent. The departments concerned should also give more thoughts to the choice of a centralized or distributed system of sewage treatment for the Scheme. To tackle the problem of pollution at root, both the Guangdong and Hong Kong authorities should forge closer ties and aim at greater co-operation.

Madam President, I so submit.

Mr Frederick FUNG moved the following motion: (Translation)

"That, as the Government ignored public opinions and the professional advice of green groups when it formulated the Strategic Sewage Disposal Scheme ("the Scheme"), and a series of errors have arisen since the commencement of the Stage I projects, causing substantial losses to the economy, environment, people's livelihood and society, such as the continuous increase in construction costs of the projects due to repeated delays and the unusual ground settlement in Tseung Kwan O affecting many buildings and causing losses to the public, this Council expresses deep regret and urges the Government to:

- (a) conduct a serious and thorough investigation to ascertain if there was any dereliction of duties on the part of the departments, officials, consultancy firms and contractors then responsible for the Scheme;
- (b) make reasonable arrangements for or offer compensation to the groups or individuals who have suffered consequential losses;
- (c) enhance the transparency of the process for selecting environmental consultancy firms so as to avoid any conflict of interest and enhance their accountability, with a view to ensuring the standard of the consultancy studies;
- (d) conduct an overall risk assessment of the proposals made by the International Review Panel regarding the remaining works of the Scheme; and
- (e) widely consult the public and green groups."

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

PRESIDENT (in Cantonese): Prof NG Ching-fai and Mr Andrew CHENG will move amendments to this motion, as printed on the Agenda. The motion and the two amendments will now be debated together in a joint debate.

I will call upon Prof NG Ching-fai to speak first, to be followed by Mr Andrew CHENG, but no amendments may be moved at this stage.

PROF NG CHING-FAI (in Cantonese): Madam President, the issue raised in the original motion moved by Mr Frederick FUNG is very much worthy of serious discussion. This is because the formulation and implementation of the SSDS is a 10-year-long nightmare. A clear explanation of this nightmarish scheme, I believe, should help the Government enormously in the governance of the Special Administrative Region (SAR) in the future, in enforcing the policy direction of sustainable development, and in raising the people's environmental awareness. I should like to take this opportunity to expound my views on two issues.

Firstly, as we all know, during the latter part of the last century when the economy of Hong Kong was blooming, about 1.5 million cu m of sewage was discharged into the Victoria Harbour daily, thereby ruining the water quality and even causing it to deteriorate to an unacceptable level. As a result, before the transfer of sovereignty, the former Government acceded to the request made by the people of Hong Kong and included resolving the continuously worsening sewage problem as one of the items on its agenda.

In 1987, the Environmental Protection Department put forward a Sewage Disposal Strategy Study which proposed, for the first time, to construct a 150 m to 170 m deep tunnel to carry the sewage collected from the harbour westwards to the South China Sea outside Hong Kong waters for disposal. This was a wrong proposition, which could rightly be regarded as the beginning of the subsequent series of sewage discharge-related blunders. In 1989, a sewage disposal scheme extending beyond 1997 was proposed by the then Hong Kong Government. The proposed scheme would be implemented in four stages. While Stage I of the scheme would only involve discharging local effluent, upon undergoing primary treatment, into the western part of the Victoria Harbour, Stages II to IV would involve discharging effluent into Lema Channel. According to the 1990 estimations, the construction costs for the Scheme would amount to some \$12 billion in total. In 1992, in his first policy address Governor Chris PATTEN formally announced the implementation of the sewage disposal scheme and requested additional funding; besides, he also instructed that the Stage I projects must be completed before July 1997. In early 1994, without conducting any extensive consultation or environmental impact assessment

(EIA) and paying no regard to the questions raised by mainland authorities and local academics and environmental groups, the Government submitted the relevant funding applications and a resolution on the SSDS to the former Legislative Council for approval. If it was said to be an environmental policy blunder in the beginning, by 1992 when the Chris PATTEN era commenced, the SSDS had developed into an issue not purely environmental in nature. Recently, some has said in the newspaper that the SSDS was one of the many time bombs laid by the British in Hong Kong before departure. While such a remark might perhaps be radical, looking back carefully on the past one can clearly see that Chris PATTEN had indeed twisted the SSDS from an environmental item to an instrument for pursuit of his political objectives. As such, I have included in my proposed amendment the word "former" before "Government" to emphasize that the mistake was made by the former Government, not the SAR Government. I believe it is appropriate to clarify this point. As I said just now, the mistake should be traced back to the time when the SSDS was first formulated. Such being the case, one cannot help but ask this question: Under what circumstances did the then Legislative Council consider and approve of the relevant bill and the funding applications? In this connection, I think the then Legislative Council committed two mistakes which we should take warning from.

The first mistake was that it gave support to an enormous project which was totally inconsistent with the principle of sustainable development and for which no EIA had ever been conducted. The SSDS was not simply a costly scheme requiring continuous injection of additional funding; its effectiveness has also been on the decrease due to the repeated delays. What is more, it has breached the principle of the relevant convention, which holds that the environmental improvement of a region shall not be achieved at the expense of the environment of other regions. The discharge of primarily treated effluent into the Pearl River estuary is indeed immoral.

The second mistake of the former Legislative Council was its failure to take in the views of others. At that time, many experts and scholars, environmental groups as well as members of the public raised strong objection against the SSDS and pointed out that the Scheme was a mistake. However, when the former Legislative Council scrutinized the relevant bill and the funding applications in early 1994, it took on board the views of the Government and ignored the opinions made by local experts. When the Hong Kong Government further awarded two Stage I works contracts to contractors in March 1995, local academics and experts from the Mainland once again raised their objection (I

have already distributed to Honourable Members copies of the joint declaration and proposal signed by 63 interested persons for reference). Even though the then Legislative Council did not have any real power to prevent the commencement of the projects, the then Members should at least invite those experts and environmental groups to the Panel on Environmental Affairs to expound on their views, or urge the Government to study the opinions of local experts and discuss the matter with the mainland authorities concerned by way of a motion debate. Regrettably, just like the Government, Members of the then Legislative Council seemed to have turned a deaf ear to the opinions of environmental groups as well as local and mainland experts.

Madam President, basing on the aforementioned background I have included in my proposed amendment the term "Legislative Council" after "the then Government". I have no intention to be critical of the Members of the then Legislative Council, but as one of those concerned individuals who have kept a close watch on the development of events and participated in publicly urging the Government to stop the SSDS, I just cannot help speaking out my mind. Since we urge the Government to conduct a thorough investigation of the matter, a review of how the then Legislative Council considered and approved the relevant bill and funding applications would be inevitable. Besides, I consider that a responsible legislature should set strict demands on itself and welcome comments from the public; even if the matter involved is a historical issue, a responsible legislature should still welcome the public to comment on its performance. I hope that this debate today can help the Legislature Council to set a good example that it is strict with others and at the same time exercise strict self-discipline. Recently, I have read in a newspaper article a remark made by Mr LAW Chi-kwong from the Democratic Party. Mr LAW said that since the funding application for the SSDS was approved by the then Legislative Council and the Democratic Party had also voted in support of its approval, the Democratic Party should also admit responsibility if any parties were to be held responsible. "We were so disappointing," Mr LAW said when recalling how the Democratic Party had let the Government talk it into giving support to the SSDS when it was undecided as to how to vote. What I said just now was not meant to be a dig at Mr LAW, quite the contrary, I very much admire his courage in admitting responsibility and should therefore like to pay him my compliment.

Secondly, I should like to speak on the lesson to be learned.

This SSDS issue makes me feel that in the new millennium both the Government and the Legislative Council must bear it in mind to always put the long-term interests of the people of Hong Kong before anything else when considering matters relating to the governance of Hong Kong. This is easier said than done. I believe many Members of the former Legislative Council were keenly concerned about the interests of the people of Hong Kong when considering the motion on the SSDS. But since they did not have any concept of sustainable development, their attention was only focused on tackling the pollution problem of the Victoria Harbour. At that time, Chris PATTEN made use of certain members of the media to create the opinion that the Victoria Harbour was seriously polluted, and that the mainland authorities had shown a total disregard for the interests of the public in blocking the people of Hong Kong to save the Victoria Harbour. In addition, he also claimed that since the Stage I works would be completed before July 1997, there was no need for negotiation with China. By making use of the "user pays" principle as an excuse he further dismissed any need for negotiation, saying that the SSDS projects were the people's investment involving no public money. Then, on this pretext he went on to imply that the concern expressed by mainland experts over the issue was premature interference in Hong Kong affairs. With his crafty political tactics Chris PATTEN twisted many members of the public and political figures round his little finger. Madam President, if we should look further into that specific period in history, we could see that there was an atmosphere of anxiety in society as the people were wary about the possibility of the Central Authorities interfering in the affairs of Hong Kong after 1997. Under such a political atmosphere, the way in which the former Legislative Council handled the SSDS issue might perhaps be understandable. I really do not wish to put too much blame on it. After all, this was how history was made. Having said that, I believe that if the majority of the then Legislative Council Members could remove the wool pulled over their eyes by Chris PATTEN and insist on not politicizing the environmental issue, extend their scope of attention beyond the Victoria Harbour, absorb knowledge about the internationally recognized principle of sustainable development, take in the opinions readily presented to them by relevant experts, scholars and environmentalists, and put the long-term benefits of Hong Kong before anything else to stringently scrutinize the proposal on the SSDS, this motion debate today might have been redundant.

Furthermore, the Government should also review its long-standing policy on the selection and commissioning of consultants. I need to emphasize that just because I urge the Government to take heed of the opinions of local experts

and academics in implementing major infrastructure projects in the future does not follow that there is no need for commissioning international experts in the future. My point is that the Government should not rely solely on international experts to the neglect of the opinions of local experts. Actually, there are reasons why local experts cannot be replaced by their foreign counterparts. Being very familiar with the local situation is one, yet the most significant one is that they have a passion for Hong Kong and wholeheartedly wish to contribute to the sustainable development of Hong Kong. Now that the IRP has decisively rejected the original proposal of the SSDS, I believe the dedication and perseverance of the local experts on the Panel must be one of the contributory factors. Apart from expressing our gratitude to them for their contribution, we should also learn from the good example they have set for us.

On the other hand, the basic concept of the SSDS is incorrect in that it has placed its focus on the "disposal" of effluent when the crux of all sewage-related issues lies in "treatment". Indeed, the BAF proposal put forward currently by the IRP also focuses on "treating" effluent. That is why I have proposed to rename the SSDS as "Strategic Sewage Treatment Scheme".

As we review the SSDS today, emphasis should once again be laid on the co-operation with neighbouring territories. Hence, I have included in my proposed amendment the point that the Government should "fully discuss with the relevant departments of the neighbouring territories which may be affected." This is one of the principles laid down by the relevant international convention on environmental protection, so we should abide by it.

Madam President, as Confucius stood watching a stream swiftly flowing towards the east, he was inspired by the sight to regret the swift passage of time. So, the incident was noted down: The Master, standing by a stream, said, "It passes on just like this, not ceasing day or night!"¹ With regard to the SSDS, a certain part of it has just gone like the river flowing east; we just cannot turn back the clock. Nevertheless, in the new millennium we will be composing a new environmental protection song. In this connection, I fully support the proposals of the IRP to complete the Stage I works and then adopt new approaches for the Stages II to IV projects. Hong Kong nowadays is no longer a borrowed place in a borrowed time; as such, the environmental awareness of our community, our Government and our representative assemblies must

¹ The Four Books, Hunan Publishing House, 1992.

continue to increase. In the new millennium, as we proceed along the path of sustainable development, we should work in concert with each other and endeavour to contribute to a better Hong Kong.

With these remarks, I urge Members to support all the proposed amendments.

MR ANDREW CHENG (in Cantonese): Madam President, the Stage I works of the SSDS are expected to be completed by the end of the year. Given that the completion date of these works have been delayed for more than three years and caused costs to overrun hugely, the impact on society is indeed substantial. It has been confirmed by the consultancy commissioned by the Territory Development Department that the SSDS works in progress in the area is the major cause of the unusual ground settlement in Tseung Kwan O. With regard to the five housing estates, 10 schools and eight housing development projects affected by the settlement, as well as the losses and trouble caused by the SSDS projects, the Democratic Party hereby expresses our deepest regrets.

We agree that the Government should conduct a serious and thorough investigation to ascertain if there was any dereliction of duties on the part of the departments and relevant parties then responsible for the SSDS. We also share the view that the Government has failed to conduct adequate consultation and research work before commencing the SSDS projects and must indeed be held responsible for the consequential heavy price paid by Hong Kong in terms of economic and social impact and the people's livelihood. For these reasons, the Democratic Party supports the original motion moved by Mr Frederick FUNG. As regards our opinions about environmental protection and the SSDS projects, Mr LAW Chi-kwong will expound on them later on.

With regard to the ground settlement problem in Tseung Kwan O mentioned by Mr Frederick FUNG in his original motion, actually, the major cause of the problem is the loss of groundwater in the lower soil strata of the Tseung Kwan O reclamation area; the land in the area subsided considerably after a substantial amount of groundwater had been lost to the sewerage tunnel. In this connection, the Administration has stated that since the loss of groundwater was something it could not predict beforehand, the Government would not offer any compensation to the affected residents. However, if any residents should have sufficient proof to support their cases, they could initiate legal proceedings to claim compensation from the Government.

We consider this a most absurd argument. A responsible government must always square up to the problems before it. Since the unusual ground settlement is caused by the SSDS works, even though the Government has claimed that the loss of groundwater was not something it could predict, it still should not shirk its responsibility by using the mere excuse that it was unaware of the problem because technology was not advanced enough then! Now that unusual ground settlement has been caused, the Government should adopt special measures to resolve the problem, and the most important factor in resolving this problem remains that the Government must admit full responsibility for it.

Madam President, the Government has made it clear that it would not offer any compensation to the affected residents, and that residents may institute legal proceedings against the Government if they consider they have sufficient grounds to do so. The Democratic Party holds that such an attitude of the Government is not only irresponsible but also unfair to the affected residents, for the Government was in fact being high-handed. The unusual ground settlement incident has been caused by the errors of the projects carried out by the Government and has impacted directly on the residents concerned. The impact is so serious that it may even be regarded as a nuisance. The Government should take proactive actions to actively offer assistance to the affected residents. If the affected residents should take civil proceedings against the Government to lodge claims for compensation as suggested by the Government, they would need to commission Structural Engineers to examine the buildings concerned and prove that the relevant damages are caused by the settlement. More often than not, people would need to spend several hundred thousand dollars hiring consultants before they could institute civil proceedings against the Government.

Madam President, it is unreasonable of the Government to put the onus of proof on the affected residents when the problems are caused by government works, and it is particularly unfair to the residents and flat owners in Tseung Kwan O. Apart from causing huge inconvenience to their daily lives, the land subsidence problem arising from the unusual ground settlement has also burdened the affected residents and flat owners with numerous worries. If the onus of proof is on the flat owners seeking to institute legal proceedings against the Government, the affected residents will have to bear both the risks and the expensive costs of legal actions. In the end, they would most probably give up their claims for compensation due to financial considerations and various other reasons. This is utterly unfair. The Democratic Party therefore suggests the Government taking on the onus of proof proactively. If it is eventually found

out that there was indeed dereliction of duties on the part of certain relevant parties, both the Government and the parties concerned should make reasonable arrangements for the groups or residents who have suffered losses.

The unusual ground settlement in Tseung Kwan O is a rare case, because there are not many projects as massive in scale as the SSDS. As pointed out clearly in the consultancy report, the real culprit in the unusual ground settlement is the SSDS works projects carried out by the Government. It is crystal clear who should be held responsible. So, we really do not need to take each and every case to the Court for judgement. In our opinion, since both the Government and the public have to shoulder the litigation costs involved, legal actions should be the last step that one is forced to take. In particular, the Government will be using public money to cover those costs, it should therefore exercise the utmost care to avoid wasting the people's money and the precious time of the Judiciary. If the Government is willing to enter into active negotiation with the affected residents, I believe they will sooner or later arrive at a consensus to effectively resolve the problem by administrative means rather than by way of legal proceedings.

The Democratic Party has all along been following up, for the affected residents, issues relating to the unusual ground settlement in Tseung Kwan O; besides, we have also visited some of the housing estates affected by land subsidence. We consider that the Government should give special consideration to members of the public who have bought from the Housing Authority flats in such Home Ownership Scheme (HOS) housing estates or Private Sector Participation Scheme (PSPS) housing estates as Tong Ming Court and Beverly Garden. Given that it is the SSDS projects of the Government that have given rise to the problem of unusual ground settlement, the Government should all the more shoulder the responsibility for its public housing estates and SSDS projects. I have consulted some of the affected residents on the issue. With regard to the parts of the original motion on the unusual ground settlement in Tseung Kwan O and the provision of reasonable arrangement or compensation for affected residents, I wish to put forward more specific amendments as follows:

Firstly, the Government should expeditiously conduct an independent investigation to assess the impacts of the unusual ground settlement on the relevant buildings and residents and the losses they suffer. Bearing in mind that this unusual ground settlement incident is related to the incorrect prediction made by the relevant departments responsible for the SSDS projects, apart from

conducting a thorough investigation to ascertain if there was any dereliction of duties on the part of the relevant departments, the Government should also invite independent experts and scholars to conduct an investigation to review the long-term impact of the SSDS projects on Hong Kong and to assess the damages caused by the unusual ground settlement to the relevant housing estates and the losses suffered by the affected residents. It is imperative that this investigation is fair and independent. Therefore, the Government may also consider deferring to the Legislative Council to invite independent experts to conduct the review and assessment, so as to enhance the transparency and credibility of the investigation.

Secondly, the Government should provide a 20-year guarantee for the structure of the housing blocks affected by land subsidence and shoulder the maintenance responsibilities arising from the unusual ground settlement. The present unusual ground settlement has caused the platform of the town centre area of Tseung Kwan O to drop by 70 mm to over 200 mm. In this connection, the ground level of the housing estates affected most seriously by land subsidence, including Tong Ming Court and Beverly Garden, has even subsided by 270 mm or 10 inches. Madam President, the ground level there has subsided by 10 inches. Even though the Government has claimed that the loss of groundwater to the sewage tunnel has reduced considerably, and that the unusual ground settlement problem in Tseung Kwan O has stabilized, during our meetings with government representatives we were nevertheless told that it would take some time, about 10 year's time in general, for the unusual ground settlement to stabilize. Considering that unusual ground settlement is a rare problem, the Democratic Party suggests the Government providing a 20-year structural maintenance warranty for the housing estates affected by land subsidence — in particular the HOS housing estate Tong Ming Court and Beverly Garden — similar to the guarantee it has provided for the HOS housing estates in Tin Shui Wai.

In addition, the Government should also shoulder the maintenance responsibilities of the affected housing estates and buildings arising from the unusual ground settlement. We suggest the Government setting up a maintenance fund to cater for the inspection and repair needs of buildings damaged by any past or future unusual ground settlement. Further still, we also suggest that when inviting independent experts to assess the impact of the unusual ground settlement on the relevant buildings and residents, the Government should also determine the amount of funding to be set aside for the

maintenance fund. That way, when any building affected by unusual ground settlement calls for repair works, this accountable maintenance fund can be invoked to cover the relevant costs.

Thirdly, we recommend that the Government should extend the period of back assignment at the original price for the flats affected by land subsidence from two years to three years, so as to give the relevant residents more time for deliberation. In this connection, the period of back assignment at the original price for PSPS housing estate Beverly Court in Tseung Kwan O expired in September last year, while the same for the HOS housing estate Tong Ming Court adjacent to it will expire in March this year. In view of the particularly serious unusual ground settlement situation, the Government should adopt a more lenient approach in dealing with the affected housing estates. For this reason, we suggest that the period of back assignment at the original price for flats in the relevant housing estates be extended by one year, so that residents could keep a close watch on the condition of the housing estate for a longer period of time and consider more carefully whether or not to submit back assignment applications to the Housing Department (HD).

Last but not least, Madam President, the Democratic Party recommends that the Government should re-accord residents who have back-assigned their flats affected by land subsidence the priority green form, green form or white form status to which they were originally entitled. This is because some of the affected residents have bought their HOS flats using the priority green forms. Perhaps it was because they were the affected tenants of the Public Housing Redevelopment Programme or the Cottage Area Clearance Programme that they were given the priority to purchase HOS flats. In that case, if they should decide to sell back their flats to the HD, they would to a large extent be forced to make such a decision because they have suffered enough from the impact of the unusual ground settlement and land subsidence on their housing estates. We therefore recommend that these residents should be re-accorded the priority green form, green form or white form status to which they were originally entitled.

Madam President, on behalf of the Democratic Party I put forward the aforementioned proposals and the proposed amendment. I hope Honourable colleagues will lend us their support.

MR NG LEUNG-SING (in Cantonese): Madam President, the SSDS has been bothering Hong Kong for years and giving rise to endless problems such as repeated delays and cost overruns. Besides, the collection of sewage charges has caused considerable controversy among the public and the business and industrial sectors, and the catering industry to harbour long-standing discontent. In addition, the relevant trading fund was eventually folded in 1998, while the Government and the relevant contractors keep lodging legal claims against each other in respect of the works contracts. What is more, the sewage tunnel works of the SSDS have even resulted in the loss of groundwater and unusual ground settlement at Tseung Kwan O. With regard to the legal responsibility of the parties concerned, the specific details will certainly have to be further determined by way of legal proceedings. Yet a more important point is that the assessment results and recommendations contained in the latest report of the IRP have put a big question mark over the SSDS as a whole and its actual effectiveness. Instead of disposing of any sewage, the huge amounts of public money spent on the SSDS over the years have all gone down the drain. If the new airport fiasco has brought shame on Hong Kong, the damage done by this so-called SSDS is far graver, for this frivolous Scheme is practically a sheer waste of energy and money.

Apart from this major problem, people with a sharp eye can also see that the present situation is basically a result of the serious error on the part of the British Hong Kong Government during the decision-making process of the Scheme. In particular, the approach of disposing of sewage into the sea was adopted without the support of any careful and scientific feasibility studies or EIA. Moreover, since the consultancy firm commissioned to deal with the sewage disposal-related issues has been suspected of serious conflicts of interest, the objectivity of its conclusions is also questionable. In addition to turning a deaf ear to the views expressed by experts, the academia and environmentalists, the British Hong Kong Government also failed to pay regard to the objection raised by the mainland authorities on the basis of facts and reasons. While pretending to be willing to discuss with the mainland authorities, the British Hong Kong Government, on the other hand, hastily awarded in parts the project works to contractors in the absence of any consensus between the two parties or any complete report on the project assessment studies, thus giving rise to this cumbersome situation. Obviously it was out of political concern rather than environmental protection effects or the long-term benefits of the people of Hong

Kong that the British Hong Kong Government put forward and implemented the SSDS. In the end, the people of Hong Kong have paid enormous sums of money for this shambles. For these reasons, conducting a thorough investigation to find out who should be held responsible for making the decision to implement the SSDS is a more meaningful proposition than setting up any select committee to inquire into the matter.

As regards the former Legislative Council, obviously it failed to discharge effectively its duties to represent the public opinion and to monitor the Government. Certainly, we do understand that Members of the former Legislative Council did not have any role to play in the daily operation of the then Government (actually, this is very similar to the present situation of the Director of Housing in carrying out his duty to monitor the building construction works), and that it was very difficult for those Members to appreciate the whole picture without participating in the entire planning and decision-making process. Nevertheless, if we should only concentrate on holding the senior government officials accountable and requiring them to accept the so-called culture of resignation, we could hardly admonish ourselves or draw lessons from the case. And most importantly, I am afraid we would have failed to fully discharge our duty as monitors of the Government.

Madam President, I so submit.

MR HOWARD YOUNG (in Cantonese): Madam President, Mr Frederick FUNG has moved this motion in respect of the SSDS to express his regrets about the Scheme. In the view of the Liberal Party, there have been repeated delays and continuous increases in the construction costs of the works concerned since the commencement of the Stage I projects, so much so that this Council, environmentalists, relevant experts and the academia have all expressed grave concern over the situation. With regard to the losses caused by the SSDS works blunders to the economy, environment, people's livelihood and society, we agree with Mr FUNG's proposal that the Government should conduct a serious and thorough investigation into the responsibility of the relevant parties and make reasonable arrangements for or offer compensation to those who have suffered consequential losses.

The Stage I works commenced in January 1995 and had originally been scheduled to be completed by May 1997. But then the works were delayed repeatedly. In particular, the then contractor unilaterally terminated the works contracts in 1996 on the grounds of the problems encountered in carrying out the construction works. Later on, the new contractor also encountered problems and thus caused the completion date of the projects to be further postponed. The latest target completion date is the end of the year, representing a delay of four full years compared to the original date of completion.

On the other hand, the unilateral termination of contracts by the relevant contractor has caused construction costs to increase tremendously, thereby resulting in the four applications submitted by the Government to this Council for additional funding. The first application was made in 1997 for an additional funding of \$2 billion. In the subsequent three applications, altogether the Government has applied to the Council for additional funding of \$275 million. So far the budgeted construction costs of the SSDS projects have increased from the estimated total of \$6.7 billion in 1994 to today's \$8.5 billion, representing a substantial financial loss. Although the Government is confident that it can claim back the \$2 billion under arbitration and maintain the construction costs at the originally estimated level, we still have doubts about the total cost of the Stage I projects when they are finally completed.

The SSDS has also brought out the "polluter pays" principle. The legislation on the disposal of trade effluent came into effect in 1995 (including the regulations providing for the collection of Sewage Charge and Trade Effluent Surcharge) and has since been contributing, on average, over \$700 million yearly to the public coffers. Although the public and the commercial and industrial sector have spent at least \$3.5 billion in this respect over the past five years, the pollution problem of our harbour remains grave. Even though 70% of the sewage along the two shores of the Victoria Harbour will receive chemically enhanced primary treatment towards the end of the year when the Stage I projects are completed, the water quality of the Victoria Harbour will still fall short of the standard prescribed in law. Lately, the Drainage Services Department has even indicated that due to the continuous increase in operating costs, the Government would inevitably be compelled to raise Sewage Charge rates. From this we can see that the SSDS has indeed caused harm to the public before demonstrating its merits. Would that mean the money paid by the people of Hong Kong in the past has all gone down the drain?

Madam President, the aforementioned works-related problems that have arisen since the commencement of the SSDS are reflective of the blunders made by the Administration in terms of policy formulation, project design, management of works contracts and supervision. The Liberal Party agrees that the Government should conduct a thorough investigation to ascertain whether the problems were caused by any dereliction of duties on the part of the then responsible departments and government officials; whether the study report of the consultancy firm was misleading; and whether the qualification and experience of the contractors concerned were not up to the required standard. There is indeed a need for the Government to investigate into the matter and hold the relevant parties accountable for the blunders.

The SSDS works have caused unusual ground settlement at the Tseung Kwan O reclamation area, but then the Administration claimed that the cracks on the walls of the buildings located within the reclamation area had nothing to do with the ground settlement, and that the buildings within the affected area did not have any structural danger. In this connection, although the Government has flatly denied responsibility for the construction problems of the affected buildings, the investigation report has in fact admitted that the residents should not be held accountable for the substantial groundwater loss and unusual ground settlement resulting from the construction works of the deep tunnel under the SSDS, and hence the Government should have a responsibility to compensate the affected residents. However, instead of paying the affected residents any compensation, the Government has required the residents to present proof in support of their claims to be eligible for compensation. This is indeed unreasonable. The Liberal Party holds that the Government should admit its responsibility and make reasonable arrangements for or offer compensation to the affected parties suffering consequential losses. For this reason, we support the motion moved by Mr Frederick FUNG.

Regarding the amendment proposed by Mr Andrew CHENG, which sets out in great detail what responsibilities the Government should take in respect of the affected buildings in the area, this is in fact a tail added to the original motion. Our initial impression of the proposed amendment was that it had taken matters of a district level to the Legislative Council. Besides, we have even worried that it might easily cause others to consider the Council having digressed from the spirit of the original motion, which should be to discuss the merits and demerits of the SSDS. Nevertheless, after consideration, the Liberal Party has come to the conclusion that the amendment proposed by Mr Andrew CHENG is still acceptable.

The amendment proposed by Prof NG Ching-fai is targeted at the former Legislative Council which had then a role to play in passing the relevant bill. Certainly, we cannot deny that the former Legislative Council was to a certain extent responsible, and I am not trying to make any excuse for the decision made by the former Legislative Council either; all I wish to point out is that the decisions made by the former Legislative Council all along were dependent to a large extent on the information provided by the Government. At that time, since the relevant government officials had accepted the recommendations made by the consultancy firm and had repeatedly guaranteed that the SSDS was a result of the debate and discussions between the British and Chinese experts and should therefore be feasible, the Scheme was finally approved. On the other hand, the proposed amendment has also referred to the former Legislative Council as having ignored the professional advice of local experts at that time. We consider this view should be open to question because whether or not a person is considered an expert is dependent on the expertise and relevant experience that he has; experts are not to be classified by regions. The point made by Prof NG in his proposed amendment gives the impression that he is advocating the narrow-minded regionalism. In that case, the local universities really should not invite me to give lectures, for so doing would cause Hong Kong to lose its status as an international metropolis. For this reason, we cannot support the amendment proposed by Prof NG.

Madam President, I so submit.

MR LAU PING-CHEUNG (in Cantonese): Madam President, it is opportune for this Council to debate the SSDS today. Works under the Scheme have been on-going for more than five years and there have been many disruptions. These include the unilateral suspension of works by the engineering contractor, the repeated delays, cost overruns, cracks in the tunnels, and the subsequent unusual settlement in many housing estates in Tseung Kwan O which has affected the people's livelihood. With the completion by the end of this year the six tunnels in the SSDS Stage I works, Stage II of the SSDS will soon commence. As to the question of the way forward for sewage disposal in Hong Kong as a whole, there is a need to employ collective wisdom and find out the best course that we should take.

In April last year, the Government commissioned a new IRP to sum up the experience gained in the Stage I works and review the way forward for Stage II of the SSDS in the light of the latest development in the relevant technology. The IRP submitted its report not long ago, in which some of the proposals made earlier for the Scheme were rejected and some new proposals made on sewage treatment. I hope that local green groups and academics will present their views on the pros and cons of these proposals in the next few months. The Panel on Environmental Affairs of the Council plans to make a trip abroad in April to study the experience of foreign countries in the application of BAF and its effectiveness in sewage treatment. This will give the Council more information as reference in its consideration of whether this kind of technology should be used in SSDS Stage II.

As we all know, biotechnology is a very popular and innovative technology. Its rapid development, when applied to environmental protection, will cause dramatic changes in environmental protection facilities. The Government made an application to the Council not long ago for supplementary provision of \$60 million for changing the design of the Stonecutters Island treatment works. The reason is that the IRP recommended that the chemically enhanced primary treatment of sewage be changed by replacing the conventional method of lime dosing by the use of ferric trichloride. This proposal was actually put forward by the specialists in April 1995. Then there may have been some other new technology or advancements. As to the four proposals made by the IRP, such as chemically enhanced primary treatment and BAF technology, they should also be assessed. In this regard, I think the Administration should consult more views of the academics and green groups.

One of the merits of the new proposal is that the distribution of treatment works would offer flexibility for future development and it will minimize the potential risks. Given this consideration, I agree with Prof NG Ching-fai who in his amendment adds the idea of urging the Government to "enforce the policy direction of sustainable development". Just as I have said, biotechnology is developing by leaps and bounds and as environmental protection is a long-standing effort, the decision we make for the next stage of the SSDS should have enough foresight to ensure room for future developments, instead of setting up any restrictions, so that the Scheme can incorporate future developments in technology.

The original motion moved by Mr Frederick FUNG and the amendments proposed by Prof NG Ching-fai and Mr Andrew CHENG all propose to conduct a serious and thorough investigation to find out who should be held responsible for the blunders committed in the project works and to offer compensation to the residents affected. I am very sympathetic towards the residents of Tseung Kwan O who are so disturbed throughout these years by the problem of ground settlement. Irrespective of the fact that there would be claims lodged through legal channel for compensations by the Government or other parties, the Government should continue to conduct regular monitoring of the subsidence or otherwise of land in Tseung Kwan O and to publicize the information and data so collected. This will allay the worries of residents living in Tseung Kwan O.

I wish to stress, however, that when the SSDS was proposed in 1994, it was proposed against some historical background. At that time, there was grave concern for the deterioration of water quality in the Victorian Harbour. The Government at the time was compelled to introduce a sewage disposal scheme in haste. Certainly, this should not constitute an excuse to explain away the blunders. But as we look back, we see that the disregard of the views put forward by local experts and green groups then on the part of the Government and the hasty decision that it made have led to a host of subsequent blunders. We must learn from that lesson. Before any decision is made for the next stage of the SSDS, we should be bold and visionary enough to consider the future needs of sewage disposal and to lay down a foundation conducive to the sustainable development of a sewage disposal scheme.

Madam President, I so submit.

MISS CHOY SO-YUK (in Cantonese): Madam President, it has been 12 years since the SSDS was first mooted, but so far the Stage I works have yet to be completed. Moreover, because of the repeated cost overruns, many applications have been submitted to the Council for additional funding. At the same time, in its recently released report the IRP has strongly condemned the existing approach of directly discharging effluent through deep tunnels after chemically enhanced primary treatment as being infeasible and not sustainable. Added to these are the series of blunders that have happened since the commencement of the Stage I works, including the most recent case of unusual ground settlement caused by the relevant projects in Tseung Kwan O which has gravely affected the residential buildings in the area. Given the growing public

concern over these problems, there is indeed a need for the Government to immediately conduct a thorough investigation into the matter and impose proper punishment on government officials and consultancy firms for performing their duties perfunctorily, as a response to the reasonable queries raised by the public.

I wish to point out that the existing approach of the SSDS has two intrinsic shortcomings. We are not being wise after the event to point out these two shortcomings; warnings have been made repeatedly against them by experts, the academia, environmental groups and commentaries in newspapers since the SSDS was first introduced. Regrettably, both the then British Hong Kong Government and the responsible departments remained unconvinced, thus giving rise to today's cumbersome situation.

The first shortcoming is that the substandard post-collection sewage treatment fails to meet the relevant environmental protection requirements. As regards the second one, the approach of discharging treated effluent into the South China Sea via deep tunnels is ecologically immoral as the water quality of our neighbouring waters will be gravely affected.

In the face of the overwhelming pressure of public opinion, the Government in the end adopted the chemically enhanced primary treatment, which is a kind of chemical treatment using ferric trichloride. However, many scholars have pointed out that since the effluent coming out from chemically enhanced primary treatment works would still have a high content of organic material and bacteria, the water quality of the waters concerned would certainly be affected adversely. In March 1995, some 60-odd scholars published a joint statement in newspapers to urge the Government to adopt a higher level treatment method so as to effectively remove the organic material, *Escherichia coli* and nutrients in water. Regrettably, the British Hong Kong Government turned a deaf ear to their advice.

It was puzzling that on the one hand, the British Hong Kong Government rejected the secondary treatment proposal for economic reasons, yet on the other it insisted on paying high construction costs for a deep tunnel to discharge effluent into the South China Sea, despite the fact that international experts were all of the opinion that there was indeed no need for such a deep tunnel. Putting aside the insurmountable difficulties that may be encountered in constructing and maintaining the deep tunnel, this sewage disposal method itself is something this Council must reprimand and held the relevant parties responsible. On the one

hand, this selfish and unethical approach of discharging local pollutants into neighbouring waters will ruin the marine ecology in the region; on the other hand, a huge sum of public money which should be spent on treating effluent has been wasted on constructing the deep tunnel.

Madam President, looking back on the long history of this SSDS, out of political considerations the British Hong Kong Government and government officials from the Environmental Protection Department (EPD) strove to safeguard the interests of British investors against the wishes of the people, so much so that they obviously insisted on implementing the relevant projects to the neglect of the potential risks of the SSDS. However, what has angered and upset me most is that after the reunification the EPD officials are still sticking to the old approach without any regard for the historical factor or the views from the various sectors of our community. Holding fast to their bureaucratic attitude of "noting your views without changing our practices", the EPD officials simply insist on adopting the chemically enhanced primary treatment approach and continue to submit the consultancy reports on Stages II to IV to the Executive Council for approval. Such an attitude is reflective of how conceited these officials are.

Madam President, in order to follow up the far-reaching impact of this SSDS, over the past two to three years I have already started exchanging detailed views on the issue with a number of environmental groups and experts visiting Hong Kong from overseas. The year before last, I even commissioned an environmental group to prepare a special report on the SSDS for submission to the Government. Further still, in order to raise my objection to the Stages II to IV consultancy reports, I have made respective appointments to meet with Chief Executive TUNG Chee-hwa, the Executive Council, the former Secretary for Planning, Environment and Lands and other relevant government officials, as well as the EPD to express my opposing views. Within this Council, I have also spoken many times against the existing approach adopted under the SSDS.

As a matter of fact, I have explained in tears the harmful effects of the SSDS on Hong Kong in the hope that the Government would conduct an overall review of the Scheme. Fortunately, in his policy address published in the year before last, the Chief Executive undertook to commission an IRP to review the Stages II, III and IV projects. The results of the review have proven that the worries I mentioned by me were well founded, for there are indeed serious problems with the chemically enhanced primary treatment and deep tunnel discharge approaches.

Madam President, I hope the EPD as well as other relevant departments and government officials will bravely admit the mistakes they made in the past and adopt an open attitude to conduct an extensive consultation on the improvement proposals made by the IRP, including the views from environmental groups, with a view to drawing on collective wisdom to choose a sewage disposal method that really best suits Hong Kong.

With these remarks, Madam President, I support the original motion and all of the amendments proposed to it.

MR ALBERT CHAN (in Cantonese): Madam President, the SSDS has given rise to a lot of controversies. The problems with the engineering works have also attracted many criticisms for there are indeed many mistakes made in the projects. But, in my view, some criticisms have gone completely overboard. They have exaggerated the mistakes to the extreme and are very far from the truth.

The SSDS was assessed by the Advisory Council on the Environment (ACE), and I also participated in the studies of the construction design and many related issues. If problems arose because I had failed to fully grasp certain things, I will not shirk my responsibility.

At that time, we did discuss many of the problems that have arisen now. We studied them and even raised questions about them. We did not ignore the information provided by anyone. Nor did we ignore the views of or criticism from any person. The fact that faults might complicate the projects or cause cracks, and might affect the safety of the tubes had been discussed in many meetings. We had also raised questions and asked the Government to give explanations. The problem of ground settlement was also discussed and studied in many reports. The Government had taken on board the views of many experts and so, it stated that it had already grasped these problems and was confident about resolving them. The problems that cropped up afterwards may, of course, due to negligence in some areas or mistakes in the assessment. Problems may arise under all kinds of circumstances, whether because of imperfection in the construction, or problems with the contractors, or some aspects of the operation. I agree that some mistakes might have been made. But there is no need to escalate the issue, saying that it was a conspiracy of the British Hong Kong Government in an attempt to grant favours to British

companies, or saying that legislators, the Government or the representative assemblies had totally ignored the views of green groups and experts. In my view, such criticisms are grossly unfair to those people who were responsible for the formulation of the policy or those who participated in the studies and discussions on this issue.

I am not sure who had read the relevant reports back in those year but I had read many of these reports. On the question of deep tunnels, the Honourable CHOY So-yuk left this Chamber after delivering her speech and her criticisms had really gone too far. She said that those who participated in the Scheme seemed to have ignored the South China Sea completely. It was pointed out clearly in the reports back then that when the sewage flowed into the tubes and subsequently into the South China Sea after primary treatment, the ocean currents of the South China Sea and the oceanic forces would prevent the water from being polluted. This was the conclusion of the consultancy report. If she said that we had ignored this, I really doubt if she has ever read the report of the ACE and the issues discussed at the relevant meetings. While I am also occasionally prone to escalate issues to the higher plane of principle, I will not go to such extremes. In doing so, she has simply ignored the historical facts. Regrettably, Miss CHOY So-yuk is not here. I think while we may sometimes criticize others when dealing with some issues, we must be alert in making criticisms. While we could be a little extreme in our views, we must not get the facts wrong.

Back to the Scheme, it is suggested now that sewage can undergo secondary treatment. In fact, this was also discussed and dealt with at that time. Why was it not accepted? It all boils down to money. If secondary treatment is given the green light now and when sewage charges have to be increased in future and people come here to petition us, Members might as well argue that they were misled by the Government into thinking that secondary treatment was good. Who knows to whom the buck will be passed then?

Actually, the problem of sewage disposal involves a number of simple principles in general: Hong Kong is a small place with a large population, and produces a surprising volume of sewage. Sewage has posed very serious problems. A reason for it maybe that the Chinese are fond of eating. But how should the sewage be treated? One of the options is to set up a sewage treatment plant in every district. However, the costs for building a sewage treatment plant is high. Second, it will affect residents nearby. Who would wish to have

a sewage treatment plant in the vicinity of his home? On the one hand, the Government is unwilling to spend so much money in the long run and on the other, it does not wish to see so many sewage treatment plants in the neighbourhood of each district, which will affect the environment. So, the formulation of the SSDS had its historical background and problems. Moreover, the technology back then might be less advanced than it is now, just as we can say that students a decade or two ago were so stupid for they used a typewriter instead of a computer to draft their papers. But there were no computers at that time. Even though experts have come up with many now ideas, some of these experts participated in the formulation process and supported the original proposal many years ago. Members should not ignore this historical fact. Some people have changed their attitude due to technological advances, just like we do not use a typewriter but a computer to type articles now. It is all because of technological advances. I think in the whole sewage disposal scheme, the Government then made a mistake in that the senior officials were over-confident at that time.

As regards those problems that are the subject of severe criticisms now, I discuss many of them item by item with Mr James BLAKE. He was very excited when he described how easy it was to carry out the drilling works. He said that one just needed to place the machine deep in the rocks and it would bore through the rocks in one go. He also said that there were enough experts to carry out the soil investigation works and according to him, the Government could grasp the problems of the rock layers by drilling a hole here and a hole there. He was able to fully explain everything. The question is that after the completion of the works project and the departure of Mr James BLAKE, the West Rail project began. We all know about the problems associated with the construction of the West Rail. There are floodings and cracks, and there are problems everywhere. Naturally, they have to do with the responsible officials. With regard to the problems concerning construction that arose later, I had talked to the former Secretary for Works, Mr KWONG Hon-sang, advising him to pay attention to the contracts. When problems arose, I grasped the thrust of the problems and talked to the Government. The Government said at the time that worries were unwarranted, that it had all the problems under control, and that the contracts already comprised terms that gave enough protection to the Government such that it would win even if the case were brought to the Court. However, if Members look at the written question asked by me in the Legislative Council today, they will see that the Government has lost all three lawsuits filed by it during the past three years.

Therefore, we should get the facts straight. Members of representative assemblies and members of the public have shown concern over many aspects and have taken steps to address these concerns. They did not ignore the views of the experts. Nor was any British — Hong Kong interest involved. If Members support the new proposal today and if sewage charges have to be increased in future, and if the environment in the proximity of residential dwellings is polluted, Members will have to shoulder the responsibility.

MR HUI CHEUNG-CHING (in Cantonese): Madam President, the former Government formulated and mandatorily implemented the SSDS in an arbitrary way before the reunification in 1997. A series of mistakes with serious consequences have been made since the commencement of the Stage I works.

Before the reunification, a lot of local experts, academics and members of the public pointed out that the SSDS could basically not improve the water quality of Hong Kong waters and it could only divert preliminarily treated sewage after subsidence and neutralization. Regardless of whether it is first diverted to the west of the Victoria Harbour or finally to the seabed off the Pearl River estuary in South China, it will seriously damage the marine environment. After sewage has been discharged from the Stonecutters Island to the west of the Victoria Harbour, it will flow into the Lingdingyang during high tide and into the Lema Channel via the Victoria Harbour when the tide is ebbing, thus the Victoria Harbour will become a sewage channel, and probably a stinky harbour. Ultimately, sewage will be diverted to the Pearl River estuary, damaging the estuary and its peripheral fishing ground as well as the Hong Kong waters.

Before the reunification, the British side certainly negotiated with the Chinese side over all important affairs straddling 1997. The Chinese side sternly negotiated with the British side and resolutely opposed the unilateral implementation of the highly harmful SSDS by the British side in order to safeguard the interests of Hong Kong people and avoid polluting the South China Sea. The Hong Kong and Macao Office of the State Council issued a statement in 1995, stating that the SSDS failed to assess the feasibility and environmental impact of the final siting of a sewage outfall and that the proofs given by the British side were "seriously flawed" and "lacked a solid scientific foundation". It was also stated that "it was a very irresponsible act of blindness and risk-taking to implement the SSDS hastily, as it would waste a lot of resources and cause serious long-term damages to the marine environment". It was also emphasized that "the British side must bear all the consequences arising therefrom."

Governor Chris PATTEN ignored the views of Hong Kong people and the Chinese side and hurriedly launched the Stage I works in 1995. The representatives of the Chinese side in the Sino-British Joint Liaison Group continued to work hard for an agreement to be reached with the British side on the SSDS. The parties only reached an agreement by the end of 1995 to jointly make an EIA on the siting of the sewage outfall. However, the agreement was not finalized and it indicated that Governor Chris PATTEN who arrogated all powers was mainly responsible for the serious consequences and losses caused by the SSDS.

Madam President, from another perspective, the transparency in respect of the selection of consultancy companies and the contractor tender process of the SSDS really warrants review and improvement. Three quarters of the total investment in the SSDS were used in building and laying pipes and quite a few experts and academics queried whether it was an "environmental protection project" or a "piping project". Had the Government considered that large-scale piping and tunnelling works would cause subsidence? The experts and academics also said that the "biggest contribution" of the SSDS was that it was "very good news" for certain iron and steel companies and engineering companies, but it would not help improve the environment of the harbour and the Hong Kong waters. However, Hong Kong has always been known as a "paradise for foreign consultancy companies" especially if a foreign consultancy company monopolizes the local consultancy market. Will there be a conflict of interest with other relevant companies in its home country? The Government should review how it can enhance the accountability and professionalism of consultancy companies and how it can safeguard fair competition in and the transparency of the local consultancy market.

Most of the relevant departments and officials in charge of the SSDS then only enforced the policies and orders of the British Hong Kong Government. When the former Legislative Council scrutinized and passed the relevant bills and funding applications, the British Hong Kong Government might have failed to give Members sufficient information and Members might then lack sufficient knowledge of the SSDS. Thus, Governor Chris PATTEN was mainly responsible as he had neglected and failed to listen to people's views. He acted arbitrarily and failed to negotiate with the Chinese side, thus giving rise to the serious consequences of the SSDS. If we are to thoroughly investigate and affix

the responsibilities of the departments and officials enforcing the Government's policies and orders, we will find that it would have wide implications in respect of numerous matters before 1997 and we will have to conduct thorough investigations and affix responsibilities ceaselessly. This will strike a heavy blow to the stability and confidence of government departments and the Civil Service and it is apparently unfair to the those departments and officials enforcing the Government's policies and orders. Certainly, a thorough investigation should be conducted but we should be practical, realistic and very prudent, and we should only investigate those who have been proved to have neglected their duties.

The consultancy company and contractor in charge of the SSDS had responsibilities that could not be shirked and a thorough investigation must be conducted. When we conduct a thorough investigation into the responsibilities of the relevant consultancy company and contractor, we must review the transparency of the procedures for the selection of environmental consultants and the tender by contractors to prevent a conflict of interest and the monopolization of the consultancy market.

Madam President, the Government should make reasonable arrangements and compensation for groups and individuals who have suffered losses as a result of the SSDS.

As the name "Strategic Sewage Disposal Scheme" is not scientific, the Hong Kong Progressive Alliance agrees that it should be amended as the "Strategic Sewage Treatment Scheme".

Madam President, I so submit.

MR IP KWOK-HIM (in Cantonese): Madam President, we are having a history lesson today, and the SSDS will go down in the history of the construction sector of Hong Kong. The Government realized in 1989 that the pollution of the Victoria Harbour was becoming increasingly serious. Despite the highly tensed Sino-British relationship at that time, it unilaterally introduced the SSDS before the Chinese and British sides had reached a consensus. Twelve years have passed and over \$8 billion has been spent but the Stage I works have not yet been completed and caused problems such as cost overruns and ground settlement in

Tseung Kwan O. This has aroused the concern of the public and long-term follow-up by the legislature.

People outside always think that the Democratic Alliance for Betterment of Hong Kong (DAB) fully supports the SSDS because it has supported every bid for supplementary provision. I have all along been the spokesman of the DAB on the SSDS and I am very familiar with and understand very well the contents and background of the SSDS. The DAB thinks that as Hong Kong is a small place with a large population, centralized transport and treatment is a more feasible measure for the efficient treatment of everyday sewage in the urban areas. Distributed sewage treatment will incur higher costs as it requires plenty of land resources or reclamation of the Victoria Harbour for additional land. Therefore, the DAB concurred with the Government's views on this part of the SSDS then.

Yet, I must say that the proposed Stage II project of the SSDS only disposes sewage after primary treatment to the waters in the south or even the adjacent waters of the Lema Channel in the Mainland through deep tunnels. The DAB already raised its objection then. We thought that disposing of sewage to the mainland waters instead of treating it in Hong Kong waters was immoral on the pretext that sewage would be treated and diluted by oceanic currents. But it was just like dumping our pollutants at others' doors. Therefore, we do not agree to this method. According to the DAB, sewage transported to the Stonecutters Island must undergo secondary or more advanced treatment before being disposed inshore in a distributed manner through pipings instead of undergoing chemically enhanced primary treatment as is the case now. The Stonecutters Island has the necessary space and conditions for the construction of a secondary or more advanced sewage treatment plant. Right from the very beginning till this day, the DAB thinks that we should treat rather than divert sewage and this idea is similar to the proposal made by the second IRP which also supports centralized treatment under Stage I and the adoption of a strategy aimed at a high degree of treatment and inshore disposal.

The Government cannot shirk its responsibilities for the engineering problems in respect of the Stage I works. The excavation of a deep tunnel is an unprecedented engineering project in Hong Kong history. As geotechnical investigation was inadequate and the risk assessment of the project made by the consultants appointed by the Government was too optimistic — as Mr Albert CHAN said, the then Secretary for Works thought that it was a very easy project

that only involved the drilling of a large ditch or hole — and the contractor was irresponsible, the works were suspended. While inviting a new round of tenders for the project was not only a waste of time and money, a more serious problem was that the delay in the completion of one project would cause problems in dovetailing with other projects. Hence, a "dominoes effect" was caused in which supplementary provision was required for other projects. The Government needed to ask the legislature for money after a certain period of time and the legislature would be "involved" and it would be so embarrassed for it had "put its hand to the plough" but "it could not refuse to pay though it was not convinced that it should do so".

As stated in Prof NG Ching-fai's amendment, the former legislature should feel sorry for it had ignored the opinions of local experts, academics and groups. I must say that the DAB had conducted consultations and held discussions before it decided to support the strategy for the centralized transport and treatment of sewage through a deep tunnel, and it had met dozens of groups and listened to their views. Moreover, the Government had given information to indicate that there were many successful examples with the use of deep tunnels in foreign countries. Therefore, the DAB made the decision to support the Stage I works and the appropriation for the construction of a deep tunnel. In retrospect, the DAB thought that it had underestimated the difficulty of the tunnelling works and had fully trusted the information given by the Government. We will draw on this experience for reference in future.

With these remarks, Madam President, I support the original motion and the amendments.

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, I drafted a speech on this motion but having heard the Honourable Albert CHAN's remarks, I decided not to follow the original draft. The major reason is that after listening to the points made by Mr Albert CHAN I find that he has raised a lot of queries on behalf of many people including me. It would be meaningless if I should repeat those points. Then why do I rise to speak? It is because I think that we should think deeply about and reflect upon some issues, especially after Mr Albert CHAN has just briefed us on some facts.

I certainly will not base on a "conspiracy theory" and think over the special reasons why this decision was made back in the days of the British Hong

Kong Government. In fact, I do not have any information at hand that proves that the British Hong Kong Government had any conspiracy or crafty plot. As Mr Albert CHAN has just said, many issues and views had been considered then. Why were they not put into practice? Those views are still valid and many people support and concur with these views and even the present Government accepts them. Why is there such a phenomenon?

As Mr Albert CHAN just said, if we are to blame anyone, we should blame the government officials then for they were overly confident. They exultantly made a wild boast and misled the Legislative Council Members to support this project. I wonder why officials could express their views so confidently. Did the environmental protection bodies or other non-government's organizations lack confidence and fail to express their views exultantly so that Members trusted officials but not the non-government organizations? Was that the case?

Another point made by Mr Albert CHAN was that times were changing and there were continuous changes in technology. The technologies at that time might only be able to tackle the problems at that time but with technological advancement, some technologies may be able to solve the problem today. But had Members considered whether this method was the best at that time? Had anybody proposed a better solution? Yes. If not, we should remain silent and we do not need to discuss the topic again today. Yet, the so-called new solutions proposed by Members today had already been proposed at that time. If no one has proposed such solutions, we should remain silent and we do not need to discuss the topic again today. In my view, Mr Albert CHAN has done a good job today. He raised the point that we need to reflect upon why the Government could so forcefully make Members trust its proposal and why it could support its proposal so confidently.

As Mr Albert CHAN has just said, the Government appointed a consultancy company and the consultancy company made this proposal which was accepted by Members. Throughout the years, in respect of policy making, the Government will invariably use consultancy companies as its "shield", not only in respect of this SDSS but also in respect of many other schemes. Although we are very often ignorant and ill informed, we know that consultancy companies often make proposals according to the Government's intention. I wonder if the same will happen this time. I dare not say so for I am not an expert and I dare not make a presumptuous criticism but I think it is very often

the case. Therefore, if we merely trust the proposal made by a consultancy company appointed by the Government, we will certainly be biased and partial. That is really the case. Thus, the only solution is for the Government to remain open, increase transparency and respect people's views.

Quite a few Members have remarked that to solve the problem, we should pool the wisdom of the masses and consult the public. Nevertheless, it is a pity that the Government was bent on having its own way and it had really failed to take people's views seriously, giving rise to the evil consequences today. We must make this point and we should earnestly learn from our experience and past lessons and consider the problem from this perspective.

Insofar as the SDSS is concerned, it is the people of Hong Kong who have suffered, been victimized and affected. I certainly agree that sewage disposal is not a simple matter and a lot of Members have pointed out that Hong Kong does not have much land but it has a large population. How can the problem be solved? Regardless of where sewage is treated, it is true that people will make criticisms and have queries. After all, if we are not open and fail to widely accept others' views and pool collective wisdom but only trust the proposals made by one to two consultancy companies, I do not believe it will be meaningful and I doubt if these proposals will be comprehensive. Therefore, the most important purpose of our discussion over this motion today is to sum up past errors in order to help us stride forward in future. We should take this seriously.

Madam President, I hope that the Government will give up its old style of being hell-bent on having its own way and reluctant to listen to people's views. If the Government still wishes to find a good solution to the sewage disposal problem, it should admit and rectify its errors.

Madam President, I so submit.

MR CHAN KWOK-KEUNG (in Cantonese): Madam President, the SSDS is one of the large long-term infrastructural projects that the British Hong Kong Government decided to implement 10 years ago. When the Government first introduced the preliminary idea of the project, it met with extensive opposition from the environmental protection bodies, academics, the civil engineering

sector and the press, and evoked repercussions in the community. It was because this \$10 billion-plus Scheme only emphasized the "diversion" rather than "treatment" of sewage. The critics generally remarked that the project for the construction of a long submarine sewer to dispose of sewage to the South China Sea had overlooked the pollution of the ecological environment of adjacent waters. It was only a piping project of "uncanny workmanship" and this civil engineering project was extremely inefficient in sewage treatment. In 1995, the British Hong Kong Government failed to stand the pressure exerted by various parties and appointed another consultancy company and three international experts to review the "sewage project", and it also conducted an EIA on different proposals. Four feasible proposals were subsequently made and sewage treatment by a chemically enhanced primary treatment (CEPT) plant was proposed.

Unfortunately, the British Hong Kong Government failed to make more thorough amendments to the Scheme, and instead anxiously put out the Stage I works to tender. As a result, the works lacked flexibility and sewage treatment was mainly carried out at Stonecutters Island since no changes could be made. Among the four EIA proposals in 1995, the international experts and the Government advocated sewage treatment by a CEPT plant and the construction of submarine pipes for the disposal of sewage to the Lema Channel. They thought that the method was feasible because dilution by water deep in the sea would remove 70% of the pollutants. Nevertheless, they had not conducted more scientific assessments or adopted other methods such as Biological Aerated Filters (BAF).

Madam President, today, five years have passed and the IRP has changed 180 degrees. They have turned down the decision to construct a 17 km pipe to the Lamma Island and made four new proposals for the disposal of purified sewage to the adjacent waters of the Victoria Harbour. Although the IRP affirms the construction of a deep tunnel, it rejects the proposed construction of a deep tunnel to Lamma Island for primary sewage disposal because it thinks this will seriously damage the waters off Lamma Island and cause an algal bloom. Evidently, they have gone back on their own words. They said there would not be an algal bloom but they are now saying that there will be an algal bloom. They have made contradictory remarks and what they said is hardly comprehensible.

In 1995, the British Hong Kong Government rashly put out the Stage I works to tender without thorough deliberation, as a result, there was an inflow of groundwater in 1996 and the works on six sewage tunnels were immediately suspended. Thus, the Government had to put out the works to tender again later. There was litigation between the Government and the previous contractors in respect of the termination of agreement and this showed that the Government had made serious mistakes in policy making. Madam President, the many problems in relation to the Stage I works such as repeated delays, cost overruns and unusual ground settlement in Tseung Kwan O have caused enormous losses to our economy, environment and people's livelihood. The many loopholes and mistakes in respect of the SSDS over the last decade reflected that the Government was shortsighted in respect of sewage treatment and harbour cleansing and lacked sound planning. As officials had shirked responsibilities in respect of policy-making problems, works were delayed and a heavy blow was dealt to sustainable social development.

Madam President, the Government will announce its future plans this year and after the completion of the Stage I works, it will hold discussions and consult various sectors on the launch of the Stage II works. The Hong Kong Federation of Trade Unions (FTU) agrees that the Government needs to consult the public and environmental protection bodies more extensively before making the relevant policies and it should also absorb the experience of the Stage I works and evaluate more carefully the EIA reports of the consultancy companies IRP. Generally speaking, the Government needs to increase the transparency of the procedures for the selection of consultancy companies and enhance the accountability of the consultancy companies and the IRP in terms of environmental assessment.

Madam President, the FTU is open towards whether the Government should affix the responsibilities of officials in charge of the Scheme and other relevant parties. We think that they should rectify errors and make reasonable compensation to those people who have suffered losses as a result of the sewage disposal works. But we hope all the more that the Government will not make the same mistakes again. The operational costs of the four new proposals are actually higher than that of the original proposal and the FTU is worried that an increase in sewage charges will affect the livelihood of the public. Furthermore,

the four new proposals use BAFs and propose the construction of new plants in the urban area for distributed sewage treatment. In actual implementation, the Government should give the matter careful consideration and avoid making new problems.

Madam President, Hong Kong has long been haunted by the water pollution problem and its severity is obvious to all. The public wishes that the problem of sewage treatment and disposal in Hong Kong waters would be solved as soon as possible. We and our next generation yearn for a beautiful harbour, clean beaches and clear rivers. Therefore, the SAR Government must be more far-sighted in respect of sewage disposal planning to ensure that our sewage disposal scheme complies with environmental protection and moral standards as well as the principle of long-term sustainable development.

Madam President, I so submit.

MR LAU KONG-WAH (in Cantonese), Madam President, a few Members have talked about history, but I was not in the historical picture then. We have a very important debate today and we may not necessarily wish to "affix responsibilities for historical events". I believe we may not get a deep understanding of the decision, policy-making and information at that time only through this debate. If this Council finds it necessary to make a thorough investigation at an appropriate time in the future, I will fully support it. I have taken part in the discussions of the Commission of Inquiry on the New Airport and I have taken part in the work of the Public Accounts Committee for long, so I think all criticisms and comments must be based on facts and it is most important for us to be practical and realistic. Therefore, regardless of whether the British Hong Kong Government or Governor Chris PATTEN or the then Legislative Council was responsible, if an investigation is conducted in the future, I wish that the result of the investigation would be based on facts.

The public is most concerned about how this "awful mess" can be handled or tidied up for it is very important, and people also concerned about the ground settlement in Tseung Kwan O. How is the Government going to address the difficult situation of the residents? These are pressing issues. International experts have recently proposed quite a few solutions that have not been proven

and we only know certain new technologies by name. Can the foreign experience mentioned by them successfully achieve our targets in the Hong Kong context? All these have not been proven.

Madam President, if we are really brilliant, we should put aside what we said and thought, and call upon international and local experts, environmental protection bodies and interested Members to work out a new approach together. The relevant Policy Bureau should bear the responsibility and we really need international and local experts to work together so that they can prove the proposals and draw a conclusion.

The ground settlement in Tseung Kwan O, which is a cause of public concern, needs not be proved because it has already been proved. The conclusion of the investigation report is that the groundwater that flowed into the tunnel under excavation was the "only reliable reason" for the fall in the groundwater level and the unusual settlement in the reclamation area. It has been proved that that was the only reason. Now that the report has been published, it is irresponsible of the Government to insist on waiting for the residents to make claims for compensation. What should the position of the Government be? We have read many reports of the Public Accounts Committee and we find that the Government often plays the trick of commissioning a consultancy company to make an investigation and such consultancy companies often remark that the incidents are "unexpected". I remember clearly that a consultancy company told us during the meetings of the relevant committee that it was unexpected that the groundwater would flow into the tunnel when the project was in progress. It just said "it was unexpected", but the consequences of the incident were ground settlement in Tseung Kwan O, a drop in property prices, and a total loss of confidence. What responsibility should the Government bear for the situation of the residents of Tseung Kwan O? It could not make up for everything by just saying "it was unexpected". Therefore, we will support all the proposals in the amendment. This incident proves explicitly that there were mistakes in the previous consultancy reports and it is very important for the Government to hold the consultants responsible. But the Government has not yet indicated that it will pursue this and I think that it has been irresponsible. In my view, the Government could have exercised a certain degree of control. Some may say that, in some cases, the Government has to go through legal procedures to affix the responsibilities of the consultancy companies but the Government can at least make a decision in three respects within its control:

Firstly, it can give a 20-year structural guarantee. When we met the residents concerned, they said that the Government had indicated that the groundwater problem had been solved and the structural safety of the housing blocks was guaranteed. According to the residents, if the Government could make a guarantee, it would not incur any loss even if it gave a 50-year structural guarantee. The residents were only asking for a 20-year structural guarantee, the same as that in the Yuen Long case. If the Government could give a 20-year structural guarantee for Home Ownership Scheme (HOS) housing estates in Yuen Long, why can it not give a 20-year structural guarantee for HOS housing estates in Tseung Kwan O? Does it have double standards?

Secondly, the Government can control the back assignment period. The residents concerned had to make a decision during that period and they did not have sufficient time to consider the matter. The Government has to deal with the unusual ground settlement in an extraordinary manner and it should not continue to handle the matter bureaucratically. Therefore the Government should make a decision to extend the back assignment period to give residents more time to consider the matter. I believe this is under the control of the Government.

Lastly, another matter under the control of the Government is the continuation of site investigation. We made this proposal at the meeting of the Public Works Subcommittee this morning and we hope that the Government will conduct long-term site investigation to ensure that there is no shifting in the groundwater level and the piles. However, it will be unfair to the public if they have to meet the relevant expenses.

The relevant Policy Bureau must take actions in the aspects mentioned above. Thank you, Madam President.

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

DR RAYMOND HO (in Cantonese): Madam President, for those people, myself included, who raised objection when the Government proposed the SSDS, it would come as no surprise that this Council should continue the debate on the SSDS today. In the past few years, Stage I of the SSDS encountered some difficulties and the Government has on four occasions requested that this Council

increase funding for the SSDS (the approved project estimate for the Stage I was nearly \$8.5 billion). All these proved our worries then were well-founded. Some of the scenarios we worried actually emerged. In the report of the IRP released recently, it was held that the remaining three stages of the Scheme were not feasible or sustainable. What is most disheartening is that the huge amount of money needed to clear up the mess has to be paid by the people of Hong Kong.

In as early as the '90s, when the Government first put forward the SSDS, some groups and I raised objections to the proposal to collect all the effluent produced by 4 million people living in the urban areas via a 150-m deep tunnel to the Stonecutters Island Sewage Treatment Works (SCISTW) for centralized primary treatment. Compared to the distributed treatment method to which I have been a persistent subscriber, the centralized treatment system and the vast number of deep tunnels required under the original Scheme would entail huge capital outlay and the risks involved would increase. The effect of the original Scheme is doubtful because the treatment cannot even reach the standard of secondary treatment and therefore it cannot solve the pollution problem in the Victoria Harbour. Even if Stage II of the Scheme is implemented, it can only succeed in discharging sewage which has undergone primary treatment via oceanic outfalls and deep tunnels to the Lamma and Lema Channels, which are further away from Hong Kong, rather than properly treating the sewage. It is not surprising to note that the Scheme is called the "Strategic Sewage Disposal Scheme" rather than the "Strategic Sewage Treatment Scheme".

The SSDS was fraught with problems from its conception to actual construction when the Stage I works were subsequently launched. All these pointed to frequently seen drawbacks in the planning and implementation of large-scale infrastructure projects in Hong Kong. First, when a plan is formulated, the Administration does not carry out sufficient consultation. It even ignores the opinions of many local experts. It has been relying on opinions from international expert groups appointed by it. While we should seek opinions from foreign experts on large-scale projects so that international experience and new technology and equipment may be utilized, the Government should never ignore the opinions of local experts.

In Stage I of the SSDS, international experts proposed to construct deep sewage tunnels without regard to the geological factors of Hong Kong. Thus, much of the tunnel excavation work was done at fault zones, leading to a host of

problems, one of which being underground seepage during the construction of the six sewage tunnels. The contractor unilaterally suspended work on these six tunnels later. The Government had to forfeit two tunnel contracts at the end of 1996. Arbitration was required to settle the disputes arising from the relevant contracts. In addition, the relevant tunnelling works led to unusual ground settlement at Tseung Kwan O, and cracks in many buildings there began to appear.

Problems arising from tunnel excavation works led to additional project costs as well as delays in the progress of the SSDS. In July 1997 and January 1998, the Administration recommissioned the remaining tunnel projects of the SSDS through three independent contracts. It was not until recently that excavation works for the tunnels could be completed. All works under Stage I will only be completed at the end of this year. That means the whole project has suffered a delay of four and a half years. I have paid a visit to three of the six submarine tunnels. I must agree from an engineering point of view that the excavation of the tunnels is not a simple or easy task. Only if the Government could adopt the advice of local experts and academics in the first place, the entire Scheme might have taken a different turn. Or at least it could have avoided the fault zones in planning the alignment of then six tunnels for excavation so that the project could have proceeded more smoothly. Worthy of note is the acceptance of my opinion when the Chief Executive decided to set up an IRP to review the feasibility of Stages II to IV of the SSDS to the effect that a member of the Hong Kong Institution of Engineers was appointed to the IRP. This may be regarded as an improvement.

The SSDS also reflects another common failing of the Government in carrying out large-scale infrastructure projects. The departments concerned were too dependent on recommendations from consultants or international experts. The relevant government departments should have its own experts to assess or scrutinize the relevant proposals before adopting the same. This weakness was manifested time and again in the execution of the SSDS. An example is the review of the proposed plans for future stages of the SSDS by the IRP appointed by the Government in July 1994. The plans to be reviewed included the sewage treatment process at the SCISTW built during SSDS Stage I. Originally, a chemically enhanced primary treatment process with lime dosing was adopted for SCISTW. In April 1995, the IRP recommended that ferric trichloride should be used instead of lime in the treatment process. So, in less

than a year, the IRP changed their original recommendation and the Government took in the process everything that was recommended, and amended the project design. Naturally, additional costs were incurred.

Moreover, the IRP commissioned by the Chief Executive said in its review report released recently that the originally planned Stage II had to be abandoned because it was neither feasible nor sustainable. The report said waters to the south of Lamma Island had high nutrient loads but low dissolved oxygen levels and discharging treated sewage to this part of the sea may cause red tides. This observation was completely different from the views of the original EIA report. The public has been enormously puzzled. To avoid such conflicting views in large-scale infrastructure projects, the only way is for the Government to have a team of its own experts to assess the recommendations made.

Madam President, as the SSDS involves massive investments, any mistake will certainly lead to additional costs. Eventually, it is the people of Hong Kong who have to shoulder the costs. I hope that the Government can conduct a comprehensive consultation across the whole community in respect of the evaluation and study before coming to any final decision. Thank you, Madam President.

MISS EMILY LAU (in Cantonese): Madam President, I rise to speak in support of the motion moved by Mr Frederick FUNG.

I agree with Mr FUNG in that series of errors have arisen from the SSDS projects. Actually, many Honourable colleagues have already expounded their views on this point. Nevertheless, I also agree very much with the remarks made earlier on by Mr Albert CHAN. I trust that the involvement of Mr Albert CHAN in the matter was deeper than anyone of us because he was already a Member of the then Legislative Council appointed to the agency which was the predecessor of the Advisory Council on the Environment. And I do not think Mr Albert CHAN would consider himself a part of the conspiracy of the then British Hong Kong Government. Perhaps the plot was so successful that those people whom the British Hong Kong Government made use of were unaware of what had happened. Just like Mr Albert CHAN, I believe many people have also participated in monitoring the SSDS before. We may not necessarily know the inside story, but then, is the entire Scheme wholly an intrigue? Madam President, I have been listening to Members expounding on their views since I

came back to this Chamber shortly after 8.00 pm. Some Members consider the SSDS an intrigue while others do not. For my part, actually, I support Mr FUNG's suggestion that the matter should be reviewed in the future. I trust that when the Secretary rises to speak later on, he will not raise any objection to Members reviewing the matter. Actually, many Members are eagerly looking forward to conducting the review, some have even inquired about the commencement time of the review. We all know that the Director of Audit has already submitted a report on the matter, and many colleagues have also referred to this report in their speeches. The Public Accounts Committee (PAC) of the Legislative Council will also prepare a report in this regard. But since an arbitration hearing was still in progress, a number of items have yet to be checked. Nevertheless, I guess Members may have already heard about it and the Secretary will most probably report to this Council that the arbitration hearings have now been concluded. The Government has won the case.

So, what are the implications of the Government winning the case? Madam President, perhaps the Government may not have the chance to speak again. As a matter of fact, some of the project arrangements indeed call for improvement. For instance, in the event of any problem arising, the parties concerned will have to negotiate to resolve the problem. Such a process will of course take some time to complete. If the Government should have lost the case, naturally grave problems would arise; but the fact remains that it has won the case. On the other hand, the Director of Audit did point out in his report that problems had indeed arisen from the works arrangement of certain projects. The Government has also admitted this point. I believe Mr Albert CHAN should have a better understanding of the issue, but since there were other questions he had to raise, he did not have the time to touch upon this issue when he spoke earlier on. At that time, the so-called multiple contracts awarded in respect of the SSDS works were very complicated, as they comprised advanced contracts, main contracts, and a number of consecutive contracts. If the completion of any of such contracts was delayed, the Government would need to compensate the contractors holding the subsequent main contracts. That is why the Government has been so concerned about the delays all along. Indeed, the Government did twice make compensations to the relevant contractors due to such delays, the amount of which were \$90 million-odd and \$40 million-odd respectively. As indicated in the investigation results presented by the Director of Audit, the Government did not report these two compensation payments to the Legislative Council. This is indeed very inappropriate. I suspect the Government must have done many things in secret. I believe the Government

must have made the various blunders mentioned, only that we do not have the time to discuss each of them in detail. However, does it follow that we can mix things together and explain the entire matter away as an intrigue devised by the British Hong Kong Government or the then Governor Chris PATTEN to harm Hong Kong? I do not have enough evidence to prove the point, and I hold that unless we have sufficient evidence in support of our claim, we had better not make such allegations.

It has also been pointed out in the PAC report that the Government had mentioned that the Stage I works of the SSDS must be completed before 30 June 1997. In my opinion, it is both useless and unnecessary to set such a completion day. The only possible reason for that was political consideration. At that time, the British Administration was leaving Hong Kong, naturally it would wish to leave behind something that could go down in history. Likewise, it was also out of political consideration that the Chinese Government did not allow the new airport to be opened before a certain date. The objection raised by us in this connection has been put on record. As the Government was so eager to have the Stage I works completed before 30 June 1997, it could not but spend more money to urge the relevant contractors to work faster. And that is why we consider the SSDS a very expensive mistake. Yes, this was a wrong approach, but can we add up the various mistakes and call the result a political conspiracy? A number of Members have expounded their views in this respect, but I am afraid I am not at all convinced. Nevertheless, I agree that an investigation should be conducted into the matter. I believe this Council, the PAC, as well as other select committee or panels should also look into the matter. I hope the Government will later on say that it welcomes the Legislative Council to conduct an investigation. If the Government should consider it necessary to set up an independent commission to conduct the investigation, I would give it my support. I think it is perfectly fine to set up an independent commission for this purpose. I hold that the Secretary should later on explain the government view on this question. It does not matter whether the Government considers the SSDS a political conspiracy, the most important point is that it makes it clear that it is necessary to investigate into the matter. I believe the Government would welcome such an investigation.

I also share the view expressed by Mr CHAN earlier on, that is, disregarding the question of political intrigue, many of the proposals put forward then were aimed at savings in costs. The central treatment arrangement, for example, was also supported by the Democratic Alliance for Betterment of Hong

Kong. This is because the Government would otherwise need to set aside more places for constructing treatment facilities and sewage tunnels. On the other hand, it was a mistake on the part of the Government to conduct only borehole tests but not geotechnical investigations. However, if the Government should conduct a large number of geotechnical investigations, it would certainly add to the costs of the projects. But then, if the Government should set the sewage charge at a higher rate so as to cover the huge costs, a public outcry would be caused. I think Mr CHAN was right in saying that if the Government should put forward a bright proposal and guarantee that secondary and tertiary treatment methods would be adopted in the future, but it would be at a loss as to what to do in the face of strong objection raised by the angry public to its attempts to recover the costs. For this reason, I believe we should raise matters of public concern in this Council for discussion like we do today. Besides, I also agree with Honourable colleagues that we should listen more to the opinions of other people. This is indeed a very constructive suggestion. When we joined the former Legislative Council in 1991, the meetings were conducted behind closed doors. It was until a later date that members of the public were welcomed to sit in on our meetings. We have been learning all along, and I believe we have learnt a very expensive lesson this time. We hope to take in more views from the community when formulating plans in the future.

Madam President, do you think I have any confidence that the Government would accept our views? As you can recall, this afternoon I raised a question on sustainable development and the point we discussed then was related to the meaning of sustainable development, on which the Government has conducted a consultation exercise. In respond to my view that if the Government had really conducted any consultation exercise, it must have been pointed out that the meaning of sustainable development should cover politics, legal system and human rights, Secretary Gordon SIU stated that the meaning had been determined by Chief Executive TUNG Chee-hwa and would not be affected by other people's opinion. Many experts and scholars have told me that they did not think the Government was being sincere in conducting consultation exercises; regardless of whether it was dealing with the meaning of sustainable development or the SSDS, the attitude of the Government was just the same. Although the former Governor Chris PATTEN has left and our incumbent head of Government is Chief Executive TUNG Chee-hwa, the attitude of the Government has remain unchanged.

Finally, I should like to speak on the issue related to local experts and overseas experts. I very much support the view of the Liberal Party in this

connection: An expert is an expert. Madam President, as we pointed out several weeks ago when debating a motion on judicial appointments, we should not rate talents in the light of the colour of their skin. I hold that we really should judge people this way. Any persons in Hong Kong possessing the relevant expertise and international status can be recognized as experts, we should never reject others simply because they are the people of Hong Kong. If we wish to see Hong Kong develop into a world-class city, we should have the broadness of mind to take on board the opinions of people from all walks of life. As such, I regret to say that — I do not think I have enough time to speak on the responsibilities of the Legislative Council — I cannot support the amendment proposed by Prof NG Ching-fai.

MR LAW CHI-KWONG (in Cantonese): Madam President, the Democratic Party begs to differ from part of the original motion and the amendment proposed by Prof NG Ching-fai. But in general, the Democratic Party agrees that the entire Scheme has many serious errors and that this Council has the duty to urge the Government to take a series of measures as detailed in the motion, which includes conducting a thorough investigation to ascertain if there was any dereliction of duties on the part of departments or officials. If irregularities are substantiated, the Government should make reasonable compensation to those people who have suffered losses, improve the procedures for commissioning environmental consultants, and take steps to prevent conflict of interests.

With regard to some of the views that I have just suggested and the responsibility of the Government on the unusual ground settlement in Tseung Kwan O, Mr Andrew CHENG has earlier expressed some of the views of the Democratic Party, so I am not going to repeat them here. I wish to focus on the reasons why we have reservations about the original motion and the amendment.

Earlier on, Prof NG Ching-fai cited reports in the press about my opinion on the responsibility of the former Legislative Council, which approved the Sewage Services Trading Fund on 11 March 1994. While the Democratic Party had yet to be formed at that time and I was not a Member of the then Legislative Council, I was the Chairman of the policy committee of the former United Democrats of Hong Kong (UDHK), responsible for endorsing the position of the then UDHK. So, if the Government should be held responsible and so should the former Legislative Council and the UDHK, I personally should also be held responsible to some degree. However, I wish to point out that perhaps the

former Provisional Legislative Council should also be held responsible to some degree. At the meeting of the Finance Committee on 26 November 1997, the Provisional Legislative Council approved the tunnelling works project in Chai Wan and Tseung Kwan O. Does it mean that the Provisional Legislative Council should also be held responsible for the unusual ground settlement in Tseung Kwan O today (although I understand that Prof NG Ching-fai opposed these projects at the time)? We should take this into serious consideration.

But to set the records straight, I cannot but explain the position of the former Legislative Council and the UDHK at that time. When the feasibility study on Stage I was completed in 1991, the Government stated that the deep tunnel system could be implemented independently under Stage I with no implication on the Stage II projects. The cost for Stage I was \$8.1 billion at 1993 prices. In 1994 when the establishment of the trading fund and the relevant grants were approved, our understanding was that approval was given only for the Stage I works. Members of the then Legislative Council had raised enormous concern over the sewage treatment level, the level of sewage charges in future, arrangements for Stage II of the Scheme, the proposal to step up centralized treatment of sewage in Stages III and IV, supervision of the projects, and so on. The Secretary for Works guaranteed in the former Legislative Council that a comprehensive and independent study would be conducted on all feasible options of sewage disposal in Stage I, and that public money would not be wasted no matter what option would be adopted by the Government. He also added that another study would be conducted to ascertain whether oceanic outfall arrangements were most appropriate for Stage II, or whether biochemical treatment would be more effective, so that sewage disposal would be confined to Hong Kong waters without causing any damage to the environment. The Democratic Party has all along supported this position since its inception in October 1994. In November 1994, the Democratic Party wrote to the Sino-British Joint Liaison Group to give views on the SSDS and expressed opposition to the construction of deep tunnels for the disposal of sewage in Chinese waters. We also called on the authorities concerned to seriously and actively co-operate with experts from the Chinese side.

All these reflected that the former Legislative Council had listened to the views of many experts and environmental groups at that time. So, we cannot accept the allegation that the former Legislative Council had ignored their views.

In the meantime, to set the records straight and in order not to affect the relevant legal proceedings in progress, I must make it clear here that while the Democratic Party has stated that the projects are riddled with errors, we do not mean that the Government must be held responsible for all the errors. It is explicitly stated in the first point of the original motion that the Government should conduct a serious and thorough investigation to ascertain whether there was any dereliction of duties involved and if so, the second point of the original motion stated that the Government should make reasonable arrangements for or offer compensation to the groups or individuals who have suffered consequential losses.

We agree with Prof NG's proposal to rename the "Strategic Sewage Disposal Scheme" as "Strategic Sewage Treatment Scheme" which places emphasis on "treatment" rather than "disposal". But before I conclude my speech, I wish to give a personal view. I think it should be simplified as "Sewage Treatment Strategy", so as to avoid misunderstanding resulted from people pausing at the wrong places when saying the term in Chinese.

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

(No Member responded)

PRESIDENT (in Cantonese): Mr Frederick FUNG, you may now speak on the two amendments.

MR FREDERICK FUNG (in Cantonese): Madam President, first of all, I would like to thank the 16 Members who have spoken on the question today. From the speeches of the scores of Members, I note we share some ideas in common. First, we think the Government should change the present Strategic Sewage Disposal Scheme (SSDS) to "Strategic Sewage Treatment Scheme". That means we need to treat the sewage properly in the territory before discharging it. Of course, it is most desirable to treat the sewage completely before discharge. However, whether this can be done depends on the technology and the costs involved. At present, only 80% or 70% of the sewage will be treated but we think that is not good enough. Moreover, during discharge, it is desirable to find ways to recycle the sewage, that is, to reuse the discharged sewage.

Second, I trust we have a consensus on the issue of responsibility. We are not saying which department, Policy Bureau, company or contractor must be held responsible for the problems. However, we can obviously see cases of delay, claims for compensation and cost overruns in respect of the SSDS. All these have to be dealt with by way of arbitration. Hence, the Legislative Council and the people of Hong Kong have a right to find out who is responsible for the failures. Once the truth is revealed, the relevant persons, officials, departments, companies or consultants, and so on should shoulder the responsibility.

The third consensus is that we do hope the Government can be more open-minded by listening to more opinions. In my entire speech, I made no mention of British conspiracy or that sort of thing because I do not have any evidence for that. However, insofar as appointment of consultants is concerned, I have grave doubts as to why the same consultancy firm should be monitoring or investigating its own previous work. When problems arose, why was the same firm employed to conduct a study into them? Even the Housing Department would not do such a thing. Why would anyone allow that sort of thing to happen in the SSDS? This is most puzzling. Thus, I think the Government should take into consideration the demands made by Members in this debate today, especially in the amendment to the motion, that is, the Government needs to be fair, honest, open and impartial in contracting out projects or appointing consultants in the future. That is to say, we should not let a certain group of people or a certain company obtain a contract out of nepotism.

The last consensus is, as the Members who have put forward amendments and I have pointed out, if a certain person, group, department or official is found to have made a mistake, reasonable arrangement should be made or compensation offered to those people affected by the unusual ground settlement at Tseung Kwan O. Indeed, Mr Andrew CHENG has put forward some proposals of compensation but I do not think they are complete or adequate. While Mr CHENG has mentioned two housing estates, I have mentioned five. What would owners other than those of the five housing estates think? Would a sixth housing estate emerge as another estate affected? Moreover, even if the damage is made good now, what should be done if further problems arise? Having asked these questions, I think it will have served its purpose if the motion is passed for reference by the Government. My motion is no different from Mr Andrew CHENG's amendment in principle. The difference is only a matter of quantity. Prof NG Ching-fai's amendment has three points, two of which

resemble points made in my motion. First, Prof NG wants to add the word "former" so that the term becomes the "former Government". If one reads my motion carefully, one would find that I was saying "the Government when it formulated the SSDS", which indeed was referring to the former Government. Prof NG makes it more explicit by adding the word "former" but this is not really necessary. Second, Prof NG wants to seek confirmation, which I agree. It is, however, difficult to say whether it was the former Legislative Council, the Provisional Legislative Council, or the Legislative Council, which has to shoulder the responsibility. We should hold further discussions to find out what responsibility or how much of the responsibility should be borne by the three legislatures. I think it is difficult to state right away that it is the former Legislative Council that is responsible and so I did not include that in my motion.

Lastly, I hope it is not just the Government which is responsible for environmental protection or sewage disposal. That should be work shared by the Government, the Legislative Council and everyone else. Once we have consented to a certain way, I mean if we have passed motions on whatever we think the Government should do, we need to support the Government in its work, and I mean to say that in response to Mr Albert CHAN's comments. Of course, the prerequisite is that the Government does not squander resources, employ haphazard means or abuse us. I hope the Government can get my point here.

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese):
Madam President, I have listened carefully to Members' remarks. I can fully understand Members' regrets and disappointment about the delays and the difficulties encountered. I trust that they will understand and share my strong views about the aim of the Strategic Sewage Disposal Scheme (SSDS) since there is still a lot to be done in respect of the collection and treatment of Hong Kong's sewage.

There has been so much argument about sewage treatment over the years, so many different proposals and opinions from so many different groups and personalities that it is difficult not to become confused about what is actually happening and what it is that we are trying to achieve. Let me try, like Sylvester *Stallone* in the movie "Daylight", to go down into the dark tunnels and bring us out into the light.

The objectives we are trying to attain are to protect public health, sustain the marine environment and enhance the quality of the city by reducing organic, bacterial and industrial emissions into the waters in and around Hong Kong.

The strategy for doing that involves a number of actions, ranging from control of industrial, commercial and livestock wastes to improving local sewers and stormdrains and increasing treatment facilities throughout the territory.

In determining the timing and scope for new treatment works, we have been guided by a number of principles:

First: to set priorities for where treatment is most urgently required to protect public health or marine resources.

Second: having identified the standards required to protect public health and the marine environment, to identify the most cost-effective means of meeting those standards.

Third: to ensure that any works undertaken have flexibility to cope with increases in demand or other changes in planning requirements, in order to secure long-term value from the investment.

With respect to the plans for treating the sewage produced in the main urban area, these principles were applied as follows:

First: Priority was given to collecting and treating the sewage generated in Kowloon, Tsuen Wan, Tseung Kwan O and Chai Wan which were the densely populated and main industrial parts of the older urban area and generated 70% of the total sewage that had been entering the harbour.

Second: The most cost-effective way of collecting and treating the sewage from this area was identified as being to use deep tunnels to collect and one or two large treatment plants to process the sewage.

Third: To ensure flexibility, primary treatment was chosen for the first stage works since it would suit whatever final treatment and outfall arrangement would be selected in future.

When the original proposals for the first stage were reviewed in 1994-95, the then review panel recommended replacing the primary treatment plus lime dosing which would only be used in the initial years with a permanent chemical treatment process using ferric chloride. Trials proved that the technology worked with the high salt content in local sewage. Since it would enable savings in capital and recurrent costs to be made, as well as space savings and an increase in treatment efficiency; and since it would not compromise future decisions about final treatment or outfall systems, this recommendation was accepted and the planned primary treatment plant was changed into a chemical treatment plant. The chemical treatment plant has been built and started operating in May 1997.

Today, all Stage I works are near completion. We are also of the view that we should now conduct a review to see whether the assumptions made in the mid-1990s are correct. In this connection, I agree with Mr Frederick FUNG that prices are not the most important deciding factor. Our aim should be to improve the environment. But, I must stress that the works and operation of Stage I are cost-effective. In terms of capital investment, each cubic metre of treatment capacity provided under Stage I will have cost about \$5,000 (that is, making a pessimistic assumption that the Government will not recover any of the additional costs incurred because of the suspension of works by the first tunnel contractor). This compares with a capital cost of about \$13,000 per cu m for existing secondary treatment systems like Sha Tin and Tai Po. The Stonecutters Island plant is achieving 90% of the efficiency of secondary systems but in terms of running costs, treating one cu m of sewage at the Stonecutters Island plant costs 69 cents, compared with \$1.44 per cu m for the existing systems at Sha Tin and Tai Po.

For the collection tunnel system, the 23.6 km of deep tunnel will have cost about \$3 billion — again assuming we do not recover any of the additional costs from the first contractor. This works out at about \$130 million per km. That compares with a cost of about \$200 million per km for the much narrower trunk sewer being built just below surface level in North Point. Clearly, the deep tunnels under Stage I are a lot cheaper. In addition, by avoiding all the existing and planned infrastructure at sub-surface level, the deep tunnels avoid a lot of difficulties in engineering, avoid a lot of social disruption and economic costs including cost of time lost in traffic jams caused by additional roads works, and do not themselves impose additional constraints on other development in future.

Members will have noted that each of the two previous statements about costs have been qualified by the assumption that the Government is not successful in recovering costs arising from the dispute with the first tunnel contractor. I should like to take this opportunity to inform Members of the present position with respect to that dispute. The three arbitration hearings to determine liability have now been concluded. The Government has been successful in relation to all the most significant issues in the dispute. While the contractor has the right of appeal, so far, the Government has been successful in resisting the contractor's claim and largely successful in its own counterclaim. On that basis the Government would expect to be able to recover very substantial damages from the first contractor. The full amount of the Government's damages claim cannot be assessed until the completion contracts have been completed and, if disputed, may require further arbitration proceedings from final quantification.

The main reason for the upsurge in construction cost of the Stage I works is the unilateral termination of contracts by the first deep tunnel contractor, thereby resulting in our applications to the Finance Committee for additional funding to cover the increased cost of the deep tunnelling works. However, out of the 19 project items covering the Stage I works, we have identified savings of \$200 million in 13 items. According to current estimates, we believe that we could control the total expenditure of the Stage I works to within \$8,323.7 million. If we could successfully recover damages claim from the first tunnel contractor, the total expenditure will even be lower than the said figure.

Let me return to the main issue discussed in this debate, the assumptions about Stage I. With regard to the efficiency of treatment, clearly there was an underestimate made in 1995. Then it was predicted that the chemical treatment would remove 70% of suspended solids and 55% of Biochemical Oxygen Demand. Since 1997 the treatment plant has actually been removing 83% of suspended solids and 75% of the Biochemical Oxygen Demand. The 2000 International Review Panel (IRP) have observed that the plant is achieving 90% of the efficiency of a conventional secondary treatment plant and is the most efficient chemical plant operating in the world. The increased efficiency of the existing plant is one of the reasons for the IRP proposing that we should explore the feasibility of using spare land at Stonecutters Island to install tertiary treatment facilities, since it may not be necessary to use that land for additional chemical treatment to deal with Hong Kong Island sewage.

In terms of flexibility, the assumption that the Stage I works would not compromise any future decisions about treatment or outfall locations has been confirmed by the 2000 IRP. They have urged that the works be completed and fully commissioned as soon as possible. All their proposals assume that the Stage I works are in place. In other words, the IRP has recognized our efforts invested in Stage I works and their effectiveness.

In the early '90s, we have made the assumption that the Stage I works could be completed by mid-1997. The first ever deep tunnelling work in Hong Kong did encounter delay due to poor geological conditions and unforeseeable technical problems. With hindsight, it would have been advisable to have been less optimistic about timing. The experience gained from the first stage tunnel works will be taken into account in the design and estimates for constructing future deep tunnels.

It was also predicted that deep tunnels being excavated well in the bedrock under the seabed would not have an impact on land. This prediction has proved correct in the deep tunnelling works under Stage I with the exception of the conditions encountered in Tseung Kwan O. In the light of the problems encountered in the unusual settlement in Tseung Kwan O, we will exercise much greater precautions to avoid risks from any future deep tunnel works. The 2000 IRP was asked to review the tunnelling measures. We welcome the recommendations they have made in this respect.

I appreciate that some of the points made by Mr Frederick FUNG in the original motion — and much of the burden of Mr Andrew CHENG's amendments — are directed at the unusual settlement in Tseung Kwan O tunnel and its effect on local residents. I understand Member's views, and I share the concern of the residents in the affected areas who have seen some unusual settlement near their homes and are quite naturally desirous of assurance from the Government that all is safe.

Let me remind Honourable Members of the findings of the investigation into the unusual settlement at the Tseung Kwan O. The settlement has now stabilized all areas and stopped in most parts of the town centre. All the buildings concerned are safe and their structural integrity has not been affected. There have been no signs of defects in any buildings that could be related to the unusual settlement. The Government will continue to monitor the situation closely. The Government is repairing defects in public roads and pavements arising from the settlement.

I understand that the proposals regarding the Tseung Kwan O incident in Mr Andrew CHENG's proposed amendment to Mr Frederick FUNG's motion formed part of a range of suggestions that he had sent earlier to the Administration. Relevant bureaux and departments are now examining these suggestions and will give their responses as soon as practicable.

The Administration is determined that any future deep tunnelling works should not raise such concerns with residents elsewhere in the territory. In fact, tunnels have already been built elsewhere — including under the entire width of the Kowloon Peninsular — without having had any effect on residents in those areas. We are carefully studying the lessons that can be learned about the design, management and technology used in any future works of this kind. In this connection, it should be noted that the 2000 IRP has actually endorsed the use of deep tunnelling technology in Hong Kong by suggesting consideration be given to constructing deep tunnels in Stages III and IV using such technology.

The then 1994 IRP also considered installing tertiary sewage treatment facilities at Stonecutters Island and examined the feasibility of using the Biological Aerated Filters (BAF) system. However, since the technology was not mature at the time and had not been widely used on a large scale elsewhere, the then review panel did not recommend the Government to adopt the BAF technology. As pointed out by the 2000 IRP at the meeting of the Legislative Council Panel on Environmental Affairs, the BAF technology has matured considerably in recent years and there have been successful applications of the technology elsewhere. Taking into account these latest developments and the better than expected performance of the Stonecutters Island Sewage Treatment Works, the 2000 IRP recommended that the Government install BAF facilities at Stonecutters Island to work in conjunction with the Stage I works. The IRP also considered that the effluent could be discharged through the Stage I outfall at Stonecutters Island after undergoing tertiary treatment into the Harbour. Hence, it would no longer be necessary for the Government to construct a long oceanic outfall to convey the treated effluent to the southern waters of Hong Kong for disposal. The IRP is aware of the high salinity of Hong Kong's sewage, it recommended that the Government should undertake trials to verify the technical feasibility of applying the BAF system in Hong Kong. We intend to undertake studies and trials as recommended by the IRP.

Let me now respond to Members' views on the selection of consultants. The selection process of consultants for the SSDS project, as for other

government infrastructural projects, was open, transparent and fair. The selection of consultants is based on technical merit and fees. Consultants are required to submit, in separate envelopes, both a Technical Proposal and a Fee Proposal. The relevant departments will consider all technical Proposals based on a predetermined evaluation guideline. The Fee Proposals are opened only after assessing the Technical Proposals. On the basis of a predetermined system of evaluation and weighting, the fee proposals are then combined with the technical assessment to determine which consultant.

After the consultants have commenced works, the relevant departments will monitor closely the performance of the consultants and reflect their performance in regular reports. The consultants' performance as recorded will also form essential references when considering their suitability in taking up new assignments. As an additional safeguard, awards of all engineering studies and works have to be vetted and approved by the Engineering and Associated Consultants Selection Board chaired by the Director of Civil Engineering and with members drawn from the Works Bureau and the Finance Bureau. In addition, the Works Bureau regularly reviews the arrangements for selection and monitoring of consultants.

In conclusion, may I make the following important points to summarize the Government's position in this motion debate.

Certainly there are useful lessons to be drawn from the Stage I works. We will draw on this experience in implementing future large-scale government projects.

Prof NG Ching-fai's suggestion that we rename the Scheme is worth considering. In fact, a major part of the Stage I works is concerned with "treatment" instead of "disposal" of sewage. Indeed, as well as putting the focus on "treatment" it may be well also to drop the term "strategy". As I said earlier, collecting and treating the sewage from the main urban area is important, but it is still only one part of the programme needed to achieve our overall objective of ensuring that the quality of life for everyone in Hong Kong is enhanced by a clean and healthy marine environment.

We do attach very great importance to the views of members of the public, the Legislative Council, professional and green groups and the academic circle about the sewage disposal scheme. For this reason, after the 1995 IRP had

compiled its recommendations on the future directions of the Stage II works, we started a public consultation exercise. We are sincere in our attempt to consult the public on working out the best steps forward to handle the remaining works of the sewage disposal scheme. That is why we appointed an independent panel of experts last year to study whether the past proposals of the Administration were in fact the best, and to explore whether there were alternative ways.

The most important point now is to look forward to how we move on to take the next steps towards the goal of a clean harbour. The review process was designed to be completely open and to give opportunity for all parties to join in and give their views. Within the next couple of months the Administration will be setting out how we intend to get on with the various recommendations that the IRP has made, and will be seeking public comments on the proposals that have been put forward for future stages of works. We will continue to work closely with local experts, academics, green groups and professional bodies as well as informing and responding to the general public. Our objective is to ensure that decisions taken on these important public works are understood and supported by the community.

We will also continue to work closely with our colleagues in the Mainland, to make sure that the measures we take will be conducive to wider efforts to protect the marine environment in the region.

While I understand Member's sense of regret at disappointed expectations, and over the concerns that have been raised among certain residents in Tseung Kwan O, I find the gloomy presumptions in the preamble to the motion have little foundation in fact. Thanks to the support of many past and present members of this Council, today, the main urban area has a system that is already stopping 50 tonnes a day of pollution from draining into the harbour. Before the end of this year, the system will be treating 70% of all the main urban area sewage.

The Government is taking all measures it can to protect the public interest and recover the additional costs incurred owing to the default of the first contractor.

The Stage I works will provide a high level of sewage treatment in a very cost effective manner, both in capital and recurrent terms. They will serve as a reliable foundation on which further improvements to the urban area treatment system can be developed. I look forward to constructive discussion with this

Council over the coming year as to how best we now move on together to achieve our common objective of cleaning up the Victoria Harbour.

Members also expressed their concern about the issue of sewage charges. But I must stress that society as a whole has a responsibility to consider the problem of sewage treatment and to decide on the means to account for costs concerned.

As the Stage I works and the arbitration with the first tunnel contractor are still ongoing, I consider that it would not be appropriate to conduct an investigation now. We believe that Members could only have a precise picture on the effectiveness and final cost upon the completion and commissioning of the Stage I works and the completion of the arbitration proceedings. By then, Members will have adequate substance and materials to discuss matters relating to the Stage I works. I believe that this approach is also consistent with the findings of the Public Accounts Committee.

Because of the various reasons mentioned above, we cannot agree to Mr Frederick FUNG's motion and the other two proposed amendments.

PRESIDENT (in Cantonese): I now call upon Prof NG Ching-fai to move his amendment to the motion.

PROF NG CHING-FAI (in Cantonese): Madam President, I move that Mr Frederick FUNG's motion be amended, as set out on the Agenda.

Prof NG Ching-fai moved the following amendment: (Translation)

"To delete "the Government ignored public opinions and"; to add "many local experts and academics and the opinions of" after "the professional advice of"; to add "and the public were ignored by the former Government" before "when it formulated the Strategic Sewage Disposal Scheme"; to add "and by the former Legislative Council when it examined and passed the relevant bill and funding applications," after "(the Scheme)"; to add "urge the parties responsible, if it is confirmed that they have indeed committed errors, to" after (b); to add "further study and" after "(d)"; to delete "risk" after "conduct an overall"; to delete "and"

after "the remaining works of the Scheme;"; to add "when implementing major infrastructure projects in future, enforce the policy direction of sustainable development, take heed of the opinions of local experts and academics," after "(e)"; and to delete "and green groups" and substitute with ", green groups and professional bodies, and fully discuss with the relevant government departments of the neighbouring territories which may be affected; and (f) rename the "Strategic Sewage Disposal Scheme" as "Strategic Sewage Treatment Scheme" ."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Prof NG Ching-fai to Mr Frederick FUNG'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)

Prof NG Ching-fai rose to claim a division.

PRESIDENT (in Cantonese): Prof NG Ching-fai 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 Eric LI, Mr CHAN Kwok-keung, Mr Bernard CHAN, Mr Timothy FOK, Mr Henry WU, Dr LO Wing-lok and Mr IP Kwok-him voted for the amendment.

Mr Kenneth TING, Mr James TIEN, Mrs Selina CHOW, Mr CHEUNG Man-kwong, Mrs Sophie LEUNG, Mr SIN Chung-kai, Mr Howard YOUNG, Mrs Miriam LAU, Mr LAW Chi-kwong, Mr Tommy CHEUNG and Mr Michael MAK voted against the amendment.

Mr HUI Cheung-ching and Mr LAU Ping-cheung abstained.

Geographical Constituencies and Election Committee:

Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr Frederick FUNG, Mr NG Leung-sing and Prof NG Ching-fai voted for the amendment.

Miss Cyd HO, Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Miss Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr Albert CHAN and Mr WONG Sing-chi voted against the amendment.

Dr TANG Siu-tong and Mr David 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, eight were in favour of the amendment, 11 against it and two abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 22 were present, seven were in favour of the amendment, 12 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 negatived.

MRS SELINA CHOW (in Cantonese): In accordance with Rule 49(4) of the Rules of Procedure, I move that in the event of further divisions being claimed in respect of the motion on the "Strategic Sewage Disposal Scheme" or the amendment to the motion at this meeting, this Council shall proceed to the division immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mrs Selina CHOW be passed. Does any Member wish to speak?

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

In the event of further divisions being claimed in respect of the motion on the "Strategic Sewage Disposal Scheme" or the amendment to the motion at this meeting, this Council shall proceed to the division immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): Mr Andrew CHENG, please move your amendment.

MR ANDREW CHENG (in Cantonese): Madam President, I move that Mr Frederick FUNG's motion be amended, as set out on the Agenda.

Mr Andrew CHENG moved the following amendment: (Translation)

"To add "(b) expeditiously conduct an independent investigation to assess the impacts of the unusual ground settlement on the relevant buildings and residents and the losses they suffer;" after "responsible for the Scheme;"; to delete "(b)" and substitute with "(c)"; to add "(d) provide a 20-year guarantee for the structure of the housing estates affected by land subsidence, such as Tong Ming Court and Beverly Garden, and shoulder the maintenance responsibilities arising from the unusual ground settlement; (e) extend the period of back assignment at the original price for the flats affected by land subsidence from two years to three years; (f) re-according residents who have back-assigned their flats affected by land subsidence the priority green form, green form or white form status to which they were originally entitled;" after "who have suffered consequential losses;"; to delete "(c)" and substitute with "(g)"; to delete "(d)" and substitute with "(h)"; and to delete "(e)" and substitute with "(i)"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Andrew CHENG to Mr Frederick FUNG'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)

Mr Andrew CHENG rose to claim a division.

PRESIDENT (in Cantonese): Mr Andrew CHENG has claimed a division. The division bell will ring for one minute.

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, Dr Raymond HO, Mr Eric LI, Mrs Selina CHOW, Mr CHEUNG Man-kwong, Mr CHAN Kwok-keung, Mr Bernard CHAN, Mrs Sophie LEUNG, Mr SIN Chung-kai, Mr Howard YOUNG, Mrs Miriam LAU, Mr LAW Chi-kwong, Mr Tommy CHEUNG, Mr Michael MAK, Dr LO Wing-Lok and Mr IP Kwok-him voted for the amendment.

Mr HUI Cheung-ching voted against the amendment.

Mr Timothy FOK, Mr Henry WU and Mr LAU Ping-cheung abstained.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr Albert HO, Mr Martin LEE, Mr Fred LI, Mr James TO, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Mr LAU Kong-wah, Miss Emily LAU, Miss CHOY So-yuk, Mr Andrew CHENG, Mr SZETO Wah, Mr Albert CHAN, Mr WONG Sing-chi, Mr Frederick FUNG and Prof NG Ching-fai voted for the amendment.

Dr TANG Siu-tong, Mr David CHU and Mr NG Leung-sing voted against the amendment.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, 17 were in favour of the amendment, one against it and three abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 22 were present, 18 were in favour of the amendment and three against it. Since the question was agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was carried.

PRESIDENT (in Cantonese): Mr Frederick FUNG, you may now reply but you have only 36 seconds left. *(Laughter)*

MR FREDERICK FUNG (in Cantonese): Madam President, I am disappointed that the Government does not support the original motion or the amendments. In 1999, the Chief Executive announced in his policy address that an expert group would be set up to review the Strategy Sewage Disposal Scheme and thus reined in the Scheme before it was too late. This was a correct decision. Nevertheless, this correct decision has brought about three issues of concern. Firstly, will the Chief Executive adopt the direction recommended by the international expert group and for what reasons will he do so? Secondly, will the Government investigate into the reasons why so many blunders have arisen in respect of the sewage disposal works over the past 10 years and hold relevant parties responsible for them? Thirdly, will sewage disposal projects be handled in an open, fair, just and impartial manner in the future? If the Government could deal with these issues properly, further improvement would be made to the situation; otherwise, the situation would deteriorate from bad to worse

PRESIDENT (in Cantonese): Your time is up, Mr FUNG.

MR FREDERICK FUNG (in Cantonese): Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Frederick FUNG, as amended by Mr Andrew CHENG, be passed.

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

(Members raised their hands)

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

(No hands raised)

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

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 17 January 2001.

Adjourned accordingly at twenty-six minutes past Eleven o'clock.

Annex**WRITTEN ANSWER****Written answer by the Secretary for the Environment and Food to Miss Emily LAU's supplementary question to Question 6**

On 18 September 2000, the Food and Environmental Hygiene Department (FEHD) learned from foreign news agency reports that Starlink corn might have been used in food intended for human consumption. The Department immediately contacted the United States Food and Drug Administration (FDA) to obtain further information. An investigation was also conducted to find out if there was any food containing Starlink corn for sale in the local market. After receiving relevant information, the Department immediately asked the local retailer selling products containing Starlink corn to cease selling these products on 19 September. On 23 September (not 19 September), the FEHD learned that the United States had started a recall of products containing Starlink corn on 22 September and immediately asked the local retailer to initiate a similar recall and to set up a customer inquiry hotline. To inform the public, the FEHD also informed the media on the same day about the recall of Starlink corn products. A public inquiry hotline was also set up by the Department. A television channel reported the food recall in its news reports on the same day. Many newspapers also reported the incident on 24 September.