

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 22 January 2003

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

DR THE HONOURABLE DAVID CHU YU-LIN, J.P.

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

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

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

THE HONOURABLE NG LEUNG-SING, J.P.

THE HONOURABLE MARGARET NG

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

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE HUI CHEUNG-CHING, J.P.

THE HONOURABLE CHAN KWOK-KEUNG

THE HONOURABLE CHAN YUEN-HAN, J.P.

THE HONOURABLE BERNARD CHAN, J.P.

THE HONOURABLE CHAN KAM-LAM, J.P.

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 JASPER TSANG YOK-SING, G.B.S., J.P.

THE HONOURABLE HOWARD YOUNG, J.P.

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE YEUNG YIU-CHUNG, B.B.S.

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH

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

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

THE HONOURABLE AMBROSE LAU HON-CHUEN, G.B.S., 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

DR 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., J.P.

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.

THE HONOURABLE MA FUNG-KWOK, J.P.

MEMBERS ABSENT:

THE HONOURABLE WONG YUNG-KAN

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

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE DONALD TSANG YAM-KUEN, G.B.M., J.P.
THE CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE ANTONY LEUNG KAM-CHUNG, G.B.S., J.P.
THE FINANCIAL SECRETARY

THE HONOURABLE MICHAEL SUEN MING-YEUNG, G.B.S., J.P.
SECRETARY FOR HOUSING, PLANNING AND LANDS

PROF THE HONOURABLE ARTHUR LI KWOK-CHEUNG, G.B.S., J.P.
SECRETARY FOR EDUCATION AND MANPOWER

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

THE HONOURABLE MRS REGINA IP LAU SUK-YEE, G.B.S., J.P.
SECRETARY FOR SECURITY

THE HONOURABLE STEPHEN IP SHU-KWAN, G.B.S., J.P.
SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR

DR THE HONOURABLE SARAH LIAO SAU-TUNG, J.P.
SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

THE HONOURABLE FREDERICK MA SI-HANG
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

CLERKS IN ATTENDANCE:

MR LAW KAM-SANG, J.P., DEPUTY 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>
Insurance Companies Ordinance (Amendment of Part 1 of Third Schedule) Regulation 2003	2/2003
Insurance Companies Ordinance (Amendment of Part 8 of Third Schedule) Regulation 2003	3/2003
Telecommunications (Telecommunications Apparatus) (Exemption from Licensing) Order	4/2003
Barristers (Admission) Rules	5/2003
Legal Practitioners (Fees) (Amendment) Rules 2002	6/2003
Practising Certificate (Barristers) (Amendment) Rules 2002	7/2003
Barristers (Advanced Legal Education Requirement) Rules	8/2003
Barristers (Qualification for Admission and Pupillage) Rules	9/2003
Import and Export (General) Regulations (Amendment of Seventh Schedule) Notice 2003	10/2003
Securities and Futures (Insurance) Rules	11/2003
Securities and Futures Ordinance (Cap. 571) (Commencement) Notice 2003	12/2003

Securities and Futures Ordinance (Cap. 571) (Appointment of Day — Repeal of Ordinances) Notice	13/2003
Securities and Futures Ordinance (Cap. 571) (Appointed Day — Unified Exchange Compensation Fund) Notice	14/2003
Securities and Futures Ordinance (Cap. 571) (Appointed Day — Futures Exchange Compensation Fund) Notice	15/2003
Banking (Amendment) Ordinance 2002 (6 of 2002) (Commencement) Notice 2003.....	16/2003
Solicitors (Group Practice) Rules (L.N. 122 of 2002) (Commencement) Notice 2003.....	17/2003
 Other Papers	
No. 54 — Employees Compensation Assistance Fund Board Annual Report 2001/2002	
No. 55 — Equal Opportunities Commission Annual Report 2001/02	
Report of the Bills Committee on Adaptation of Laws Bill 2001	
First Report of the Legislative Council Select Committee on Building Problems of Public Housing Units	

ADDRESS

PRESIDENT (in Cantonese): Address. Ms Miriam LAU will address the Council on the First Report of the Legislative Council Select Committee on Building Problems of Public Housing Units.

First Report of the Legislative Council Select Committee on Building Problems of Public Housing Units

MS MIRIAM LAU (in Cantonese): Madam President, as the Chairman of the Legislative Council Select Committee on Building Problems of Public Housing Units (Select Committee), I am now presenting to the Legislative Council the First Report of the Select Committee.

On 7 February 2001, this Council passed a resolution to appoint a Select Committee, in response to public concerns on the spate of building problems in public housing projects unveiled in 1999 to 2000. These building problems included the uneven foundation settlement found at Tin Chung Court in Tin Shui Wai, short pilings found at Yuen Chau Kok in Sha Tin, as well as the use of non-conforming construction materials in the project items of Shek Yam and Tung Chung projects. To address the building problems in the production of public housing, the public urges the Select Committee to inquire into the building problems in the four incidents mentioned. They also hoped that by the independent investigation conducted by the Legislative Council, the Select Committee would examine the overall policies and system of public housing, so as to propose recommendations for improving the quality of public housing.

Since the appointment, the Select Committee, comprising 15 Members of this Council, has conducted 70 hearings and 115 meetings, and has listened to the evidence provided by 85 witnesses. To understand the production process of different coring, the Select Committee paid visit to two construction sites of public housing in March 2001.

During the investigation, the Select Committee noticed that a number of cases, as well as the four cases mentioned, were still pending in a court of law. The Select Committee, has thus taken a series of measures to avoid possible influence on court judgements. Such measures included the maintenance of close contact with the Department of Justice to take note of the development of the criminal proceedings concerned, and to conduct closed session whenever necessary to obtain evidence from witnesses. At the same time, in making its own practice and procedures, the Select Committee has had regard to the principles of fairness, openness and impartiality, so that the public's right to know would not be unduly undermined. The Select Committee has also provided to relevant witnesses and organizations the relevant parts of the draft report, so that each and every one of them is fairly and reasonably treated.

After almost two years of in-depth investigation, the Select Committee has not only found out the truth surrounding the four incidents, but has also analysed in great detail the policy and framework on the building of public housing. When this Report was being drafted, the Select Committee has obtained new evidences in relation to the Tin Chung Court incident, hence there was a need to study such new information. Moreover, as a number of cases and the Tin Chung Court incident were still pending at the Court of First Instance, the Select Committee decided to first report to this Council today the overall policy and systems of public housing as well as investigation findings on the incidents on Yuen Chau Kok in Sha Tin, Shek Yam and Tung Chung. Findings related to the Tin Chung Court incident will be submitted to this Council pending completion of the relevant court proceedings.

Tabled for Members is the First Report of the Select Committee which consists of eight volumes. Volume I sets out the results of the investigation of the Select Committee, while the other seven volumes are the verbatim transcripts of the public hearings concerned. The first four chapters of Volume I detail the organizational structure and working mechanism for the planning and production of public housing units, and compare the working mechanisms of the Hong Kong Housing Authority (HA) with that of the Housing Society. Circumstances leading to the incidents at Yuen Chau Kok in Sha Tin, Shek Yam and Tung Chung are set out in Chapters V to VII of Volume I. The personal responsibilities to be taken up by parties concerned in respect of each incident are set out in detail in Chapters VIII and IX.

After close investigations, the Select Committee discovered that, although every incident involved fraudulent acts to a certain extent, a number of fundamental problems were common to the incidents. Based on the investigation results of the Select Committee, I will highlight a few factors that have led to the series of building problems concerning public housing in the late 1990s.

First, the Select Committee has found that, before the mid-1990s, the annual housing production of HA had never exceeded 55 000. However, the Public Housing Development Programme in September 1995 estimated that the production forecast for 1999-2000 and 2000-01 would go up to 70 000 units respectively. The forecast went far beyond the handling ability of the staff

establishment of the Housing Department (HD) at that time. The huge production target did not only put the working mechanism of the HD to the most challenging test, but has also exposed the weaknesses of the HD insofar as project management, work culture and attitude are concerned.

The Select Committee noted that the HD had adopted several measures to deal with the peak for production, one of which was to carry out internal reform for the purpose of streamlining building production. However, in just a short span of two years, from April 1997 to March 1999, the division responsible for managing HD projects had undergone many restructuring exercises, causing some of the HD staff to be confused about their duties and roles.

In the face of the huge production target, tight manpower and unclear demarcation of roles, the Select Committee has found out that during the period of the incidents, both the senior management and front-line staff of the HD gave priority consideration to completion on time and control of project costs, as a result of which quality of the construction was overlooked. Moreover, the HD's inability to deploy human resources effectively in managing contracts and monitoring construction works had invited some contractors and their employees to make use of this chance to be engaged in non-conforming or even illegal activities.

As the Chairman of the Select Committee, I have to emphasize that the responsibility of the Select Committee is to thoroughly examine the four projects in question, so as to identify the sources of problems, thereby avoiding the recurrence of similar incidences. The Select Committee has no intention to generalize the building problems verified during our investigation and extend them to other projects of the HA. The Select Committee is convinced that, all along, the quality of buildings in Hong Kong, in both the public and private sectors, is very highly regarded internationally. This should entirely be attributed to the efforts and hard work of the construction trade. For this reason, the Select Committee considers it necessary to plug any possible loopholes in the organizational structure, systems, culture and manpower management, which may undermine the quality of our buildings. With this objective in mind, the Select Committee has proposed 13 recommendations, detailed in Chapter IX of Volume I, which hopefully will further enhance the building quality of public housing.

Finally, on behalf of the Select Committee, I wish to thank all witnesses for appearing before our hearings, and all government departments, organizations and parties for providing information. I also wish to express my appreciation to the Legislative Council Secretariat for their assistance throughout the inquiry.

With these remarks, Madam President, I submit to this Council the First Report of the Select Committee.

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Conditions Imposed on Public Meetings and Processions

1. **MR JAMES TO** (in Cantonese): *Madam President, under the Public Order Ordinance (POO), the Commissioner of Police (the Commissioner) may impose conditions in respect of public meetings and public processions. In this connection, will the Government inform this Council of:*

- (a) *the criteria and restrictions that the Commissioner should observe in determining the conditions to be imposed;*
- (b) *the conditions imposed by the Commissioner in respect of the public meeting and public procession held on 15 December last year by various groups to oppose the enactment of laws to implement Article 23 of the Basic Law; and*
- (c) *the procedure followed by the authorities in dealing with cases in which the conditions imposed by the Commissioner were contravened during public meetings and public processions?*

SECRETARY FOR SECURITY (in Cantonese): Madam President,

- (a) Under sections 11(2) and 15(2) of the POO, the Commissioner may, where he reasonably considers it necessary in the interests of

national security or public safety, public order or the protection of the rights and freedoms of others, impose conditions in respect of a public meeting or procession. Sections 9(4) and 14(5) of the POO stipulate that if the Commissioner reasonably considers that the interests of national security or public safety, public order or the protection of the rights and freedoms of others could be met by the imposition of conditions, he shall not exercise his power to prohibit the holding of a public meeting or object to the holding of a public procession.

When determining the conditions, the principal criteria is to ensure public order and the safety of the participants of the public meeting or procession and other members of the public. At the same time, the event will be facilitated as long as it does not hinder the rights and freedoms of others.

- (b) As regards the public meeting and procession held on 15 December last year by various groups to oppose the enactment of laws to implement Article 23 of the Basic Law, the Commissioner imposed some conditions in accordance with sections 11(2) and 15(2) of the POO. For details, please refer to the Annex of the reply that has been distributed to Members. The 21 conditions were imposed by the Commissioner in the interests of public safety and public order. For example, the organizer was asked to arrange enough marshals to maintain the order of the public procession; to ensure that no dangerous goods are carried in the vehicles participating in the procession; and so on.
- (c) In the event that the conditions imposed by the Commissioner are contravened during public meetings or processions, the police commander at scene or an officer designated by him will give a verbal warning to the person-in-charge of the event. Further warnings will be issued should the contravention persist or other breaches occur. The event will normally be allowed to proceed if it remains peaceful and does not affect public order or public safety. However, evidence will be collected and legal advice will be sought on whether prosecution action should be taken.

Annex

Conditions imposed by Commissioner of Police on the public meeting and procession held on 15 December 2002 to oppose the enactment of laws to implement Article 23 of the Basic Law

(A) The public meeting and procession shall be conducted on 15 December 2002 (Sunday) at the following time and venue —

(i) The public meeting — from 1.00 pm to 3.00 pm

To be conducted at the area adjacent to the fountain at Victoria Park;

(ii) The public procession following the public meeting — from 3.00 pm to 5.00 pm

To take the following route from Victoria Park to Central Government Offices:

The fountain at Victoria Park, Causeway Bay (starting point) — Causeway Road (westbound) via the Gate No. 4 of Victoria Park and joining the five vehicles pulling out from Moreton Terrace — Causeway Road (westbound) — Irving Street (westbound) — Pennington Street (northbound) — Yee Wo Street (westbound) — Hennessy Road (westbound) — Queensway (westbound) — Queen's Road Central (westbound) — Battery Path — Central Government Offices (finishing point)

(iii) The public meeting following the public procession — from 5.00 pm to 6.00 pm

To be conducted inside the designated area at Central Government Offices.

- (B) The organizer:
- (i) shall comply with directions given to him by any police officers in due performance of and compliance with the conditions of this notice;
 - (ii) shall ensure that the number of participants does not exceed 5 000;
 - (iii) shall arrange at least 100 marshals to maintain the order of the public procession. The marshals should be clearly identified by colour stickers or arm-bands;
 - (iv) shall ensure that not more than five vehicles (private car or light goods vehicle only) will take part in the procession. The vehicles shall be examined by the police to ensure that they are in safe working conditions and suitable for travelling;
 - (v) the five vehicles shall be parked at Moreton Terrace before the procession starts. When the procession is about to leave the Gate No. 4 of Victoria Park, the leading vehicle, which will be guided by police officer, should wait on the rightmost westbound lane outside the Gate No. 4 in Causeway Road. The remaining four vehicles should join the procession as and when appropriate under the instruction and guidance of the police. The last vehicle should be at the back of the procession;
 - (vi) shall ensure that all participants follow the police's instruction to leave the meeting area in Victoria Park to join the procession in an orderly manner, and that the whole procession should take place on the leftmost lane (except in a section of the westbound carriageway of Causeway Road). No one is allowed to stay on the right lane unless permission is obtained from a police duty officer having regard to the traffic condition at the scene;
 - (vii) shall ensure that when the procession reaches the junction of Queen's Road Central and Ice House Street, the vehicles

participating in the procession should leave and should not proceed to any further destination except the leading vehicle, which can park at the lay-by area outside the Central Government Offices on Lower Albert Road;

- (viii) when the procession reaches the designated area at the Central Government Offices to start the meeting and if the designated area cannot accommodate all the participants, shall ensure that those who cannot enter the area will wait in an orderly manner along Battery Path outside the West Gate of the Central Government Offices following the instruction of the police officers there. If it deems fit, the left westbound lane of Queen's Road Central at the junction of Garden Road and Ice House Street will be cordoned off as the waiting area for the participants;
- (ix) shall ensure that no undue obstruction is caused to vehicular and pedestrian traffic along the procession;
- (x) shall ensure that the number of passengers on board of the vehicles does not exceed the legal capacity;
- (xi) shall ensure that no dangerous goods are carried in the vehicles participating in the procession;
- (xii) shall ensure that anything attached to the vehicles participating in the procession are secured and would not obstruct the sightline of the drivers or cause any dangers to other road users;
- (xiii) shall ensure that the working order and structure of the vehicles participating in the procession are suitable for travelling, and comply fully with the provisions of the Road Traffic Ordinance (Cap. 374) and the relevant subsidiary legislation at all times;
- (xiv) shall ensure that after the meeting at Central Government Offices, the whole group shall disperse therefrom at 6.00 pm without proceeding to any further destination;

- (xv) shall arrange workers to clear the area at the end of the public procession;
- (xvi) shall ensure that no hawking activity is carried out by any participants without a licence issued by the Food and Environmental Hygiene Department;
- (xvii) shall ensure that no collection of money, sale or transaction activity is undertaken by any participants except under and in accordance with a permit issued under section 4(17) of the Summary Offences Ordinance (Cap. 228) by the Director of Social Welfare or Secretary for Home Affairs; and
- (xviii) shall ensure that no posters/notices or other objects are to be fixed on to the wall(s) of any building without the written permission of the owner or occupier thereof or left in any public location where it is likely to cause an obstruction.

MR JAMES TO (in Cantonese): *Madam President, my follow-up has to do with B(ii) of the imposed conditions, which specified that the organizer shall ensure the number of participants does not exceed 5 000. Under the POO, the organizer has to make an estimate of the number of participants. If the organizer has estimated in good faith the number of participants including the number of people from his own group and other groups calling for the protest, but many members of the public join the procession when it is being held and the procession has been peaceful, then why is it still necessary for the Secretary to issue a warning? If we trace back to the original issue, should the Secretary impose an upper limit on the number of people in the conditions at all? Is this condition too harsh, since anybody can join the procession at any time? How can the organizer restrict the number of people?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, it looks as though the police have imposed a lot of conditions on the public procession held on 15 December and there seems to be many detailed requirements, however, these requirements, such as conducting the public meeting between 1 pm and 3 pm, followed by a procession from 3 pm to 5 pm, holding the public meeting within the designated area at Central Government Offices from 5 pm to 6 pm

following the public procession, the number of people, and so on, were in fact all proposed by the organizer. It is the normal practice of the police to request the organizers of rallies and marches to give the number of participants. It is highly necessary for the police to know the number of participants since it has to arrange adequate police officers to maintain law and order and direct the traffic, or consider how many roads have to be closed and make appropriate traffic arrangements. Therefore, this kind of request is totally reasonable. Of course, the organizer may not be able to ensure that the number of people can definitely be kept under 5 000 during the march, but the aim of the request aims at obtaining a realistic estimate from the organizer. Moreover, in order not to cause any inconvenience to society or affect the rights of other people, as well as ensuring the order and peace of society, the organizer also has the duty not to allow the number of people to exceed the estimation by too wide a margin. The police estimated that when the procession left Victoria Park, there were about 12 000 persons, but when it arrived at the Central Government Offices, there were about 15 000 persons. Since this number far exceeded that provided by the organizer, the police therefore issued verbal and written warnings. This is in full compliance with the normal practice of the police.

MR JAMES TO (in Cantonese): *Madam President, the Secretary did not answer my supplementary. She said that it is proper to request the organizer to estimate the number of participants, but I am asking whether the Government should impose such a condition. The organizer has to make an estimation of the number of participants in good faith and the Secretary said that it is proper to make such a request. I do not take issue with this. However, the point of contention is on the fact that this is a condition and on whether it is reasonable to require the organizer to keep the number of participants within limit, or whether the imposition of this condition is not necessary, since the police only have to deploy a corresponding number of police officers according to the number of people in the normal course of events?*

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

SECRETARY FOR SECURITY (in Cantonese): Madam President, perhaps allow me to explain briefly. This is the usual practice of the police because it

has to know the estimated number of participants in advance in order to arrange for appropriate manpower. This is a consensus we have with many organizers so as not to affect other people's freedom and rights and social order, therefore the organizer has the responsibility to ensure that the participants will not exceed a certain number. It is for this reason that the police imposes such a condition and it has the responsibility to issue a warning when the organizer breaches this condition. The police has merely given a warning.

MR MARTIN LEE (in Cantonese): *Madam President, according to my experience, it is often the case that even though all formalities have been duly complied with, there are still police officers holding video cameras to take video footage of every person taking part in public marches or rallies. In fact, these people are all very peaceful when taking part in public marches and nobody has broken any law. Why is it necessary for the police to do so? Will this deter people from taking part in this kind of activities in future?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, I have recently replied to such a question and also provided a written reply. I will now repeat what I have explained. Firstly, there may be some misunderstanding on the part of members of the public. In fact, police officers may not necessarily be taking video footages even though they are holding video cameras. Although they are seen to be holding video cameras, this does not mean they are taking video footages. Secondly, the police is not there to take video footages of anybody, but rather, to take video footages of the goings-on just in case anything illegal happens. We have no policy whatsoever to take video footages of the faces of the participants, just in case an incident occurs or when necessary, the relevant behaviour or the goings-on will be recorded. I remember that when a Member recently asked a question seeking written reply concerning the protest on 15 December, I also replied that the police had not taken any video footages at all.

MR MARTIN LEE (in Cantonese): *Madam President, would this deter potential participants from taking part in this kind of activities? The Secretary talked about "just in case", then why are police officers not filmed as well?*

PRESIDENT (in Cantonese): Mr LEE, you only have to specify the part that the Secretary has not answered. Secretary for Security, do you have anything to add?

SECRETARY FOR SECURITY (in Cantonese): Madam President, police officers are responsible for law enforcement and I do not see why they have to take video footages of themselves. Secondly, since the protest marches are perfectly proper and are indicators of Hong Kong's freedom, and a recent survey even indicated that some of the large-scale protest marches at the end of last year may have boosted the confidence of Hong Kong people, then why should participants of protest marches be afraid of being filmed? I see no reason for this at all.

MISS MARGARET NG (in Cantonese): *Madam President, according to the law, breaching the conditions of protest marches will constitute an offence. However, general speaking, criminal liability has to include an element of wilfulness. One of the conditions require the organizer to ensure that the participants do not exceed a certain number, that is, an organizer has to try its best to estimate the number of participants when submitting an application. This has given no cause for much criticism. However, why should this be turned into a condition? If the number of people in a march exceeds the number specified, this will constitute an offence. Why should this be an offence? Since the organizer did not do so wilfully, why should it be prosecuted? Paragraph (c) of the main reply mentioned that the police will generally allow the event to proceed if it does not affect public order or public safety. However, why should evidence be collected to determine whether a prosecution action should be taken?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, perhaps first allow me to reply to the last part of Miss NG's supplementary. The policy of the police when handling cases in breach of imposed conditions, or protest marches without notification is in fact more or less the same as that mentioned by Members and I have explained this before. If the breach is not intentional, that is, if it is more or less only technical in nature, the police will issue a verbal warning and that is the end of the matter. However, if there are signs that the breach is intentional, the police will of course gather information apart from issuing a verbal warning and submit the evidence to the Department of Justice to

consider if there is a need for any prosecution action. Moreover, if any disruption of social order occurs at the scene, for example, something gets out of control, order has been broken, or there is chaos in the crowd, under the overriding consideration of maintaining social order, the police has of course the responsibility to put an immediate stop to all these.

MISS MARGARET NG (in Cantonese): *Madam President, there is usually criminal intent in any criminal offence, that is, the deliberate intention to commit an offence, but under these circumstances, something beyond the control of the organizer would also constitute an offence. Why is this so? Is it fair to do so?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, my understanding on this is more or less the same as that of Members, that is, a criminal offence should have an element of wilfulness. However, when the police cannot determine on the spot whether something is done wilfully or not, it is necessary to collect information and give it to the Department of Justice for further consideration.

MISS MARGARET NG (in Cantonese): *Madam President, the Secretary has not yet answered my supplementary. The organizer did not deliberately cause the number of participants to exceed the stipulated number. On this point, since this is not done intentionally, then why should this constitute a criminal offence? Is this unfair?*

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

SECRETARY FOR SECURITY (in Cantonese): Madam President, I have nothing to add.

MR ANDREW CHENG (in Cantonese): *Madam President, we understand that the imposition of conditions by the Bureau is to ensure public safety and public order. The Secretary also mentioned that marches are an indicator of Hong*

Kong's freedom and most rallies are held properly and peacefully. If some people engage in acts that are illegal or that affect public order, there surely must be provisions in the POO to penalize them. However, the condition stipulates that the organizer must ensure that the number of participants does not exceed 5 000. Generally speaking, when holding marches, we welcome members of the public to join in the hope that more people can freely make known their position on an issue. Under these circumstances, does the Secretary think that it is a harsh condition to require organizers to limit the number of participants, that this is the most draconian of all draconian laws and it is unnecessary to deal with the matter this way?

SECRETARY FOR SECURITY (in Cantonese): Madam President, I wish to reiterate that firstly, the number of participants is suggested by the organizer and it is the organizer that said the participants would not exceed 5 000. Secondly, I do not agree that it is a harsh condition to require participants not to exceed a certain number, since there should be tacit understanding and consensus between the organizer and the police and both sides should co-operate properly in order to ensure the success conduct of a protest march and to avoid disturbing social order. After providing a figure and in order to honour one's promise, the organizer should ensure that the actual situation does not deviate too far from the estimate as far as possible, in order not to pose too great a difficulty for the police in deploying manpower, maintaining order and directing traffic. Thirdly, I think that even though the organizer encourages members of the public to take part, a more accurate estimation can still be made. The organizer is in fact well aware of this. If there are a lot of people making appeals, why did they not say in advance that the number of participants would be 10 000 or 15 000? Or they could have told the police that the original estimate was 5 000, but after making appeals in the newspapers and on radio for several days, the turnout might amount to 20 000. Why did they not say this to the police clearly? I believe the organizer definitely had an idea in mind.

MR LAU CHIN-SHEK (in Cantonese): *Madam President, I am very astonished by the reply given by the Secretary to Mr Martin LEE, since according to my experience, it is not often the case that the police would take video footages only after a sudden incident has occurred. In fact, I seldom find that the police is not taking video footages. May I ask the Secretary how she defines a "sudden*

incident"? What can be considered a "sudden incident"? Can the Secretary guarantee that no video-taking will be carried out if there is no sudden incident?

SECRETARY FOR SECURITY (in Cantonese): Madam President, I have already explained that even though police officers are holding video cameras, it does not mean they are taking video footages. Secondly, the subject of video-taking by the police is not the participants but illegal behaviour. Madam President, I have nothing else to add.

MR LAU CHIN-SHEK (in Cantonese): *Madam President, what I am asking is how "sudden incidents" are defined; what is meant by a "sudden incident" and whether it can be guaranteed that no video-taking will be carried out at all if there is no sudden incident. If things still go on this way, is it necessary for us to lodge another complaint to the Secretary?*

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

SECRETARY FOR SECURITY (in Cantonese): Madam President, I have not used the term "sudden incident". What I said was illegal behaviour.

PRESIDENT (in Cantonese): Council has spent 17 minutes on this question. I will now allow the last supplementary to be asked.

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, according to what the Secretary said, as long as one inflates the number of participants estimated so that the number in the actual march is not exceeded, one will not be warned. If one claims that there will be 7 million participants when making an application to hold a protest march, I believe the actual number of people will definitely not exceed this number, because the population in Hong Kong is 7 million, so the police will definitely not issue any warning. However, this will be a waste of police manpower. Does the Secretary think it reasonable to do so? If the organizer makes an estimate of the number of participants in good faith*

when submitting an application in the hope of not wasting police manpower but is warned because of an error in estimation, does the Secretary not think this very absurd? Does the Secretary want to encourage organizers to give 7 million as the upper limit each time they apply for permission to hold protest marches?

SECRETARY FOR SECURITY (in Cantonese): Madam President, I do not consider the example a reasonable one. It is not possible to have 7 million participants since the population of Hong Kong does not even amount to 7 million, still less for the entire populace to take to the streets all together. This is a rather extreme example. I wish to reiterate one point. In order to cooperate amicably for the common good and to ensure the peace of society, the organizer has the responsibility to make a precise and accurate estimation and notify the police.

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, I am talking about a logic. The way my logic goes is that, according to the reply which the Secretary has just given, if the actual number of participants exceeds the number given in the application, the organizer will be warned. If the organizer is worried about being warned, then the number of people given in the application can by all means be inflated. In that way, organizers may inflate the number of people as much as possible when making their applications in the future, for example, by citing the population of Hong Kong, which amounts to 7 million, as the basis, so as not to be warned. I just want to show the absurdity of the logic of the Secretary.*

PRESIDENT (in Cantonese): Mr CHEUNG Man-kwong, we are not holding a debate now. You only have to point out the part of your supplementary which has not yet been answered instead of repeating your supplementary.

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, I just want to ask whether the action of the police is absurd.*

SECRETARY FOR SECURITY (in Cantonese): Madam President, of course not. I reiterate that members of the public have the responsibility to provide in good faith an accurate estimate.

PRESIDENT (in Cantonese): Second question.

Police Strength in Yuen Long District

2. **MR TAM YIU-CHUNG** (in Cantonese): *Madam President, the population in Yuen Long District (including Tin Shui Wai) has increased by over 30% over the past four years and two girls in the district were successively abducted and subsequently killed at the end of last year. With regard to the police strength in Yuen Long District, will the Government inform this Council:*

- (a) *of the establishment of disciplined staff in Yuen Long Police District at present; how the ratio of police strength to the population in the district compares to the territory-wide ratio;*
- (b) *whether the police have formulated effective measures to reduce child abduction and violent crimes in the district; and*
- (c) *whether the police will expedite the review on their internal deployment of resources with a view to enhancing the police strength in the district as early as possible; if so, of the details; if not, the reasons for that?*

SECRETARY FOR SECURITY (in Cantonese): Madam President,

- (a) The ratio of police strength to population in the Yuen Long District is 1:628 and that in the whole territory is 1:244. It should be noted that police strength in a district depends on many factors, including the crime situation, social environment and development of the district. Population residing in the district is only one of the factors to be considered. Moreover, police officers in the whole territory include non-front-line officers such as those stationed in the Police Headquarters and the Regional Headquarters. Extra care should be exercised when comparing the two ratios. In general, the ratio of police officers to population in the whole territory is usually higher than that in a police district.
- (b) The police are very concerned about cases involving missing of children. They have developed internal orders in dealing with

missing children cases. According to the orders, all children under 12 years of age reported missing are classified under the category of "likely to be vulnerable, in danger or at risk". The police will determine the proper course of actions to be taken based on the circumstances of each individual case, including utilizing available resources to organize a search, requesting assistance from other departments such as using Government Flying Services' helicopters, and issuing notice of missing person through the media. If there are suspicious circumstances and a child under 12 years old has been missing for more than 12 hours, the case will be followed up by the relevant Crime Formation.

On the preventive front, the police have conducted publicity programmes on child abduction. In 2001, about 490 000 posters were distributed to schools in different districts to remind teachers and staff of the schools to pay attention to the safety of their students leaving schools. The police also produced computer presentation materials to advise teachers and parents on measures to ensure their children's safety. In addition, about one million "parent-child cards" were distributed to parents for recording contact numbers of their children's schools, closed friends and nearby police stations. Such information will facilitate the making of prompt enquiries and timely requests for assistance in case their children have not returned home as scheduled.

In respect of reducing violent crimes in the district, the Yuen Long Police District will step up patrol actions at black spots of crimes and devise strategic operations in combating crimes in consideration of the crime situation in the district. The New Territories North Region also conducts intelligence-based operations to combat criminals in the district. To prevent crime, the Yuen Long Police District will continue to maintain close liaison with the village representatives of the district and promote co-operation among the neighbourhood so as to enhance collaboration in the fight against crimes.

- (c) The police will regularly review the deployment of resources within the Force. Depending on factors such as the law and order situation and the population of a district, the police will make

appropriate adjustment on resource allocation when required. In the 2002-03 establishment review, the number of disciplinary officer posts in Yuen Long has been increased. Manpower of the district will be further increased in the coming year.

MR TAM YIU-CHUNG (in Cantonese): *Madam President, according to the reply provided by the Secretary just now, police strength in the Yuen Long Police District is far below that of the whole territory. I would also like to supply two more sets of figures and hope that the Secretary can take note of them: firstly, 98% of the area in Tin Shui Wai South is covered by police patrol during daytime but the rate is only 60% at night; secondly, 75% to 80% of the area in Tin Shui Wai North is covered by police patrol during daytime but there is only one police vehicle on patrol at night. May I ask the Secretary what the coverage will be in Tin Shui Wai North after the police implement the plan to increase police strength as proposed? Can the Secretary provide the relevant figures to us? In addition, by what rate will the coverage at night be increased?*

SECRETARY FOR SECURITY (in Cantonese): *Madam President, in the year 2002-03, the number of disciplinary officer posts in the Yuen Long Police District has increased by 25. In 2003-04, a further 27 criminal investigation officers of various ranks will be added. Concerning the figures mentioned by Mr TAM, I will examine them again with the Police Headquarters and Commander of Yuen Long District to see if they consider the police strength to be adequate and how the matter should be dealt with. Of course, I have inquired about this with the Commander of Yuen Long District. He told me that the case on the abduction and murder of two girls that happened at the end of last year was very rare. The two cases are not related to the number of police officers on patrol in the district.*

DR LUI MING-WAH (in Cantonese): *Madam President, I believe the Government is also aware that the law and order in Yuen Long District has always been the target of criticism. In view of this, why is police strength in Yuen Long District still far lower than those in other districts? May I ask the Secretary how does the ratio of front-line officers to the population in Yuen Long District compare with those in areas such as Kwun Tong and Fan Ling?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, I have also examined this issue with the police. The police pointed out that the ratio cannot simply be linked to the population in a district because although there are relatively few residents in some areas, these areas are tourist areas with a host of entertainment venues and also numerous tourists, therefore it is necessary to make special arrangements on law enforcement in these areas. I do not have the figures for the districts requested by Dr LUI for comparison purposes right now, but our policy is that, under the principle of putting resources to good use, resources will be allocated as flexibly as possible to ensure that police districts with a need will have adequate manpower.

PRESIDENT (in Cantonese): Third question.

Implementation of Co-location of Immigration and Customs Facilities at Border Control Points

3. **MS MIRIAM LAU** (in Cantonese): *Madam President, regarding the implementation of co-location of immigration and customs facilities at Huanggang and the new control point at Shenzhen Western Corridor, will the Government inform this Council whether:*

- (a) *the relevant authorities have completed the design and planning work in respect of the two control points as well as the relevant ancillary facilities; if so, of the details; if not, when such work is expected to be completed; and*
- (b) *it has discussed with the relevant mainland authorities the possibility of providing public transport interchanges at the two control points, so that the public can travel to and from the clearance points by various means of public transport (including taxi, public light bus and public bus); if so, of the details; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, as regards co-location of immigration and customs facilities on the Shenzhen side, we have reached consensus with the

mainland side to implement this arrangement at Huanggang and the new control point for the Shenzhen Western Corridor to be completed by mid-2005.

We are pressing ahead with and actively discussing the "co-location" arrangement with mainland experts. Insofar as the workflow and layout of the control points are concerned, the preliminary understanding of the two sides is that each side would carry out separate immigration and customs clearance procedures in accordance with the laws and regulations of the respective side. The sites of the two sides for carrying out such procedures would both be within the physical confines of Shenzhen and adjacent to each other. There would also be an appropriate buffer zone between the facilities of the two sides. While there are broad consensus and understanding on major principles and the implementation plan between the two sides, we will continue to discuss with the relevant mainland authorities further implementation details such as jurisdictional issues, detailed layout and design of ancillary facilities.

We aim to submit the relevant amendment bill and funding application in relation to "co-location" arrangement within 2003.

The Government is examining the feasibility of providing pick up/drop off point at the control points at Huanggang in Shenzhen and Shenzhen Western Corridor for various means of public transport to carry passengers directly to the co-located immigration and customs facilities. In the process of examination, we need to study in detail factors such as passenger clearance arrangements, site constraints and layout, safety of passenger passages, streaming of cross boundary vehicles and non-cross boundary vehicles as well as return routes and turn-around facilities for non-cross boundary vehicles. This is to ensure orderliness, safety and smooth flow of passengers and cargoes before the implementation of any such traffic arrangements.

Besides, the arrangements cannot be undertaken by the Hong Kong side unilaterally. We must reach a consensus with the mainland authorities on the arrangements for the public transport modes concerned to enter the control points so that passengers can go through clearance procedures at the co-located clearance points and change vehicles for their destinations smoothly. In studying the arrangements for the public transport modes to enter the clearance points, we need to take into consideration all relevant factors including the ultimate possibility of providing direct public transport services between Hong Kong and Shenzhen, which involve bilateral and reciprocal arrangements of such

transport modes in the two places. In discussing the above issues, the SAR Government and the Shenzhen Government need very careful consideration in order to create a win-win situation with regard to the relevant arrangements and ancillary facilities.

MS MIRIAM LAU (in Cantonese): *Madam President, the Government always stresses that it would be very difficult to open existing control points to public transport due to the constraints and layout of existing facilities, but the Shenzhen Western Corridor is a newly-built infrastructure. May I ask the Secretary, will the design of the Shenzhen Western Corridor include public transport interchanges, return routes and turn-around facilities for non-cross boundary vehicles as mentioned in the fourth paragraph of the main reply? Can the Secretary advise us of the idea as at present?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): *Madam President, the preliminary design of the new control point at Shenzhen Western Corridor includes a concourse as the loading and unloading bay (that is, the pick up/drop off point). As the concourse is spacious, we should be able to make good use of it. Although we have not reached the detailed designing phase yet, we are sure that there would be copious space for the parking of private cars, vans and small vehicles. For that reason, I am currently studying with colleagues of the Transport Department on how we should make use of it prior to consulting the Shenzhen Government. As the area is already a part of the co-location of immigration and customs facilities and the complex belongs to Shenzhen, so the arrangement cannot be made unilaterally.*

MR NG LEUNG-SING (in Cantonese): *Madam President, as to the relevant buffer zone lies between the facilities of the two sides, I would like to know the general situation of this zone. Can the Secretary provide information of the buffer zone, such as the area or distance it covers?*

SECRETARY FOR SECURITY (in Cantonese): *Madam President, I think the buffer zone that Mr NG Leung-sing refers to is the buffer zone in Huanggang*

Control Point where the relevant arrangement would soon be implemented. Notwithstanding the fact that the specific layout is still under discussion with Shenzhen side, the idea is to set up a buffer zone between the clearance points of the two sides, and because it involves the clearance premises of both sides, therefore, legally, the two premises are under the administration of the respective side. For example, since Hong Kong laws and regulations could only be enforced in a certain premises, therefore a buffer zone would be set up between the two sides to ensure the scope of control of the two sides would not overlap with each other and to prevent a confusion in law enforcement or any legal vacuum. We are discussing the specific layout with Shenzhen. There will be a need to amend the law in order to ensure that laws of the SAR Government are applicable to specific areas for control by Hong Kong.

MR NG LEUNG-SING (in Cantonese): *Madam President, the Secretary has not answered my supplementary. Can the Secretary provide us information about the area or distance that the buffer zone would cover?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, we do not have the information for the time being, but of course our idea is to ensure that the more convenient to travellers the better.

MR HUI CHEUNG-CHING (in Cantonese): *Madam President, the third paragraph of the main reply mentioned that the Government aimed to submit the relevant amendment bill and funding application in relation to "co-location" arrangement within 2003. But in paragraph 33 of this year's policy address, the Chief Executive stated that the Government would continue to effect improvements with the target of completing normal clearance procedures on both sides of the boundary within 60 minutes for goods vehicles. I would like to ask the Secretary, if this is a target before the relevant ancillary measures of the "co-location" arrangement are implemented, or is it a target after the relevant measures are implemented?*

PRESIDENT (in Cantonese): Which Secretary will reply to this supplementary question? Secretary for Security.

SECRETARY FOR SECURITY (in Cantonese): Madam President, the target is applicable to all control points, and it is not limited to the control point at Lok Ma Chau/Huanggang, and it is not a target after the implementation of the "co-location" arrangement. As for the target of completing normal clearance procedures on both sides of the boundary within 30 minutes for passengers, and 60 minutes for goods vehicles, it could only be achieved with the full collaboration between Hong Kong and the Mainland, in particular Shenzhen. We are currently discussing ways of having it implemented with the relevant mainland authorities.

MISS CHOY SO-YUK (in Cantonese): *Madam President, just now Secretary LIAO said the concourse at the boundary would be very spacious. In my opinion, size does matter very much since it is for transport purpose. May I ask the Secretary whether the Government would consider constructing a commercial complex by the name of Hong Kong Shopping Centre, which is similar to Lo Wu Shopping Centre, so that visitors and tourists may conduct commercial activities on both sides of the boundary?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, as far as the facilities are concerned, our major task is in the area of customs inspection and transportation. As for commercial use, since the complex would be inside Shenzhen, we could only make our proposals, but it will still be the Shenzhen Government that is making the final decision.

MR LAU KONG-WAH (in Cantonese): *Madam President, direct access of public light buses and taxis at Lok Ma Chau would be allowed within this year, however, it would actually be a regression and something undesirable if public light buses or public transport could not gain direct access to the Carport. Although the Secretary mentioned this issue in the last paragraph of her main reply, I cannot quite understand the two factors she has mentioned, that is, "which involve bilateral and reciprocal arrangements of such transport modes in the two places". In fact, there should be no reciprocal arrangement, since there would only be vehicles from Hong Kong entering Shenzhen, while taxis and public light buses from the Shenzhen side would not cross the boundary and enter Hong Kong. For this reason, what exactly is the problem? Is it because*

mainland authorities are not so willing to make such an arrangement? Will the Secretary pursue this issue in a more positive way?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, for the long-term development of clearance points, from the perspective of clearance procedure of the two places, of course the smoother the transport, the better will be the passenger and cargo flow. We have to take two-way developments into consideration in our discussion, therefore the question is not which side agrees or disagrees, or which side is willing or unwilling. In the long run, mainland vehicles would have the opportunity to enter Hong Kong. We have already studied this issue from the environmental protection aspect and found that we could not rule out the possibility completely and say it is impossible. For that reason, we would certainly take that into consideration in the negotiation.

MR LAU KONG-WAH (in Cantonese): *Madam President, the Secretary has not answered my supplementary. I did not mean private vehicles, actually, I was referring to public light buses and taxis in particular. Did the secretary mean that these vehicles could also cross the boundary? Is the Secretary considering this issue?*

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

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, of course we have to make thorough consideration. However, we are not just referring in particular to the possibility of allowing mainland taxis to cross the boundary and enter Hong Kong, other categories such as commercial or public vehicles would also be considered.

DR RAYMOND HO (in Cantonese): *Madam President, according to the experience of the construction of phase one, two, three and four of Lo Wo Terminal, the Government would, as a general practice, set a lower requirement level on immigration and customs facilities than the actual demand. My*

question is: in the course of current examination process on the overall future requirements of facilities, whether the basis adopted by the two sides is set on the present passenger volume using the customs service, or on the anticipated biggest passenger volume in future, and would the two sides agree on a certain figure as the basis before they make a decision on the future requirements of transportation and other facilities?

PRESIDENT (in Cantonese): Will the Secretary for the Environment, Transport and Works or the Secretary for Security reply to this supplementary question?
Secretary for Security.

SECRETARY FOR SECURITY (in Cantonese): Madam President, we hope to implement of the co-location of immigration and customs facilities at the control point of Huanggang with a view to bringing convenience to travellers while at the same time significantly improve the efficiency of customs clearance. For this reason, we have to ensure that there are sufficient roads to cater for the traffic flow, or to consider whether there is a need for building an additional bridge. We are also obliged to maintain sufficient space at Huanggang for the location and addition of counters, all these factors have to be taken into consideration. We must ensure the control point has adequate facilities to cater for the increasing passenger volume.

DR RAYMOND HO (in Cantonese): *Madam President, what is the basis for the figures when designing the facilities? For example, is the design based on the passenger volume of 200 000 or 250 000 man-trips per day, or the passenger volume of how many ten thousands expected to reach after a number of years?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, that is right. The design of the facilities is based on the current flow of passengers and the forecast increase of passenger flow.

DR LUI MING-WAH (in Cantonese): *Madam President, in order to speed up clearance procedures, the implementation of co-location of immigration and customs facilities would be a good arrangement. I could not see how it would*

cause any special difficulties to travellers. However, for good vehicles which are undergoing clearance procedures, I am worried that there may be incompatibility in terms of clearance speed as well as the number of vehicles being processed between the two sides. If the speed of clearance procedure on one side is faster than the other side, then the buffer zone would be seriously congested. Has the Secretary considered this and how it should be solved?

SECRETARY FOR SECURITY (in Cantonese): Madam President, the co-location of immigration and customs facilities is only applicable to passengers, but not to freight. The reason is exactly as what Dr LUI has just said, the mainland system of freight clearance is different from us, it has its own tariff system and the clearance system is also different from ours. Dr LUI Ming-wah would have also known that sometimes the clearance procedure would take longer as they try to crack down on a certain kind of smuggling activity. Meanwhile, the site intended for the implementation of co-location of immigration and customs facilities at Huanggang would not have enough space to accommodate our freight inspection facilities currently located in Lok Ma Chau Control Point, which include x-ray facilities and the control point complex. However, when the co-location of immigration and customs facilities is implemented at Huanggang in future, the current Lok Ma Chau Control Point could then reassign a lot of spaces for facilities such as vehicle kiosk for use by goods vehicles. In such a way, clearance capacity for cargoes could be increased.

MR ANDREW CHENG (in Cantonese): Madam President, the control point at Shenzhen Western Corridor is a new one, part (b) of the main question has asked whether public transport interchanges would be constructed. However, from the main reply as a whole, the last part in particular, we could see that the Secretary for the Environment, Transport and Works was too conservative on that subject, and the wordings she adopted are "careful consideration" and "win-win situation". As far as a new control point is concerned, it would be a very good thing if we could plan on a certain site that we already possessed without delay, as I believe many mainlanders would wish to have more Hong Kong people going to the Mainland to spend money there, while we also hope that more mainlanders would come and spend in Hong Kong. In view of such a situation, will the Government provide a timetable for the construction of public transport interchanges at the new control point as soon as possible? Since the Government said that the timetable for implementing the co-location

arrangement would be 2003, will the Secretary assure us today that on the basis of a consensus or the consideration for a win-win situation, the Government would specifically demarcate certain sites, as soon as possible, for the construction of public transport interchanges at the new control point as necessary sites for transport, passenger and cargo flow on both sides?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, we are currently discussing with our counterparts in the Mainland about the feasibility of providing pick up/drop off point for public transport at the control points. Since both sides have raised the reasons for careful consideration, I could only assure Mr Andrew CHENG that we would try to reach the consensus as soon as possible.

PRESIDENT (in Cantonese): We have spent over 17 minutes on this question. We shall move on to the fourth question.

Unlawful Practices on Foreign Domestic Helpers

4. **MR JAMES TIEN:** *Madam President, will the Government inform this Council whether it has:*

- (a) *investigated cases in which employers paid their foreign domestic helpers (FDHs) less salaries than the minimum allowable wage; if it has, of the results;*
- (b) *investigated cases in which employment agencies overcharged FDHs; if it has, of the results; and*
- (c) *any concrete plans to prohibit the above unlawful practices; if it has, of the details; if not, the reasons for that?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR:

Madam President,

- (a) The Government is most concerned about underpayment of wages in respect of FDHs. The monthly salaries of the FDHs working in

Hong Kong should not be less than the minimum allowable wage stipulated by the Government. However, it is difficult for the Government to proactively conduct household inspections as the workplaces of FDHs are private residences and well over 200 000 households are involved. We usually act on complaint and FDHs who are underpaid by their employers are encouraged to file their complaints with the Labour Department. On receipt of their complaints, the Labour Department will immediately investigate whether the employers concerned have violated the Employment Ordinance. If there is sufficient evidence, the Labour Department will prosecute the concerned employers.

In 2002, the Labour Department handled 94 underpayment claims lodged by FDHs.

- (b) The Government is very concerned about overcharging of commission by employment agencies. Under the Employment Agency Regulations, the commission which may be charged by an employment agency for each person (including FDHs) using its service should not exceed a sum equal to 10% of the first month's wages received by such person after he/she has been placed in employment. Any employment agency contravening the Regulations shall be liable to a maximum fine of \$50,000. In addition, the Commissioner for Labour will revoke its licence.

On receipt of complaints on overcharging, the Labour Department will immediately conduct investigation. If there is sufficient evidence, the Labour Department will prosecute the employment agencies concerned.

In 2002, the Labour Department received 98 complaints lodged against employment agencies about overcharging of commission. In 10 out of the 78 cases investigated, the Labour Department has instituted prosecution action. For the remaining cases, no prosecution has been taken out because there is insufficient evidence or the complaints are not substantiated.

- (c) The Administration will not tolerate such malpractices as underpayment of wages by employers of FDHs and overcharging of commission by employment agencies. To step up efforts against

these illegal practices, the Administration has taken a number of measures:

- (i) An inter-departmental task group comprising the Labour Department, the Immigration Department (ImmD) and the police has been set up to combat illegal practices such as underpayment of wages by FDH employers and overcharging of commission by employment agencies.
- (ii) In conjunction with the migrant workers groups and non-governmental organizations (NGOs) providing support services to FDHs, we have put in place an intelligence system to facilitate the reporting of underpayment of wages by employers of FDHs. The Labour Department will conduct investigation immediately upon receipt of complaints and institute prosecution against the employers concerned.
- (iii) Starting from January this year, if the Labour Tribunal rules that the employer of a FDH must pay the wages in arrears in a civil claim, it will notify the Labour Department of the case immediately so that the Labour Department can take follow-up action regarding any possible criminal offences.
- (iv) Regular inspections of employment agencies are conducted by the Labour Department officers to ensure compliance with the legislation. If the operators of employment agencies are convicted of exploiting FDHs or if it is found that they are not fit and proper to operate such agencies, the Commissioner for Labour will revoke their licences or refuse to issue them licences. In 2002, a total of eight employment agencies had their licences revoked or were refused issue of licences.
- (v) We have launched publicity through broadcasting announcements of public interest on radio and television and distributing pamphlets and posters to remind employers to pay wages to FDHs in accordance with the law. We will continue to educate the employers that underpayment of wages is a serious offence. The Labour Department will also work with the press to remind employers of the provisions for the payment of wages and the relevant penalty under the Employment Ordinance.

- (vi) We will, through such channels as inspections, letters and talks, remind operators of employment agencies not to overcharge FDHs or abet employers in underpaying their FDHs.
- (vii) Lastly, we will, through various means, such as distributing employment guides prepared in the languages used by FDHs, conducting talks, providing telephone enquiry services and liaising with the relevant consulates and FDH organizations, explain to FDHs their statutory entitlements and the complaint channels.

MR JAMES TIEN: *Madam President, in my recent meetings with representatives for FDHs, they told me that many FDHs had their passports taken away voluntarily or otherwise when they first arrived in Hong Kong. They are forced to sign loan agreements, as their passports are being taken away, of up to six or seven months' salaries and the loans would be repayable at \$1,000 each month for 24 months.*

Would the Secretary please inform this Council whether it is lawful or unlawful under the Employment Agency Regulations for agencies to take away or keep workers' passports? If not, and if they are convicted, will these directors or managers be barred from holding licences again?

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR: Madam President, I do not think that it is legitimate for the employment agencies to keep the passports of FDHs, and I encourage FDHs to report such incidents to the Labour Department.

MR JAMES TIEN: *Madam President, the Secretary did not answer the second part of my question: If these directors or managers are convicted, will they be barred from holding offices in future in the name of another agency?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR: Madam President, we are prepared to revoke their licences.

MR CHAN KWOK-KEUNG (in Cantonese): *Madam President, last year, the Labour Department handled 94 underpayment claims lodged by FDHs. May I have a breakdown of the 94 cases in terms of the nationality of the FDHs, that is, Indonesian, Thai, Filipino and other nationality, and the amount of underpayment generally disputed?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): *Madam President, I must say sorry to Mr CHAN for I do not have such detailed figures at hand. However, among such cases, most of the complainants were Indonesian domestic helpers. I think Members also know that there are over 140 000 Filipino domestic helpers in Hong Kong, while the number of Indonesian domestic helpers is around 78 000. However, cases of underpayment mostly involved Indonesian helpers, while those from Sri Lanka and the Philippines came second.*

MR CHAN KWOK-KEUNG (in Cantonese): *Madam President, will the Secretary provide, after the meeting, in writing the information on the classification of such cases and the amount of underpayment involved?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): *Madam President, I will do so. (Appendix I)*

MR LEUNG FU-WAH (in Cantonese): *Madam President, the Secretary stated in part (a) of the main reply that "the Government is most concerned about the underpayment of wages in respect of FDHs. The monthly salaries of the FDHs working in Hong Kong should not be less than the minimum allowable wage stipulated by the Government. However, it is difficult for the Government to proactively conduct household inspections as the workplaces of FDHs are private residences and well over 200 000 households are involved". I remember, back in 1995 when I in conjunction with Mr TAM Yiu-chung discussed the issue with the incumbent Chief Immigration Officer Mr Ambrose LEE, he had provided an answer identical to the above paragraph cited by the Secretary. There is only one discrepancy, that is, the number of households employing FDHs at that time. In 1995, there were 160 000 households which employed FDHs, but now the number has increased to over 240 000. This problem has dragged on for*

over seven years; now that Mr LEE has already been promoted to the Commissioner of the Independent Commission Against Corruption. As an accountable principal official, will the Secretary give serious consideration to this problem in collaboration with the Labour Department and the ImmD to find a way to prevent the underpayment of wages?

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, I thank Mr LEUNG for his supplementary question. I believe Mr LEUNG also knows very well that over 240 000 FDHs are involved, and I do not think that door-to-door inspection is an effective measure to tackle this problem. Moreover, if employees are asked in the presence of their employers whether they have been underpaid, I believe most of them will say no. Therefore, I think the most effective and most direct way is for employees to call on the Labour Department to lodge complaints, and we do organize seminars and publicity activities on the relevant topics frequently, and this is the easiest method. If we employ a large number of inspectors to conduct household inspection, this will result in a "bigger government", and I do not think this an effective measure. In part (c) of my main reply, I have explained in detail the seven measures implemented by the Government, such as the setting up of a task group and the strengthening of liaison with NGOs and migrant workers groups. Moreover, we have organized several seminars for FDHs in the past three months. For example, a seminar on the rights and interest of FDHs was held at St. John's Cathedral last week, and FDHs were encouraged to file complaints. I believe these measures are more effective. At the same time, we have published some pamphlets in the languages used by FDHs to provide information on their rights and interest and the wage level. I believe these measures are the most effective.

MR FRED LI (in Cantonese): *Madam President, I consider it insufficient to rely solely on complaints and inspection of employment agencies. Madam Presidents, according to some rumours and the complaints received by me, in particular those related to Indonesian domestic helpers, the Consulate General of the Republic of Indonesia and some other illegal activities are involved. For example, some ineligible and underage domestic helpers were allowed to come and work in Hong Kong at a wage of \$1,800 per month, and I believe Members are aware of such cases. Has the Government tried to find out why the number*

of such cases has gone up, and has it inquired with the consulate or conducted investigation?

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, I thank Mr LI for his supplementary question. I can tell Mr LI that we do, from time to time, contact and have correspondence with the consulate concerned, and we have secured their co-operation in this regard. The consulate concerned has expressed grave concern to us about this issue, and has said that support would be given in combating such illegal activities. I have mentioned in part (c) of my main reply that an inter-departmental task group comprising the Labour Department, ImmD and the police has been set up. I would like to tell Members that the relevant law enforcement agencies will use their own ways to conduct investigations and take actions; and it is certainly not suitable for me to disclose the details here.

MR IP KWOK-HIM (in Cantonese): *Madam President, I have received some cases that the passports of FDHs have been taken away by their employers. Will the Secretary inform us if it is unlawful for employers to take away the passports of their domestic helpers? The Secretary has mentioned in his main reply and the earlier reply that an inter-departmental task group comprising the Labour Department, ImmD and the police has been set up. Has the task group conducted studies on illegal activities like the retention of employees' passports by employers and overcharging of commission by employment agencies?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, I thank Mr IP for his supplementary question. The task group will conduct studies on all illegal activities involved. We will double our effort in conducting investigation, intelligence collection and enhancement of liaison with the consulates concerned, NGOs and migrant workers group. We hope such organizations will provide more information to us, as I consider the collection of more information is of the utmost importance. The relevant law enforcement agencies will certainly conduct investigation, and this has to rely on the co-operation of all parties concerned. If the number of complaints increases, the number of prosecutions initiated will certainly rise. Another problem is how to encourage FDHs to appear before courts to testify the

accused; if they are not willing to give evidence in court, offenders can hardly be convicted.

MR IP KWOK-HIM (in Cantonese): *Madam President, part of my supplementary question has not been answered. Is it unlawful to take away employees' passports?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, I think that passport is a very important personal document, which should be kept by themselves. I think FDHs should not be requested to hand in their passports and their passports should not be kept by other parties. However, since several Members have raised supplementary questions on this issue, I will take up this issue with the ImmD to see if enhanced publicity can be conducted in this respect.

MR IP KWOK-HIM (in Cantonese): *Madam President, this is not a matter of publicity; it is a matter of legality. If the Secretary is not able to answer the supplementary question now, will he provide a written reply?*

PRESIDENT (in Cantonese): Secretary, will you give a written reply to Mr IP's supplementary question.

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, I understand Mr IP's supplementary question. In fact, I mean to tell him that I will further examine this issue with the ImmD, and gain a better understanding of the situation. If this is unlawful, we will step up our publicity effort to explain to employers that the retention of their employees' passports is illegal. (Appendix II)

PRESIDENT (in Cantonese): This Council has spent 17 minutes on this question. This is the last supplementary question.

MR LEE CHEUK-YAN: *Madam President, in the two surveys conducted by the union of Indonesian FDHs, one shows that 16%, while the other one shows that 18% of FDHs were paid less than the minimum wage level, at around \$2,000. This shows that the problem of underpayment is very serious.*

Would the Government employ the enforcement tactic of "unleashing of the snake" (放蛇), that is, faking to be employers, in order to crack down on unscrupulous employment agencies which arrange for employers to employ FDHs at a wage level far less than the minimum wage?

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR: *Madam President, thank you very much for Mr LEE's suggestion. Certainly, that option will be considered. (Laughter)*

PRESIDENT (in Cantonese): *Fifth question.*

Disposal of Clinical Waste

5. **MR MICHAEL MAK** (in Cantonese): *Madam President, a case concerning improper disposal of human body specimens used for educational purpose in landfill was revealed early this month. Regarding the disposal of clinical waste, will the Government inform this Council:*

- (a) *whether guidelines have been issued to public and private medical institutions regarding the disposal of human body parts;*
- (b) *if such guidelines have been issued, whether the authorities concerned will impose penalties on the medical institutions which fail to comply with the guidelines; if penalty will be imposed, of the details; if not, the reasons for that; and*
- (c) *of the measures taken by the authorities concerned to monitor the transportation of clinical waste by the contractors, and the penalties imposed on the contractors who fail to comply with the procedures in disposing clinical waste?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President,

- (a) Human tissues and body parts are mainly generated from major medical institutions including hospitals and medical faculties of universities. These institutions have issued internal guidelines on the management of clinical waste, which specify that human tissues and body parts should be separated from general clinical waste for cremation.

In addition, the "Practice Notes on the Disposal of Clinical Waste at Landfills" issued to clinical waste producers and collectors by the Environmental Protection Department (EPD) specify that human tissues and body parts should be incinerated and not be disposed of at landfills.

- (b) At present, there is no legislation in Hong Kong that regulates the disposal of clinical waste. The Practice Notes and the internal guidelines issued respectively by the EPD and medical institutions are for reference only and are not legally binding. The implementation of such mainly relies on self-discipline of the medical institutions.

We consider that the present lack of legislative control is not satisfactory and is not in line with international practices. Therefore, we proposed in 1997 to impose legal control on clinical waste, and consulted the relevant trades, professional bodies and the then Provisional Legislative Council. There were mixed opinions on the scope of the control and the treatment method for clinical waste. In 2001, we revised the proposed control scheme, and consulted again the relevant trades, professional bodies and the Legislative Council on the revised proposal. We are now preparing the relevant legislation and plan to submit it to the Legislative Council for examination within this Legislative Council Session, with a view to implementing the scheme in 2004.

- (c) At present, there is no legal control on the operation of clinical waste collectors. However, if the above legislative proposal is approved, clinical waste collectors will be subject to legal and

licensing control. Any person who collects clinical waste without a licence commits an offence, and will be liable to a maximum fine of \$100,000 on conviction. The clinical waste collection licence will specify requirements regarding, among other things, the segregation, packaging, labelling, and transportation of clinical waste. If a licensed collector contravenes the licence conditions, he commits an offence and is liable to a fine of \$100,000 for the first offence, and a fine of \$200,000 for the second and subsequent offences. The collector's licence may also be revoked.

Before the above control is in place, we will continue to liaise regularly with the collectors and advise them on the good practices in handling clinical waste.

MR MICHAEL MAK (in Cantonese): *Madam President, as regards the improper disposal of human body parts by the Medical Faculty of the University of Hong Kong, has the Government assessed how much manpower resources of the police and the Food and Environmental Hygiene Department (FEHD) have been wasted as a result of this incident and whether the staff concerned have been psychologically affected after seeing such amputated human limbs, thus making it necessary to provide them with counselling?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, we do not have any data on how many manpower resources of the police and the FEHD have been wasted in relation to this incident. As regards whether the staff who dealt with such waste at the landfills have been affected psychologically, we have not received any reports to that effect so far.

DR RAYMOND HO (in Cantonese): *Madam President, in part (b) of the main reply, the Secretary said it was proposed in 1997 that legislative control be imposed on clinical waste and the relevant trades and professional bodies, including the Provisional Legislative Council were consulted. The Government received different views at that time, but why did it have to wait until 2001 before it could come up with another proposal? Generally speaking, whenever the Government makes a proposal, it will receive different views, but why has it*

taken so long before it considers making a new proposal? Does the Government think that this is not a very important subject, thus having failed to put forth a new proposal immediately in accordance with the views received?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, if the legislative proposal is related to the polluter pays principle, that is, certain trades should pay for the disposal of the waste they produce, then it would not be an easy task. In 1997, I did not follow this incident very closely, but after going through the records, I found that, back then, those in the relevant trades had different views on whether control should be imposed on small producers of clinical waste. Therefore, consultation exercises were conducted on a continuous basis between the period from 1997 to 2001 and detailed discussions were held with Legislative Council Members, representatives of the trade and relevant professional bodies before we came up with this proposal. Dr LO Wing-lok is also in this Chamber and I believe the sector represented by him also accepts this proposal.

MR NG LEUNG-SING (in Cantonese): *Madam President, I would like to ask a supplementary question that is similar in nature. The Secretary mentioned that during the days of the Provisional Legislative Council, the Government had collected views from relevant parties and I recall that — perhaps it was also mentioned in the records of the Secretary that — the Provisional Legislative Council had to deal with certain indispensable legislation. Back then, did the Government assess whether this was a piece of indispensable legislation; and during the first Term of the Legislative Council that followed, did the Government consult the Legislative Council because it had not taken any follow-up actions before then?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, back in 1999, there was a debate in the Legislative Council on this issue and Members requested us to consider different options in relation to the disposal of clinical waste and many proposals were made. We thus conducted studies on the technology for disposal of clinical waste and it was found that the relevant trade could dispose of such waste through the Chemical Waste Treatment Centre of the authorities. Meanwhile we would also apply for funding from the Public Works Subcommittee in several months.

DR LO WING-LOK (in Cantonese): *Madam President, the background of this incident is the relocation of an autopsy laboratory of a research institution. Something went wrong in the course of relocation and some amputated human limbs were sent to the landfill by mistake. In fact, this brought to light an even greater problem, and that is, if some even more hazardous substances were left behind by the research institution instead of amputated human limbs, then there would be even greater damages. In this connection, may I ask the Secretary if the Government has in place a mechanism to monitor the safe disposal of materials by such research institutions, and how safety could be ensured in the course of relocation to prevent the recurrence of similar incidents?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, Dr LO has raised a very good supplementary question. In fact, the producers of all substances hazardous to the environment and toxic in nature should assume the responsibility because we in the Government cannot possibly supervise and manage each and every organization closely. Since we are a "small government", it is impossible for us to do so. Therefore, I hope all professionals will exercise self-discipline in their relevant trades. At present, hospitals have already issued guidelines on scientific research to doctors, including those in medical research institutions of the universities and the relevant guidelines are very stringent. I think that professionals in our community do have the responsibility to exercise self-discipline. Of course, under our proposed legislation, producers of clinical waste should assume responsibility to a certain extent. That is, not only carriers of clinical waste must apply for licences, otherwise they will be punished, but also producers of such clinical waste must dispose of their own waste properly, or else, they will also be punished. The maximum penalty proposed by us is a fine of \$200,000 or imprisonment of six months. Therefore, in accordance with the polluter pays principle, the relevant responsibility must be traced to the producers of such wastes; and by the same token, all persons producing substances that are hazardous to health should be held responsible for their actions.

DR TANG SIU-TONG (in Cantonese): *Madam President, the Secretary mentioned in part (a) of her main reply that the EPD has issued guidelines to all hospitals and medical institutions, pointing out that human tissues and body parts*

that need to be disposed of should be incinerated. May I ask the Secretary, at present, whether the incineration of such human tissues and body parts is handled centrally by the Government or by various institutions individually?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, all amputated human limbs and body parts are collected by the FEHD for collective incineration at the crematorium.

MR HENRY WU (in Cantonese): *Madam President, the supplementary question that I would like to raise is very similar to that of Dr LO Wing-lok. The recent incident shows that there are problems with the relevant internal guidelines. In this connection, may I ask the Secretary whether the internal guidelines of the EPD or medical institutions will be reviewed comprehensively in relation to this incident, to determine what improvements have to be made to prevent the recurrence of similar incidents?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, perhaps I should supplement my answer to the last question first. As regards the disposal of body parts, the Hospital Authority (HA) also has its own incinerator, that is, apart from the crematorium of the FEHD, the HA also has its own incineration facility.

I would now answer Mr Henry WU's supplementary question. We have reviewed the relevant guidelines and in fact, the guidelines have specified in detail how such waste should be disposed of. As regards this incident, it is a result of human negligence rather than a problem with the guidelines. Nevertheless, we have already discussed this again with relevant parties to see how a better job can be done in terms of monitoring.

MR HENRY WU (in Cantonese): *Madam President, I did not ask about the situation of the universities, but rather the guidelines of the EPD or medical institutions. Will the Government review the guidelines as a result of this incident?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, we have already reviewed the guidelines of the EPD. As for the guidelines of the HA, a review has also been conducted as a result of this incident, certainly.

MR ABRAHAM SHEK: Madam President, the institutions concerned have issued internal guidelines on the management of clinical wastes. Have these guidelines been vetted and approved by the Government, and do these guidelines comply with the standard of the World Health Organization (WHO)?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS:

Madam President, the guideline on clinical waste disposal is an internal document provided by the Hospital Authority. I would have to defer to the Hospital Authority to inform Mr Abraham SHEK whether the guideline complies with the WHO or other international standards. (Appendix III)

DR RAYMOND HO (in Cantonese): *Madam President, though the Secretary supplemented her answer when she replied to Dr TANG Siu-tong's question earlier, I still think that the answer is not very clear, so I would like to put the question in a different way.*

I believe there are not many major medical institutions that need to dispose of human tissues and body parts. Have they all got their own incinerators; if not, then during the few years before legislation is introduced to regulate the disposal of such medical waste, will the authorities enhance its requirements in the relevant guidelines, that is, to require the relevant institutions to report to the Government on a regular basis of the quantity of human body parts that have been properly disposed of and the quantity that has not been disposed of?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, at present, the FEHD is responsible for the collection of all amputated human limbs generated by all medical faculties of the universities, private hospitals and certain hospitals under the HA. The collected amputated human limbs are sent to the crematorium for incineration. As for

human body parts generated by other hospitals, they are collected by private collectors and sent to the pathological waste incinerator of the HA for disposal. Therefore, such waste will not be stored for some years before disposal.

DR RAYMOND HO (in Cantonese): *Madam President, I asked whether the relevant institutions would be required to report on a regular basis in relation to which body parts and the number of human limbs that have been generated and disposed of, for we could then be able to tell whether any body parts have been omitted.*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, the FEHD or the HA may have kept such records, but this is outside the portfolio of my Bureau.

DR RAYMOND HO (in Cantonese): *Madam President, can the Secretary provide such information in writing?*

PRESIDENT (in Cantonese): Secretary, can you give us a written reply to this question?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Yes, Madam President. (Appendix IV)

PRESIDENT (in Cantonese): Last oral question.

Claims Concerning Third Party Risks Insurance of Vehicles

6. **MR ANDREW CHENG** (in Cantonese): *Madam President, under existing legislation, vehicle owners are required to be insured against third party risks in respect of their vehicles, and the insured persons in such insurance contracts are usually required to pay a specified amount of money (known as*

"insurance excess") to contribute to the compensation payable to the third party in the event of a traffic accident. It is learnt that, as a usual practice of the insurance industry, insurance companies will pay compensation to the third party concerned only after the insured person has paid the due amount of the insurance excess. In this connection, will the Government inform this Council:

- (a) of the number of complaints received by the Office of the Commissioner of Insurance (OCI) involving claims concerning third party risks insurance of vehicles in the past three years;
- (b) how the OCI has handled these complaints; and
- (c) given that the third party in a traffic accident is not a contracting party to the relevant insurance contract, whether it will consider amending the relevant legislation to require insurance companies to pay compensation to the third party concerned within certain periods; if so, of the details and the legislative timetable; if not, the reasons for that?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, before responding to Mr CHENG's question, I would like to provide some background information on motor vehicles third party risks insurance (motor insurance).

In general, any person who uses a motor vehicle on a road shall have a civil liability in tort to pay compensation to the third party in an accident, if that user is held liable for the death of or bodily injury to the third party and/or damage to the third party's property. Motor insurance covers an insured person (that is, the driver and vehicle owner involved) against the above risks.

As claims covering the death of or bodily injuries to third parties involve public interests, the existing legislation requires drivers and vehicle owners to take out motor insurance to cover the death of or bodily injuries to the third parties. The legislation also stipulates that if the insured person is held liable for the death or bodily injury, and judgement in respect of such liability has been obtained against him, the insurance company is required to settle the claim irrespective of whether the insured person has breached the terms of the

insurance policy. Therefore, there is usually no arrangement for any specified amount of money (commonly known as "insurance excess") to be paid by the insured person in this type of insurance coverage.

The existing legislation does not require motor vehicle owners to take out motor insurance covering damage to property of the third party. Under the common law, a victim may lodge a claim through civil proceedings. Drivers/vehicle owners normally take out such insurance voluntarily to protect themselves. This type of insurance generally includes an "insurance excess", that is, a claim up to a specified amount which will be paid by the insured person himself. "Insurance excess" encourages safe use of motor vehicles and helps to lower the insurance premium.

The claims for third party property damage in traffic accidents is generally small in amount and therefore may not be referred to the Court. Generally, the relevant insurance company would need to ascertain the liable party and whether there is any breach of policy terms. In this connection, whether the insured person agrees to pay the "insurance excess" is one of the relevant factors for insurance companies to consider. If the insured person refuses to pay the "insurance excess", the insurance company would usually withhold paying the compensation to third parties. However, if there is sufficient evidence to prove the insured person's liability for the damage, the insurance company would in general pay the compensation after deducting the "insurance excess". The imposition of "insurance excess" is a common practice of insurers underwriting motor insurance in many other jurisdictions, such as the United Kingdom and Australia.

I would now respond to Mr CHENG's question point by point:

- (a) In the past three years, the OCI has received a total of 95 complaints concerning motor third party risks insurance. They mainly relate to dispute over liability and progress of claims handling. Of these complaints, only three relate to "insurance excess".
- (b) Upon receiving a complaint, the OCI will follow up the case with the insurance company concerned, this includes requiring the company to provide information and, if necessary, to conduct an investigation. In general, most of the cases have been resolved satisfactorily after negotiation between the insurance companies and

complainants. Unresolved cases might be resolved through legal proceedings.

- (c) As the time required for processing each claim varies and would very much depend on the circumstances of each case, it would be inflexible to require insurance companies to pay compensation to the third parties in all cases within a specified period. According to the OCI, overseas insurance markets in general do not have such a requirement. Therefore, the Government has no intention to amend the legislation to require insurance companies to pay compensation within a specified period. Insurers should pay compensation within a reasonable period as appropriate in the circumstances (for example, where there is no doubt from the legal point of view that the insured should be held solely liable), otherwise, the claimants can take legal action against the insured persons for compensation under the common law.

MR ANDREW CHENG (in Cantonese): *Madam President, according to the main reply of the Secretary, in particular parts (b) and (c), I understand that according to the existing legal avenues and the spirit of common law, there are actually avenues for claiming compensations. However, people who have taken out insurance policies or victims of traffic accidents naturally wish to receive compensations under the existing spirit of insurance. But the problem is, they discover that they have to go through many avenues, including various complex legal procedures before they can get any compensation. Madam President, the gist of my supplementary question is: Has the Government considered (the legislation does not necessarily have to be amended) looking into this matter with the OCI and the industry to issue some guidelines — particularly in relation to the fact that some insurance companies ask the insured not to pay "insurance excess" and tell them they can thus avoid paying compensations — so that the insurance companies could operate in a more professional manner in realizing the spirit of the insurance industry?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, I would like to thank Mr Andrew CHENG for asking this question. After he had raised this question, I looked into this matter with the Commissioner of Insurance and he will bring the question of Mr

Andrew CHENG to the attention of the industry. I believe the industry will certainly address this question of conduct squarely.

MR ANDREW WONG (in Cantonese): *Madam President, the Secretary referred to third party insurance in the third and fourth paragraphs of his main reply. The former is on the death of or bodily injuries to the third party and the latter is on damage to property of the third party. However, it is very strange that as regards insurance on the death of or bodily injuries to the third party, the Secretary said "there is usually no arrangement for any specified amount of money (commonly known as "insurance excess") to be paid by the insured person in this type of insurance coverage". That means, there may be arrangements for insurance excess to be paid by the insured persons in some situations. As regards motor insurance against damage to property of the third party, though the existing legislation does not require motor vehicle owners must take out this type of insurance, if motor vehicle owners are willing to take out such policies voluntarily, then usually there will be arrangements for "insurance excess" in most cases.*

Though property is very important, personal safety may even be more important. May I ask the Secretary if the arrangement for "insurance excess" is allowed under the existing legislation? Under the circumstance where there is an arrangement for "insurance excess", if an insured who has taken out an insurance policy against the third party is not willing to pay an "insurance excess", then does it mean that the third party who has suffered death or bodily injuries will suffer enormous losses? Madam President, if this was really the case, then will the Secretary consider to disallow the arrangement for "insurance excess" for third party insurance against death and bodily injuries?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): *Madam President, in fact, as regards the types of insurance policies and protection offered to insured persons, there are many kinds of motor insurance policies. There are also some statutory compulsory insurance policies in the market, that is, those that only offer protection against the liability of making compensations for the death of and bodily injuries to the third party, but such insurance policies are not common. Why is there an excess for motor insurance? This is because by doing so, the premium for motor insurance can*

be lowered by reducing the number of small claims. Furthermore, as drivers have to be responsible for part of the damages caused by traffic accidents, they would be encouraged to drive safely. The excess clause is restricted only to damage in property and not applicable to compensations for death or bodily injuries. Though compensations for death or bodily injuries are not covered under the insurance policies on third party liability, some comprehensive insurance policies also cover medical insurance for the death or bodily injuries to drivers in traffic accidents.

MR ANDREW WONG (in Cantonese): *Madam President, my supplementary question was very specific, but it appears that only one sentence of the Secretary's reply applies to my supplementary question, while the rest of his reply is on comprehensive insurance policies. Will it cover insurance against death or bodily injuries to the third party? Since those are comprehensive insurance policies, the Secretary has not answered whether the process for making compensations will be delayed as a result of the arrangement for "insurance excess"? I only hope that in considering issues related to insurance against the death of or bodily injuries to the third party, the Secretary will ensure that the process for making compensations will not be delayed as a result of the arrangement for "insurance excess". I hope the Secretary can consider this. Is the Secretary willing to do so?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): *Madam President, I would raise this issue with the Commissioner of Insurance in the hope that he will discuss this with the industry. I will certainly consider the views of Mr Andrew WONG.*

MR BERNARD CHAN (in Cantonese): *Madam President, in the third and fourth paragraphs of his main reply, the Secretary talked about the difference between the death of and bodily injuries to the third party and the damage to property of the third party. Mr Andrew WONG has also talked about this issue just now, but I understand that, generally speaking, many members of the public may not have any knowledge about this subject. Very often, the public will think that by taking out a third party insurance policy, both the death of and bodily injuries and damage to property are covered. However, the fact is, only the*

death of and bodily injuries to the third party are prescribed by the legislation and the Secretary has also mentioned this in the third paragraph of his reply. May I ask the Secretary whether he will consider extending the statutory requirement on third party insurance to include damage to property? Of course, since it is statutory, the premium may be increased. However, many members of the public may not understand the difference between the two and what is actually prescribed by the legislation. Will the Secretary take this into consideration?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, from the angle of road safety, the Government thinks that damage to property does not involve death and bodily injuries. So, it does not have any intention to interfere with the existing system at the moment. Third parties that suffer damages to property in traffic accidents may seek compensations from the owners or drivers of vehicles responsible for the traffic accident through civil proceedings. The existing system has operated for many years and Mr Bernard CHAN may also be aware of this. If the Government makes it compulsory for owners of vehicles to take out motor insurance like third party insurance that covers death and bodily injuries, then we are worried that this will add to the burden of motor vehicle owners. Moreover, this is not a common international practice, therefore, the Government has no plans at the moment to make this type of insurance a statutory requirement.

DR LAW CHI-KWONG (in Cantonese): *Madam President, as regards damage to property, as in Mr Andrew WONG's supplementary question, the Secretary said in his reply that "even if the insured person refuses to pay the "insurance excess", the insurance company would in general pay the compensation after deducting the "insurance excess". May I ask the Secretary, under such circumstances, if the insurance companies do not belong to the "general" category, that is, they are not willing to pay the compensation after deducting the "insurance excess", whether the Commissioner of Insurance will intervene in such cases, or the claimants have to seek compensations from insurance companies through the Court?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, the greatest problem is the insurance contract is

executed between the insurance company and the insured person. Therefore, strictly speaking, if the third party wishes to claim compensations, it has to claim against the insured person who is involved in the traffic accident. The insurance company will make out compensations to the insured person in accordance with the terms of the insurance contract. In other words, the knocked down party in the traffic accident does not have any contractual relationship with the insurance company and this is where the problem lies. However, the insurance company would generally take the relevant circumstances into account — that is why we say "in general" — if it thinks that the insured person is really liable, then it would also pay the compensation after deducting the "insurance excess". However, if there is any complaint, it may be lodged with the OCI and we would take a serious view of such matters.

PRESIDENT (in Cantonese): We have spent 15 minutes on this question. This is the last supplementary question.

MR ABRAHAM SHEK (in Cantonese): *Madam President, my supplementary question is very simple. May I ask the Secretary what the relationship between the insurance company and the third party that makes a claim is? If there is a relationship, then will it have any influence on the claim?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, as I said earlier, there is no relationship between the insurance company and the third party because the contractual relationship is between the insurance company and the insured person only. Therefore, if the third party has to make a claim, strictly speaking, it could receive compensations by seeking compensations from the insured person who is responsible for the accident. However, if it involves the death of or bodily injuries to the third party, as I mentioned earlier, then regardless of the fact whether the insured person has violated the terms and conditions of the insurance policy, the insurance company will make compensations to the third party in respect of the legal liability of the insured person.

PRESIDENT (in Cantonese): Oral question time ends here.

WRITTEN ANSWERS TO QUESTIONS**Security in Public Car Parks**

7. **MR LAU KONG-WAH** (in Chinese): *Madam President, regarding security matters in public car parks, will the Government inform this Council:*

- (a) *of the number of reported crimes which took place in the car parks of public housing estates in each of the past three years, together with a breakdown by the names of estates and the categories of crimes, and whether there has been an upward trend in such crimes; if so, whether the Administration has analysed the causes;*
- (b) *of the respective numbers and percentages of public car parks in public housing estates and other places in which 24-hour closed circuit television monitoring systems (CCTMSs) have been installed; and*
- (c) *whether it will consider requiring all public car parks to install 24-hour CCTMSs; if not, of the reasons for that?*

SECRETARY FOR SECURITY (in Chinese): *Madam President,*

- (a) The police do not keep figures on the number of reported crimes in individual car parks of public housing estate.

Breakdown of the reported crimes occurred in the car parks of public housing estates in the past three years is as follows:

<i>Crimes</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>
Theft from Vehicle	293	299	167
Taking Conveyance without Authority	105	111	42
Criminal Damage	106	85	84
Others	83	72	80
Total:	587	567	373

The above figures reflect an overall decrease in the number of reported crimes occurred in the car parks of public housing estate.

- (b) All of the 243 car parks distributed throughout the public housing estates have installed 24-hour CCTMSs. The 13 public multi-storey car parks under the Transport Department (TD) have also installed 24-hour CCTMSs at their entrances and exits for round-the-clock monitoring of the operation and security of the car parks. The police and the TD do not keep figures on the number of car parks at private developments in which CCTMSs are installed.
- (c) It is a requirement in the TD's Tenders that the contractors responsible for the management, operation and maintenance of its public car parks have to provide, manage, operate and maintain closed-circuit television. From time to time the Housing Department would consult the police on security enhancement of their car parks when considering the operating contracts. As for public car parks in private developments, their routine security measures are at the discretion of the management companies concerned.

Supply and Demand of PRH Flats

8. **MR ABRAHAM SHEK** (in Chinese): *Madam President, regarding the supply and demand of public rental housing (PRH) flats, will the Government inform this Council:*

- (a) *of the respective current numbers of PRH tenants who are required to pay double net rent or market rent;*
- (b) *of the respective numbers of PRH flats which were vacated for various reasons in each of the past five years; and*
- (c) *how it has arrived at the estimate that, apart from the vacated flats, only 25 000 PRH flats need to be produced annually in the coming years, in order to fulfil its pledge that applicants on the Waiting List will be allocated PRH flats in three years' time on average?*

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

- (a) As at end of November 2002, 1 819 households were required to pay double net rent plus rates and 47 households market rent.
- (b) In the past 5.5 years, a total of 110 900 PRH tenants vacated their flats. Details are given in Annex.
- (c) The Government and the Hong Kong Housing Authority have pledged and are firmly committed to maintaining the average waiting time for PRH at three years. As a result of the abundant supply of new and refurbished PRH units over the past few years, including those Home Ownership Scheme units transferred to rental use, we have been successful in bringing down the number of outstanding Waiting List applicants from 150 000 as at end of 1997 to about 92 000 as at the end of 2002. The current average waiting time is less than three years, down from over six years in 1997.

To sustain the average waiting time at around three years, the Housing Department closely monitors the demand for PRH to determine the quantum of new production required to meet the pledge. The assessment takes account of all the relevant factors affecting the demand for PRH. These include the housing requirements from Waiting List applicants, the long-term population growth, household formation rate, and other sources of demand arising from clearance of squatters and rooftop structures, urban renewal, redevelopment of old PRH estates, compassionate rehousing, and so on. On the basis of these factors as well as an estimated annual supply of over 10 000 refurbished flats from the existing PRH stock, we are confident that we can maintain the average waiting time at around three years with an annual production of over 20 000 PRH flats in the next few years. We will keep the forecast demand under regular review. The actual quantum of PRH production will be determined and adjusted in the light of the forecast demand.

Annex

Public Rental Flats Vacated in the Past Five and a Half Years

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03 (April to September)	Total
Voluntary termination of tenancy	2 646	3 051	3 210	2 941	3 073	1 681	16 602
Termination of tenancy due to breach of tenancy conditions	876	976	967	1 247	1 558	760	6 384
Participation in Home Ownership Scheme and Private Sector Participation Scheme	11 097	9 771	8 705	8 495	6 588	239	44 895
Participation in government-subsidized home purchase loan schemes	1 925	1 755	5 571	3 651	3 563	1 277	17 742
Flat transfers	3 104	3 883	4 648	3 034	6 499	4 109	25 277
Total	19 648	19 436	23 101	19 368	21 281	8 066	110 900

Identity of Complainants Divulged by Law Enforcement Officers

9. **MR IP KWOK-HIM** (in Chinese): *Madam President, a number of District Council (DC) members have reflected to me that, subsequent to their complaints to the relevant government departments about local problems, such as gambling at public places, illegal on-street parking and illegal hawking, they or their offices had fallen victim to harassment. They suspect that this is due to their identity as complainants being divulged by the law enforcement officers concerned. In this connection, will the Government inform this Council:*

- (a) *of the measures taken by law enforcement departments to ensure the personal safety of complainants and the confidentiality of their identity;*
- (b) *whether it is an offence for law enforcement officers to divulge the identity of complainants without authorization; if so, of the stipulations in this respect; and*
- (c) *whether it will consider paying compensation to the DC members concerned after it has been substantiated that the vandalism done to their offices was the result of the divulgence of their identity as complainants by the law enforcement officers; if so, how the amounts of compensation are to be calculated; if not, of the reasons for that?*

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

- (a) Since the coming into effect of the Personal Data (Privacy) Ordinance (the Ordinance) in December 1996, all Policy Bureaux and departments have to adhere to the provisions in the Ordinance and the data protection principles therein when handling matters involving personal data relating to a living individual, including follow-ups of complaint cases. Regarding the examples cited by the Honourable IP Kwok-him in the question, the departments concerned (the Hong Kong Police Force and the Food and Environmental Hygiene Department) have internal guidelines with reference to the Ordinance. Their staff are required to follow the personal data protection guidelines in carrying out investigation duties: they should ensure confidentiality of the identity and other personal data of the complainants.

As to safeguards for personal safety, any person who has evidence to show that his personal safety is at risk may report to the Hong Kong Police Force. The police will follow up and conduct investigation as appropriate.

- (b) Except in circumstances specified in the Ordinance or where exemptions are provided under the Ordinance, a data user (including

government departments) should not disclose to a third party the personal data of the data subject without his consent. If the Privacy Commissioner for Personal Data, after investigation, finds that a data user has contravened the requirements of the Ordinance, the Commissioner may serve an enforcement notice on the data user requiring him to take remedial actions. Should the data user fail to comply with the notice, he shall be guilty of an offence and shall be liable on conviction to a maximum fine of \$50,000 and imprisonment for two years. The Government would also, in accordance with the established mechanism, conduct disciplinary proceedings against staff alleged of being in breach of departmental guidelines. The staff concerned is liable to disciplinary action if misconduct is found.

- (c) Whether the Government will pay compensation to DC members who suffer losses as a result of the disclosure of their identity depends on the circumstances of individual cases. There is no single formula applicable to all cases as complicated legal issues are involved, for example, the circumstances under which the identity of the DC members is disclosed, whether the law enforcement officers have sufficient justifications for disclosing their identity, and so on. The Government will carefully study and seek legal advice on each case before coming to a decision.

Monitoring Fund-raising Activities

10. **MR BERNARD CHAN** (in Chinese): *Madam President, it has been reported that an organization which claims to be committed to the promotion of local eco-tourism received donations exceeding \$1 million by organizing fund-raising excursions in the past four years. However, its fund-raising accounts are rather disorganized, and most of the money has been spent on the administration of the organization such as personal emoluments and rent of office premises. In this connection, will the Government inform this Council:*

- (a) *how existing laws monitor this kind of fund-raising activities; and*
- (b) *of the number of charitable bodies currently exempt from tax, and the simple and direct ways through which the public may ascertain if the organizers of fund-raising activities belong to this category?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Chinese): Madam President, there is legislation to control fund-raising activities in public places and the associated issue of maintenance of order in public places. Section 4(17) of the Summary Offences Ordinance requires a person or organization to apply for a permit to conduct any collection of money or sale or exchange for donation of badges, tokens or similar articles in a public place for charitable purposes from the Director of Social Welfare, and for other purposes from the Secretary for Home Affairs. Contravention of section 4(17) is an offence punishable with a fine of \$2,000 or imprisonment for three months. In issuing permits under section 4(17), the Home Affairs Bureau (HAB) and the Social Welfare Department (SWD) impose a set of administrative controls to regulate order and to ensure transparency and accountability of the fund-raising activities, such as:

- (i) the fund-raising organization is registered under the laws of Hong Kong, such as the Companies Ordinance or Societies Ordinance; and
- (ii) the purpose of fund-raising is clearly stated in the permit;
- (iii) a number of conditions are imposed on the permit which include:
 - (1) the funds raised will be used for the specified purpose;
 - (2) no person will benefit improperly from the collection;
 - (3) within 90 days of the last date specified in the permit, the permittees will cause the funds raised, less any reasonable expenses incurred, to be applied or credited to the bank account, for the purpose for which the permit is issued;
 - (4) the funds raised will be audited by a qualified accountant and a copy of the audited accounts will be submitted to the relevant authorities within 90 days of the last date specified in the permit.

Applications from organizations which have breached the conditions of a previous permit may not be considered. Both the Home Affairs Bureau and the SWD check compliance with the conditions through, for example, examination of the audited statements submitted by organizations.

In addition, any person who suspects that dishonest, fraudulent or deceptive activities may be involved in a fund-raising event can make a report to the police to investigate whether any offence under the Theft Ordinance has been committed.

Charitable organizations and trusts of a public character may be granted tax exempt status under section 88 of the Inland Revenue Ordinance (IRO). Donors are entitled to claim a tax deduction for making donations to these tax-exempt charitable organizations. The maximum deduction that the law permits for approved charitable donations is 10% of the donor's net income/profit. As at the end of December 2002, 3 753 charitable organizations have been granted tax exempt status under section 88 of the IRO. A list of these tax-exempt charitable organizations is published in the Gazette and is also available on the Inland Revenue Department's website. This enables members of the public to check whether their donations will qualify for a tax deduction.

To facilitate the public to make decisions about making donations, there is a SWD hotline through which, enquires may be made about whether a charitable fund-raising activity has been approved by the SWD or not. Members of the public may also visit the SWD's homepage or make use of the Electronic Services Delivery System to see details of recent charitable fund-raising activities which have been issued with permits. As for non-charitable fund-raising activities, members of the public may make telephone enquiries with the Home Affairs Bureau about whether a particular activity has been approved or not.

Local and Non-local Staff of SFC

11. **MR HENRY WU** (in Chinese): *Madam President, regarding the local and non-local staff of the Securities and Futures Commission (SFC), will the Government inform this Council whether it knows:*

- (a) *the current number of non-local staff of the SFC, together with a breakdown by their ranks and pay bands;*
- (b) *how the work experience and qualifications of the local staff of the SFC compare to those of their non-local colleagues of the same ranks; and*

- (c) *if the SFC plans to implement any staff localization policy; if so, of the implementation timetable; if not, the reasons for that?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): Madam President, in response to the Honourable Member's question, we have sought relevant information from the SFC, as follows:

- (a) Non-local staff refers to any person other than those having the right of abode or right to land in Hong Kong, who must obtain a visa before coming to Hong Kong for the purpose of taking up employment. As at 31 December 2002, out of 402 SFC staff, 18 (4.5%) are non-local staff. The non-local staff in the SFC are from various grades ranging from Executive Trainee to Senior Director.

The rank distribution of these 18 non-local staff is as follows:

<i>Grade</i>	<i>Staff Number</i>
Senior Director/Chief Counsel	1
Director/Deputy Chief Counsel	3
Associate Director/Senior Counsel	3
Senior Manager/Counsel	5
Manager	4
Assistant Manager	1
Executive Trainee	1

The SFC does not consider it appropriate to disclose the remuneration of specific staff. However, the SFC emphasized that in determining the remuneration, the SFC largely draws reference from the prevailing market rates and the availability of people with the required experience and skill set. The overall remuneration objective of the SFC is to ensure that the SFC's remuneration is in line with the market rate to attract and retain high quality employees. Whether the staff is local or not is not a factor in determining the remuneration.

- (b) All staff holding the same position must possess the qualifications, experience and skill set required for that position. The

qualifications and experience of non-local staff and local staff in the same rank is generally comparable.

- (c) The SFC does not plan to implement any staff localization policy. The SFC's recruitment policy is to recruit the most suitable candidates based on their qualifications, experience and skill set. However, when all the factors of consideration are equal, preference will be given to local candidates.

Prevention of Fire on Franchised Buses While in Motion

12. **MR NG LEUNG-SING** (in Chinese): *Madam President, it was reported that in late November last year, a franchised bus caught fire while in motion. After investigation, the bus company concerned stated that the fire might have been caused by a leakage of some flammable liquid brought on board the bus by a passenger. In this connection, will the Government inform this Council:*

- (a) *whether it knows if the franchised bus companies have, in the wake of the incident, tightened up their instructions to drivers to prohibit passengers from carrying on board any flammable substances; if so, of the details; if not, the reasons for that;*
- (b) *whether it plans to test the fire resistance of the design and materials used for various types of franchised buses; and*
- (c) *of the measures taken to prevent the occurrence of fire on franchised buses while in motion, including whether or not guidelines have been issued to the franchised bus companies; if such guidelines have been issued, of the relevant details?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): Madam President, under regulation 14A of the Public Bus Services Regulations (Cap. 230A) (PBSR), passengers are prohibited from bringing any substance or article to which the Dangerous Goods Ordinance (Cap. 295) applies including flammable substances onto any bus. Notices reminding passengers not to bring dangerous goods on board are displayed on every bus. Bus drivers would refuse the boarding of any passenger who is found to be carrying

dangerous goods. In accordance with regulation 13 of the PBSR, a franchised bus company's employee in uniform may remove, or arrest and detain, any person who contravenes the aforesaid regulation until such person can be handed over to a police officer.

The Transport Department (TD) has regular meetings with franchised bus operators to discuss issues arising from bus operation. Subsequent to the bus fire incident concerned, the TD met with the franchised bus companies and requested for the implementation of the following measures to prevent occurrence of similar incidents in future:

- (i) to strengthen relevant training for bus drivers and inspectors;
- (ii) to review in conjunction with bus manufacturers the mechanical design and construction materials for buses with a view to ensuring reasonable degree of fire resistance; and
- (iii) to review their emergency procedures on bus fire.

The bus companies will report progress to the TD.

The relevant Regulations of the Road Traffic Ordinance set out the guidelines and requirements on the prevention of bus fire. Regulations 5, 60, 61, 64 and 66 of the Road Traffic (Construction and Maintenance of Vehicles) Regulations and regulation 9 of the Road Traffic (Safety Equipment) Regulations stipulate *inter alia* that:

- (i) all electrical apparatus and circuits in every bus shall be so constructed and installed as to guard adequately against the risk of electric shock and the outbreak of fire;
- (ii) fuel tanks and all apparatus supplying fuel to the engine shall be so placed or shielded that no fuel can fall upon any part of the vehicle such that it might readily be ignited;
- (iii) the exhaust pipe of every bus shall be so fitted or shielded, and maintained that:
 - (1) no inflammable material can be thrown upon it; and

- (2) it is unlikely to cause a fire through proximity to any inflammable material;
- (iv) the body work and fittings on the bus must be constructed of suitable materials, with a certain degree of fire resistance;
- (v) every bus must be equipped with a fire extinguisher in good and efficient working order for fire fighting; and
- (vi) every bus must be equipped with sufficient exits, including emergency exits, to allow evacuation in case of emergency.

The TD has reminded the bus companies to ensure that all these precautionary measures are implemented and regular checks are carried out.

The TD will closely monitor the improvement measures and will continue to conduct annual inspections and unscheduled spot checks to ensure compliance with the relevant guidelines and requirements.

Drug Rehabilitation Services

13. **MR CHAN KWOK-KEUNG** (in Chinese): *Madam President, regarding drug rehabilitation services, will the Government inform this Council:*

- (a) *of the public expenditure on and manpower deployed for providing out-patient methadone treatment by the Department of Health, the respective numbers of persons who have received the treatment and those who have successfully been rehabilitated, in each of the past three years; and*
- (b) *whether it has compared the effectiveness of the Methadone Treatment Programme (MTP) to other drug rehabilitation options and treatments with other medicines?*

SECRETARY FOR SECURITY (in Chinese): Madam President,

- (a) At present, methadone treatment services are provided at 20 clinics operated by the Department of Health. The expenditure, staffing

and patient attendance of these methadone clinics in the past three years are as follows:

<i>Financial Year</i>	<i>2000-01</i>	<i>2001-02</i>	<i>2002-03</i>
Expenditure	\$47,100,000	\$47,000,000	\$47,600,000
		<i>Year</i>	
	<i>2000</i>	<i>2001</i>	<i>2002</i>
<i>Staffing</i>			
Full-time	51	50	56
Part-time	193	193	195
<i>Patient attendance</i>			
Average effective registration	9 395	9 233	9 758
Average daily attendance	6 502	6 534	7 101
Total annual attendance	2 379 744	2 384 805	2 592 025

The MTP in Hong Kong comprises two programmes. Patients can enroll in the "maintenance" programme and replace illicit heroin use by adequate methadone dosage prescribed by doctors. They can also enroll in the "detoxification" programme where they will be assisted to achieve a drug-free state by taking decreased dosages of methadone over a period of time. The vast majority of MTP patients are enrolled in the "maintenance" programme. But there are also some drug dependent persons with a strong motivation to be detoxified who have been successfully rehabilitated under the "detoxification" programme. The number of successfully detoxified cases over the past three years is as follows:

<i>2000</i>	<i>2001</i>	<i>2002</i>
75 persons	53 persons	97 persons

- (b) Hong Kong adopts a multi-modality approach in providing drug treatment and rehabilitation services to cater for the needs of drug dependent persons coming from various backgrounds. Apart from the MTP, other treatment modalities include a compulsory

placement scheme operated by the Correctional Services Department, voluntary residential treatment programmes run by non-governmental organizations and out-patient services provided by the Substance Abuse Clinics of the Hospital Authority. These drug treatment modalities have different targets and aims. Amongst them, the MTP is the only "substitution" therapy which caters for those who are not suitable for or receptive to residential or other forms of treatment. Therefore, it is difficult to directly compare the effectiveness of the MTP with that of other treatment modalities.

As far as the MTP is concerned, the Government has been closely monitoring its usefulness and effectiveness since its implementation in 1972, with several reviews conducted. In mid-1999, the Narcotics Division and the Sub-committee on Treatment and Rehabilitation of the Action Committee Against Narcotics set up a Working Group to conduct a comprehensive review of the MTP. In its report released in early 2001, the Working Group concluded that the MTP had fulfilled its declared objectives and was effective in helping to sustain the employment and social life of drug dependent persons, as well as reducing instances of drug overdose, drug-related deaths and even spread of blood-borne diseases. It was also considered that the MTP had been effective in reducing drug-related crimes.

The Working Group also examined the possibility of substituting or supplementing methadone by other drugs such as buprenorphine and naltrexone. Buprenorphine can be used for "maintenance" or "detoxification" while naltrexone is a supplementary drug to prevent relapse into heroin or opium after detoxification. According to the Working Group, there is at present no evidence to prove that buprenorphine is a better drug than methadone in "maintenance" treatment. In the light of local and overseas experience on the use of naltrexone, the Working Group recommended that a research study on the use of the drug be conducted to fully assess its effectiveness in relapse prevention for detoxified methadone patients. In April 2002, the Beat Drugs Fund approved a grant of \$3,900,000 to conduct a research on the effectiveness of naltrexone in relapse

prevention for opiate drug abusers. The research commenced in mid-2002 and is expected to be completed in 2005.

Handling Reports of Unknown Gases

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

- (a) *of the respective numbers of reports received by the authorities about unknown gases permeating residential areas and school premises over the past three years; among these reports, the number of those in which the sources and types of gases were identified, together with a breakdown by the sources, types, and toxicity of those gases;*
- (b) *whether the equipment of the authorities can distinguish different gases immediately on the spot; and*
- (c) *of the relevant departments' procedures for handling reports of unknown gases?*

SECRETARY FOR SECURITY (in Chinese): Madam President,

- (a) Over the past three years, the Fire Services Department (FSD) handled a total of 1 359 cases of gas leakage. Investigation has confirmed that among these cases, 187 involved liquefied petroleum gas, 1 081 involved town gas and 67 involved other gases, such as chemicals from laboratories, unpleasant smell from refuse collection chambers or drains, and so on. Please refer to the Annex for a breakdown of gas leakage cases by sources, types and toxicity. As regards the remaining 24 cases, officers of the FSD and relevant departments have conducted thorough detection and investigation at the scene and confirmed that no combustible or toxic gases were detected. But as the existence and sources of the gases could not be identified, these incidents were classified as "unknown gas leakage". Twelve of these 24 incidents happened in residential areas and

school premises. In some cases, some members of the public claimed to be unwell and were sent to hospital for observation.

- (b) The FSD and other relevant departments, such as the Government Laboratory, the Labour Department and the Environmental Protection Department, are equipped with various devices for detecting and distinguishing different gases on the spot. They include Oxygen and Combustible Gas Alarm Meter, Multi-gas Detector, Toxic/Combustible Gas Detector, Chemical Warfare Agent Detector, and so on.

The Government Laboratory could also collect air samples at the scene for analysis and examination at its laboratories by making use of sophisticated apparatus (that is, Gas Chromatograph with different detectors).

- (c) In general cases of unknown gas leakage, officers of the FSD and the police will be called to the scene. The FSD officers are responsible for rescue and investigation, while the police officers are tasked with crowd control and security. Some departments, such as the Environmental Protection Department, the Electrical and Mechanical Services Department, the Government Laboratory, the Labour Department, as well as the relevant public utilities and gas suppliers will also be called to the spot to provide expert advice, to assist in identifying the sources and types of gases and suggest ways of handling such incidents.

Annex

<i>Type</i>	<i>No. of Cases</i>	<i>Main Sources</i>		<i>Hazardous to Health</i>
Liquefied Petroleum Gas (LPG)	187	LPG Cylinders, Appliances or Piping		Yes
Town gas	1 081	Town Gas Appliances or Piping; Underground Main		Yes
Other gases	67	Construction Laboratories, Container	Sites, Cargo	Statistics Not Available

Provision of Waste Separation Bins in Public Places

15. **MR LEUNG YIU-CHUNG** (in Chinese): *Madam President, regarding the waste separation bins provided by the Government in public places, will the Government inform this Council:*

- (a) *of the current number of such bins as well as the average daily quantity of each type of waste collected;*
- (b) *how the figures in (a) above compare to the relevant figures 12 months ago; and*
- (c) *whether it has assessed the effectiveness of such bins in facilitating the separate recovery of waste; if so, of the results of the assessment; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): Madam President,

- (a) and (b)

At present, there are over 22 000 waste separation bins placed in public venues, schools and public/private housing estates, compared to some 19 500 in January 2002.

We estimate that in 2002, about 347 tonnes of waste paper, 12 tonnes of aluminium cans and 3.5 tonnes of plastic bottles were recovered from the bins each day. This represents an increase of 41%, 173% and 102% respectively, compared with the average daily quantities of waste paper, aluminium cans and plastic bottles collected in 2001.

- (c) The provision of waste separation bins aims to facilitate and educate the public to participate in waste separation. The continued rise in the amount of recyclables collected from the bins clearly demonstrates that there has been increasing public participation in waste recovery. In fact, the recyclables recovered from the bins in 2002 represents some 3% reduction in the amount of municipal solid

waste disposed of in landfills. This has also confirmed that the waste separation bins are effective in facilitating waste separation and reduction.

Applications for Change in Land Use by Non-profit-making Organizations

16. **MR LEUNG FU-WAH** (in Chinese): *Madam President, regarding applications made by non-profit-making organizations to modify the use of land which was originally granted to them at a nominal land premium, will the Government inform this Council of:*

- (a) *the criteria for vetting and approving such applications; and*
- (b) *the number of cases approved in the past three years and the details of each case, including the name of the applicant, the original and newly approved uses, the area and the land value based on the new use?*

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

- (a) Land granted to non-profit-making organizations at nominal or concessionary land premium is approved by the Executive Council, or approved under its delegated authority. This includes land granted for non-profit-making educational institutions, social welfare institutions, and community, recreational and religious uses.

Since these land grants are provided on a nominal or concessionary premium basis, they are subject to more stringent lease conditions, such as non-alienation of the land and strict user clauses.

Where sites granted for social service purposes are not utilized to their full development potential, the grantees can apply for lease modification to redevelop their sites for more optimal land utilization and to provide improved facilities. Under such circumstances, permission may be given for a commercial element

to be included in the redevelopment scheme, if the following criteria are met:

- (i) the redevelopment should be within the terms of the grantee's Memorandum and Articles of Association, or the terms of the relevant ordinance for organizations incorporated by statute;
- (ii) the grantee is accountable for income derived from its share in the development, and income from the commercial element is applied to purposes acceptable to the Government;
- (iii) the project would be in the public interest, for example, reducing the need for the Government's subvention;
- (iv) the redevelopment should aim to provide maximum possible benefit in terms of the provision of "Government/Institution/Community" (GIC) facilities compatible with the overall commercial viability of the project. The inclusion of a commercial element must not be detrimental to the GIC facilities to be provided;
- (v) where appropriate, the Government has the right to seek accommodation in the redevelopment for its own use (for example, offices) or for other public purposes, such as accommodation for other voluntary agencies; and
- (vi) joint venture partners for the redevelopment should be chosen on a competitive basis by a procedure acceptable to the Government.

Lease modifications for such redevelopments will require the Executive Council's approval. The lease modification premium for the commercial element in the redevelopment will be charged at full market value.

- (b) In the past three years, there was not any approved case of modification of the land granted to non-profit-making organizations.

Partitioned PRH Flats

17. **MR FREDERICK FUNG** (in Chinese): *Madam President, regarding residents in partitioned public rental housing flats who have to share the use of balconies and sanitary facilities with the occupants of the adjacent flats, will the Government inform this Council:*

- (a) of the respective current numbers of single elderly and elderly households living in such flats;*
- (b) of the respective numbers of cases in which single elderly and elderly households were allowed to be transferred from such flats to self-contained flats over the past three years;*
- (c) whether it will consider allowing single elderly and elderly households living in such flats to be registered on the Waiting List again for the allocation of self-contained public rental housing flats; if not, of the reasons for that; and*
- (d) whether it has set a timetable and allocated resources to transfer all occupants of such flats to self-contained flats; if it has, of the details; if not, the reasons for that?*

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

- (a) At present, a total of 2 149 elderly singletons and 107 elderly families are residing in partitioned public rental flats where they have to share the use of balconies and sanitary facilities with neighbouring tenants.
- (b) In the past three years, a total of 965 elderly singletons and 635 elderly families in partitioned flats were transferred to self-contained flats through various transfer arrangements such as management transfer exercises, overcrowding relief transfer exercises and special transfer exercises for tenants of partitioned flats.

- (c) Under current policy, existing public housing tenants are not allowed to re-apply through the Waiting List to avoid confusion. This policy applies equally to tenants of partitioned flats, who may seek rehousing to self-contained flats through the various transfer arrangements mentioned in part (b) above.
- (d) The Housing Authority decided in April 2000 to gradually phase out partitioned flats. A partitioned flat with all units vacated will be converted back to its original design. The Housing Authority has no intention to require all tenants in partitioned flats to move away. Hence, there is no fixed timetable for their transfer. Instead, the Housing Authority from time to time makes available small self-contained flats for tenants to apply for transfer. In 2002, the Housing Authority conducted two special transfer exercises for tenants of partitioned flats. 1 000 flats in Tuen Mun District and another 230 flats in Sau Mau Ping Estate, Po Tat Estate and Tsz Ching Estate were set aside for tenants' application. A total of 236 applications were received and 141 of them have transferred to self-contained flats.

Bus-Bus Interchange Schemes Implemented by Franchised Bus Companies

18. **MR ALBERT CHAN** (in Chinese): *Madam President, regarding Bus-Bus Interchange (BBI) schemes implemented by the franchised bus companies, will the Government inform this Council:*

- (a) *whether it has specific measures to encourage franchised bus companies to implement more BBI schemes; if so, of the details and the progress thereof; if not, the reasons for that;*
- (b) *whether it has suggested to the relevant bus companies that they should provide fare discounts to passengers changing to other bus routes at the Ching Ma Bridge Toll Plaza; if so, of the details; if not, the reasons for that; and*
- (c) *given that at present passengers may take free onward rides on some of the routes at the Shing Mun Tunnel Toll Plaza, whether it has suggested to the franchised bus companies that they should give*

passengers free onward rides at other places (such as the Western Harbour Tunnel Toll Plaza); if so, of the details; if not, the reasons for that?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): Madam President, to provide passengers with a wider choice of services at concessionary fares and to enhance efficient use of bus resources, the Government encourages bus companies to introduce more BBI schemes taking into account their own operating conditions. The Transport Department (TD) has been working closely with the bus companies and offering advice and assistance to them to facilitate their introduction of new BBI schemes. Where necessary, we will initiate modification work at bus bays and provide adequate queuing spaces for passengers at the major interchange locations for implementation of BBI schemes. The TD has also uploaded information about BBI schemes implemented onto its website.

With these continued efforts, the number of BBI schemes increased from nine in 2000 to 96 in 2002 and the number of bus routes providing BBI arrangement increased from 68 to 330 during the same period. Another 45 BBI schemes are planned for implementation this year subject to consultation with the relevant District Councils.

BBI schemes involve the provision of fare concession and have financial impact on bus companies. It will be the commercial decision of individual bus companies on whether they would provide BBI schemes, and what level of concession should be given to passengers, including whether free onward rides would be offered under such schemes.

We have held discussions with the two franchised bus companies which operate routes via the Tsing Ma Control Area (TMCA) viz Citybus Limited and Long Win Bus Company Limited on the possibility to introduce BBI schemes at the TMCA. They have agreed to offer fare discounts of up to \$9 for passengers interchanging among their respective routes at the TMCA and plan to implement the BBI schemes in the first quarter of 2003. The matter has been put to the Islands District Council Traffic and Transport Committee for discussion. The two bus companies are now considering the views and suggestions made by members of the Committee and will revert to the Committee before implementation.

Telecommunications Service Provided to Exhibitors of International Telecommunication Exhibition

19. **MR SIN CHUNG-KAI** (in Chinese): *Madam President, in December last year, the Government assisted the International Telecommunication Union (ITU) in holding in Hong Kong the International Telecommunication Union TELECOM ASIA 2002, which included staging the International Telecommunication Exhibition. It is learnt that ITU designated a fixed telecommunication network service (FTNS) operator as the FTNS supplier for the exhibition. The FTNS operator was given priority to use the interconnection facilities for telecommunications network and provide telecommunications service at standard rates for individual exhibitors. Other FTNS operators were not allowed to provide paid telecommunications service to the exhibitors unless the service offered by the said operator could not meet the demand of the exhibitors. In this regard, will the Government inform this Council whether:*

- (a) it knows the rationale for the ITU's arrangement and requirement mentioned above;*
- (b) the arrangement and requirement contravened the principle of fairness and limited exhibitors' choice of the requisite telecommunications service; and*
- (c) it has assessed if the arrangement and requirement have had adverse impact on Hong Kong's image as a telecommunications hub in Asia; if it has, of the outcome?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Chinese): Madam President:

- (a) The ITU TELECOM ASIA 2002 was a large-scale exhibition cum conference organized by the ITU. Events of such scale often have numerous exhibitors. Moreover, they allow limited time for exhibitors to set up their exhibition booths to keep rental costs under control. Exhibitors also require excellent telecommunications service to meet their sophisticated user requirements. For the ITU TELECOM ASIA 2002, over 320 exhibitors participated in the

event. In addition, these exhibitors had at most 14 days of set-up time.

It is an established practice adopted by the ITU for its exhibitions worldwide to appoint an Official Telecommunications Services Provider (OTSP). The OTSP sponsors the ITU on its telecommunications service and provides service for the event. As in other ITU exhibitions, the ITU appointed an OTSP for the ITU TELECOM ASIA 2002. The arrangement enables the OTSP to expediently overlay temporary equipment and facilities to bring on-site support to the event, and to provide service to the exhibitors in an efficient and effective manner.

- (b) We do not consider that the ITU's arrangement of appointing an OTSP contravenes the principle of fairness nor unduly restricts the choice of telecommunications services by the exhibitors. It is a practical arrangement adopted by the ITU for a large-scale event with short set-up time and complicated user requirements. Moreover, the ITU invited all local fixed telecommunications operators to submit proposals to sponsor and provide telecommunications and information technology services as its OTSP for the event in January 2002. However, the ITU did not receive any proposal. The ITU eventually appointed the OTSP for the ITU TELECOM ASIA 2002 by invitation.
- (c) Hosting the event in Hong Kong enhances our image as the telecommunications hub in Asia. As we explain in (a) and (b) above, the arrangement of OTSP is necessary to cater for the practical needs of a large scale event. We therefore do not think that the ITU's arrangement would adversely affect this.

BILL

Second Reading of Bill

Resumption of Second Reading Debate on Bill

PRESIDENT (in Cantonese): We will resume the Second Reading debate on the Adaptation of Laws Bill 2001.

ADAPTATION OF LAWS BILL 2001**Resumption of debate on Second Reading which was moved on 19 December 2001**

PRESIDENT (in Cantonese): Miss Margaret NG, Chairman of the Bills Committee on the above Bill, will now address the Council on the Committee's Report.

MISS MARGARET NG: Madam President, in my capacity as the Chairman of the Bills Committee on the Adaptation of Laws Bill 2001 (the Bills Committee), I would like to report on the main deliberations of the Bills Committee.

The Adaptation of Laws Bill 2001 (the Bill) seeks to adapt identified provisions of the Prevention of Bribery Ordinance and the Independent Commission Against Corruption Ordinance and other Ordinances to bring them into conformity with the Basic Law and with the status of Hong Kong as a Special Administrative Region (SAR) of the People's Republic of China.

The Bills Committee agrees that most of the proposed amendments in the Bill are in line with the guiding principles of the Adaptation of Laws Programme. However, the Bills Committee has a number of concerns on the proposed adaptation of the definition of "Crown servant" by "prescribed officer".

"Crown servant" is now defined as being "a person holding an office of emolument, whether permanent or temporary, under the Crown in right of the Government". Under the Bill, the expression "Crown servant" is proposed to be adapted to "prescribed officer" which means (a) any person holding an office of emolument, whether permanent or temporary, under the Government; and (b) the Hong Kong Monetary Authority and any person appointed under section 5A(3) of the Exchange Fund Ordinance, any staff member of the Independent Commission Against Corruption, Director of Audit, Chairman of Public Service Commission and judicial officers. I shall refer to part (b) of the definition as "the five offices" later on in my speech.

A major concern of the Bills Committee is whether the proposed definition of "prescribed officer" preserves the legal effect of "Crown servant". Some members consider that the proposed definition of "prescribed officer" might need

to be revised in future to include new offices which fall within the meaning of "Crown servant", but outside the definition of "prescribed officer". Hence, compared to "Crown servant", the definition of "prescribed officer" lacks flexibility and continuity.

The Administration has explained that a straightforward approach would be to adapt "Crown servant" to "Government officer" with the adapted definition to mean "a person holding an office of emolument, whether permanent or temporary, under the Government". However, there is some doubt about whether the expression "under the Government" could cover exactly the same scope as that covered by the expression "under the Crown in right of the Government" in the original definition. In order to avoid possible doubts that could arise from simply adapting "Crown servant" to "Government officer" and to preserve the legal effect of the provision, the Administration has proposed to replace "Crown servant" by "prescribed officer". It is the Administration's view that a direct replacement term cannot be found for the concept or description of "Crown servant".

While the Bills Committee supports the Administration's proposal to replace "Crown servant" by "prescribed officer" for the purpose of preserving the present situation, it is of the view that the proposal is not an adaptation in nature and should be dealt with by way of an amendment bill.

Having regard to the views of the Bills Committee, the Administration has agreed to pursue the proposed amendments to replace "Crown servant" with "prescribed officer" in the Law Amendment and Reform (Miscellaneous Provisions) Bill, an omnibus bill scheduled for introduction into the Legislative Council in March 2003. The Administration will move amendments to delete all clauses relating to "Crown servant" in the Bill accordingly.

Another concern of some members is whether it is necessary to list out the five offices under the proposed definition of "prescribed officer". The Administration has explained that according to legal advice, the five listed offices might not be automatically construed as "Government officer" due to their specific and independent nature of operation. The Administration is wary of the possibility of any contention or argument that may be put forward before the Court that these five listed offices are not offices of emolument "under the Government". The Administration has therefore adopted a prudent approach

by listing the five offices that were covered in the definition of "Crown servant" in the proposed definition of "prescribed officer".

The Bills Committee has also expressed concern on whether the Chief Executive and principal officials specified in Article 48(5) of the Basic Law would be covered under part (a) of the proposed definition of "prescribed officer", that is, holders of an office of emolument under the Government. Members have pointed out that the position of principal officials who are civil servants and principal officials under the accountability system may be different. The Administration has been requested to consider, for the avoidance of doubt, whether principal officials should also be separately listed under the proposed definition of "prescribed officer", as in the case of the five listed offices.

The Administration has agreed to set out "prescribed officials" expressly in the definition of "prescribed officer". The revised definition of "prescribed officer" will be incorporated into the Law Amendment and Reform (Miscellaneous Provisions) Bill to be introduced into the Legislative Council.

The Administration has explained that in view of the unique constitutional position of the Chief Executive, he does not fall within the definition of "Crown servant" or the proposed adapted definition of "prescribed officer" under the Prevention of Bribery Ordinance. As a separate law reform exercise, the Administration is in the course of drafting legislative amendments to extend the general standard of bribery prevention applicable to prescribed officers under the Prevention of Bribery Ordinance to the Chief Executive.

As the review of the application of the Prevention of Bribery Ordinance to the Chief Executive has been discussed by the Panel on Constitutional Affairs of the Legislative Council at numerous meetings since early 1999, some members have expressed disappointment at the present state of affairs and urged the Administration to accord priority to the separate law reform exercise.

Madam President, in view of the agreement reached with the Administration to deal with the proposed amendments to the definition of "Crown servant", the Bills Committee supports the resumption of the Second Reading debate on the Bill.

Madam President, I would like to add a few words in my personal capacity. The substance of the Bill is the amendments to the Prevention of Bribery

Ordinance. The aim of the adaptation is to ensure that people occupying public offices should continue to be subject to stringent sanctions of the law against corruption, but the highest public office in the SAR, namely the Chief Executive, remains beyond the reaches of the Ordinance. This state of affairs must be repugnant to the rule of law. This obvious and unbecoming gap has been raised in this Council as early as 13 January 1999 in a written question. Thereafter, the matter was followed up in the Constitutional Affairs Panel. Many meetings were held but up to this very moment, four full years have passed and the solution is still outstanding.

Let me recapitulate some of the major dates. On 9 February 1999, the issue was first discussed by the Constitutional Affairs Panel. The Administration told Members that the Chief Executive was happy to be bound by the Prevention of Bribery Ordinance. Then, on 7 May 2001, that is, two years and three months later, the Administration advised the Panel that separate legislative provisions would be created to set out the bribery offences for application to the Chief Executive. On 26 June 2001 and 28 January 2002, the Panel twice expressed concern about the lack of progress of the review. On behalf of the Panel, the Chairman of the House Committee raised the matter with the Chief Secretary for Administration. The Chief Secretary for Administration said that it was important to examine carefully whether applying the regulatory and legal framework for government officers and public servants to the Chief Executive would have any adverse impact on the administration of Hong Kong and the world market as a whole, and that the systems in other jurisdictions should also be studied as reference. He said that the legislative proposal would be introduced in the next Session. That time has now arrived.

In the course of the scrutiny of this Bill, members reminded the Government of this matter. However, no satisfactory answer was forthcoming. The Government has now taken four years to draft one clause and apparently that is not long enough. By contrast, drafting work for the Article 23 legislation is supposed to take only a few weeks. Where does the Chief Executive's priority lie? What message is being sent to the world?

Madam President, although this matter is clearly beyond the scope of this Bill, I would urge the Government, in reply, to take this opportunity to inform this Council of its plan to introduce a bill to bring the Chief Executive under the anti-corruption legislation of the SAR.

Thank you, Madam President.

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

(No Member responded)

CHIEF SECRETARY FOR ADMINISTRATION: Madam President, I am very grateful to the Honourable Margaret NG and other members of the Bills Committee for their work on this very important bill.

The Adaptation of Laws Bill 2001 (the Bill) seeks to make textual amendments to the Prevention of Bribery Ordinance, the Independent Commission Against Corruption Ordinance and a number of other Ordinances to ensure that they conform to the Basic Law and Hong Kong's status as a Special Administrative Region (SAR) of the People's Republic of China.

Save for adapting the term "Crown servant", all proposed amendments in the Bill are simple and straightforward terminological changes. The Bills Committee supported them all.

Our anti-corruption legislation defines the term "Crown servant" in a rather unique way. To deal with this properly, the Bills Committee has supported our proposal to replace "Crown servant" by "prescribed officer". We have aimed to use "prescribed officer" in these Ordinances to cover the same group of people as that covered by "Crown servant" before 1 July 1997. That means non-civil servants including staff of the Hong Kong Monetary Authority, Chairman of Public Service Commission, judicial officers and staff of the Independent Commission Against Corruption will all be "prescribed officers". Miss Margaret NG has just explained the deliberations of the Bills Committee in this regard. We have also followed the Bills Committee's suggestion to include all principal officials within the category of "prescribed officer". This will put beyond doubt, however slight, that principal officials are subject to the most stringent framework of control as that applicable to civil servants under the anti-corruption legislation.

Because of the special way we have treated the term "prescribed officer" in the anti-corruption legislation, we have also followed the Bills Committee's suggestion to deal with that set of amendments by way of a miscellaneous amendment bill. Accordingly, I shall propose at the Committee stage to repeal

or amend all clauses containing the term "Crown servant" or "prescribed officer" in this Bill, and to transfer these clauses, in the revised formulation as agreed with the Bills Committee, to the Law Amendment and Reform (Miscellaneous Provisions) Bill which we propose to introduce into the Legislative Council later this Session.

In her speech, Miss Margaret NG makes some personal comments and calls upon the Administration to expedite action to apply bribery prevention provisions to the Chief Executive. If I may say so, Madam President, this point does not seem to be directly relevant to the Bill, and I do not intend to rehearse all the rather complex and pertinent legal and constitutional issues that we have explained to the Panel on Constitutional Affairs of the Legislative Council. Regarding this point, I would however repeat our undertaking to the Panel, that is, the Administration will revert to the Panel once we have decided on the best way forward.

Madam President, this Bill is necessary in bringing the anti-corruption legislation into conformity with the Basic Law and with Hong Kong's status as an SAR. It removes inappropriate legal references and obviates the need to make complicated cross-references to the Hong Kong Reunification Ordinance and the Interpretation and General Clauses Ordinance. With these remarks, I recommend the Bill to Members.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Adaptation of Laws Bill 2001 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Adaptation of Laws Bill 2001.

Council went into Committee.

Committee Stage

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

ADAPTATION OF LAWS BILL 2001

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Adaptation of Laws Bill 2001.

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

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

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Schedule 3.

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

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Schedules 1 and 2.

CHIEF SECRETARY FOR ADMINISTRATION: Madam Chairman, I move the amendments to Schedules 1 and 2 as set out in the paper given to Members.

The objective of the amendments is to delete or amend all clauses containing the term "Crown servant" or "prescribed officer" in the Bill. The objective is to transfer the same to the Law Amendment and Reform (Miscellaneous Provisions) Bill as we have agreed with the Bills Committee. We propose to introduce the Law Amendment and Reform (Miscellaneous Provisions) Bill into the Legislative Council later in the Session.

Proposed amendments

Schedule 1 (see Annex)

Schedule 2 (see Annex)

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

(No Member indicated a wish to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the amendments moved by the Chief Secretary for Administration be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Schedules 1 and 2 as amended.

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

(Members raised their hands)

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

(No hands raised)

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

CHAIRMAN (in Cantonese): Council now resumes.

Council then resumed.

Third Reading of Bill

PRESIDENT (in Cantonese): Bill: Third Reading.

ADAPTATION OF LAWS BILL 2001

CHIEF SECRETARY FOR ADMINISTRATION: Madam President, the

Adaptation of Laws Bill 2001

has passed through Committee with amendments. I move that this Bill be read the Third time and do pass.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Adaptation of Laws Bill 2001 be read the Third time and do pass.

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

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Adaptation of Laws Bill 2001.

MOTIONS

PRESIDENT (in Cantonese): Motions. Three resolutions proposed under the Public Bus Services Ordinance.

First Motion.

PROPOSED RESOLUTION UNDER THE PUBLIC BUS SERVICES ORDINANCE**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS**

(in Cantonese): Madam President, I move the first resolution standing in my name on the Agenda.

The Acting Chief Executive in Council approved the granting of new franchises of nine years and 11 months to the Citybus Limited (Citybus) (Airport and North Lantau Bus Network), the Long Win Bus Company Limited (Long Win) and the New World First Bus Services Limited (First Bus) on 22 October this year. The new franchises for the Citybus and the Long Win will start from 1 June 2003 and the new franchise for the First Bus will start from 1 August 2003.

Sections 26 to 32 of the Public Bus Services Ordinance set out the provisions of a Profit Control Scheme. They stipulate a permitted return that a franchised bus company can earn in an accounting year, calculated with reference to the percentage per annum specified in its franchise of its average net fixed assets in that accounting year. In accordance with section 5(3)(b) of the Ordinance, unless excluded by resolution of the Legislative Council, the Profit Control Scheme will apply to the new franchises.

Our current policy for processing fare adjustment applications from bus franchisees is to strike an appropriate balance between the interests of commuters and that of the bus companies. The current fare adjustment mechanism has been established since December 2000 after consultation with the Legislative Council. We adopt the "Modified Basket of Factors Approach" to handle fare adjustment applications and the factors for consideration include changes in operating costs and revenue of the relevant bus company since its last fare adjustment, forecasts of its future costs, revenue and return, the need to provide the operator with a reasonable rate of return, public acceptability and affordability, and the quality and quantity of service provided. We have already added a condition in the aforesaid new franchises to stipulate that a franchised bus company should take into account the above factors when applying for upward or downward adjustment of bus fares.

At present, all the existing bus franchises do not have the permitted return arrangement. In negotiating the aforesaid new franchises with the relevant

franchised bus companies, we also made clear that there would not be arrangements for a permitted return in the new franchises.

In view of the above, we need to disapply sections 27, 28, 29 and 31 of the Public Bus Services Ordinance to the aforementioned new franchises. Sections 26, 26A, 30 and 32 will continue to apply for the following reasons:

- (a) section 26 which defines terms used in the following sections:
- (b) section 26A which specifies that financial penalties levied against a bus company shall not be taken into account in ascertaining the operating cost or service-related expenditure of the company for any purpose related to the Public Bus Services Ordinance or the franchise;
- (c) section 30 which enables the Government to specify in the franchise depreciation rates in respect of fixed assets used or kept by a bus company for the purpose of or in connection with its franchise; and
- (d) section 32 which requires a bus company to produce accounts and other information in relation to the public bus service operation as the Financial Secretary may require.

With these remarks, I move the relevant resolution which will give effect to the aforesaid exclusion arrangement. Thank you, Madam President.

The Secretary for the Environment, Transport and Works moved the following motion:

"That the franchise granted on 22 October 2002 conferring the right on Long Win Bus Company Limited to operate a public bus service on the routes specified in the Schedule of Routes (Long Win Bus Company Limited) Order 2001 (L.N. 72 of 2001) and in any subsequent order made by the Chief Executive in Council shall not, for the entire period of the franchise, be subject to sections 27, 28, 29 and 31 in Part V of the Public Bus Services Ordinance."

PRESIDENT (in Cantonese): Mr LEUNG Yiu-chung, do you wish to speak or to make a clarification?

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, I would like the Secretary to clarify one point, that is, she mentioned "this October" in the first paragraph of her speech. Has she mistaken that for this year, as it should be "last year" instead of "this year"?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, I did say "this year", when in fact I should be referring to last year. Thank you, Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for the Environment, Transport and Works be passed.

Does any Member wish to speak?

MR LAU CHIN-SHEK (in Cantonese): Madam President, since this resolution is related to the other two resolutions that the Secretary would move later on, I would therefore speak on all of the three here.

Madam President, first of all, I support the resolutions which grant the Long Win Bus Company Limited (Long Win), the New World First Bus Services Limited (First Bus) and the Citybus Limited (Citybus) franchises, in particular the exemption of their new franchise agreements from the Profit Control Scheme. This universal requirement on all franchised bus companies is widely supported by the public.

However, in view of the fact that all of the franchised bus operators are no longer subjected to the Profit Control Scheme since the renewal of the franchise of the Kowloon Motor Bus Company (1933) Limited in 1997, retaining the provisions on the Profit Control Scheme in the Public Bus Services Ordinance would be entirely not in keeping with the times. I remember in the debate on

the resolution of replacing the franchisee of public bus services on Hong Kong Island — the China Motor Bus Company Limited — with the First Bus, several colleagues including Ms Miriam LAU had openly requested the Government to amend the legislation by deleting the provisions on the Profit Control Scheme. The then Secretary for Transport, Mr Nicholas NG, undertook to review the relevant amendments. The matter has dragged on for four and a half years, and yet I cannot see any amendments proposed by the Government. This is incomprehensible indeed. I hope the Secretary will follow this matter up.

Madam President, my second concern is service improvements to be effected by the new franchisees in future, especially the Long Win and the Citybus, in which the latter has its franchise renewed this time around. As their services cover mainly the North Lantau and Chek Lap Kok Airport districts, in which the residential population, working population and transient population will grow rapidly, I hope the Government and relevant departments will discuss with these service operators on a regular basis, so as to ensure they will enhance service quality and provide their passengers with adequate and quality services in accordance with development needs.

The third issue I wish to discuss is the fares of public transport, an issue of enormous concern to the public.

New provisions have been added in the new franchise agreements to require the franchised bus companies to take the acceptability and affordability of the public and various factors into consideration when they apply for fare increase or reduction, but if the initiative of fare adjustment still rests in the hands of the service operators, and provided that they insist on not to submit a fare reduction application, then the persistently fares cannot be lowered in any sense. It is a well-known fact that fares for outbound transport in the North Lantau and Tung Chung Districts are extremely high, I therefore hope the Government will continue discussing with service operators by all means in order to reduce the enormous transport expenses borne by the public, especially new town residents.

I know that the Government will propose a new fare adjustment mechanism for public transport, and I believe it will be difficult to find the right balance between free market and social responsibility. I can imagine that the Government faces a lot of constraints, and results could only be seen after some

time. However, it is a very strong and urgent aspiration of the public that public transport operators should reduce the fares comprehensively. I have to point out that insofar as the new fare adjustment mechanism of public transport operators is concerned, the public wish to see not only enhanced transparency, but also the materialization of a fare reduction. Regardless whether the initiative of fare adjustment rests in the hands of service operators or the Government, I believe the most important thing is to let the public see that transport fares can really be reduced as the economy and living conditions of the people change, otherwise the new mechanism will only be reduced to some ostensible and empty promises.

Within the first six months after the Secretary, Dr Sarah LIAO, has assumed office, deflation has aggravated, the employment environment has become more insecure than before and the wage level has been subject to pressures of persistent downward adjustment, but major public transport operators have never reduced the fares. I can feel that the tolerance of the general public has been pushed to the limit, and I believe a general outburst of frustration would explode someday if the public cannot see any response from the two railway corporations and public transport operators to reduce fares in the near future. I hope the Government and public transport operators will not pay no attention and turn a blind eye to this.

Thank you, Madam President.

MR ERIC LI (in Cantonese): Madam President, I wish to make a declaration of interest. I am an independent non-executive director of the Long Win Bus Company Limited. For the sake of impartiality, I shall refrain from speaking and voting on this motion which will have practical influence on the operation of the Company.

MR ALBERT CHAN (in Cantonese): Madam President, the essence of this motion today is the exemption of the three bus companies and the bus routes they operate in several areas from the Profit Control Scheme. If the motion really involves exemption only, it should merit support because ever since the 1980s, when people started to oppose the Profits Control Scheme, many Members have repeatedly made such a demand over the years. Therefore, if it is just the exemption from profit control, we should render our support.

However, there is a very significant problem behind the motion today. The franchise in respect of the bus routes under exemption were not granted through open tender, but on a renewal basis which enabled the bus companies to continue operating the routes they were then operating. The Tung Chung route is an example. I remember that five or six years ago, the bus concerned started to operate the route after a process of open tender and bidding. Then came the existing bus services, including the route between the airport and Tung Chung. But after the expiration of the five-year franchise, the Transport Department (TD) conducted an internal review and went ahead to renew the franchise of the bus company for 10 years behind closed doors.

At the last meeting of the Legislative Council Panel on Transport, I already raised my opposition to this. The reason is that since the bus company was initially given five years after a process of open bidding, there should be another open tender upon the expiration of the five-year period, so that the market can be left to determine the new prices and what new routes should be operated. Unfortunately, the TD did not adopt this approach. It simply said that it had interviewed many passengers, and that after conducting some studies, it was basically satisfied with the services provided by the bus company, and found that its services were quite good. So, it gave the bus company another 10 years. Well, we can describe this as "offering a chicken as a gift to a person who wishes to buy some soyabean sauce only". Therefore, in terms of the transport planning as a whole, I find it difficult to support this decision. I of course support the exemption from profit control, but because the bus company did not obtain the operating right of the routes through open and fair competition, and because the whole thing is a bit inglorious, unreasonable, I do not think that I can support the motion, very much despite my support for the exemption from profit control. Therefore, Madam President, when the motion is put to the vote, I shall abstain.

I hope that following the award of this franchise, justice can really be done to the residents. I say this because the development of the whole route, especially the development of northern Lantau, has been focused on the airport. The residents have simply been ignored. The design of the whole route simply favours the airport and ignores the rights of the residents, particularly those of newly completed housing estates. I have an office in Yat Tung Estate, Tung Chung. The residents there have been complaining that since their relocation to Yat Tung Estate, all their connections have been severed. They say that they dare not go out during holidays because they have to pay very high transport

fares. The family members of those who have moved into Yat Tung Estate do not want to visit them either, also because of high transport fares. There is always one interchange, to be followed by another, and every time, they have to pay exorbitant fares. If the whole family goes out, transport fares alone will amount to \$100. In contrast, the fare paid by a resident of Tai Po in the North District for a trip to Shenzhen is even lower than the fare he needs to pay for a trip to Yat Tung Estate or Tung Chung. Therefore, the problem of overall transport planning and fares has limited the development of this particular community and also affected the life of the residents there.

The Secretary has talked a lot about fare reductions, but there has been no noticeable result yet. It is hoped that the passage of the legislation can force the bus companies to reduce the fares of these routes, so that the residents concerned, especially the residents of Tung Chung, can enjoy some kind of fare concessions. Will the Secretary consider the idea of return ticket concessions for the residents there? People who seldom take these bus routes may not feel the pinch for they do so only once in a while, but the residents have to take these routes every day, so their situation is really very miserable. A family may wish to go out during holidays, but because of the fare pressure, they have to forego their social life. Can the bus company consider the offer of some sort of family fare concessions, say, fare concessions for a family of four, so that the children will not be deprived of the chance to have a look at the urban areas just because of the fares involved? Maybe, due to the fares involved, many children do not have too many chances to go to the urban areas in a year. Therefore, I very much hope that there can be some concrete improvements in the future.

Madam President, the last point, and also the most important point, concerns the Tsing Ma Control Area, an issue also mentioned in my written question today. Over the past year or two, I have been fighting on behalf of Tung Chung and even Lantau residents for BBI schemes similar to those implemented for Shing Mun Tunnel and Tai Lam Tunnel. In fact, since the issue of extending the franchise of the bus company for another 10 years was brought up for discussions, I have repeatedly asked and proposed to the authorities to consider imposing such a condition, because the extension of the franchise for 10 more years offers the best opportunity of negotiations. I hope that the bus company can offer free bus-bus interchange. For example, a person switching from a 10-dollar ride to another 10-dollar one should not be required to pay any extra fare. And, a person switching from a 10-dollar ride to a 17-dollar one may be required to pay an extra \$7. However, what the TD has

done so far is just to allow some sort of fare concession for bus-bus interchange within the town of Tung Chung. Under this arrangement, a person switching from a 3-dollar ride to a 10-dollar one is offered a fare reduction of \$1 for the latter trip. But the passenger is still required to pay an extra \$2 for the interchange. This so-called fare concession for interchange will at best reduce the extent of the "robbery". I mean, it was originally intended to rob you \$3, but now they rob a bit less — \$2. But this is still robbery, still unfair to the people.

The written reply to my question today carried some good news — there will be bus-bus interchange in the Tsing Ma Control Area. I however hope that the fare concession, instead of being a disguised form of "robbery", can be comparable to those applicable to Shing Mun Tunnel and Tai Lam Tunnel. At first glance, the bus company seems quite generous. A passenger taking a 17-dollar trip can pay a discounted fare (at a yet unknown rate) if he switches to a 10-dollar one. But I must say the passenger will still be required to pay extra.

The essence of bus-bus interchange is to reduce the number of vehicles engaged in point-to-point transportation by providing interchange services somewhere middle of the way. That way, bus companies will not have to operate so many routes. But the situation now is not quite like this. Bus companies can now operate fewer routes, but they at the same time are trying to snatch more money through interchange arrangements, to make people pay more. From this, we can see that the increasing proportion occupied by transport expenses in the expenditure of Hong Kong households is in fact attributable to the erroneous route planning of the TD.

For more than half a year already, the Secretary has been stressing that transport expenses are exerting a very heavy pressure on family finances. So, I think it is very much unlikely for the motion to be negatived today. In spite of this, I still hope that the exemption from profit control can be used as a means to step up the regulation of bus companies, to force them to do more. If they refuse to give way, we can invite new tenders. This is the best way, for the market can then be left to make the decision. If bus companies are reluctant to operate any routes, we may allow maxicabs to take over. If that is still not enough, non-franchised buses can be considered. This is also a very good idea because the fares of non-franchised buses are very low. When a bus company asks for a fare of \$20, a non-franchised bus operator may be prepared to operate the same route with a fare of just \$14 to \$15. This is not to mention the fact that

the point-to-point services of non-franchised buses are much quicker and of a higher quality. There are always enough seats, so that passengers do not have to stand all the way. Therefore, in terms of service quality, the residents will also be benefited.

I really hope that there can be more competition in this respect to bring in diversity, to give people genuine choices. This will also prevent "privileged" bus companies which got their franchises behind closed doors from blatantly exploiting the residents and robbing them of their hard-earned money.

Thank you, Madam President.

MR LAU KONG-WAH (in Cantonese): Madam President, we in the Democratic Alliance for Betterment of Hong Kong (DAB) will support this resolution. We are particularly happy with the abolition of permitted returns, for they are long outdated.

Over the past few years, the DAB has conducted opinion polls on the performance and attitudes of the three bus companies, namely, the Long Win, the Citybus, and the First Bus. We notice that the people are basically satisfied with the service quality of these bus companies, which is why we support the extension of their franchises. But, in spite of all this, there is still the very fundamental issue of fares. I am naturally more familiar with New Territories East, so I can tell Members that the fares for trips from the new towns in New Territories East to the urban areas are very expensive. Mr Albert CHAN talked about Tung Chung just now. A couple of days ago, I went there myself, and some kai-fongs told me that they had to pay more in transport than in rents for their housing units — more expenditure on transport than on renting a housing unit. The rent may be some \$700, but the transport expenses may exceed \$1,000. Let me put it this way — the transport expenses are more expensive than rents, and even more expensive than meals. This is what is happening over there.

The issue of fares has been discussed for half a year, but in the end we have failed to see any genuine fare reductions. We once proposed in the Transport Panel that a fare reduction mechanism be added to the franchise conditions. Well, the fact is that there is already a clause on this in the existing franchise conditions. If one looks at the conditions closely, one will notice that the bus companies may apply for fare increases or fare reductions. But the

point is that if a bus company does not apply for a fare reduction, it seems that nothing can be done.

However, I would think that we really need a two-way approach to the handling of franchises. As mentioned by the Secretary when she talked about the co-location of clearance, there should be a two-way and reciprocal relationship between the two places. In respect of the signing of franchise agreements, I also think that a two-way and reciprocal approach should be adopted. The Government should assume the initiative to suggest when a fare reduction is warranted. We are of course waiting for such a mechanism. I therefore hope that the Secretary can tell us later on whether there is any mechanism under this franchise condition whereby the Government can initiate a fare reduction. I hope that I can get an answer to this question.

This is actually the third time that I mention the first clause of the franchise agreements, which states the Chief Executive in Council may determine the fares in the Approved Fare Scales. "May determine" actually means that the Government can take the initiative. And, when was these so-called latest Approved Fare Scales drawn up? In the year 1997. 1997 was the time when prices were the highest, and the Approved Fare Scales were drawn up at that time. We can thus see that the fares in the Approved Fare Scales, including those of cross-harbour routes, air-conditioned routes and circular routes, are all set at reasonable levels. And, they have never been adjusted over the past five years. The Approved Fare Scales were drawn up five years ago when prices were the highest, and so it is hardly acceptable if we just leave them entirely intact today after five years. This is already the third time that I raise this point in this Chamber. Therefore, I hope that the Secretary can answer this question before the voting later on: Will the Government seriously discuss and review the Approved Fare Scales together with these bus companies? Since the power is in the hands of the Government, it is totally capable of revising the Approved Fare Scales and bringing the various fares down to reasonable levels. I very much hope that the Secretary can answer these two questions later on.

Finally, I wish to point out that whenever we raise the problem of exorbitant fares, the bus companies will resort to the excuse that they are private-sector organizations. But if we examine the situation more closely, we will see that they are using lots of public resources such as depots, fuel duty and even the proceeds from bus stop advertisements. These are all examples of their using public resources. They are using public resources, so if they refuse

to be accountable to the public and concentrate only on the pursuit of profits, they are in fact violating the spirit of their franchise agreements executed with the Government, and they are also acting against public interest. Therefore, I hope that the Secretary can negotiate on behalf of the Legislative Council and the people with these bus companies on the basis of such a spirit. Madam President, anyhow, the motion on this clause will definitely be carried today, but I hope that there will be fare reductions this year.

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, as this resolution is related to the two resolutions to be proposed by the Secretary later on, so I would like to make use of this occasion to express my views on these resolutions as a whole.

First of all, I would like to make some comments on the resolution to extend the franchises of the Long Win Bus Company Limited (Long Win), the New World First Bus Services Limited (First Bus), and the Citybus Limited (Citybus) (Airport and North Lantau Bus Network).

The extension of the franchises of bus companies serves to make the bus companies concerned know that they can have a longer period of time to operate under stable conditions. This has a number of advantages. First, the bus company concerned can undertake long-term studies into its future business plans, instead of merely making short-sighted plans. It does not have to worry about its franchise which may expire in two to three years' time, or else it may not be serious about making business planning. If its franchise is extended, it can formulate more plans and I think that is a good thing. Second, I expect this would be to the employees' advantage as well. For if the bus companies do not have to resort to layoffs and pay cuts, the employees would have enhanced job security. This is also good news to the employees for the company can stay in operation for a longer time. So these are the advantages.

Second, I would like to discuss the issue of bus fares which a number of Honourable colleagues have mentioned earlier. I agree very much with these Honourable colleagues who made the point that the development of new towns, such as Tung Chung in particular, is different from that of the satellite towns in the past. The kind of planning found in the satellite towns was a part of it was used to build homes while another part was designated as industrial areas. The purpose of that was to enable satellite towns to become self-contained

communities. However, the situation now is different. The new towns are located in more remote areas and the residents have to go to other districts for work and so transport links become very important. This is especially true as the development of new towns is not that satisfactory and the residents there have to find jobs far away. Thus, transport expenses take up a major portion of household expenses. In fact, not only working adults have to travel to work, students will also need to travel. So the transport expenses add up to will form a large part of household expenses. Bus transport fares are a burden to some families and I really hope that the Secretary will do more in this and reduce the transport fares so that the people's burden can be relieved.

Third, I would like to talk about a motion moved by me last year. The motion was carried at that time. It is about extending fare concessions to the disabled, such as giving a half-price concession, and so on. The fare concessions would have the effect of helping the disabled to integrate into the community. An Honourable colleague mentioned fare concessions to the public earlier, I would like to stress that such concessions should be extended to the disabled as well. In fact, the motion moved by me was unanimously supported by Members. It is sad to see that, after the passage of the motion to date, when I asked what had been the response of the transport operators, the Secretary replied that these operators think that the *status quo* should be maintained. That is to say, these operators have not made any response at all. That is really very disappointing.

We have all along been promoting the partnership between the able-bodied and the disabled, as well as the integration of the disabled into the community. The greatest problem that remains is how they can really integrate into the community. I said during the motion debate last year that when the disabled wished to go out, they might need the help of other people and so the fares paid would be for two persons. That is an additional amount of money spent. If the disabled can be given a half-fare concession, that would still mean more profits to the bus company. For that would mean they can collect the fare of at least one person who accompanies the disabled. Usually, the disabled persons would not go out during the rush hours and they would normally choose to go out during the off-peak hours. As the costs of all means of transport have been fixed already, there would not be any need to pay extra costs no matter what the passengers are. That is why when the disabled take a bus ride during the off-peak hours, it would be more to the advantage of the bus company than not. Why are the transport operators unwilling to offer fare concessions to the

disabled? Are they discriminating against the disabled? If they are, then I would think that the Equal Opportunities Commission and the departments concerned should do some work on that.

Why is no help given to the disabled? A lot of facilities are in place and the MTR Corporation Limited and the bus companies have installed low platforms for the disabled and many other relevant facilities. But if these facilities are not used, Secretary, I am very worried that they will become rusty with disuse and mechanical failures are likely to happen. As these facilities are not intended for display or decoration only, what is the use of them if they are left idle? So when we talk about franchises today, I really wish to do something. I do not know if some additional conditions can be put into the franchise agreements to stipulate that the bus company concerned should do something for the disabled to help them integrate into society, instead of just installing some facilities for display or which have no practical use at all.

Madam President, I so submit.

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

MR ANDREW CHENG (in Cantonese): Madam President, on behalf of the Democratic Party, I speak in support of the proposed resolutions with regard to the Long Win Bus Company Limited (Long Win), the New World First Bus Services Limited (First Bus) and Citybus Limited (Citybus). In the meetings of the panel, we have discussed in detail and even criticized the Government and many Honourable Members have put forward a lot of views a while ago, but I still hope that the Government will understand that despite the fact that the Long Win has a relatively small service area, but the First Bus and the Citybus have been expanding their services. Furthermore, the arrangement of bus routes in the past did contain some loopholes and grey areas in law for the bus companies, hence, they may manipulate the fares so that those people living in remote areas have to pay expensive bus fares.

The Government has discussed the proposed resolutions and franchise issues with the bus companies to understand the situation and even plan to put some decisions into force, I hope to have it put on record that I hope the authorities, especially the new Bureau Director, will use some new thinking to

look into whether or not Hong Kong should still divide bus routes into those for the tunnel, rural areas and urban areas. I believe the Government should consider amending the relevant policy so that bus companies cannot make use of the regulations and ordinance to design some routes with a very expensive fare in terms of average kilometre per trip. This view has been made by many passengers from the districts affected and by Honourable Members of this Council. I hope that the Environment, Transport and Works Bureau will raise this point on the occasion of granting franchises or amending the relevant legislation and regulations. The Government has the right and the prerogative to do so, but it seems that it is reluctant to do so. It would not be sufficient if the Secretary just asks bus companies to reduce their fares. If the bus companies refuse to comply, I hope the Secretary can employ some new thinking to find ways to solve the problem. When bus companies want to reduce their fares, they have to apply to the TD and gain the approval of the Chief Executive in Council, so the Bureau must use this trump in its hands to deal with the problem. That I would think is most appropriate.

Madam President, in any case these three resolutions cannot serve to resolve the problems immediately. However, as a representative of the Democratic Party, I hope that the Environment, Transport and Works Bureau will adopt some matching measures in future to cope with the difficulties that I have mentioned, in particular the issue of the extension of the franchise of the Kowloon Motor Bus (1933) Company Limited which I think is the most difficult one to deal with. Thank you, Madam President.

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

(No Member responded)

PRESIDENT (in Cantonese): If not, I now call upon the Secretary for the Environment, Transport and Works to reply.

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, I have just listened attentively to many suggestions made by Members on the motion. On the issue of fare determination mechanism, I believe we have discussed it in many different

meetings, and I also understand that we have to do more on the operating agreements of the franchises. Therefore, we are trying to figure out in great details which aspects we should do more. On the question of bus-bus interchange concessions — Mr Albert CHAN is not in the Chamber at the moment — we shall introduce 45 additional bus-bus interchange concessions within this year. On what we can do when negotiations on the renewal of a franchise are under way, such as issues related to disabled persons, as long as they are allowed by law, we will surely consider them. Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for the Environment, Transport and Works be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(When the President was inspecting if any Member had raised his hands, Mr Albert CHAN rose.)

PRESIDENT (in Cantonese): Mr Albert CHAN, what is your request?

MR ALBERT CHAN (in Cantonese): Madam President, may I claim a division?

PRESIDENT (in Cantonese): Mr Albert CHAN, you can certainly claim a division.

MR ALBERT CHAN (in Cantonese): Madam President, you appeared to be surprised when I rose just now. I thought it meant that I claimed a division if I rose.

PRESIDENT (in Cantonese): Mr Albert CHAN, just now we were still proceeding with one of the voting procedures, and had not yet come to the stage of claiming division. But it does not matter now.

Mr Albert CHAN has claimed a division. The division bell will ring for three minutes.

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

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

Mr Kenneth TING, Mr James TIEN, Dr David CHU, Ms Cyd HO, Mr Albert HO, Dr Raymond HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr NG Leung-sing, Mrs Selina CHOW, Mr James TO, Mr CHEUNG Man-kwong, Mr HUI Cheung-ching, Miss CHAN Yuen-han, Mrs Sophie LEUNG, Mr LEUNG Yiu-chung, Mr SIN Chung-kai, Dr Philip WONG, Mr Howard YOUNG, Dr YEUNG Sum, Mr YEUNG Yiu-chung, Mr LAU Chin-shek, Mr LAU Kong-wah, Ms Miriam LAU, Mr Ambrose LAU, Ms Emily LAU, Miss CHOY So-yuk, Mr Andrew CHENG, Dr LAW Chi-kwong, Mr TAM Yiu-chung, Dr TANG Siu-tong, Mr Abraham SHEK, Mr Henry WU, Mr Tommy CHEUNG, Mr Michael MAK, Dr LO Wing-lok, Mr WONG Sing-chi, Mr IP Kwok-him and Mr LAU Ping-cheung voted for the motion.

Mr Eric LI and Mr Albert CHAN abstained.

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

THE PRESIDENT announced that there 43 Members present, 40 were in favour of the motion and two abstained. Since the question was agreed by a majority of the Members present, she therefore declared that the motion was carried.

PRESIDENT (in Cantonese): Second motion.

PROPOSED RESOLUTION UNDER THE PUBLIC BUS SERVICES ORDINANCE

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, I move that the second motion under my name, as printed on the Agenda, be passed. The motion seeks to disapply the Profit Control Scheme to the new franchise granted to the New World First Bus Services Limited. Thank you, Madam President.

The Secretary for the Environment, Transport and Works moved the following motion:

"That the franchise granted on 22 October 2002 conferring the right on New World First Bus Services Limited to operate a public bus service on the routes specified in the Schedule of Routes (New World First Bus Services Limited) Order 2001 (L.N. 74 of 2001) and in any subsequent order made by the Chief Executive in Council shall not, for the entire period of the franchise, be subject to sections 27, 28, 29 and 31 in Part V of the Public Bus Services Ordinance."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for the Environment, Transport and Works be passed.

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Third motion.

PROPOSED RESOLUTION UNDER THE PUBLIC BUS SERVICES ORDINANCE

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, I move that the third motion under my name, as printed on the Agenda, be passed. The motion seeks to disapply the Profit Control Scheme to the new franchise granted to the Citybus Limited for the purpose of operating the Lantau and airport bus networks. Thank you, Madam President.

The Secretary for the Environment, Transport and Works moved the following motion:

"That the franchise granted on 22 October 2002 conferring the right on Citybus Limited to operate a public bus service on the routes specified in

the Schedule of Routes (North Lantau and Chek Lap Kok Airport) (Citybus Limited) Order 2001 (L.N. 75 of 2001) and in any subsequent order made by the Chief Executive in Council shall not, for the entire period of the franchise, be subject to sections 27, 28, 29 and 31 in Part V of the Public Bus Services Ordinance."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for the Environment, Transport and Works be passed.

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

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Proposed resolution under the Interpretation and General Clauses Ordinance in relation to extension of the period for amending subsidiary legislation.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MRS SELINA CHOW (in Cantonese): Madam President, I move that the motion under my name, as printed on the Agenda, be passed.

In the House Committee meeting on 10 January 2003, Members agreed that a motion be moved by me in my capacity as Chairman of the House Committee to extend the period for scrutiny of the four items of subsidiary legislation tabled before the Legislative Council on 8 January 2003 to 26 February 2003 to give Members more time to scrutinize them.

These four items of subsidiary legislation include two made under the Legal Practitioners Ordinance and two under the Electoral Affairs Commission Ordinance.

Madam President, I hereby urge Honourable Members to support this motion.

Mrs Selina CHOW moved the following motion:

"That in relation to the -

- (a) Admission and Registration (Amendment) (No. 2) Rules 2002, published in the Gazette as Legal Notice No. 247 of 2002;
- (b) Legal Practitioners (Risk Management Education) Rules, published in the Gazette as Legal Notice No. 248 of 2002;
- (c) Electoral Affairs Commission (Registration of Electors) (Legislative Council Geographical Constituencies) (District Council Constituencies) (Amendment) Regulation 2002, published in the Gazette as Legal Notice No. 254 of 2002; and
- (d) Electoral Affairs Commission (Registration) (Electors for Legislative Council Functional Constituencies) (Voters for Election Committee Subsectors) (Members of Election Committee) (Amendment) Regulation 2002, published in the Gazette as Legal Notice No. 255 of 2002,

and laid on the table of the Legislative Council on 8 January 2003, the period for amending subsidiary legislation referred to in section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) be extended under section 34(4) of that Ordinance to the meeting of 26 February 2003."

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

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

(No Member responded)

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.

PRESIDENT (in Cantonese): Two motions with no legislative effect. I have accepted the recommendations of the House Committee: the movers of motions will each have up to 15 minutes for their speeches including their replies; other

Members will each have up to seven minutes for their speeches. I am obliged to direct any Member speaking in excess of the specified time to discontinue.

First motion: Assisting low-income earners and the poor elderly.

ASSISTING LOW-INCOME EARNERS AND THE POOR ELDERLY

MISS CHAN YUEN-HAN (in Cantonese): Madam President, I move that motion, as printed on the Agenda, be passed.

The people of Hong Kong are very hardworking and in the past, if only they had the drive to work hard and take up jobs that were available, they would be able to get one and earn money to feed the family. Jobs used to be there looking for workers, but now people are hunting for jobs. It is difficult to find a job these days, and it is even more difficult to find one that can provide sufficient income to feed the family.

Nowadays, the whole social environment has changed. As the Chief Executive says, Hong Kong experienced a "successful transformation into a service-oriented economy". This so-called successful transformation cost many grass-roots workers their jobs. The unemployment rate stays high and despite a fall from the peak of 7.8% to 7.1%, the latest figure has risen to 7.2% again. The Government states that the jobless population stays at more than a quarter million.

Madam President, in the past when the manufacturing industries were in their heyday, there were jobs available for people, irrespective of whether they had high or low academic qualifications. The economy was vibrant as it had a manufacturing base. Jobs were abundant and these included both high and low positions. However, ever since the economy transformed from one based on manufacturing industries to a service-oriented economy, work types become narrow in diversity and the number available is very limited. It is really very difficult for grass-roots workers to find a job, and even if they can find one, the wage is often very low.

During the period from 1999 to 2001, about 80 000 to 90 000 people had a monthly income of less than \$3,000, and they accounted for less than 3% of the

working population. But in the past couple of years, the figure rose sharply and in 2000 when the Government outsourced more services, the number rose to 118 000. In the third quarter of 2002, the number rose to 132 000, or 4% of the working population.

As the Government outsources more services, it does not regulate the wages paid to workers. The result is workers are suffering from the hardship of having long working hours, a heavy workload and low wages. The most serious problem is that wages are not paid according to the amount of work done and working hours of 10 to 12 hours a day become common. Wages become grossly out of proportion to the amount of work and the older the age of the workers, the more likely they are discarded by the market.

The result is that over the past few years, there is a group of low-income workers in the grassroots. Some academics have pointed out that, according to an international definition of poverty line, there are about 1.28 million people whose monthly income is less than \$2,500 and they are living below the poverty line. In other words, 20% of the people in Hong Kong are living in poverty. These low-income people do not want to give up their jobs and receive Comprehensive Social Security Assistance (CSSA). As the costs of living are high, they are unable to meet their living expenses with their meagre income and so they are leading a very difficult life.

Let me cite two examples of living expenses. Take the example of transport expenses. Many grassroots have been allocated public housing in such remote new towns as Tuen Mun and Tung Chung. If they have to go to the commercial and industrial districts to work, they have to take long trips. But the Government has failed to regulate the fares of public transport which are very expensive. Despite persistent deflation over the past four years, fares have not been adjusted downwards.

For example, if some workers live in Tuen Mun and work in Kwun Tong, the transport expenses are almost \$30. If they live in Tung Chung, a return trip would cost \$36. So workers would spend \$800 to \$1,000 monthly just on transport. When the wages are only about \$4,000 to \$5,000, how can they afford such exorbitant transport fares? There are not many jobs available in the new towns, so what can they do? Many a time, they are forced to apply for CSSA.

The second example is housing. The rental for public housing estates is expensive and that for private residential buildings is even more expensive. This is a heavy burden for low-income earners. A partitioned room in private residential buildings without kitchen and toilet would cost more than \$3,000. Though the rental of public housing estates is cheaper than that of private residential buildings, the rental takes up 15% to 18.5% of the household income. For those newly completed public housing estates, the rental is as high as \$2,000 to \$3,000. With such expensive rental and transport expenses, how can a four-member household manage to make ends meet without an income of more than \$10,000?

With the present economic downturn, the high jobless rate, low wages, and expensive rental and transport expenses, the chances of grassroots going to other districts for work are thus severely restricted. The Government should continue using the concept of "social wages" to help the low-income earners and the poor elderly.

Madam President, after the policy address 2000 was delivered, the incumbent Secretary for Health and Welfare then was also Dr YEOH Eng-kiong. He said in the Legislative Council in reply to the policy debate that the "CSSA scheme is our basic safety net In addition, our extensive housing, health care, rehabilitation, social welfare and education programmes also provide "social wages" to the economically disadvantaged members of society." These were the remarks made by Dr YEOH on 1 November 2000. This shows that the concept used by the Government in the past to help the low-income earners and the poor elderly was "social wages". Let me try to analyse the problem.

Of the income made by wage earners, apart from the "market wages" given by their employers, that is, when the amount of \$2,000 to \$3,000 is taken away from their wages, there is also some "social wages" according to the concept held by the Government. I think what Dr YEOH was referring to were various kinds of subsidy and assistance in housing, health care, social welfare and education. This is nothing new at all. Ever since the 1950s, the Government has been providing low-cost housing, inexpensive medical services and nine-year compulsory education to the low-income people to help them get by.

If the "market wages" of a society are getting increasingly low, the income of the workers becomes insufficient to feed their families, the Government must

maintain or enhance the "second safety net", a concept which is getting increased attention recently, or to assist them by means of "social wages". That is to say, assistance should be given in transport, housing, health care, social welfare, and so on, to help the people maintain their basic living standards.

What the SAR Government is doing precisely runs against this trend, for despite the market wages are getting so low that it is hard for the people to get by, the Government is cutting the "social wages". Rentals for new public housing estate units are becoming more expensive and public health services are charging more and more. Services at accident and emergency departments are no longer free of charge. In April, the fees and charges for public health services will be increased greatly, and even patients waiting for admission into hospitals will be charged. Despite the fact that a nine-year compulsory education is maintained, I would expect tuition fees for university, post-secondary and associate degree courses will all be raised. That would directly affect the chances of the children of grassroots in receiving education. In addition, many parents have complained to me that schools now require students to learn at least one sport and one art in addition to the regular curriculum. The idea is good, but to the low-income earners, that would mean a heavy burden. What can they do?

As "market wages" and "social wages" are both decreasing, even if grass-roots workers have a job, it would be difficult for them to maintain a basic standard of living with their meagre income. For those poor elderly with some savings, they cannot apply for CSSA, nor can they find a job. Their savings in the banks are fast draining away because of the close-to-zero interest return. They are helpless as the Government increases the fees and charges for public health services. Their life is already hard up because there is no retirement protection and when fees and charges are collected and raised for medical and health services which they need most, how can a just and caring society be built in Hong Kong?

When the Government formulates social policies, consideration must indeed be given to factors which it used to mention repeatedly, such as "social wages" and the "second safety net". For example, when fees and charges for medical and health services are raised, should the concept of the "second safety net" be considered? When transport fares are so high, apart from paying due respect to commercial operation, should the Government not require the transport operators to reduce their fares? Another example is the rental subsidy provided by the Housing Authority. Though the eligibility criteria are

somewhat relaxed for the elderly, the low-income earners are still unable to benefit from it. Can the Housing Authority not consider expanding the rental subsidy to cover low-income earners? On the education front, can tuition fees not be increased and some subsidy be given to enable students to take up a sport and an artistic pursuit? This would enable the children of low-income earners to develop their potentials in sport and the arts besides receiving formal schooling.

Madam President, I hope very much that the Government will understand that despite the deficit problem, such vital services as medical and health, transport, housing and education are all very important to the low-income earners. A reduction of these services would be tantamount to forcing them to get CSSA, and it is very likely that a reduction in these services would lead to an increase in public expenditure. Would this be fair to the low-income earners who are prepared to work for a living?

Madam President, the problem of the disparity between the rich and the poor in Hong Kong is acute. The Gini coefficient for Hong Kong is 0.525, and that is even worse than that in Latin America at 0.49 and the Middle East at 0.37. The disparity between the rich and the poor in our society is widening as well. I hope that the Government, the public and Honourable Members in this Chamber from all parties as well as the non-affiliated Members can all show concern for the plight of the low-income earners who are not on CSSA and that of the poor elderly. I urge the Government not to reduce our existing "social wages" in housing, education, health care, social welfare, and so on. We should identify ways together to help them, and improve their life and that of their family members, so that they can lead a decent life in dignity.

Madam President, I so submit. I hope all Honourable Members will lend their support to the motion proposed by me today. Thank you.

Miss CHAN Yuen-han moved the following motion: (Translation)

"That, as the current economic and employment situations remain acute, and low-income earners and the poor elderly who are not receiving the Comprehensive Social Security Assistance are very hard up, this Council urges the Government to provide them with different forms of assistance or allowances in transport, medical, housing and education services, etc., so as to improve the livelihood of these people and their families and relieve the pressure on them."

PRESIDENT (in Cantonese): I now propose the following question to you and that is: That the motion moved by Miss CHAN Yuen-han be passed.

MR LAU CHIN-SHEK (in Cantonese): Madam President, the latest unemployment rate released is 7.2% and the underemployment rate is 3.1%. The rise in figures for unemployment and underemployment show that the job market is getting worse again. The unemployment rate for last year stayed at over 7%, that means for a whole year 200 000 to 300 000 wage earners were out of work. When this was added to the number of underemployed people, the number hit an all-time high of close to 400 000.

Madam President, the plight of the grassroots today is more acute than ever. Apart from the high jobless rate, even those wage earners in employment are facing problems of shrinking wages and increasingly longer working hours. To put it simply, one can hard get enough to get by no matter how hard one may work. Workers out of work earn no income and they have to pass each and every day in fear and anxiety. For those with a job, they are finding it difficult to be adequately rewarded for the amount of labour worked as wages are shrinking. Many workers are finding it hard to provide themselves with the bare necessities of life. It can therefore be said that unemployment and low-income are the two major problems plaguing the lower and middle classes currently.

The Hong Kong Confederation of Trade Unions (CTU) has earlier made some projections according to the statistics released by the Census and Statistics Department and found that one in every five persons in Hong Kong is living below the poverty line. That is to say, the number of poor people in society is close to 1.3 million. If the data from the population census conducted in 2001 are compared to those obtained from the bi-census in 1996, it can be found that close to 400 000 households in Hong Kong were living below the poverty line in 2001, representing a 25% increase over the number in 1996.

From the data processed by the CTU, it is found that in the year 2001, the number of households classified as the employed poor is as high as 226 000-odd. Even if one or more members of these households are in employment, these families are still in extreme financial hardship. Any community or government which is just and caring for the socially disadvantaged has the responsibility to

help these low-income people and their families. Apart from assistance and allowances in transport, medical, housing and education services mentioned by Miss CHAN Yuen-han in her motion, I think it is necessary for the Government to also give serious thoughts to providing a living allowance to the low-income families in employment as suggested by the CTU.

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

The provision of a living allowance to low-income families will ensure that wage earners will work "valued labour" and also a basic standard of living for those in employment. Similar plans are in force in such capitalist countries as the United States and United Kingdom. Given the level of economic development in Hong Kong, this should merit consideration.

The idea of giving a living allowance to low-income families in employment as suggested by CTU is to ask the Government to provide some form of assistance to families whose income is lower than a reasonable level. A one-member household which has a monthly income of less than \$2,600 should be given such assistance; the same applies to a four-member household with a monthly income of less than \$10,400. The purpose of this allowance is to adjust the income of these families to a more reasonable level, to such an extent that as long as their members are in employment, they can sustain their living. Two months ago, I submitted a proposal on the budget to the Financial Secretary together with Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung and Mr Michael MAK. Details were listed out on the above proposal. We estimate that if the Government accepts our proposal, the additional expenditure to be incurred in a year would not be more than \$10 billion, but this would cover 30% of the households with the lowest income and as a result, more than 1 million people from the lowest income bracket would benefit.

Madam Deputy, I believe that a system of assisting low-income families in employment would not only serve to improve their livelihood, but also narrow the widening gap between the rich and the poor which is conducive to social cohesion. And as the most of the spending of these low-income families would be made in Hong Kong, the allowance given by the Government would almost all be spent in the local market, thus creating a positive impact on the weak consumption market. I hope Dr YEOH, the Secretary for Health, Welfare and

Food, would reflect our idea to the Financial Secretary so that he will give some good news to the grassroots in the Budget which is to be delivered this March.

Madam Deputy, I so submit.

MR ANDREW CHENG (in Cantonese): Madam Deputy, with the persistent deflation, it looks as if the spendings made Hong Kong people on clothing, food, housing and transport are reduced. However, according to the latest data on prices published by the *Economist*, in terms of the cost of living, Hong Kong ranks the fourth most expensive among 134 cities in the world. It is one position lower than last year and we now rank after Tokyo, Osaka and Oslo. Madam Deputy, we are aware that the wages of the 3 million-odd wage earners in Hong Kong have dropped. People need to tighten their belts and save as much as possible. Their consumption desire is suppressed. According to information from the Census and Statistics Department, the average household size during the four-year period from 1999 to the third quarter of 2002 stayed at around 3.2 to 3.3 persons and there has been no significant change. However, the median household income during the same period saw a greater movement. The median household income in the third quarter of 2002 fell from \$18,000 in the same period from the year before to \$16,100, representing a fall of 10.6%.

The Democratic Party supports the motion moved by Miss CHAN Yuen-han today and I would focus my speech on expenses in transport and education. In the area of transport, it seems that the local domestic helpers (LDHs) programme which the Employees Retraining Board has put so much efforts in promotion has not been very effective. The reason is that there is a mismatch in the places of residence of the LDHs and their employers. The LDHs have to pay expensive transport fares and these, as included in the costs, would affect the income of the LDHs and hence their desire to travel to other districts for work. It remains of course, that the Kowloon Motor Bus Company (1933) Limited and the Environmental Light Bus Alliance are willing to provide fare concessions to eligible LDHs and this serves to raise their desire to seek employment in districts other than the ones they live, but the Government should continue discussing with more transport operators on the provision of fare concessions. The people to benefit from such fare concessions should not be confined to LDHs and consideration should be given to extending the concessions to other low-income earners as well.

As for education, I recall a few days before the policy address was delivered, Prof Arthur LI, Secretary for Education and Manpower, disclosed to the media that in view of the thorny deficit problem, the Government was reviewing the funding and tuition fees of senior secondary and matriculation classes, as well as university programmes. The implication intimated by the Secretary is very worrying to all the parents in Hong Kong, for they fear that government subsidy for these classes and programmes will be reduced and tuition fees will be raised in the future. This is also a breach of the public undertaking made by the SAR Government to make substantial investment in education.

Madam Deputy, as Hong Kong is in the midst of economic restructuring, I think that not only should there be no increase in tuition fees, but that further subsidies should be given in education to enable students to receive a normal schooling of 11 years, that is, nine years of compulsory education plus two years of subsidized education. The Government should therefore increase the subsidized places for Secondary Four and Secondary Five. In Hong Kong, irrespective of the amount of household income, families would like their children to receive a complete secondary education, or even university education. For those low-income people who are not on CSSA, they may try hard to scrimp and save, but they will not cut the education expenses for their children. In order to relieve the hardship of these low-income earners, the Government should take proactive steps to respond to our suggestion and freeze the tuition fees and provide 11 years of subsidized education.

Finally, I think Honourable Members will recall that when the Mandatory Provident Fund Schemes Ordinance was drafted, I requested, on behalf of the Democratic Party, the Government to revise the minimum income level for employee contribution from the unreasonable level of \$4,000 to \$6,000. But the proposal was turned down. Last year, when the Ordinance was amended, as the economic conditions had not improved, we made the same request again to revise the minimum income level from \$5,000 to \$6,000, but it was also turned down. Members may be aware that the number of people with an income of \$3,000 to \$5,000 in the third quarter of 2002 has increased by 19.4% over the same period in 2001. That is a great surge in number. In other words, the number of low-income earners has increased by almost 20%. We hope that the Government will keep a close watch on the increase in the number of low-income earners, for a few hundred dollars of MPF contribution would mean a certain degree of financial pressure on these people. I therefore hope that the Government can reconsider raising the minimum income requirement for MPF

contribution so as to relieve the low-income earners of their burden in making MPF contributions.

With these remarks, Madam Deputy, I support the motion.

MR TAM YIU-CHUNG (in Cantonese): Madam Deputy, it is an indisputable fact that the people of Hong Kong now enjoy a longer life expectancy, and the number of elderly people is increasing. However, given the long-standing absence of a retirement protection system, the elderly people mainly rely on their own savings from the past or the old age allowance as a source of support for their living in the twilight years. Now, 59% of the elderly people are receiving old age allowance (OAA). Among these elderly people, many of them do not have substantial savings, and at the same time they do not wish to live on Comprehensive Social Security Allowance (CSSA). Therefore, they have to live on the OAA which is \$705 per month. They have to lead an extremely frugal life, trying to save money as far as possible. On one of my visits to the elderly people living in public housing estates, I found that an old lady was cooking with a kerosene stove. I then asked her why she did not use central liquefied petroleum gas supply. She replied that as kerosene was cheaper, she could reduce her expenses.

How can we help the poor elderly who are not supported by any family members? First, how can more financial assistance be provided to them in a more direct manner? The problems of the present OAA and CSSA system are: the amount of payment from the former is not sufficient to maintain their living, whereas the requirements for applying for the latter by the elderly are too stringent. Therefore, in order to assist the poor elderly, we should seriously consider what we could do between the OAA and CSSA, what the standards are and what the solutions are. The Government undertook to review the OAA system two years ago. However, due to the fiscal deficit problem, new measures are still not forthcoming. I think, apart from considering the mode of providing financial assistance, the Government may also consider issuing vouchers to the poor elderly to help them meet all kinds of essential expenses. In this way, we can help the elderly who are genuinely in need, and at the same time ensure that the financial resources are effectively utilized.

Besides, the absence rule of the OAA should be removed as soon as possible. With the improvement of various community facilities in the

Mainland, it has become a trend for Hong Kong people to return to and live in the Mainland upon retirement. However, the 180-day absence rule has deterred many elderly people from leading their retirement life in the Mainland. The Government should lift such old restrictions and strengthen its co-operation with mainland authorities in such aspects as social services and support, so as to enable the elderly people to choose freely the most suitable place for them to live.

Apart from the above-mentioned direct cash assistance, I think if we want to help the poor elderly, the Government may also provide assistance in the form of rent assistance and medical fee subsidy. With the redevelopment of more and more public housing estates, many elderly people living in older estates are often relocated to some newly completed public housing units. Though the living environment has improved considerably, the rents also go up by a few times. For those elderly people who have not applied for CSSA, the rent increase by several times is really a painful choice: "to move" means bearing a heavy burden, while "not to move" means losing the whole group of old kaifong. Therefore, it is really a painful choice for them. In this connection, the Government should address the situation seriously, and relax the restrictions on the elderly applying for rent assistance. This is especially necessary for those elderly who are affected by redevelopment, and a rent remission scheme must be established, so as to really improve their living environment. On the question of medical expenses, as the living conditions of the elderly were relatively bad in their early years, so they are now suffering from various kinds of diseases and have to consult doctors for treatment and medication from time to time. So medical expenses are also a heavy burden for them. While we fully understand that the Government has to use its limited resources on the most needy people, can we adopt a set of loose rules to waive the fees, so as to avoid bringing an extra financial burden to the elderly? This is a subject that deserves our serious consideration.

As for the amount of CSSA payment for the elderly, as there is no retirement protection under the present system, the CSSA of the elderly has in effect become their retirement pension. Therefore, we must ensure that the amount of CSSA payment will meet the most basic living expenses of the elderly people.

In order to relieve them of their living pressure, the Government should also improve its administrative framework, so that community support

organizations could give full play to their functions. At the moment, the organization framework of government departments is complex. For executive departments that are directly related to community services, such as the Social Welfare Department, the Education Department or the Home Affairs Department, their areas of responsibility are different, and sometimes the communication among such departments may not be effective. Therefore, large amounts of time could be wasted on referring cases to one another by such social service organizations. Moreover, the frequent postings of officials in charge of the various areas of responsibility make it impossible to establish a stable mechanism of liaison between the departments concerned and the service organizations, thereby slowing down the processing of cases. And it is even more difficult for voluntary agencies set up by residents than social service organizations to launch their work in the community. Therefore, unifying the areas of responsibility of the various executive departments and establishing a stable mechanism of liaison are prerequisites for improving community support.

Lastly, I would like to propose that the Government should explore the possibility of providing transport subsidy for low-income earners to relieve their pressure. Several Members, including Mr LAU Kong-wah of the DAB, have also mentioned this point a moment ago. Personally, as I work in the New Territories West, I fully understand that the transport fare burden of New Territories residents is really very heavy. Sometimes they do not know how to make their choice: To work or not to work? If they do not work, they will have no income, and neither do they wish to rely on CSSA to support their living. However, if they opt to work, each person will have to spend at least \$1,000 monthly on transport. Yet the salary of the job is just \$4,000 to \$5,000 a month. So, should they take up the job? This is really a difficult choice. Last year, the Employees Retraining Board (ERB) reached an agreement with the Kowloon Motor Bus Company (1933) Limited (KMB) which would provide 150 000 travelling concession coupons to domestic helpers holding the ERB competence cards, so that they could travel on 305 KMB routes at concessionary half fares on presentation of a concession coupon. Besides, light bus operators belonging to the Environmental Light Bus Alliance also offer a 20% fare concession to domestic helpers holding the ERB competence cards. I hope the Government could make reference to such experience and encourage public transport operators to offer concessionary fares to the underprivileged. The Government should also actively work with the various transport operators to set up transport

assistance scheme for low-income earners, so as to reduce their financial burden and assist them to work on a cross-district basis and relieve the financial pressure on them.

With these remarks, I support the motion.

MR TOMMY CHEUNG (in Cantonese): Madam Deputy, the present economic situation in Hong Kong is really very unfavourable. People from all walks of life are troubled by extended deflation and declining incomes. The Liberal Party fully understands and respects the low-income earners who insist on making their own living and refusing to apply for CSSA. Yet, no matter how hard they work, even working from the morning till late evening, they can only make a mediocre income. Their dignified self-reliance arouses our greatest sympathy for their predicament.

However, in spite of our sympathy, this group of people may be leading a harder life than the CSSA recipients. But, if they are determined not to apply for CSSA or other relevant assistance, what action can we take? If they do not understand the fact that the CSSA system can help them, the Government may step up the publicity efforts to educate them.

However, before we further discuss the assistance provided to the low-income earners, I would like to invite Members to take a look at the kind of protection provided by our CSSA system. Presently, the total number of CSSA recipients, if calculated at the present rate of increase, will reach about 500 000 by the end of this year. But our present workforce is just 3.5 million. In other words, every seven working persons will have to provide for one CSSA recipient. The burden is by no means light. If the figure is calculated against the taxpayer population, the ratio would even be lower.

The categories of CSSA recipients are also very diversified. Basically, for widows, widowers, orphans, the handicapped, or even the young or the elderly, the strong or the weak, as long as they are low-income earners or unemployed, they may receive CSSA. As our CSSA net does not have any quota, therefore, as long as they are in genuine need of assistance from society, they would never be rejected. Thus, in view of the growing number of CSSA

recipients in recent years, the Government intends to apply to the Legislative Council for an additional funding of \$250 million. As a result, the expenditure on CSSA will increase to nearly \$17 billion. This expenditure, together with the expenditure arising from other social welfare items, will account for about 15% of the total recurrent expenditure of the Government.

As for low-income earners, the Social Welfare Department has in fact established a "disregarded earnings" system. Under the system, when calculating the amount of CSSA payment, the maximum amount of disregarded earnings in a month for eligible persons amounts to \$1,850, whereas that of single parents is \$2,500. As for those who have just found a job after a period of unemployment, their earnings in the first month will be disregarded, so their standard of living will be better than those non-working CSSA recipients. The number of applicants for CSSA has doubled since 1998 and has now exceeded 12 400. In recent years, the Government has relaxed the disregarded amounts, so as to encourage the CSSA recipients to reintegrate into society. The total amount of disregarded earnings has grown from \$169 million in 1998-99 to \$289 million in 2001-02, representing an increase of 71% in four years.

The problem is: If we accept the proposal in today's motion to provide additional assistance and allowances to low-income earners and the poor elderly who are not receiving CSSA according to their needs of living and social changes, then are we not in effect setting up a second safety net? I wonder if it is necessary for us to set up an additional social security system, apart from the existing CSSA net. If we think our existing CSSA system still fails to assist those most needy persons, we might as well review whether it is necessary to further relax the eligibility for application. However, I think many people, especially the taxpayers will ask a question: What kind of living standards do we want our CSSA system to provide to them ultimately?

Madam Deputy, the problem of fiscal deficit is very serious, and the deficit of the year may amount to over \$70 billion. Given such a huge fiscal deficit, does the Administration still have the resources to set up a second safety net? If the proposal put forward in the motion is implemented, additional resources will have to be allocated to provide various kinds of subsidies, and welfare expenditure will escalate without any limits. This is a serious violation of our principle of financial prudence and the principle of keeping expenditure within the limits of revenues as stipulated in the Basic Law. On the contrary,

the Administration should adopt the wise way of making good use of the existing resources, which should be effectively allocated to the most needy persons, and to utilize our existing resources on an effective and sustainable basis. Otherwise, our present \$300 billion of fiscal reserve will eventually be exhausted one day.

In fact, if we want to improve the livelihood of the people, I think we should follow the explicit targets set out in the policy address, that is, the Government should strive to improve the economic situation and the business environment, and step up efforts to attract investors to revitalize the economy so as to create job opportunities and to solve the problem of poverty. In this way, we can afford the low-income earners opportunities to earn their own living and share the fruit of our economic success. This is the most fundamental solution to our problems.

Madam Deputy, I so submit.

MR WONG SING-CHI (in Cantonese): Madam Deputy, the Chief Executive said in the policy address of 2000 that the Government was concerned about problems of low-income families, and undertook to improve the livelihood of low-income earners, which was one of his major policy objectives.

Unfortunately, two years have passed since then, yet the problem of poverty is still not resolved. The Government of the Hong Kong Special Administrative Region (SAR) seems to have been "poisoned by the drug of fiscal deficit" and forgotten its undertaking altogether. In the policy address this year, not only has the Chief Executive failed to mention how to help these poor people to get rid of poverty, he even on the contrary has released some "balloons", saying that it may be necessary for the Government to increase tax and cut public expenditure. This is really a worrying situation.

At a time of economic downturn, the most badly hit people are those low-income earners. When society enjoyed prosperity, these people did not benefit from such affluence of society. But when there is an economic recession, they will be the first group to bear the brunt, plunged into an even more difficult plight. Although the prices of many items of goods have been adjusted downwards, the speed of downward adjustment of the wages of workers is even faster. According to a survey conducted in the third quarter of 2002 by the

Census and Statistics Department, the total number of low-income earners who earn less than \$3,000 monthly amounts to 132 500, which is 42.9% more than that in the corresponding period in 2001. The number of people earning less than \$5,000 a month has increased to 499 000, which is 18.2% more than that in the corresponding period in 2001. On the other hand, the number of families having a household income of less than \$4,000 has also increased to over 178 000, which is 20.8% more than that in the corresponding period in 2001. How can a person earning less than \$3,000 a month, or a family earning less than \$4,000 a month meet all the expenses arising from their meals and all kinds of daily needs? It will be even more unrealistic for them to aim at maintaining a dignified life.

The Government has consistently refused to draw a poverty line, and it does not have any long-term strategy for eradication of poverty. The United Nations Committee on Economic, Social and Cultural Rights expressed concern for the poverty problem in Hong Kong in its report on Hong Kong in May 2001. The Committee was concerned about the SAR Government's lack of an adequate and effective mechanism to formulate comprehensive and consistent policies on eradication of poverty. However, the SAR Government seems to have ignored the suggestion of the Committee. So, the poor people become increasingly poor.

Therefore, apart from hoping that the Government will provide low-income earners and the poor elderly with assistance in such areas as transport, medical, housing and education services so as to improve their livelihood, the Democratic Party also hopes that the Government can formulate long-term strategies to solve the problem of poverty which is becoming increasingly serious.

The Government may have all along considered poverty as a problem about the quality of individuals. Just like the Chief Executive who pointed out in the policy address 2000 that unemployment and declining income were caused by the ageing population or the failure of society in coping with the needs of a restructuring economy. However, apart from personal factors, the social institutions are also a root cause leading to poverty. The Oxfam and The Hong Kong Polytechnic University have recently released the findings of a survey, which indicates that the majority of cleaning workers employed by contractors of the Housing Department interviewed have a monthly salary of less than \$5,000, and more than 50% of those interviewed even earn less than \$4,000 a month.

In addition, the majority of security guards employed by the contractors of the Housing Department interviewed earn less than \$6,000 a month. Why are the salaries of these people so low? Of course, one of the reasons is that they do not have good academic qualifications, therefore, they cannot find a better job with higher salaries, or simply cannot switch to another company. But there is another important reason, that is, there is a problem with the contracting-out system. The Housing Department is still adopting the policy of "awarding tenders to the lowest bidders" in its selection of contractors. Even for some contractors who have a bad record of employing illegal workers, they could still get the contracts because the present system does not have any effective supervision.

In the absence of effective protection, the poverty problem will only become increasingly serious. The wages of many workers will keep dropping, and their situation will become worse with time. Even when the economy of Hong Kong recovers, I believe there will not be any major changes to the livelihood of these people.

Recently, the Government has repeatedly stressed that CSSA recipients are leading a much better life than many other people. However, the Government has forgotten to tell the people that those poor people not receiving CSSA or those relying on themselves to make a living are actually leading a very miserable life. The Democratic Party would like to take this opportunity to call on the Government to adopt practical measures to ameliorate the poverty problem, to draw a poverty line, to formulate long-term strategies to eradicate poverty and to help the lower class to get rid of poverty.

Madam Deputy, the Democratic Party understands that it is very important to revitalize the economy. However, while revitalizing the economy, may we also ask our Government not to forget this group of underprivileged people who are in need of government assistance?

With these remarks, I support the motion.

MR LEUNG YIU-CHUNG (in Cantonese): Madam Deputy, the Financial Secretary asked the people to give play to the spirit of "Under the Lion Rock" in his Budget speech last year, calling on them to make self-strengthening efforts in time of adversities. On the other hand, Dr YEOH mentioned the four major

pillars for building up a caring and just society in the recent policy debate, highlighting the fact that the role of social policies is to assist the people to give full play to their abilities and to give special care to the underprivileged, thus affording them equal opportunities to bring their potentials into full play. However, unfortunately, anyone can say something so high-sounding. Yet, the most important question remains: Under the current social circumstances and the conditions provided by the Government, is it really possible for us, the people, to make self-strengthening efforts and give full play to our abilities?

Unfortunately, the realistic situation as we see it is that the salaries of employees keep on dropping, providing absolutely no basic conditions for them to give play to their self-strengthening spirit. Worse still, the Government is seeking to cut public expenditure at a time of financial difficulties, promoting "great retrogression in social policies", making it even more difficult for the lower class and the underprivileged, who are usually short on resources, to find opportunities of development. I feel that the so-called "spirit of 'Under the Lion Rock'" and a caring and just society are simply some political slogans and the "air-conditioned office" way of thinking of the officials. They are obviously alienated from the life of the general public. We think that the government officials should refrain from chanting political slogans. Instead, they should work pragmatically to find some specific solutions to the problems.

I still remember that the Government kept on promoting the knowledge-based economy and the "dot com" tide in the Budget debate in 2000. At that time, we already pointed out that those were not answers to the wealth gap problem, nor could the problem of working poverty be ameliorated. Unfortunately, my prediction has actually come true. The size of low-income population has been growing. Presently, there are more than 450 000 families in which the average monthly spending per person is less than \$3,750. The number of such families accounts for 28% of all the families in Hong Kong. This phenomenon is caused by employers' continual suppression of the wages and persistent attempt to maintain the level of their profit by reducing the wages of workers. In this connection, the Government has actually taken the lead to outsource its services in order to reduce staff welfare and suppress their salaries. The result of this practice, as revealed by a survey, is that 36% of the cleaning workers employed by contractors of the Housing Department earn less than \$3,000 a month. Such a rate of income is not enough even for making the

workers themselves self-sufficient. So how can they give full play to their own abilities? I feel that the empty talk was somewhat like a story taken out of *The Arabian Nights*.

In fact, offering a reasonable return is certainly the responsibility of employers. The employees will commit themselves fully to the job to maintain the productivity only if his basic needs are satisfied. From this perspective, if the employers can look at the situation with a long-term view, they should also be benefited if they offer reasonable returns to the employees. Therefore, I think a "living wage" system should be established to ensure that employees will have a reasonable return which is sufficient to maintain their livelihood. In addition, the Government should take the lead to reduce the amount of outsourcing, and strengthen the level of supervision over the existing contractors.

Now, apart from facing the problem of low income, the working masses in fact have a second source of pressure, that is, the Government will cut public expenditure on the pretext of the fiscal deficit problem. The Government in fact has accorded top priority to the problem of fiscal deficit in its formulation of policies, whereas justice and care are given lower priorities. In his reply in the policy debate, Dr YEOH stressed that the recurrent expenditure on health care and social welfare had increased by 57% in the past five years. As the expenditure cannot be allowed to grow indefinitely, it is necessary to contract the services, raise the fees or introduce new charges. However, I must stress that, in order to solve the problem once and for all, we must tackle the problem at root. The expenditure on health care and social welfare has risen not because the people have abused the services. Instead, the economic downturn is the cause because under such difficult circumstances, the people require the assistance of the Government. That explains why the expenditure has kept rising. I feel that we should not just focus on tackling the problem of fiscal deficit, instead of finding out the root causes of the problem. I think the solution to the problem is to revitalize the economy so that everyone can have a job. By then, the reliance of the people will decrease.

Similarly, we can see that the dropping wages have rendered the people unable to sever their reliance on social assistance. Just as I said just now, with such a mediocre income, how can they pay for medical services and other

expensive expenditure items? Therefore, I feel that we cannot just insist on cutting government expenditure without considering the actual situation in society. We cannot just tell the people to give full play to their abilities without thinking of how we can assist them to do so. Otherwise, I worry that what we say and do now is just rubbing salt into the wounds of the grassroots.

I think the proper approach is to inject more capital to enable the people to reintegrate into society, to provide basic health care and social welfare to low-income earners in order to build up a second safety net. The Government should also provide assistance or waive part of the fees, so that the people can save up their resources and spend them on self-strengthening purposes. Meanwhile, the Government should also provide more training resources, so as to enable the underprivileged to really strengthen themselves in adversities. What the people need is some concrete support, instead of just singing part of, or even the full song of "Under the Lion Rock". Moral support is not sufficient, concrete support must also be offered before any material effect can be achieved. Therefore, I feel that in our talk about resources, one of the resources must be resources for education. Education will make the ordinary people feel that there is still hope in the future and there are good days ahead for their next generation, in spite of their present hardships. Unfortunately, what I see today from the policy address is that, the Government is not unwavering in its investment in education. In fact, its commitment in this aspect seems to have dwindled. This will definitely lead to a confidence crisis among the people, and would eventually affect social stability. Therefore, I feel that the Government must change its direction.

Besides, many of the low-income earners are the elderly. Their miserable situation in their present old age is in fact partly attributable to the faulty retirement policy of the Government. For those elderly who are not CSSA recipients, the old age allowance of \$709 is minimal — a treatment at the accident and emergency department will use up one seventh of it. If we do not conduct detailed studies on the retirement problem, it will become increasingly serious and complicated. Therefore, the Government should reconsider the establishment of an old age pension system to resolve the problem.

Madam Deputy, I so submit.

MR MICHAEL MAK (in Cantonese): Madam Deputy, according to the information provided by the Census and Statistics Department (C&SD), the number of Hong Kong households earning less than \$4,000 a month in 1997 was 87 000, but in the period from September to November 2002, the number soared to 180 000. Assuming that the size of an average Hong Kong household is 3.1 persons (on the basis of the C&SD information for September to November 2002), there will be roughly 560 000 people in Hong Kong who are living a life of poverty, with just a total household income of less than \$4,000. We may also look at the Gini coefficient devised by the World Bank to reflect the wealth gap in a place. The coefficient of Hong Kong has gone up from 0.476 in 1991 to 5.25 in 2001. This shows that the wealth gap in Hong Kong is even wider than those in developing countries like India and Ethiopia. Therefore, assisting the low-income earners and the poor has become the most pressing task for us.

Social security is an indispensable mechanism in any civil society, its aim being to build up a safety net which provides basic living protection to the needy. Unfortunately, owing to the worsening recession and fiscal deficits, the Government has been turning its axe to the Comprehensive Social Security Assistance (CSSA) Scheme, making people think that CSSA recipients are a burden on society. In 1999, the Government already reduced the CSSA payments to households with three members or more. The Government has recently been sounding out its intention of further reducing CSSA payments; this will make things worse for the vulnerable members of our society. I urge the Government to uphold the spirit of social security and put in place a sound CSSA system, rather than just focusing on the fiscal deficits and on reducing CSSA payments across-the-board to turn away the needy.

According to the C&SD report on household income for the period from September to November 2002, the income of 22% of Hong Kong households is less than \$7,999, and the average payment received by a three-member CSSA household is \$8,482. In the financial year 2000-01, there was a total of 410 000 CSSA recipients. This means that many of the bottom 22% of households with the lowest income have not applied for CSSA. The plight of a whole family having to survive with just \$7,999 a month can be easily imagined. Therefore, the Government should, as soon as possible, set up a second safety net consisting of various subsidies to meet the medical, living and rental needs of low-income earners, so as to protect their basic living. This can also prevent more low-income earners from falling into the other safety net. In the long term, this can help reduce government expenditure.

Hong Kong is currently undergoing an economic restructuring. The biggest problems faced by low-income and poor people are unemployment, underemployment and low wages. The authorities should provide them with a greater number of training courses suited to their needs, so as to help them upgrade their skills and knowledge and raise their employability. The Social Welfare Department (SWD) introduced the Support for Self-reliance (SFS) Scheme in June 1999 to assist CSSA recipients in securing employment, but what has been achieved so far? According to SWD statistics, in the three years since the implementation of the SFS Scheme, only 13% of the 100 000 participating CSSA recipients managed to secure employment, but many of the jobs involved were part-time ones, with a monthly salary as low as \$1,600. The SWD should step up its co-operation with the Labour Department. For instance, it can study the job vacancy situation in different districts and then match the participants to appropriate jobs in accordance with their qualifications and experience.

To really help low-income and poor people, the Government must also back up its work by doing something in other policy areas such as housing, health care and retirement protection. In the policy area of health care, for example, the authorities started to impose accident and emergency department charges last year, and other health care charges will also be phased in with effect from April this year. I agree that those who have the means should bear part of the health care costs. However, the Government has all along failed to disclose clearly who can be exempted from the charges. I hope that while implementing the imposition of health care charges, the Government will also pay heed to low-income and poor people, so as to ensure that they can receive the services they need.

It is pointed out by the United Nations in its 1995 Programme of Action on the International Year for the Eradication of Poverty that community development projects should be encouraged and supported. Actually, in recent years, some social service agencies have been trying to foster the neighbourhood spirit of mutual assistance and concern through community development. People living in the same community are encouraged to give full play to their abilities, complement one another's weaknesses and join hands to face and overcome the economic difficulties. The Government should render strong support to these social service agencies and back up their work by stepping up the education and publicity on mutual assistance in the community. It should

provide services to poor people through community development and help them improve their lot.

The Government should not only assist low-income and poor people in meeting their needs of living, but also offer them psychological counselling. Amidst the economic downturn, low-income and poor people are battered by never-ending layoffs and wage cuts, so they have inevitably become despondent, pessimistic and negative. They may also have a guilty conscience about failing to provide for their children adequately, or they may even vent their spleens on their children. As a result, many family and social problems have emerged. There is now a kind of view in society which advocates that "CSSA nurtures lazybones", and a handful of people do discriminate against CSSA recipients. This kind of stigma may make CSSA recipients and low-income earners demean themselves and affect the harmony of neighbourhood relationship. Therefore, the Government should seek to instill proper values in people through school education and publicity. It should also provide appropriate counselling to those in need, so as to help them increase their confidence and face life with a positive and optimistic attitude.

The Chief Executive says in the policy address that he wishes to build up a just and caring society. For this reason, the Government must provide support in terms of policy formulation, education and training to assist the people concerned. With these remarks, Madam Deputy, I support the motion.

MR SIN CHUNG-KAI (in Cantonese): Madam Deputy, I rise to speak in support of Miss CHAN Yuen-han's motion.

The relevant part of Miss CHAN Yuen-han's motion reads: "..... this Council urges the Government to provide them with different forms of assistance or allowances in transport, medical, housing and education services, etc.",. What I wish to talk about is the word "etc." here, because I also hope that the Government can also look to information technology (IT) as a means of helping low-income earners secure employment, follow the pace of society and improve their lot.

The general literacy and skills level of low-income earners may perhaps be comparatively low. In a knowledge-based society, IT is an indispensable tool.

Basic IT skills can upgrade their ability and increase their employability. This means that apart from manual work, they will have more alternatives. Frankly speaking, even a restaurant waiter must now apply IT in his work, for he has to input dish orders into the computer. The acquisition of IT skills can also enable low-income earners to increase the number of channels through which they obtain information about our society. For instance, when they encounter problems, IT can enable them to look for assistance and understand their rights and the conditions of the employment market. I can give a very simple example here. As many as 16 000 jobs are listed in the website of the Labour Department. It is much more time-saving and efficient to look for a job in the website than to go over the listings page by page in Labour Department offices.

Mr TUNG Chee-hwa also talks about our integration with the Pearl River Delta. I have found out that as many as 250 jobs listed in the Labour Department website actually require applicants to work in the Mainland. Some mainland employers hope to recruit staff members in Hong Kong to work in the Mainland. In fact, IT can enable low-income earners to look for jobs more conveniently. This shows that information dissemination is so very important.

The Government also realizes the significance of popularizing IT. Since 2001, a number of government departments and social service agencies, including the Information Technology Services Department, the Social Welfare Department and the Home Affairs Department have organized many activities to promote the merits of IT application among the various walks of life, including the elderly, women, youngsters and people with disabilities. Free training courses targeted at low-income earners, such as "IT Hong Kong", "IT Easy" and "public computer facilities" have also been organized. I hope that apart from all this, the Government can also focus on the low-income earners and the elderly and promote the organization of more activities that can help them master IT skills. This will upgrade their working ability and power of acquiring information, help them follow the pace of society and in the end improve their lot and even financial conditions.

I hope that the Government can do a better job of assisting in promoting the computer recovery programme. Under this programme, low-income families without the means to purchase new computers can receive computers donated by government departments and private-sector organizations, so that

their members can learn IT skills at home. Following many different surveys, the Government has found out that the proportion of low-income families possessing computers is far smaller than the average proportion of all households. The Government takes part in the programme (more than 1 200 computers have been donated by 50 government departments), but its role should not be confined to participation. It should also assist in solving the maintenance problems faced by the programme. For instance, the organization running this programme faces a shortage of operating funds, nor does it have any suitable venues to store the computers collected. In other words, it simply does not have any place to keep the computers donated by people. This is a very fundamental problem. The Government actually does not have to spend too much money on that. There is now a shortage of manpower under the programme to restore and inspect the computers. But some relevant organizations can actually deploy more voluntary workers to do the work. As for those families and elderly people not having the means to purchase copy-righted software to go with their recycled computers, I have discussed with some software companies. They are prepared to offer assistance, but would need the co-ordination of the Government.

The IT application activities organized by the Government and the various social service agencies in the past two years were mainly carnivals, familiarization courses and visits. It is now the time for the Government to conduct a comprehensive review on the effectiveness, contents, formats and directions of all these promotion projects. For example, it must find out whether there was any duplication of contents, whether resources were properly utilized, how many people were benefited, whether familiarization courses are of any practical use, whether the number of cyber stations is enough, whether the formats of these activities were appropriate, whether the directions of these projects require any adjustment, and so on. I am honestly worried that under the pressure of the fiscal deficits, the first thing the Government will do is to call a halt to all these activities. I must say that the one thing which the Government must do when faced with the fiscal deficits should instead be enhancing all these efforts. Based on the idea of helping people to help themselves, our ultimate wish is that the low-income earners can one day support their own living. I hope that the Government can formulate a long-term strategy to encourage low-income earners and low-skill people to acquire the IT skills which can upgrade their own skills. That way, they can be better empowered to extricate themselves from the low-income stratum. Thank you, Madam Deputy.

DR RAYMOND HO (in Cantonese): Madam Deputy, the Hong Kong economy has remained in the doldrums for a few years. Over the past few years, there have been many changes in Hong Kong. For example, the suicide rate, unemployment rate and the number of owners of negative equity assets have increased by a large margin compared with the time when the economy was prosperous. Given an economic downturn, all sectors of the community have been affected. The low-income earners certainly find their life more difficult than in the past, but the life of the middle class is not any better. In fact, some of them have become owners of negative equity assets and they find it difficult even to make ends meet. Therefore, theoretically, if the Government wishes to assist Hong Kong people to ride over the hard times, those beneficiaries should not be confined to low-income earners, for the middle class is also in need of assistance. However, our Treasury just does not allow us to do so.

No doubt the low-income earners are living in straitened circumstances and their situation does warrant our sympathy. We must provide them with some assistance if government resources allow. However, the Hong Kong Government is facing a serious fiscal deficit problem. The provision of more resources for social welfare at this point in time will definitely add to the financial burden of the Government, making it impossible to restore fiscal balance in the short term, thus preventing the economy from returning to the right track. Moreover, welfare services in Hong Kong also compare favourably with those in many countries and even advanced countries. In respect of social welfare, I think the biggest problem now lies not in adequacy, but in proper utilization and possibility of abuse. For example, recently, an old lady has been brought by his son to a pedestrian subway in Central to beg for money. The money that she got from begging and from social welfare provided by the Government was squandered by his son for his own pleasure. As a result, the old lady has to suffer the torment of hunger and the cold every day and yet, the Government still can do nothing. This is most ironic indeed. This piece of news has put across to us a message and that is, our social welfare may very often be abused. Given the prevailing tight finances, this must not be allowed indeed. Therefore, I urge the Government to step up measures to prevent the abuse of social welfare. I think that as a fiscal deficit problem prevails, we should cut expenditure as far as possible, in order to prevent the problem from worsening continuously. In the meantime, when formulating social welfare policies, resources should be well-spent and efforts must be made to ensure that they are fully utilized in order to avoid wastage.

In fact, not only the low-income earners and the poor elderly are in dire straits. Many of the middle class also face problems in their living. Most of them are taxpayers, but they may have become owners of negative equity assets, and worse still, they have even been made targets of layoff in recent years. If they are made redundant by their companies, their living is set to become all the more difficult. Those who are lucky may be able to retain their jobs, but despite this, they will still be dragged into the mire of tax increases, and they are extremely worried about this.

The low-income earners and the poor elderly are going through a hard time in their living, so is the middle class. If the Government is asked to provide more assistance or allowances to the former to help them improve their living, should we also ask for assistance for the middle class, particularly owners of negative equity assets, in order to help them ride over the difficulties? We now face a very serious deficit problem. The Government must put resources to good use, or else economic recovery will not realize in the foreseeable future, let alone the provision of more assistance to the community. Now, what the Government must do urgently is to improve the economy, create job opportunities, and boost public confidence in the Government and in the future. Otherwise, everything would be nothing more than just empty talk.

Madam Deputy, I so submit.

MR AMBROSE LAU (in Cantonese): Madam Deputy, the hardship resulting from our prolonged economic restructuring, difficult economic conditions and poor employment situation cannot possibly be eased overnight. Faced with the very heavy pressure of the fiscal deficits, the Government should be extremely cautious in dealing with the relationship between the needs of the vulnerable and the fiscal deficits.

Madam Deputy, the ignoring of the vulnerable, the discrimination against them and the marginalization of them in the course of mankind's social development are incongruous with the progress of civilization. The problems connected with the vulnerable are actually a reflection of confusing government policies and morbid social values. For instance, the lack of attention to justice and love in government policies, utilitarian social values and the Law of the Jungle that stresses the survival of the fittest will all lead people to distance

themselves from the vulnerable, to ignore them and to treat them with indifference.

Currently, of all the 260 000 Comprehensive Social Security Assistance (CSSA) recipients, 55% are elderly people, 14% are disabled people and in poor health, 12% are single parents and only 15% are unemployed persons. It is not possible for the Government to ask elderly people and the disabled to earn their own living; single parents have to look after children below 15 years of age; and, low-income recipients have to rely on CSSA as a supplement because their incomes are too meagre to feed their families. But the assistance and care given by the Government and society to low-income earners and the poor elderly not on CSSA are obviously inadequate in terms of both monetary and spiritual support. That said, I have to say that given the huge fiscal deficit, we must appreciate that the Government may not always be able to increase the financial support for these people.

That being the case, the Hong Kong Progressive Alliance (HKPA) is of the view that it is all the more necessary for the Government to enhance the spiritual care for low-income earners and the poor elderly not on CSSA; to promote the cause of understanding, encouraging and respecting them; to reduce their possible anxieties, inferiority complex and despondency; and, to help them rebuild their confidence, dignity and desire for self-strengthening, with a view to giving them the incentive to integrate into society and begin a new chapter in their life. That way, we can build a just and caring society and increase social cohesion.

The HKPA is of the opinion that when it comes to enhancing the spiritual care for the underprivileged, the Government should improve its policies and take measures in three respects.

First, the Social Welfare Department (SWD) and other government departments and organizations have failed to properly publicize and implement the CSSA policy. On the one hand, CSSA applications are approved all too easily and there are even cases of cheating. On the other hand, it seems that somebody is trying to create the erroneous opinion that "CSSA nurtures lazybones". Those low-income earners and the poor elderly in genuine difficulties may thus form a kind of psychological barrier which deters them from seeking assistance from society and voluntary agencies. In the end, they may be plunged into severe hardship or even total desperation. Therefore, the

Government must act now to rectify the situation. On the one hand, it must plug the loopholes and stop people from abusing CSSA. On the other hand, it must properly publicize and implement the social security policy, to make it a genuine safety net for people caught in crises and hardships.

Second, the Government should take steps to make society as a whole treasure and carry forward Hong Kong people's fine traditions of attaching importance to the family, care and harmony, perseverance and endless desire for self-strengthening. The SWD and voluntary agencies should step up their publicity on how people caught in crises and difficulties can seek assistance. The mass media, when reporting news, and schools, when educating their students, should promote the spirit of mutual assistance and care. In particular, they must promote the spirit that we must care for, encourage and respect low-income earners and the poor elderly not on CSSA, help these people overcome their livelihood difficulties, conquer their pessimism and despondency and encourage them to tide over their difficulties with perseverance and strong will. The local mass media and popular culture publications should refrain from exaggerating bloodshed and violence in their coverage of family tragedies of the vulnerable. They should instead lay stress on giving advice and rational analysis. Once the whole community becomes harmonious and sensible, low-income earners and the poor elderly, in brief the vulnerable, will receive more care and assistance.

Third, there is a large number of low-income earners and poor elderly persons who are suffering from depression and anxieties due to financial and mental pressure. The proportion of those who have these diseases and who are aware of their mental problems is extremely small. Smaller still is the number of those really diagnosed to be suffering from depression. The HKPA advises the hospitals under the Hospital Authority to attach importance to the mental problems of low-income earners and the poor elderly, and also to the prevention and treatment of mental illnesses, so as to minimize the incidence of tragedies caused by such problems and illnesses.

Madam Deputy, I so submit.

MR LEE CHEUK-YAN (in Cantonese): Madam Deputy, Mr LAU Chin-shek, Chairman of the Hong Kong Confederation of Trade Unions (CTU), has already put forward the proposals of the CTU earlier in the debate. The main solution to the problem of low income is the establishment of a subsidy system for low-

income families. This should be similar to what is now known as the tax credit system in the United States and the United Kingdom. I do not know how to translate this term into Chinese, but roughly, this is a kind of surtax, payable when the family income exceeds a prescribed level. No tax is payable when the income is below the prescribed level, and the government may even pay a subsidy to the family. We consider that this method can uphold one principle, the principle of "when one has a job, one should be able to feed one's family". In Hong Kong now, the low-income problem is such that even when one has a job, one may not be able to feed his family. As we all know, a family of four will at least need \$10,000 a month to survive. But many people are earning only \$4,000 to \$5,000 a month. If the income is just \$4,000 to \$5,000, particularly when either the husband or wife is unemployed and the one who is employed can earn just \$5,000 a month, then it can be said that though a person has a job, he is still unable to feed his family, because his wages are just too meagre. I very much hope Dr YEOH can really study the possibility of using this method to solve the low-income problem. Once this problem is solved, the plight of low-income families will be relieved; they can then meet all their livelihood needs and even find it much easier to meet increased medical charges. I hope Dr YEOH can give some special thoughts to it and use it as a means of solving other problems which cause him such a headache.

Mr Tommy CHEUNG raised a proposal just now and I do not know whether Dr YEOH will accept it. Mr Tommy CHEUNG said that low-income earners could actually apply for CSSA. I often advise low-income earners to apply for CSSA, but they always say "no" because they are worried about the negative labelling effect. So no matter how hard life is, they are reluctant to apply for low-income CSSA. Mr Tommy CHEUNG advised the Government to conduct publicity, so as to build up a positive image of these CSSA recipients. He said that the principle to be highlighted should be: "when one has a job, one should be able to feed one's family". He went on to say that if this was not the case, a mechanism should be put in place to help them. There are many government announcements of public interest on television now. Will the Government launch publicity on this? Well, the Government will of course refuse to do so, because it is mindful of reducing CSSA payments. But I am not sure whether I heard him correctly — I hope I am not putting words into Mr Tommy CHEUNG's mouth. I heard Mr Tommy CHEUNG say that publicity on low-income CSSA should be conducted. I hope that the Secretary can do something in this respect. Instead of just trying to reduce CSSA payments, he must help those people in genuine need. Even when one has a job, one still

cannot feed one's family. This is simply absurd. I hope the Secretary can answer whether some sort of publicity will be conducted.

Another subject of discussion today is the poor elderly. What accounts for the emergence of poor elderly persons? I think the answer is a government policy, one which drives elderly persons away from CSSA. What policy is this then? The requirement that an elderly person living with his family members can apply for CSSA only if his children accompany him to the SWD and declare all their incomes. This policy has driven many elderly persons away from CSSA. What difficulty do elderly persons have then? Their children give them very little money, and they have to make do with the meagre sums they are given. They could apply for CSSA in the past, but now, they have to depend on their families for their basic living. But in case an elderly person falls sick and needs to take some Chinese medicine, for example, his children may not necessarily have any more money to give him. This government policy has indeed led to the emergence of many more poor elderly persons. That is why I hope that the Secretary can do something about it. I understand that my advice will most probably fall on deaf ears because the Government is so unfeeling now, and it simply does not want so many people to apply for CSSA. But can the Government be just a bit kinder to the elderly persons, especially those who live with their family members but do not receive enough money from them?

The last point I wish to raise should have nothing to do with the Secretary. But I hope that he can relay it to the Education and Manpower Bureau. There is actually a very benevolent government policy now. Low-income people on retraining are currently given an allowance. During my long discussions with the Employees Retraining Board, I heard many voices calling for an abolition of the allowance. The allowance is actually a way of enabling the unemployed to receive retraining. Low-income and low-skill workers, in particular, can make use of the allowance to pay retraining course fees. I hope that the Government can refrain from turning its axe at retraining courses and stop talking about course fee increases. We have argued about this many times. It is hoped that this existing benevolent policy can be retained to provide genuine assistance to the low-income earners.

Thank you, Madam Deputy.

DR TANG SIU-TONG (in Cantonese): Madam Deputy, it is the responsibility of the Government to assist low-income earners and the poor elderly in meeting

their needs of daily life, especially some old people who have worked hard for several decades. However, only a small number of old people can really enjoy their later years comfortably in Hong Kong today. Most old people are the disadvantaged living in hardship. It is because there was no retirement protection system in Hong Kong in the past and the elderly can only depend upon their children for support or their meager savings. Nevertheless, such support is often inadequate or insecure. Although the Government keeps emphasizing that we have a safety net and assistance may be given to the elderly in difficulty, some old people fail to meet the general requirements for application of CSSA because they are living with their families or they still have some savings. Moreover, some old people want to rely on themselves and prefer living frugally to relying on the Government after all.

Data show that over 70% of households in the lowest income group have aged family members and most of them are single old people or aged couples. The median income of an old person living alone is only some \$3,000, so we can imagine how difficult their lives are. In my view, the Government really needs to consider how best these poor old people who have not applied for CSSA can be given essential assistance. This is also the consensus of the community. I believe Members still remember that the Chief Executive proposed caring for the elderly for the sake of "security, belonging, health and worthiness" back in the policy address of 1997. Old people are most worried about medical treatment and housing. Thus, I think the Government must help the poor old people in the following ways.

Firstly, medical services are most closely related to the elderly and are one of the things that they worry most about. More than 700 000 old people in Hong Kong suffer from various chronic illnesses and over 70% of them have to seek treatment at public hospitals. Besides, 55% of the hospitalized patients of public hospitals are old people. Given the fiscal deficit problem, the Government will definitely introduce a series of measures to increase medical charges one after another and the poor old people will be the first to bear the brunt. Before implementing new charges, I hope that the Government will expeditiously work out a simple and easily understood concession and exemption mechanism to provide medical protection to low-income old people and the chronically ill who are not CSSA recipients, to ensure that they will get suitable treatment.

Secondly, apart from providing treatment, the Government must implement more comprehensive community medical services to reduce the incidence rate of diseases among the elderly. A survey by a voluntary agency discovers that many chronically ill old people lack a sense of self-care. Therefore, the Government must enhance education and support for the elderly and their families because prevention is better than cure.

Thirdly, a secure living environment is very important to the elderly. According to a survey conducted by the Lingnan University, the dilapidated living environment in some old areas will cripple the self respect of the elderly and their sense of control of the environment, thereby affecting their mental health. Although there have been certain improvements in the living conditions of the elderly after efforts by the Government, for instance, the waiting time for public housing among the elderly has been shortened, there are still 7 000 old people waiting for public rental housing. Some old people are living in adverse conditions such as rooftop huts, squatters, huts and cubicles, and they urgently need help from society and the Government. In view of the fact that the elderly would rather tolerate the adverse living conditions than receiving rent assistance or moving into public housing specially built for the elderly, it is evident that the Government must comprehensively consider and improve the housing needs of the elderly and the measures implemented by the Government. For example, can the practice of concentrating housing for the elderly in remote areas effectively attend to the housing needs of the elderly? How can the Government encourage the elderly to move into the elderly housing in remote areas?

Besides public rental housing, the poor old people depend upon homes for the elderly for housing. The Government has recently stated that it will establish an institutional care subsidy scheme to enable the elderly to have more say in their choice of institutional care. It has also stated that the elderly and their families can share the caring costs of homes for the elderly according to their affordability. The guiding principle stated by the Government is reasonable but the Government must give the public a clear account of the question of whether many existing applicants who have the means have abused public resources. It also has to introduce a vetting system to find out how best the existing resource allocation can be improved without reducing help for the elderly in need. I hope the Government will sincerely wish to take better care of the elderly instead of reducing help for the elderly in need.

(THE PRESIDENT resumed the Chair)

Madam President, the community and the elderly often have enormous misgivings about the proposals of the Government related to social welfare, reflecting that the Government has not sufficiently communicated with the stakeholders being affected and has failed to explain clearly to them the benefits that they will get. The Government must improve the situation. I so submit.

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

DR LAW CHI-KWONG (in Cantonese): Madam President, first of all, I wish to respond to the remarks made by Mr Tommy CHEUNG because he has asked a very interesting question about whether it is necessary to establish a second safety net. I wish to tell Mr CHEUNG that we already have the second safety net, so, he should not have raised that question. Although I may have said what the Secretary will later say, I still wish to respond to this.

For example, insofar as education is concerned, the Government provides the needy low-income earners with a fee assistance scheme for child care services such as nursery centres and kindergartens. It gives primary and secondary students textbook assistance and some subsidies to tertiary students. We also have a waiver system for health care. People who cannot afford high medical charges can have the charges waived or apply for assistance.

The Government has recently said that the charges for medical services have to be increased and fees have to be charged for accident and emergency services, therefore, we have asked the Government to review the system to see whether it can help people who are presently not given assistance after the increases in fees and charges. For instance, some old people have to attend three specialist clinics. If each of such clinics gives them five kinds of medicine, they will lose more than half of their monthly old age allowance. Can we help them in any way? Therefore, when we discuss this motion proposed by Miss CHAN Yuen-han, I hope the community and this Council can make more suggestions to help those in need.

I think the motion today has a basic idea of the second safety net. I wish to make a few points about the reasons why we have to discuss the idea of the second safety net.

First, a problem with all safety nets is that there will certainly be a demarcation line. People below this line can get help but those who are just on this line cannot get any help though their living conditions are slightly better. As a result, people below this line are living better than those who are just on this line because they are given assistance, for example, CSSA recipients are living better than people who are just on this line because they do not have to meet medical and other expenses. Therefore, we hope that the second safety net can be established to make it fairer.

Second, the labelling effect. My colleagues very often cite the Government line that "CSSA nurtures lazybones". However, the label still exists even if the Government does not say so. People in the world who receive welfare will be labelled. Of course, different countries will have different degrees of labelling and the situation in Hong Kong is pretty serious. The second safety net can play another very important role in reducing the labelling effect. One alternative is that the Government may not pay cash to the recipients but make them pay less indirectly or give them assistance by means of special subsidies for specified purposes. For example, the subsidy for child care services mentioned by me just now. Basically, recipients cannot use the assistance for other purposes such as buying food, and they must use it on expenses on nursery centres or kindergartens, and the labelling effect will be reduced accordingly. Some people may be originally eligible for the first safety net but they are unwilling to get assistance. If the second safety net can provide them with the same assistance, they would rather accept such assistance without the serious labelling effect. It will undoubtedly be better for those recipients.

Third, I have said earlier that many people very often do not wish to fall into the first safety net but they are forced to do so for various reasons. For instance, if the old people I have just mentioned really have to attend three specialist clinics, and if each of them gives them five kinds of medicine, their Old Age Allowance may not necessarily be adequate in meeting their medical expenses and specialist medical charges, thus, they can only receive CSSA. Since the Government fails to perfect the mechanism for waiving of medical charges, some old people may have to receive CSSA ultimately, which is something we do not wish to see.

Another example is that some recipients are single parent families who rent rooms in the urban areas at very high rents or rent cubicles in very bad living conditions. If the recipient has a teenage girl, he/she may feel very worried with men moving about half-naked and speaking abusive languages.

So if they move to public housing estates in Tin Shui Wai, they will lose their jobs and they will have to receive CSSA.

One of our basic ideas is to avoid people receiving CSSA for this reason. Putting it simply, for example, we can establish a system under which people at or slightly higher than the CSSA level will not fall into the CSSA net because the Government has not given them medical assistance. It is the so-called avoidance, that is, reducing the numbers of people who fall into the CSSA net. The Government must expeditiously try its best to reduce the numbers. If such a system is not established, government expenditure will conversely increase because the CSSA payments will be higher than the fees that the recipients should have be exempted from paying.

At present, the Government has a system of rehousing on compassionate grounds. I know that the Social Welfare Department has recently conducted a review but I think that further actions can be taken. Many people very often have unstable income but they have to pay rents regularly. If the Government can provide them with old public housing flats in the urban areas at cheaper rents, they will not have to apply for CSSA. Therefore, if we have to establish the second safety net, we can consider the provision of rehousing on compassionate grounds to low-income households. In fact, they are eligible for public housing allocation or may be on the Waiting List, so if the Government does not speed up finding old flats in the urban areas for them, they may be forced to apply for CSSA. If their expenditure on housing can be reduced and their living environment is improved, they basically do not have to receive CSSA.

Lastly, I mentioned in the policy debate last week this issue related to Rehabus. Rehabus is in itself a form of subsidy. At present, although many disabled people may have found a job, they cannot go to work because of the lack of Rehabus services and they have to give up the job and depend on CSSA for a living. If it can be assured that the Government will subsidize people with disability who have to take taxis to work after they have found a job even though they fail to get Rehabus services, I believe the numbers of CSSA recipients will definitely become smaller.

With these remarks, Madam President, I support the motion.

MR CHAN KWOK-KEUNG (in Cantonese): Madam President, wage earners always say that they are working for food and to address their needs for clothing,

food, housing and transport. However, Hong Kong is completely different today and wage earners work very hard for wages that are not enough to feed their families. A survey conducted by the City University points out that 400 000 Hong Kong people are living below the poverty line with an average monthly income of less than \$3,750. They have only \$24 a day for buying food, thus, the abject poverty era has officially begun.

There is a report in a newspaper on the case of a family. The father works as a construction worker and frequently has under-provision of work and has to borrow money from friends to buy textbooks for his children. They mainly eat cheap instant noodles and vermicelli for meals or have several small fish for \$5, lean meat for \$10 and some vegetables for dinner. Life is extremely difficult.

I definitely believe that there are people living in such an inhuman way in Hong Kong and some old people are really so poor that they even dare not take buses or switch on the lights and have to grope in the dark when they go to the toilet. How can the Government tolerate such happenings?

On the other hand, the Social Welfare Department is going to wield the axe at CSSA recipients and it intends to reduce the standard payments by 10%. It has also indicated that it would play its trump card and limit the duration of CSSA receipt by each recipient to three years if it fails to do so. Although the Government has continuously increasing expenditure on CSSA, which is precisely caused by the functions exercised by the safety net when the economy is in the doldrums, or else, why do we need the CSSA scheme? Would it not be simpler and more direct for the unemployed, single parents and infirm to seek blessings on their own?

As a Member has just said, there is the so-called "living wage" in the United States and it is specified that the sub-contractors should provide workers with necessary assistance in basic living. The same idea should also be introduced into Hong Kong so that the expenditure of a wage earner on transport, food, medical and living expenses should be specified, thereby setting the basic wage.

Miss CHAN Yuen-han has pointed out that it is necessary for social wages including various kinds of social assistance to replace market wages that have drastically decreased to avoid wage earners making income that fails to meet the

requirements of basic living. At present, things have become cheaper and cheaper but people have become poorer and poorer, yet a lot of expenditures in Hong Kong remain persistently high, for instance, transport fares, public housing rents, medical expenses, and so on.

Public transport fares are adjusted according to a certain mechanism and it takes longer for us to wait for adjustments to be made. However, medical expenses are under the sole control of the Government and the Hospital Authority, why can comprehensive exemption measures not been formulated? As far as I know, the Health, Welfare and Food Bureau has proposed to the top echelons of the Government that a mechanism of tiered charges according to affordability on the basis of the median income. If the median income of a patient is less than one-fourth of the median income, he may enjoy a one-fourth fee reduction and if his income is less than half of the median income, the charges will be reduced by half, so on and so forth.

Why can the Government not take a moderate approach and why has it so far insisted that only CSSA recipients can be given a waiver? We have to bear the medical expenses of some low-income earners and wage earners so that even if they fall ill after toiling very hard, they can still have inexpensive or free medical treatment. Employers keep reducing the wages of wage earners while public hospitals will increase charges and \$100 is charged even for accident and emergency attendance. How can wage earners look after their health?

Public housing is provided to assist poor households in solving their housing needs. However, the median wage has dropped continuously since 1997 and it has fallen beyond the level that rents should account for 10% of the median income. According to legislation, the Housing Authority needs to make downward rent adjustments. A public housing tenant has said that he wishes to sue the Housing Authority, so evidently, the grassroots cannot stand it anymore. Yet, the Government still turns a deaf ear and a blind eye to the plight of these people who have no alternative.

Recently, the Government has also considered recovering the costs and increasing the charges for education and water. The Government does not hesitate to squeeze the people dry to resolve the fiscal deficits. The low-income earners do not know what to do besides shaking their heads and sighing.

I hope the Government will focus on addressing people's needs of basic living and continue to provide us with various basic welfare items and even

increase them. It must not reduce such welfare or adopt the "user pays" principal, otherwise, the users will really suffer.

I so submit.

MR LEUNG FU-WAH (in Cantonese): Madam President, on the issue of providing assistance to low-income earners and the poor elderly who are not receiving CSSA, we can do it on two levels: first, the Government; and secondly, the private sector. The Government should provide social security to those needy low-income earners in education, medical, housing, transport services, and so on, to ensure that they and their families would not be deprived of public medical services because of the lack of means; their children would not be deprived of education because of financial problems, and they would not be deprived of the chance to work because of the lack of the means to pay for expensive transport costs. Such a kind of protection is different from that of CSSA in terms of form, target and objective. As for the private sector, the best assistance they can offer is to reduce the fees and charges directly. Sometimes, low-income earners need assistance from the community, so that on the one hand, their livelihood can be improved to a certain extent, and on the other, most importantly, that such assistance can prevent more people from falling into the CSSA net, further aggravating the financial burden of the Government.

The Government released the latest employment figures two days ago, and it was revealed that the unemployment rate had risen again after dropping for four consecutive months. The latest unemployment rate is 7.2%. The Financial Secretary, Mr Antony LEUNG, explained that the total workforce of Hong Kong between October and December 2002 was 3 520 000, which showed a decrease of 4 000 persons when compared with the corresponding figure between September and November. The number of persons in employment also showed a decrease of 3 900 when compared to the corresponding figure of 3 270 900 between September and November. So in effect, after some calculations, it was found that the number of unemployed persons had actually decreased by 100 persons. However, he anticipated that the unemployment rate would continue to stay at a high level, and it might again after the Chinese New Year. The Secretary for Economic Development and Labour, Mr Stephen IP, has also said that the group most badly affected by unemployment is the middle-aged persons aged between 30 to 59, whereas there are some indications that the

unemployment rate of people with medium-to-low education has gone up slightly.

The population of Hong Kong has kept on growing, so it is only natural that the workforce should also keep on growing as well. However, as seen from the latest employment figures, this is the first time since February to April 2002 that a decrease in the workforce has been recorded. It is believed that the reduction in the size of workforce was not simply due to reasons like the death of employees or the retirement of "wage earners" due to old age. As some "wage earners" have not been able to find a job for a long time, they are forced to retire prematurely, or to retire from the labour market prematurely. In order to survive, they are forced to live on CSSA. In addition, there have been incessant layoffs and salary cuts in Hong Kong in recent years. In order to further save costs and cut expenditure, some employers find the employees easy targets for achieving the purpose of cutting costs, and middle-aged employees are one of the most vulnerable targets. Among such CSSA recipients who have given up making any self-strengthening efforts at feeling dejected after failing to find a job for a long time, there are many middle-aged people who are not well qualified and low-skilled.

In order to prevent more low-income earners from becoming unemployed, or even becoming CSSA recipients, the Government should use all kinds of effective measures to assist them to find jobs, so as to enable them to maintain the abilities to work and feed themselves. As said by the Secretary Stephen IP, the middle-aged persons aged between 30 and 59 would be the group most badly affected by unemployment. The Government should take the necessary precaution to prevent such vulnerable group of middle-aged persons from taking the step all of us do not like to see — to apply for CSSA — just because they have not been able to rejoin the employment market for a long time.

In fact, the Government started to be very concerned about the employment situation of the middle-aged two or three years ago. Therefore, the Re-employment Pilot Programme for the Middle-aged, implemented since February 2001, provides induction training subsidy to employers to encourage them to recruit unemployed people aged 40 or above and offer induction training to them. By the end of last year, the programme has helped nearly 5 000 participants find jobs. Besides, basing on the experience gained from the above pilot programme, the Labour Department will launch two new programmes,

namely the Re-employment Training Programme for the Middle-aged and the District Employment Programme for the Middle-aged, to provide further services to 3 500 persons aged 40 or above and who have been unemployed for more than three months. The programmes, each lasting for one year, will be implemented in April this year. It is hoped that the two programmes will achieve the expected results of helping middle-aged persons in need of assistance to solve their most pressing problem of finding a job and help them and their families to solve their financial problems and further improve their livelihood.

Moreover, I would like to discuss the issue of transport fares. Presently, the transport fares in Hong Kong are really too high. To the low-income earners, their monthly transport costs could account for 10% of their income, or even more. The Secretary for the Environment, Transport and Works, Dr Sarah LIAO had mentioned that there was room for reduction of public transport fares when she first assumed office, and she had called on the public transport operators to adjust the fares downwards as soon as possible so as to reduce the burden of the people. However, after a lapse of six months, how have the public transport operators reacted? They have not lowered their fares after all, and some have even openly declared that there is no room for downward adjustment of their fares. Although some public transport operators have provided some interchange concessions to certain passengers, when such concessions are compared to actual fare reductions, they are just some "minor favours". Ultimately, these public transport companies only care about handsome profits — they just wish to make huge profits. Whether the fares are reasonable, and whether the people can afford them are issues which have nothing to do with such companies! May I hereby urge the public transport companies to seriously consider adjusting their fares downwards, so as to ride out the hard times together with the people.

However, there are praiseworthy cases. The Kowloon Motor Bus and 89 manicab routes have introduced 50% and 20% fare concessions for all eligible local domestic helpers in Hong Kong since November last year and January this year respectively. Although the concessions will only last for three months and six months respectively, they are considered to be nice starting points and good examples for other public transport companies. Presently, there is a mismatch of the geographical location of domestic helpers, so some women have to travel to faraway areas to work as domestic helpers, and the transport costs are quite substantial. Therefore, I hope that the public transport companies concerned

can consider implementing such concessions on a permanent basis, so as to assist the local domestic helpers to join the employment market.

Madam President, I so submit.

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

(No Member responded)

SECRETARY FOR HEALTH, WELFARE AND FOOD: Madam President, I am grateful to the Honourable CHAN Yuen-han for moving this motion, and to Honourable Members for participating in this debate. We are aware of and empathize with the situation of the low-income earners and older persons with limited means. First, I should like to say a few words about our overall social philosophy and strategies to help these groups of individuals, and then provide some details of the multitude of government programmes in place to support and assist these individuals.

In my speech to Members of the Legislative Council during the policy address debate on 15 January, I outlined in some detail the philosophy behind the Government's social policies. Nevertheless, I wish to highlight our four overarching social policy principles. Firstly, that opportunities should be provided to enable everyone in the community to develop their full potential and participate in, and contribute to, the economic and social life in Hong Kong. Secondly, to provide additional and specific support to the disabled, the disadvantaged and vulnerable members of our community. Thirdly, to provide a basic income support safety net. And fourthly, to foster mutual care and support and to build up the social networks necessary for individuals and families to flourish.

Over the years, we have made substantial investments in our social services. In the fiscal year 2002-03, recurrent expenditure on our health, welfare, housing and education programmes amounts to \$126 billion, this is, 57% of total recurrent public expenditure.

In the face of the impact brought about by economic restructuring, our focus to assist the low-income and the unemployed is on fostering an

environment which encourages and provides opportunities for upward social mobility. This strategy is shown to be correct because, as Members will be aware, based on studies made by the university and reported in 2001, they found that out of the 20% lowest paid workers in 1991, nearly 60% had by 2000 risen above that level of income. These findings demonstrate the high upward mobility of Hong Kong workers if they are given opportunities.

At the same time, to take care of the socially vulnerable, in particular those with limited capability to achieve this, specific help is required. As such, we have in place policies and services to secure their standard of living, improve their position and provide them with opportunities for economic and social participation. In this way, we help the socially vulnerable, by enhancing, not impeding, their will to be self-reliant.

We consider that the multi-pronged approach of fostering economic growth, facilitating human investment and increasing social investment together, will provide the best environment for people to leave the poverty net. Healthy economic recovery and a broader economic base is the key to lifting the standard of living for all, including those with no or little income.

Human and social investment through education, training and retraining will raise the capability, productivity and competitiveness of our workforce, and help those unable to benefit from the changing economy in the short term.

We have a great variety of policies and measures in place to actualize our approach to assist those in need, many of which are specifically and specially tailor-made to assist the socially vulnerable, who have limited capacity and capability for upward social mobility.

I will turn to the support and assistance provided under specific policy areas, in particular highlighting those that are in place for non-Comprehensive Social Security Assistance (CSSA) recipients.

In terms of employment, the Administration is highly concerned about the employment situation in Hong Kong. The primary objective of our employment policy is to help the unemployed re-enter the workforce as soon as possible, and to minimize the duration of unemployment. Fundamentally, the Government has introduced a series of measures to revitalize the economy, which in turn will give rise to increased employment.

The Task Force on Employment chaired by the Financial Secretary has drawn up various measures to create jobs and ease unemployment. Apart from these standing efforts, the Government has in recent years launched an extensive range of short-term and long-term measures which aim to help the community deal with the current economic environment.

I should now like to turn to social security. Other than the CSSA, we have a Social Security Allowance Scheme of which the Old Age Allowance (OAA) is designed to meet the special needs of the older persons. Older persons aged 65 to 69 receive a monthly payment of \$625, subject to making an income and asset declaration, whilst persons aged 70 or above receive \$705 a month regardless of means.

As regards support for needy elders, at present over 600 000 older persons are receiving financial assistance through either the CSSA or the OAA, with an estimated expenditure of \$11.8 billion in 2002-03, representing an increase of 50% compared to 1997-98. Our objective is to develop a long-term sustainable financial support system that better targets resources at elders most in need, drawing reference from the "Three Pillar Approach" recommended by the World Bank for old age financial protection.

Now turning to social welfare, our objective is to build a caring community by developing and providing effective and quality welfare services for those in need to:

- (a) foster an environment for the individual to develop his or her potential;
- (b) strengthen social relationships and enhance family functioning;
- (c) assist individuals in resolving personal and social problems; and
- (d) protect and empower the disabled, the disadvantaged and the vulnerable.

At an annual expenditure of around \$10 billion, our social welfare programme provides a wide range of direct welfare services, for the family, child, youth, older persons and people with disabilities. To quote a few examples on how these services assist the needy to join the workforce and be

self-reliant, we have our child care services and after-school care programmes that help parents overcome barriers to work and rejoin the workforce. Under a fee assistance scheme, low-income families who are not on CSSA are assisted to meet their children's child care centre fees. For people with disabilities, we have extended the range of employment services for people with disabilities, including the creation of jobs, job placement, on-the-job training, supported as well as sheltered employment facilities.

There is a very well established network of welfare services for older persons in Hong Kong providing heavily subsidized community and home-based support, including home help and meal services. For those frail elders who have long term care needs, we are committed to providing them with quality and cost-effective care, and appropriate support for their carers.

Now turning to health, our policy objective on health services is to develop and maintain in Hong Kong a health care system which protects and promotes the health of the population, which provides lifelong holistic care to each person at affordable prices, and which is financially sustainable in the long run. The fundamental objective of government financing in health care services is to improve health and provide protection for the citizens from potentially high financial risks arising from catastrophic or prolonged illness. To fulfil this role, the public health care system must remain accessible to all, affordable by individuals, and of a high standard. Given finite resources, public funds should be channelled to assist the lower-income groups and to services which carry major risks to patients.

Our policy is that no one should be prevented, through lack of means, from obtaining adequate medical treatment. The rate of government subsidy in public medical expenditure is around 97%. And even with the new fee restructuring, the subsidy will still be in the rate of 96%. In proposing the fee restructuring, we have taken into account various guiding principles, which include affordability and facilitating access by vulnerable groups.

At present, medical fees for CSSA recipients are fully waived. We also have in place a fee waiver system for patients who are not receiving CSSA but who have insufficient earnings or have difficulty to pay for even the highly subsidized public health care services due to serious or chronic illnesses. To ensure that the restructured fees do not impact disproportionately on the low-income groups, the chronically ill and older persons with little income and assets,

the existing non-CSSA mechanism will be further enhanced into a medical fee assistance scheme when the new fees are implemented.

Turning to housing, the Government is committed to providing subsidized rental housing to low-income families who are unable to afford private accommodation. Housing assistance to needy elders is a core element of this commitment.

Our public rental housing programme with over 630 000 flats provides subsidized homes to low-income families who cannot afford private sector accommodation. Households with limited means, irrespective of whether they are receiving social security or not, are eligible to apply for public rental housing. Approximately 65% of public housing tenants pay less than \$1,500 per month for rent, which is inclusive of rates and management fees.

In the past few years, we have made tremendous efforts in reducing the waiting time to enable low-income families to get access to public housing expeditiously. At present, the average waiting time is less than three years, down from over six years in 1997. For households which are not selective in the location or types of flats, they can be allocated public rental flats within a year.

While public housing rents are generally affordable, some tenants may encounter economic hardship. Tenants with long-term financial difficulties may seek assistance under the social security system. Tenants with temporary economic hardship and who are not receiving social security can apply for assistance under a Rent Assistance Scheme operated by the Housing Authority. Eligible applicants can have a 50% rent reduction under the Scheme if they have difficulties in paying rent.

The Government attaches importance to the housing needs of older persons. At present, 58% of older persons are living in some form of subsidized public housing, and the number of families with older persons on the General Waiting List has been reduced from 16 000 in 1997 to 7 000 today. To assist needy older persons to live in decent low-cost housing which satisfies their housing and social needs, the Housing Authority has put in place priority schemes to expedite the allocation of public rental flats to them. At present, elderly singletons are normally offered public rental flats in less than one and a half years.

In addition, as many older persons who apply for public housing have indicated preference to stay in urban districts with scanty public housing supply, the Housing Authority has introduced the Rent Allowance for Elderly Scheme in 2001 which provides a monthly cash allowance of 60% of the rents (up to \$1,810 for single elders and \$3,150 for three-person households) for elderly families to rent private accommodation meeting their own preferences.

Turning to education and training, the Government injects massive resources to improve education and manpower training, upgrade the quality of talents and promote lifelong learning, thereby enabling Hong Kong to grasp more effectively the opportunities in the new economic order. In the past few years, the Government has continuously increased the investments on education. The total public education expenditure has increased from \$37.9 billion in 1996-97 to \$61.4 billion in 2002-03, representing an increase of over 62%.

The provision of nine-year free universal basic education, together with the heavily subsidized senior secondary and tertiary education, guarantees educational opportunities for all who have the potential and ability to pursue studies. Training and retraining, as means of upgrading the skill level of the workforce, are especially important to those who need to acquire the new skills in the new economy. Training institutes, including the Vocational Training Council and the Employees Retraining Board, provide a wide range of relevant programmes.

It is the Government's policy to ensure that no student is deprived of education for lack of financial means. Under the CSSA Scheme, assistance covers schooling expenses, including school-related expenses from pre-primary level to upper secondary, and meal allowance for full-day students taking lunch away from home. Separately, we also administer various means-tested student financial assistance schemes to assist needy students at all levels in meeting the cost of their education-related expenses. Assistance to low-income families, which pass a means test, takes the form of remission of school fees for kindergarten pupils and senior secondary school students attending public sector schools, remission of examination fees for public examinations, grants for the purchase of textbooks and subsidies for school travel expenses for primary and secondary school students. Eligible post-secondary and tertiary students are provided with grants and loans for their tuition fees, academic expenses and living expenses including travel expenses during the academic year. In the 2002-03 school year, over 434 000 needy students have so far obtained

assistance for their education-related expenses, totalling \$2,837 million in grants, fee remissions and loans.

Apart from the means-tested student financial assistance schemes, non-means-tested channels of government finance are also available to assist those who wish to upgrade themselves and increase their competitiveness in the job markets. The Non-means Tested Loan Scheme provides loans for tuition fees for a wide variety of education programmes and training courses. Non-means tested loans for living expenses up to \$33,690 in 2002-03 are also available to eligible students pursuing accredited, self-financing post-secondary courses. Until the end of 2002, loans totalling \$925 million have been offered to 25 060 students. In addition, Project Yi Jin (Springboard) reimburses students 30% of their tuition fees on successful completion of the course. For those Yi Jin students who are assessed to be eligible for 100% assistance under the means test, they will be reimbursed 100% of their fees with effect from the 2002-03 school year.

On training and retraining, there are various opportunities for the lower-income groups. Under the Skills Upgrading Scheme, the Government covers 70% of the costs of the provision of training courses. In addition, CSSA recipients and persons with monthly income of \$6,333 or below can apply for reimbursement of the course fees, subject to satisfactory fulfillment of course attendance and assessment requirements.

Currently, the full-time placement-tied courses under the Employees Retraining Scheme for unemployed persons are free. Retrainees taking part-time or evening courses are now only required to pay 20% of the training costs. Unemployed or low-income persons taking these part-time courses can also apply to have the course fees waived subject to a commitment of achieving an attendance rate of 80%.

The Continuing Education Fund also provides subsidies of 80% of the course fees or up to \$10,000 to those eligible applicants who would like to pursue continuing education to enhance themselves.

Turning to transport, it is the Government's objective to facilitate the healthy development of public transport to meet the transport needs of the community and to provide choices to passengers. We endeavour to maintain market competition to ensure the provision of quality services at reasonable fares

by public transport operators. On the process of setting public transport fares, all relevant factors, including affordability, are taken into account.

The Government understands the public's concern about public transport fares. We have approached the major public transport operators to encourage them to reduce fares or offer concessions to passengers as far as possible and taking into account their respective operating conditions. Examples have been quoted where the two railway corporations and all of the franchised bus companies offer concessionary fares to older persons.

In conclusion, Madam President, for those who are not receiving social security for one reason or another, various forms of assistance, as outlined, are available to them. These are publicized through the respective departments and agencies, as well as the public enquiry services and the community network of the Home Affairs Department, or through our welfare network. In addition, the Social Welfare Department has published a booklet "Moving Forward with Our Support" to provide one-stop information on various kinds of financial assistance, as well as various types of employment and support services for the low-income groups.

It is a well-established government policy that no one should be denied access to vital social services through lack of means. The Government actively and effectively supports and assists the low-income earners, be they CSSA recipients or not, in many policy areas. Notwithstanding this, different people may have different perceptions about whether the current level of support is adequate or not. Given the current fiscal deficit situation, it is not realistic to expect the substantial growth in expenditure on social services over the past decade to continue, in the short-term. However, our aim is not to reduce services to the community, but rather to rationalize and re-engineer them so as to make them more effective and efficient. This will obviously help to improve the overall benefit of the services to the community.

Thank you, Madam President.

PRESIDENT (in Cantonese): Miss CHAN Yuen-han, you may now reply and you have four minutes 29 seconds.

MISS CHAN YUEN-HAN (in Cantonese): Madam President, I am very grateful to the 10-odd colleagues who have spoken in this debate today. I wish to respond to the views of some colleagues.

Earlier on, some colleagues, such as Dr Raymond HO and Mr Tommy CHEUNG, stressed that given a huge fiscal deficits of the Government, we should not further increase public expenditure. This seems to be a question of "1+1". In fact, our discussion today is about the low-income earners and poor elderly who are not receiving the Comprehensive Social Security Assistance (CSSA). If we do not help these low-income earners, I think we would be facing an even bigger fiscal deficit problem. As we all know, many people actually very much wish to find a job by themselves, so that they can stand on their own feet. But because of the continued increases in transport fares and also in housing and other expenses, they often have to make a choice under such difficult circumstances. My office frequently receives cases in which the persons seeking assistance will say that he or she does not wish to live on CSSA. Seeing their plights, however, I would advise them to apply for the CSSA, but they would say over and over again that they do not want to. How can we provide assistance to them? If the Government is willing to lend a helping hand to them, they can get a job and continue to work. But if we say that it is very difficult to help these people due to the huge fiscal deficits, then they can only continue to live in this way. In that case, I believe the number of people receiving CSSA on unemployment grounds in future would not account for only 14% of the welfare expenditure. Rather, the percentage would increase drastically.

Moreover, some people said that the living of Hong Kong people is actually not very difficult presently. I wish to respond to this point. I very much wish to tell the Government and Honourable Members that the standard of living of low-income families that are not receiving CSSA has actually regressed to the level back in those years after the World War II and that is, to the level of abject poverty. We can see that at five or six o'clock in the morning, some of those who belong to the low-income group will go to the market to buy leftover vegetables at vegetable stalls. They will take the vegetables home and cook them, and the vegetables will be their food for the next few days. This situation is still happening nowadays, reminiscent of the days of my childhood. As a result of the economic doldrums in recent years, this situation is again seen around us. How can we help these people who are living in abject poverty? I think as long as they are provided with assistance, they can ride out the

difficulties, so can those elderly people who, for a diversity of reasons, are not receiving CSSA. Dr YEOH said in 2000 that the Government was prepared to review the problem of the poor elderly and to examine new ways to provide assistance to them, taking into account the fact that they were not CSSA recipients. But regrettably, this review, like many other issues, has disappeared into obscurity.

Madam President, I do not dispute the remarks made by Dr YEOH earlier to the effect that all kinds of welfare are available in Hong Kong. But if, according to Dr YEOH, the Government has provided a great variety of assistance to the public, then why are those non-CSSA recipients, low-income earners, elderly in living abject poverty and the disadvantaged, mentioned by me earlier, being increasingly impoverished? What can we do? That goes to show that the existing measures are not adequate to help them tide over the difficulties they face now.

Very often, at meetings of the Panel on Welfare Services, we came across cases of families in crisis. More often than not, after social tragedies such as the poor elderly committing suicide or families caught in distress, the Panel on Welfare Services will ask why the Government has not move forward a bit and done something. Why does it take actions only after the occurrence of these tragedies and cases? I hope the Government can study again the question under discussion today and that is, how we are going to help such disadvantaged groups as the low-income earners and the poor elderly, so that they can survive in the present environment. We do not wish to see their wages continue to fall as the fiscal deficits prevail. The Government is nevertheless trying to cut its present commitment. In 2000, Dr YEOH said that the Government would extensively implement housing, medical, rehabilitation, social welfare and education programmes to provide "social wages" to the impoverished in the community. But now, the Government is going to reduce these services.

Madam President, I hope that Honourable colleagues will support me. Thank you.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Miss CHAN Yuen-han be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Second motion: Promoting the use of English in Hong Kong.

PROMOTING THE USE OF ENGLISH IN HONG KONG

MRS SELINA CHOW: Madam President, I have lost count of the number of times that I have spoken on the importance of the English language for Hong Kong. More often than not, these views have been triggered by the concern that I share with many that we are gradually losing one of our most valuable assets which has taken a long time to accumulate. Bilingualism is a legacy of our colonial past, a cultural advantage bestowed on us by our history, a symbol of the world city, and a capability that distinguishes us from other Chinese cities but that is subject to challenge arising from the awakening of blossoming economies like Shanghai and Singapore.

As far back as the early nineties, I have questioned the Government of the time what it would do to address the problem of falling standards of English, which was alerted by concerned citizens and groups of the time. I recall that the then Director of Education, Mr LI Yuet-ting, assured me categorically that the problem did not exist. Although I was absolutely convinced at the time that the concern was well justified, I did not have any data or statistics to prove my point. I still do not have any scientific proof to uphold the belief that the standard of English has indeed fallen. But I do have findings of some key surveys to

indicate that the perception and belief of lowering standards are real and widespread.

According to the most recent annual business confidence survey conducted by the Better Hong Kong Foundation, 59% of the executives interviewed were dissatisfied with the standard of English spoken here. The 2002 British Chamber of Commerce Business Confidence Survey indicated that 69% of the interviewees were dissatisfied with the standard of English proficiency here. The Asian Intelligence Report asked foreign businessmen working in Asia to rank the performance of 12 economies in Asia. Hong Kong ranked number six, rated even below Taiwan and South Korea. Singapore ranked number one.

Madam President, the Liberal Party has always pressed for the maintenance of the use of English, and we firmly believe that this is necessary in order to cement Hong Kong's stature as a world-class city. For after all, what are the prerequisites of a world-class city if not the qualities to enable people, wherever they come from, to meet, congregate, do business or enjoy their leisure? Without the ability to communicate with one another in a universal language, our aspiration and claim to be the hub of Asia cannot be sustained.

Madam President, the recent publication of the consultation document on the Action Plan to Raise Language Standards in Hong Kong deserves another debate on the many issues that it has put to the public. However, for the purpose of this debate, I believe it is worth our while looking at one very important fundamental problem which might be the root cause of the fall in the standard of English here.

I am referring to students' attitude and motivation.

The Standing Committee on Language Education and Research (SCOLAR)'s survey conducted in March of 2002 indicated that according to students' own perception, less than 50% of our students were strongly motivated to learn Chinese and English. Based on teachers' perception, the proportion of students strongly motivated to learn Chinese and English drops to only 10%. If these findings are a true reflection of the attitude, then we are in trouble. If the motivation is so low, then the effectiveness of all efforts taken by parties other than the students themselves would be very inefficient at best, and could come to naught at worst. The problem does require tackling at source.

The Liberal Party conducted a survey recently to gauge the preference of parents who could only have the best interests of their children at heart. We have interviewed 470 parents whose children are students. 81% of the interviewees say that they wish their children would learn English. However, half of them think that their children are not learning enough English in school. Mr Tommy CHEUNG will be speaking at length about the teaching of English in our schools. To that I would just like to add my own experience as a secondary school student which I would like to share with you all, and which I actually shared with our Secretary for Education and Manpower as schoolmates.

At school, we had an English teacher who was feared and respected by all his students. It was not so much his mannerism or his temper that inspired fear. He was one of the most soft-spoken teachers one could ever find. It was his methodology. In short, he drilled into us a sense for the English language by having us do endless exercises on vocabulary, grammar, syntax, and so on. That demanded discipline. It also required a great deal of work, hard work. But many of his students, like me, are thankful for his persistence. I can see now that there is no short-cut. We are not native English speakers, and we grow up in a Chinese-speaking environment. This is a fact. In order for our English to reach a standard and a level of correctness and mastery, it has to be taught, but taught interestingly, as a foreign language.

In our schools, the teachers are the key. If they can motivate students by adopting a lively and interesting approach, they would be leaving a lifelong legacy through the proud standard of their students' English. But teachers, it seems, have been reluctant to accept that they are the key, and that many of them need to improve their own standard of English as well as their ability to teach that language in order to adequately fulfil their role. I know I stand the risk of being accused of indiscretion and tactlessness. The trouble is our Government has been too tactful for far too long to allow English language teaching to have slipped to today's standard. The SCOLAR has come up with recommendations that deserve a real, hard look.

Not only has the standard of English slipped in our schools. Our tertiary institutions are facing similar problems, since it is only logical that falling standards in schools would mean that entrants into our universities would be less proficient in their English. In recent years, I have noticed that hardly a letter that comes from university undergraduates, or even graduates, would be free of grammatical mistakes. It has been asserted that this downward spiral all began

when the University of Hong Kong lowered its entry requirements for English in the 1980s.

We are pinning high hopes on Prof Arthur LI to come up with a comprehensive strategy to tackle this problem in our education system urgently.

One of the strongest motivation for anyone to learn a language must be the advantage one might gain in employment or business opportunities. Here, the requirement for different occupations is wide and varied. A shop assistant in a retail outlet that expects a large number of foreign visitors needs only a fairly narrow vocabulary that is relevant to the service or merchandise he supplies. A taxi driver, on the other hand, would need to know names of districts and streets. My point is that being a service economy, Hong Kong must ensure that the rank and file of service providers ought to communicate adequately in English.

The Workplace English Campaign has been introduced for this purpose. However, I understand that at present only \$34 million has been successfully applied for and paid out, and most applicants are employees rather than employers. I am concerned that the Government may not draw the right conclusion from this situation.

The simplistic view may be that such a fund is not necessary, as the response from the community is not enthusiastic. I submit that the problem is with the marketing of the Fund. When the campaign was first introduced, it had already been established that it is desirable for the Government to offer such assistance to upgrade English at the workplace. But like many government funding, once the funding has been approved, it has been left to the bureaucrats to determine its use. More often than not, the point is missed that subsidies to achieve a certain purpose require efforts of the private sector, and in the case of Workplace English Campaign, the target audience consists of employers and employees, considerable marketing is necessary to ensure that the Fund achieves its original purpose. I therefore object to recent proposals to merge this funding with the Continuous Development Programme, as with such a merge the clear objective of improving the standard of English would be quite lost. Instead I believe the Government should reassess how to ensure that more people can benefit from the campaign, and this means listening to its potential applicants and users in the community, and engaging people with marketing expertise to promote its value and availability.

English, like any language, is the expression of an entire culture. The English language is no longer the language of just one nation. Having been adopted for use as a common language by many countries around the world, it has taken on a cosmopolitan character of its own. That is probably why Lan Kwai Fong and Soho do not only attract English-speaking visitors. They are also among the must-visit spots for non-English speakers. Our city, distinguished by its fusion of East and West, must maintain our Western feel in order to stand out among all Chinese cities. It is therefore not enough simply to rely on the fact that it says in the Basic Law that English is recognized also as an official language. Neither is it enough to pay lip service to the importance of English when senior officials are not prepared to speak it or answer questions from the English media. The Government has to practise what it preaches by giving equal weight to the official languages. It has to learn from countries like Singapore and Canada. In Singapore, television programmes are carried in the four official languages. In Canada, all government documents are produced in English and French.

I have recently expressed disappointment that the Government did not use the opportunity of reviewing the television broadcasting licences to ensure that the licensees are required to carry English programming of a higher standard. I cannot understand why the recommendation that English programmes should have English subtitles has been adopted only for news programmes. For it is mainly feature films and series that would attract the largest number of viewers, and the Government should have insisted that these programmes should carry English subtitles. I also lament the loss of an opportunity at the review to obligate the teaching of the English language through either the production or the presentation of acquired programmes. I know that productions are costly, but acquired programmes are less so, and since the licensees would have to buy programmes from abroad anyway, there is no reason why they cannot buy some of the highly commended English teaching programmes from acclaimed producers such as the BBC. I think the opportunity is not yet lost. The Government can still use its time in the electronic media to achieve this purpose. In addition, I believe that the English service of the Radio Hong Kong should be revamped to fulfil a more effective and relevant role in the education and communication in English by reshaping itself into a service for a wider public consisting of not only expatriates but also those who are interested in the English language and culture.

Madam President, it is high time that the Government should have a coordinated and comprehensive umbrella policy for the promotion for the use of

English, as it could involve more than just the Education and Manpower Bureau. For instance, my comments above on the use of the mass media involve both the Commerce, Industry and Technology Bureau and the Education and Manpower Bureau, while government communication could involve all bureaux. Therefore I believe a task force within the Government under the chairmanship of the Chief Secretary for Administration is timely if we want results.

The Liberal Party has always tried to play our part. To begin with, we will be using more English for our speeches in this Council. Speaking of this Council, we have done some counting, and found that in the year 1982, 86% of our speeches were made in English. In the year 1992, this percentage has dropped to 28%. Last year, only 7% of our speeches were made in English. Is there not a clear message there?

Mrs Selina CHOW moved the following motion:

"That, as English is one of the two official languages in Hong Kong under the Basic Law, and in order to strengthen Hong Kong's position as Asia's world city, this Council urges the Government to adopt measures to promote the use of English with a view to maintaining its importance and improving its standard in Hong Kong."

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

MS AUDREY EU: Madam President, responding to the last question made by the Honourable Mrs Selina CHOW, obviously, we have to deliver the speech in English.

Madam President, I did not believe my husband when he came home one day and told me that when he was on a hospital round, a medical intern pointed to a female patient and said "he has headage". It took my husband some time to figure out that the medical intern was referring to the patient and saying that "she" was complaining of "headache". As I said, I did not believe him until one day I heard a law student complaining of "headage" instead of headache.

If I continue with these horror stories, Madam President, I am afraid that the seven minutes allocated to me would not be quite enough. But before I do

so, I hasten to add that I have met many young people who speak delightful English. I have no doubt that the best in Hong Kong still remain the best, if not better than most compared to the rest of the world.

I simply refuse to believe that the future generation, or each generation, is, in fact, worse than the last. Our young people have so many more opportunities than we do: education, television, computer, Internet, more libraries, native-speaking English teachers, and so on and so forth. It is against logic, against evolution and against nature to think that our current generation is not as good as the last. However, the results of a survey carried out by the Standing Committee on Language Education and Research (SCOLAR) speak volumes. As Mrs Selina CHOW has already referred to those figures, I would not repeat them here. Suffice it to say that the figures are far from encouraging.

The SCOLAR report correctly points out the two key factors: motivation and language teachers. And of the two, motivation is far more important. One can learn good English through sheer determination even if he does not have good teachers. But if one does not have the determination, the best teachers cannot really help him. Speaking of motivation, again, like Mrs Selina CHOW, I think of the good old days when I was at school. My parents told me that to get on, the only way is to learn good English. In fact in those days, parents would let their children repeat one year in order to get into good English schools. Now, the thinking is very different. One chooses a medium of teaching which makes it easier for his child to learn. In the old days, children can be fined in class if they failed to speak English. But recently, I was told by the principal of a well-known English secondary school in Hong Kong that her students were reluctant to speak English because they would be scorned for showing off. At one time, speaking good English is a source of some pride. Now, it is a matter of shame if your English is better than your Cantonese or your Putonghua.

I certainly agree that we should speak good Cantonese and much better Putonghua, but that does not mean that we should slip up on our English. Indeed, one expatriate Judge told me recently that he spent his summer in the Tsinghua University. And when he went jogging in the morning at six o'clock, some mainland students would come up to him and say, "Speak English", so that they would have the opportunity to practise speaking English to the expatriate Judge. When these mainland students do not have an opportunity to speak to expatriates on the campus, they would run around jogging in the morning, wearing earphones, listening to English radio broadcast or cassette tapes. Their

eagerness to learn English is a contrast to the situation in Hong Kong. If we do not change our attitude, we would lose our status as an international hub, a financial city and a centre for professional and other services.

I welcome the report and the recommendations from the SCOLAR. It is important to set standards. However, I would like to put a caveat. It is important to remember that passing examinations is not the same as raising standards. The only way to improve is, of course, greater use of and more exposure to the English language. The mode of teaching and learning English should be more varied. There should be more discussion groups, activities, fun and games.

I have attended an English language summer camp called Summerbridge. The teachers were ordinary students. Many of them are returned students, who are studying abroad and returning home for the summer. They devised fun classes and activities for students about their same age, whose English standards were obviously not as good as theirs. They have theme days, for example, everybody would wear fun hats that day or fun gloves the other day. They taught new words every day and they made sentences with students. For the homework, one may be given a piece of cheddar cheese and when he bit on it to show the marks left by his teeth, and he would be taught the different names of the teeth. The result was simply amazing. Very shy students picked up self-confidence to speak in English. I hope that more teachers and government organizations would organize these summer camps.

Speaking of summer camps, now more kids go up north to learn Putonghua in the summer. The reason is obvious, and that is because of motivation. I hope that the Government, in promoting integration up north, would not forget the importance of English. It must not forget our heritage and our destiny — both English and Chinese.

Thank you, Madam President. With these words, I support the motion.

MISS CHOY SO-YUK: Madam President, three and a half years ago, we had a similar motion in this Council which was unanimously carried. After that, we can see that the Government actually did put forward quite a few measures, such as the Native-speaking English Teacher (NET) schemes and the establishment of the Standing Committee on Language Education and Research (SCOLAR), as

well as pouring money into information technology education, and so on. However, after so many years, we still cannot see much improvement, if any, in our general English standard. As a matter of fact, I think that our English level is declining as years go by.

This problem is getting really acute now. We are talking about establishing stronger ties with the Pearl River Delta by complementing each other with our respective strengths. What are the strengths of Hong Kong? Admittedly, we still have plenty to offer — the rule of law, a simple and low tax system, the free flow of information, currency and goods, and so on. However, one relatively obvious advantage we used to have over China, namely our English ability, is now diminishing, partly because our English standard is declining and also partly because the Mainland is catching up very fast. A recent survey, as the Honourable Mrs Selina CHOW has said, showed that 59% of executives are very or somewhat dissatisfied with the standard of English in Hong Kong. My experience is that, with very rare exceptions, fresh university graduates are not capable of expressing themselves properly in English. On the other side of the border, it is said that there are more Chinese studying English than there are native English speakers in the world. The TOEFL results last year show that mainland students ranked fifth among 15 countries in English proficiency and consistently outperform students from Hong Kong and those from most other Asian countries.

The SCOLAR has recently finished a report on language teaching in Hong Kong and has made quite a few good recommendations on how to improve our English education. Likewise, educators, experts, related communities and organizations have also voiced different opinions on the ways to improve the English standard in Hong Kong. I think that at such a stage, we have nothing to lose in trying any kind of measures.

Madam President, as someone with greater involvement in the promotion of Putonghua in Hong Kong, I always like to compare the progress in Putonghua and English proficiencies in Hong Kong in the past few years. Contrary to English, we are glad to see that Hong Kong people are grasping Putonghua much better and that the standard is improving fast in recent years. The question that comes to my mind is, why is our improvement in Putonghua proficiency so much greater than that in English proficiency?

One may offer a few obvious explanations, such as the fact that Putonghua is after all a Chinese language and we can easily shift from Cantonese to

Putonghua by twirling our tongues a little bit. Also, we have more opportunities in practising Putonghua since we have so many mainland visitors and we travel frequently in and out of China. However, these reasons cannot explain why mainland students are improving their English much faster than our students. In particular, mainlanders can hardly match us in their access to English mass media and to English speakers. We also have to consider the fact that we are actually spending a lot more money on our students than any of the mainland cities does. Moreover, within Hong Kong, we have two mandatory and free English television channels but none for Putonghua, and we have special subsidies for NETs but none for Putonghua teachers.

Madam President, at this point of time, I think we should try to find out the root of the problem so that we can solve it more effectively. I would like to suggest one or two reasons why our English proficiency is not improving as fast as that in Putonghua.

I have in my previous speech on the same topic suggested that after the resumption of Hong Kong's sovereignty by China, we have a pervasive misunderstanding that the Chinese language is where the action and money are, therefore the English language is put to the back burner. On occasions that we previously use English naturally, now we switch to Chinese automatically. Of course, it is only natural that we talk more about issues and matters about China in Chinese. Discussing issues and matters about Chinese culture in English sounds odd and weird. We hardly realize these changes.

The other reason may be rooted in certain complexes that we have developed over the years. That sense of superiority over mainlanders is so embedded in our mind that it makes us refrain from exposing our weaknesses in areas that we are supposed to be good at, like English proficiency. I have observed a phenomenon that is quite interesting. People who do not speak Putonghua well always declare it loudly, often quite proudly and add that it is because they are locally born. These people will gladly start to speak awkward and broken Putonghua and regard themselves as more studious learners. If we tease them about their mistakes, they would just feel amused that they are being given attention. In this way, they improve their Putonghua very fast, as practice is the key to language learning.

On the other hand, when it comes to English, very few people who cannot speak the language well want to let others know. If we point out their mistakes,

they might feel embarrassed and humiliated. They are inclined to shy away from using English and hence can hardly improve their English proficiency. Our learning capabilities are jeopardized by our own complexes.

Madam President, with these remarks, I support the motion.

MR TOMMY CHEUNG: Madam President, it is important to have a sound foundation for our children to develop into capable adults. There are conflicting research findings in the issue of the starting age for learning a language different from the mother tongue. I admit that there is no final conclusion. However, I subscribe to Rod ELLIS who, in his book *The Study in Second Language Acquisition*, listed several general conclusions that:

- (1) only child learners (possibly at around six years) are capable of acquiring a native accent in informal learning contexts;
- (2) children are more likely to reach higher levels of attainment in both pronunciation and grammar; and
- (3) the process of acquiring a second language grammar is not substantially affected by age, but that of acquiring pronunciation may be.

Children respond differently in their learning, because there are individual differences. To let children develop according to their ability is appropriate to child developmental theory. We should not drag the feet of those who can benefit from an early start by mandating the age to start learning English.

In fact, the Government should concentrate not only on upgrading the skills of primary and secondary school teachers, but more so, on upgrading the language skills of kindergarten and preschool teachers. So that, from the mass that go through this developmental stage, those who have the ability should be given the opportunity to go further ahead.

The education sector has attributed the downfall of students' ability in the use of English to as early as the omission of assessing English in the Secondary School Places Allocation (SSPA) when teachers concentrated their efforts in

developing students' development in the knowledge and skills in Chinese and Mathematics. Now with the abolition of the SSPA, it is not surprising that secondary-school principals are dissatisfied with the overall standards of secondary-school entrants (as English falls far below the average standard).

Let us be realistic. Without formal assessment at the end of the primary level and lacking early exposure at the preschool level, I do not believe that our students' English standard would improve.

An accompanying fallacy is the strong emphasis on teachers' insistence on children producing accurate spoken and written English at the initial stage. This is developmentally inappropriate. Children make mistakes and errors even in their mother tongue. Mothers would rarely consciously correct speech errors of their children. To emphasize on accuracy at this stage is to put children into the chains and shackles of grammar and spelling. This limits creativity in children and suppresses fluent flow of language. The result is children losing interest in learning English.

To be able to continue learning English after school, one must rely on a basic skill: reading. Tens of millions of dollars have been spent on reading schemes both at the primary and the secondary level. However, our children were not taught how to read. They were not taught to relate English letters to their sounds, so they could not read the words they were not taught to read. They were taught the names, not the sounds, of the English letters, so they could not sound out the English words they were not taught to say. And as a result, our children cannot "read" properly and, needless to say, "learn" effectively.

With the falling of standards in English, the Government has carried out the Native-speaking English Teacher (NET) Scheme, which native English-speaking teachers were recruited to help to brush up students' ability to use English. I strongly urge the Education and Manpower Bureau (EMB) to modify the existing scheme that allocates each school a NET, as this is only piecemeal and ineffective. Major criticisms from NETs themselves on this scheme include too many students/classes to look after, feeling lonely, not enough or even no support in resources and social life, and so on. It is my view that the NETs are fighting a losing battle; the education authorities are fighting a losing war. I believe a concentration of such teachers in a smaller number of schools would give a multiplying effect than scattering them around on a lone mission. We should post groups of NETs (equivalent to the number of English

teachers in one school) to schools of certain districts and supply them with the necessary resources, help and support. A period of time should be given for local English teachers to help them to integrate into the schools and the curriculum.

Then the NETs should take up the role of teaching English in the schools as well as developing meaningful out-of-classroom activities to complement the formal teaching, allowing students opportunities to apply and practise English in authentic situations. The local English teachers in these schools are then given time off to engage in immersion programmes to improve their English proficiency and teaching skills. When the local English teachers return with confidence in their English proficiency and teaching skills, they will resume their role as English teachers in their schools, releasing the NETs to move on to other districts.

There are, of course, technical details to be sorted out, for example, how to choose districts and/or schools, how to guarantee fairness in the process, and so on. These kinds of details have to be discussed among the EMB and the different school districts in setting out appropriate guidelines and procedures.

Of course, the above suggestions can be implemented through using existing resources. But, if the Government can provide additional resources, we do not need to do it by district.

To summarize, the nurturing of the use of English must start as early as possible. We have neglected those aged zero to six for too long. Students should learn to read by teaching them phonics skills, so that they can read to learn independently, building up their confidence in their expressive and receptive skills in English. While we take advantage of the NET Scheme to create an authentic language environment for our children, we should also develop our local English teachers by giving them immersion programmes so that they can better equip themselves in the teaching of English.

We have to fork out more resources or Hong Kong would lose its status as an international city.

With these remarks, Madam President, I support the Honourable Mrs Selina CHOW's motion.

DR YEUNG SUM: Madam President, the Chief Executive has laid out in many of his policy addresses the Government's plan to consolidate Hong Kong's position as an international city. If we are to successfully meet the challenges of tomorrow, it is vital that we raise the language standards of the community through the concerted efforts of teachers, parents, and the community at large.

We often heard university lecturers and employers complaining about the declining language proficiency level of students and graduates. Indeed, it takes an individual more efforts to correct his language problems when he has grown up. On the other hand, a young learner can make speedy progress in language acquisition. It is not uncommon to find a small child learning Cantonese, English and Putonghua at the same time, often at a rate faster than an adult. Therefore, it is of the utmost importance for students to achieve basic competencies in languages at schools.

As we all know, benchmarking and examinations alone cannot stimulate students' interests in learning. A motivating language learning environment is one of the pillars to successful language training. But, how can we create a motivating language learning environment? Many teachers and students agree that at present, textbooks for English language learning are not interesting enough to stimulate their interests. Some textbooks are not even appropriate in depth. According to some local research findings, 30% of students have found their textbooks too difficult to follow. Teachers usually teach students according to textbooks disregarding their interests and ability. The problem of learning English with most Hong Kong people is that they do not have an English speaking context. This is closely related to how textbooks are written, and that is why parents would spend extra money to send their children to tutorial classes under the guidance of native-speaking English teachers. The Education Department should review the curriculum and make it more stimulating and interesting.

"Spare to speak and spare to speed". In other words, speak more to make speedy progress. The problem of school children is that they do not have an English speaking environment. There are at present 114 English medium secondary schools. These schools sometimes use Chinese as a medium of instruction in subjects other than English language. The Democratic Party has all along supported the use of mother tongue as the main medium of instruction. However, measures should be taken to promote an English speaking environment. For example, schools can organize events like "English speaking

day" or "English speaking week". Students learn languages best in a lively way. As mentioned previously, we do not have an English speaking environment which is close enough to that of the native speaker. What can teachers do? Ask students to watch a television programme in English, or organize learning activities such as debates, language camps and drama. Surely this is better than simply teaching them rules in class.

The quality of teachers is an important factor in making language teaching successful. To enhance the quality of language education, schools should move progressively towards deploying only teachers with a degree in the relevant language subject to teach languages. At present, many language teachers do not hold a degree or a diploma in the relevant language subject. Most teachers who have a degree in a relevant language subject are teaching in secondary schools because of better pay, leading to a shortage of supply of qualified language teachers in the primary level. At present, there are about 6 000 language teachers who do not have training in teaching languages. The Standing Committee on Language Education and Research recommended setting up an incentive grant scheme to provide each teacher with a grant covering 50% of course fees to acquire the qualifications necessary for language teaching. We welcome this move to improve the quality of language teaching.

The Native-speaking English Teacher (NET) Scheme plays an important role in fostering an enabling English environment for students too. But the cost-effectiveness of the scheme is affected by the shortage of manpower. At present, there are more than 600 NETs working in public sector and subsidized schools. On average, there is only one NET for each school. Each class only meet this teacher once or twice in a year. This, together with the high turnover rate of these teachers, virtually renders the whole scheme ineffective. The Government should put in more resources to make this scheme successful.

One of the common problems facing language teachers is the heavy workload. On average, a primary school teacher has 37 students in a class, and a secondary school teacher has 35 to 40 students. Language teachers are particularly overloaded because of the nature of the subject. The school management should try as far as possible to reduce the non-teaching duties of language teachers. Schools should make better use of the additional resources available in recent years to facilitate school management. Language teachers can then concentrate on teaching duties.

All these efforts have to go together with small class teaching to improve language proficiency. Individual attention is particularly important in language teaching. The teacher should then give students individual attention and encourage them to speak English individually.

Therefore, effective English teaching can only be conducted or better be conducted in small classes. The decline in birth rate has given us a golden opportunity to implement small class teaching. Instead of cutting classes, the Education Department should seize the opportunity to implement small class teaching. This would benefit not only language teaching, but teaching in all subjects.

Apart from school teachers, the community at large should work together to create an environment conducive to language learning. In this connection, the mass media has an important role to play in language education. Television programmes on English channels should be provided with English subtitles so that viewers can also acquire the English language through entertainment.

For language education reform to be successful, we need a better-equipped language teaching force, a creative task force on language learning reform, and a government which resolves to invest in language education despite the pressure of economic downturn. And the sooner the investments the better.

Madam President, I support the motion.

DR RAYMOND HO: Madam President, English is an important medium of communication as millions of people in different parts of the world speak the language. It is also an important and useful language of business worldwide. I believe that everyone here in Hong Kong agrees with this. For years, the Government has been investing heavily in our language education to improve students' English standards. Parents always exhort their children right from their first school day to study hard and master the language in order to get ahead in society. Even the reunification of Hong Kong with China in 1997 has not changed this line of thinking.

In Hong Kong, English classes commence at nursery schools. The language usually takes up much of the school children's study time in primary and secondary school levels. At university level, English is, at least, officially

speaking, the medium of instruction. Basically, the Government, parents, students, and people from all walks of life are well aware of the importance of English. Nonetheless, the English proficiency of our students of all levels is said to be declining. Meanwhile, employers are complaining about the declining English standard of our university graduates.

I believe that this disappointing situation must have something to do with our English language education. Instead of learning English in a lively and interesting manner in an appropriate environment, students have to cram grammar rules and even recite prepared essays for passing examinations. Except for a few outstanding students, such a system can at best produce students who read and write English. It is not uncommon to find students who are not able to make a single coherent sentence although they passed the Hong Kong Certificate of Education and the Hong Kong Advanced Level examinations. They are not to be blamed as they seldom use the language outside classrooms. As for those who fall behind, they just give it up altogether as English is all Greek to them. I would not be surprised if some students who finished Form Five cannot read out the 26 alphabets in the right order.

It is therefore imperative for the Government to overhaul the curriculum and pedagogy of our English language education. Some of the recommendations made by the Standing Committee on Language Education and Research in its recently released consultation document entitled "Action Plan to Raise Language Standards in Hong Kong" are worth considering. These suggestions, if implemented, could overcome the shortcomings associated with rote learning. Of course, the examination-oriented culture must be discouraged if we are to make them effective.

On the other hand, the Government should enhance the Native-speaking English Teacher Scheme so as to offer a better English learning environment to our students. To ensure a quality English language education in schools, all local English teachers must have the right credentials and meet the required proficiency in the language.

Above all, the Government should take the lead in promoting the use of English. Public services should be available in both Chinese and English whenever applicable. The practice is in line with our status as an international commercial and business centre.

Madam President, I am in total agreement with the motion calling the Government to take measures to promote the use of English in Hong Kong. However, I found it most unfortunate that the motion is so worded to give an impression that both Chinese and English are two official languages of the same standing. The motion begins with "That, as English is one of the two official languages in Hong Kong under the Basic Law". The Chinese version reads "鑒於英文是《基本法》所訂香港兩種正式語文之一".

However, this is not exactly the case. As far as I can recall, the same question was discussed thoroughly by members of the Basic Law Consultative Committee, of which I was a member representing the engineering profession, between 1985 and 1990. It was agreed that Chinese is the first official language among the two. In accordance with this principle, Article 9 of the Basic Law states that "In addition to the Chinese language, English may also be used as an official language by the executive authorities, legislature and judiciary of the Hong Kong Special Administrative Region". The Chinese version reads "香港特別行政區的行政機關、立法機關和司法機關，除使用中文外，還可使用英文，英文也是正式語文。".

Madam President, there should be no ambiguity on this point. But this technicality should pose no obstacle to the Government in coming up with measures to improve English standards in Hong Kong. I so submit. Thank you.

MR ABRAHAM SHEK: Madam President, as the language of international business — and also because of our colonial history — we have always been encouraged and motivated to be a city that maintains a high standard of English.

For these and other social and economic reasons, English plays a vital role in many aspects of our daily lives. It is the *lingua franca* for global business transactions and legal documents. And for students, achieving a good grade in language subjects is essential for admission to higher education and getting a good job.

The community at large also acknowledges the value of English and supports its wider use as well. With our expatriate and international population, there is also plenty of opportunity for practice. Yet, many contend that the English standard here is deteriorating. In fact, many employers are unhappy with the declining language skill among employees and fresh graduates. There

is obviously a consensus agreeing that written and oral English standards should be improved in Hong Kong.

Let us look at the situation this way — 50% of Hong Kong's population is ethnic Chinese. They use Cantonese, their mother tongue, at home, at work and in the classrooms, too. Obviously, this kind of environment is far less conducive to the use of English than we would envision. As a result, the language is not likely to be promoted or enhanced among local populace. It is important then that we focus on improving the climate for language learning.

Since the handover, one environment that has experienced great change is our local schools. Secondary institutions across the territory are now encouraged to teach non-language subjects in Cantonese. The policy change in the medium of instruction has triggered heated debates among schools, especially those that used to teach in English. While I agree that the medium of instruction should not become a barrier to learning, schools on the other hand should nurture environments with more opportunities to use English in addition to Chinese. Further, we must prepare students to progress to the English-learning environment of universities. The switch to Cantonese was implemented to achieve a goal of greater general learning, and that was in the right direction, but has it been successful? Many educators support the new policy, though some university studies have produced different results. The Government's policy review later this year will hopefully give us a more definite answer and a clear direction. Specifically, the Government needs to reach a balance between English and Chinese training in schools.

In addition, our students have not been given adequate motivation to improve their English language proficiency. Ask any student in Hong Kong about the value of learning English, and he or she would most likely give you a positive response. But the same student who says he or she appreciates the value of English may not necessarily demonstrate the same enthusiasm in English class. The fact is many students find language lessons boring and unstimulating. Outside the classroom, they are not inspired enough to initiate self-learning through reading or watching English media. Those who are motivated to learn English are often primarily concerned with passing examinations, and few continue past graduation with a lasting interest in language improvement or communication skills. Clearly, there is a gap between words and action. However, our students are not the only ones to be blamed. Uninspiring teachers, pressuring parents and an examination-oriented school curriculum all share some responsibility.

The fact is, the problem of trying to motivate students to learn a new language is not restricted to English. There is also concern over the next generation's standard of written Chinese and Putonghua as well. In our pursuit for greater integration with the Pearl River Delta, Hong Kong must shore up our distinct advantage in being able to communicate effectively with business interests in the East and the West. A biliterate and trilingual population is crucial in sustaining the city's competitive edge.

The most recent advocate of raising language standards in Hong Kong is the Standing Committee on Language Education and Research. The advisory body has conducted a review on Hong Kong's language education and identified two key issues that need special and prioritized attention: first, benchmark standards need to be set for language competency, and, second, student's motivation for language learning has to be raised. Again, these initiatives require the active participation and co-operation of schools, the parents and the general public at large. Front-line language teachers, in particular, should be invited to give their views and opinions on the Committee's proposals. Their participation is crucial in developing a practical and effective strategy for language improvement.

The review also raises the question of whether the Government should develop a more explicit and comprehensive language policy for Hong Kong. Certainly, a thorough course of action would help promote language proficiency in both the public and private sectors. The Government should also encourage the private sector to play a more active role in creating work cultures where language development is positively reinforced and lifelong learning is nurtured. Employers can play a big part in promoting language improvement.

Madam President, to successfully implement the challenges of a knowledge-based economy and consolidate our position as Asia's world city, we need to raise the general language standards and communication skills of our community. And the need is more urgent than ever. To achieve this goal, everyone has to — and must — contribute in his or her own way.

DENG Xiaoping gave us "one country, two systems". The British gave us "one city, two languages". These are the two gifts that made Hong Kong's past a success and will make our future a success.

Thank you, Madam President, I support the motion.

MR JASPER TSANG: Madam President, like everyone else who has spoken, I guess I have to speak in English in this debate. I must admit that it seems a bit pretentious of me because I have never used English in motion debates in this Chamber, with the only exception of a very short response to the Honourable Martin LEE in the policy debate last week.

I prefer to use Cantonese in these debates because, of course, I believe that I am much more fluent in that language, especially when I have to engage in verbal duels with my colleagues sitting over there. Another equally important reason is that I think Cantonese is much better understood by the media and the public. Like some of my colleagues, I speak at an English radio programme, "Letter to Hong Kong", once in a while. The contents of my letters are always reported in the Chinese press. However, almost every time, there are gross misinterpretations in the Chinese version, which is most annoying.

I need not be reminded of the importance of English, though, because there are many occasions on which I have to speak English, not only when I have to debate about Article 23 of the Basic Law in front of foreign visitors with Mr Martin LEE or the Honourable Emily LAU, but also when I communicate with some members in my constituency. They are ethnic groups in Kowloon West who do not speak Cantonese, and as I do not speak Urdu, Hindi, Nepalese or Tagalog, we have to take English as our *lingua franca*.

However, Madam President, my frequent contact with non-Chinese speakers mainly began when I entered politics and became spokesman of the Democratic Alliance for Betterment of Hong Kong. Before that, I had very little chance of speaking English both at work and after work. And I believe that for the average individual in Hong Kong, this is also the case. Although we are in a cosmopolitan city, to many people in Hong Kong, encounters with English speakers must be few and far between. The Honourable Mrs Selina CHOW said that bilingualism is a legacy of our colonial past. However, it has also been repeatedly pointed out that, unlike in many other former British colonies, in Hong Kong, English has never become a truly popular language, meaning that it is seldomly used outside the classroom and the office.

Perhaps there are a variety of reasons for this. The most fundamental being the great majority of Hong Kong residents speak Cantonese, a dialect with

a very strong life. Cantonese is a colourful dialect enriched by Hong Kong culture and it serves the rhetoric needs of Hong Kong people so well that I think no one would want to substitute a foreign language for it. And ironically, as we grow more affluent, we need to speak English less. In my school days, we all sang English hit songs. Big blockbusters all came from Hollywood, and when one bought a new toaster or a hairdryer, he only got an instruction booklet in English and Japanese. Today, our youngsters prefer Hong Kong and Taiwanese singers, with their Cantonese and Mandarin songs. Andy LAU and Tony LEUNG have taken the place of Audrey HEPBURN and Gary COOPER, the English-speaking stars of our generation. And there is hardly any English publication but with a Chinese version. So how can we blame our kids for their lack of motivation to learn English?

A foreign language is like a new pair of shoes. One has to use it often enough to be comfortable in it. And we are in a sort of paradox, because on the one hand, we cannot improve our English standards without using it often enough, but on the other hand, because of our poor standards, we cannot use it freely. The solution, Madam President, can only lie in our school education. Language experts talk a lot about immersion programmes. Well, we have to forget about this in Hong Kong because in Hong Kong, there is simply no English environment for our learners, our students, to immerse themselves in. The experts also advise that we should learn from authentic English, and again in our everyday life, there is very little authentic English.

I noted that although the motion calls for the Government to promote the use of English, most of our colleagues who have spoken dwelt on education and language teaching in our schools. And in fact, sometimes one wonders what our schools are teaching in their English classes. We hear mistakes — grammatical mistakes and lexical mistakes — not only among our students, but among those who are supposed to be well educated. On a recent occasion at a ceremony, I was asked to officiate. I was repeatedly addressed as "'Honourable' TSANG Yok-sing" by the president of a very respectable association.

With these words, I support the motion.

MR HOWARD YOUNG: Madam President, English plays an important role in Hong Kong's quest to be Asia's world city. A multitude of international and

multinational companies of various origins have been attracted to invest here. Despite their origin, most of the Caucasian world companies use English as their business language, and indeed so do many of the Asian companies. Large numbers of tourists and expatriates are also attracted to visit and to live here. Many of the tourists and most of the expatriates have a working knowledge of English. By using English, we can communicate and co-operate well with most foreigners in performing different types of financial, commercial and social activities. English has also been one of the main reasons for Hong Kong's development into a prosperous society during the last century.

After the reunification of Hong Kong with China, Hong Kong has successfully implemented "one country, two systems". As stated in Article 9 of the Basic Law, "In addition to the Chinese language, English may also be used as an official language by the executive authorities, legislature and judiciary of the Hong Kong Special Administrative Region." By being a bilingual city, Hong Kong can distinguish itself from other cities in the rest of China. However, English standards and the use of English in some of the mainland cities such as Shanghai, Beijing, Guangzhou and Shenzhen have been improving rapidly.

Let me quote a few examples to illustrate this: I interviewed some candidates last month applying for corporate scholarships provided for Chinese scholars from Hong Kong, Beijing and Shanghai to study at Oxford University. As for those who came from the Mainland, I found their level of English quite impressive, especially their written English. Even though Hong Kong students theoretically have more opportunities to use English and have much more exposure to English, I did not find this duly reflected on the oral side. Another example, it has been reported that in Beijing, all taxi drivers had been learning English in order to better prepare for China's accession to the World Trade Organization (WTO) and the bid for the 2008 Olympic Games. This has been confirmed by tourist passengers encountered by enthusiastic taxi drivers trying out their newly learnt phrases on them. In addition, China's CCTV has also established an English channel and produces a number of English programmes to promote English, whereas in Hong Kong our traditional English television channels have been diluted by other languages.

Since 1997, one of the most quoted worries within Hong Kong is "Will Shanghai overtake Hong Kong?" With the inauguration of a magnetic levitation railway, reaching an agreement to build Universal Studios and acquiring the right to host World Expo 2010, we can see Shanghai progressing day by day at a

rapid rate. In order to prevent our edge from being eroded, it is necessary for us to pinpoint and sustain our current relative advantages so as to maintain our competitiveness. One of our advantages is the wide use of English as an official government and legal language, in addition to being the major business language, a characteristic of our metropolitan status.

According to some surveys in recent years, foreign businessmen in Hong Kong generally find themselves dissatisfied with the decreasing standard of English of our working population. Madam President, it would not be surprising if someone said that Hong Kong's English standard seems to have lagged behind when compared with other English speaking world cities such as New York and London, but it is much worrying to know that our main Asian competitor, Singapore is ahead of us. Singapore has done much to encourage its people to use more English. The Singapore Government has highlighted the importance of English and launched several campaigns since 2000 with the aim of upgrading the English standard of its citizens.

In order to maintain Hong Kong as an international financial, tourism and commercial centre, the Liberal Party urges the Government to adopt more measures to promote the use of English in Hong Kong so that standards can be improved and upgraded. Many of the measures suggested by the Standing Committee on Language Education and Research are commendable, especially those on using international standards as a yardstick and upgrading our teachers' skills.

Under the principle of "one country, two systems", Hong Kong's previous legal system can be preserved. Traditionally, we follow common law. It is a fundamentally judge-made law and is to be found primarily in the judgements of the courts of the Hong Kong Special Administrative Region and other common law jurisdictions worldwide. As most of these jurisdictions also use English to deliver their judgements, it is also an advantage for Hong Kong in this aspect. This not only gives us much more exposure to English language, but it also gives foreign investors more confidence and convenience in understanding and dealing with the legal system of Hong Kong.

Another important reason for promoting the use of English is tourism. All of us who have international travel experience know that if we travel to a place where we can communicate with the local people at ease, it is much more fun, gives a good impression, and gives you more reason to visit again.

Similarly, when foreign visitors travel to Hong Kong, they would be much more impressed if we could provide them with quality services in a language with which they are familiar. As English is one of the most popular languages in the world and has been widely adopted as an international "Language of Tourism", there is a need for us to equip ourselves with better English so as to create a tourist-friendly environment. This surely will benefit Hong Kong's tourism and henceforth our economy which has tourism as one of its four main pillars.

Madam President, the Hong Kong Disneyland is about to be completed in a few years' time. With China's accession to WTO, there is an expectation of more foreign investment in China, including those made through Hong Kong. These are challenges and opportunities and time is not on our side. If we intend to grasp these opportunities, hence ensuring the status of Hong Kong being an international metropolitan city and the gateway to China, truly a world city in Asia, we must upgrade our English standard.

Madam President, I support the motion, in theory and in practice.

MR MICHAEL MAK: Madam President, I have just finished writing the English script in a hurry and hopefully it is not too awkward to make my fellow legislators feel ashamed!

Anyway, I speak in support of the motion moved by the Honourable Mrs Selina CHOW.

I must say that I am dissatisfied with the current overall standard of English of the community and I must admit I do not speak good English. I, however, wish to comment from my experience as a legislator, a manager of a hospital and a father. I think each of our fellow legislators does need the assistance from the so-called personal assistants, who help us out with research, administration, not to mention script preparation. To meet the basic criteria of being a competent assistant to us, a candidate has to possess the very basic requirement of a good command of two languages, one of which being English. From my experience of trying to recruit the most suitable candidates, it is disappointing to learn that the standard of English of those candidates with a bachelor degree was far from satisfactory, I must say. Most of them could not write an application letter properly. I am also sorry to say that by now, I am still not relying on my existing assistants for the writing of my English speeches. Turning to my experience as a manager of a public hospital, I have the similar

experience. I would attribute the use of too many jargons of our own in the health-care industry to be one of the reasons. The English standard of my elder son, who has recently completed his fifth form education, I must say, is poor, but I am sure his is not the poorest!

People are very keen and anxious to know the reasons of the degrading, which, I consider, is the result of multiple causes. In the era well before the return of the sovereignty of Hong Kong to the People's Republic of China, the colony was using English as the official language. It was well received that English was cardinal and essential to establish one's status, in terms of study, business and networking. Hardly was someone not extremely aware of the need for a good command of English! Parents were so worried about the future of their children so much so that they would like to send their kids to the English schools by all possible means. I must say I was lucky that my parents were not an exception to this. I wonder about the situation now, but I am quite sure that the parents do wish their children to master good English.

The use of English after our return to China is certainly diminished — the reasons are certainly understandable, be it considered politically correct or realistically necessary. I must advise those thinking it being politically correct that the English standard of our comrades in China is not bad at all, especially in our capital, Beijing.

I am also doubtful about the ill effects of using Chinese as the mode of instruction in our teaching. I really do not want to comment too much because the Permanent Secretary for Education and Manpower, Mrs Fanny LAW, would be furious again. She did scold me in the lift after the briefing by the Secretary for Education and Manpower and after I commented that the mode of using Chinese as the medium of teaching was probably one of the reasons leading to the poor standard of English nowadays. Anyway, I uphold my criticism on the policy.

What else should be blamed for the degrading — how about our quite ridiculous or distinct culture of using Chinese coupled with English? In using Chinglish, one can hardly master the either proficiency and one will not have the incentive to structure one's expression in complete sentence with a correct grammar.

Maybe I should refer to the standard of English of our school teachers. According to the assessment report launched on 24 September 2002 on Language Proficiency Assessment for Teachers (English Language), most of the candidates

attending different assessments had an attainment rate far from satisfactory, say, of 662 candidates attending the reading assessment, the attainment rate was 55%, for speaking, almost 679 candidates attended and the attainment rate was 58%. What we can learn from the report is certainly that the teachers need improvement in their standard!

I also wish to accuse the contemporary activity in ICQ, which is widely participated by our kids. In the ICQ environment, we will be surprised by the language they use, for example, "B4" represents "before", "OIC" for "Oh I see", "Dunno" for "Don't know". What on earth are they doing? They create words of their own, in technical term, we call it "neologism".

I am, indeed, worried about the downgrading of the standard if we do not do something. I cannot think of something very substantial because it is not my work but the responsibilities of the Secretary for Education and Manpower. However, we shall try our very best to use both English and Chinese proficiently and efficiently. Anyway, communication is not one-sided, and we should use the best cultural ways to express ourselves. English is the most common language in the world and we shall demonstrate to the rest of the world that Hong Kong, as a Pearl of the Orient and a cosmopolitan city, is able to master English in an effective way, although our mother tongue is not English.

Madam President, with these words, I support the motion. Thank you.

MR LAU PING-CHEUNG: Madam President, as a highly internationalized cosmopolitan city, Hong Kong has always been a passage window to the world for mainland China and indisputably a springboard for the Western world to the Mainland as well, particularly so before the return of Hong Kong's sovereignty to mainland China. The success of Hong Kong has depended not only on our full integration and being part of the international community, but also on our capability to master biliteracy and trilingualism (兩文三語). It is this capability that has enabled Hong Kong to maintain our connectivity not only with the Western world but also as a conduit and bridge between the Mainland and the Western world.

Unfortunately, society is experiencing a general decline in the standard of English language (in fact, as well as Chinese language).

This has not only caught the attention of the Chief Executive, Mr C. H. TUNG, who vowed in his 2001 policy address to promote the wider use of basic English and to upgrade the English language ability of our students as our policy is to promote biliteracy and trilingualism, but it has also caused concern to the business community. So much so that even the most rhetorically conscious profession, the legal profession, has also voiced its concern on the falling standard of the English language among law graduates.

In 2001, the Administration through the Standing Committee on Language Education and Research (SCOLAR) carried out a review on the level of Hong Kong people's mastery of biliteracy and trilingualism. The result published in last October revealed that the business community has a general perception of decline in English standard across society. One of the reasons of such decline is probably due to the restructuring of our economy from manufacturing to services. The report points out that services in the year 2000 were accounted for some 86% of Gross Domestic Product up from 69% in 1982 which translates into a workforce of 2.55 million in 2000 up from, that is, 1.25 million in 1982. That is to say, more people with less than capable English language ability has joined the services industry which require more interpersonal communication than the manufacturing industry.

No matter what, with the mainland services market poised to be fully opened up in the coming few years after its accession to the World Trade Organization, Hong Kong's integration with our Motherland, particularly with the Pearl River Delta area, will be not only a must, but its speed and frequency of integration will be greatly expedited and increased. The demand for trilingual capability will undoubtedly be escalated. The Administration is therefore duty-bound to invest more in our society to upgrade our language education and on-the-job language training. The various recommendations put forward by the SCOLAR, including pilot project to promote the teaching and learning of English through television programme among secondary school teachers and students, should be supported and implemented without reservation.

In March 2000, the Administration rolled out an on-the-job training programme called "Workplace English Campaign" to upgrade English proficiency for six types of people. They are those in the low-proficiency job type, front-line service personnel, clerks, receptionists/operators, secretaries, executive/administrators/associate professionals. Those who go through such

programme and satisfy a prescribed proficiency examination will be able to be reimbursed with half of the tuition and examination fees.

Up to October 2002, a total of 35 000 applications have been received for funding assistance under the Funding Scheme for Workplace English Training, involving some \$34 million. Notwithstanding the current financial difficulty facing the Administration, such investment in language education for the working class is most worthwhile.

Other initiatives such as the Native-speaking English Teacher programme and the Language Proficiency Requirement for Teachers are also important measures to elevate the standard and proficiency of English language in our society.

Now let me share with you my personal experience in learning the English language. I can still vividly recollect the day when I first came to Hong Kong in 1959 that I could hardly speak any Cantonese, not to mention any English. It was, however, through a systematic and complete education of the English language in school that we were able to pick up gradually the eight parts of speech of the English grammar which, in my experience, laid the foundation stone for building up the proficiency of the language. Not only were we taught how to build up sentences but we were also required to analyse sentences by breaking them down into and identifying the different parts of speech. And it was the latter part which had fused the English language into our memory without noticing it. Members in this Council who are of similar age as mine will probably still remember the little thin English grammar book called "Brighter Grammar" that we had used to acquire and acquaint ourselves with the English language in the primary school days.

English not being our mother tongue, and like any other languages, requires systematic and complete language education through persistent and continuing teaching and learning programme, particularly in the early days of one's learning life, before one can command the language well. I hope the Administration will revisit the teaching material and the teaching method that are now being used in primary schools where no systematic education in English grammar is taught.

With these words, I support the motion.

MR JAMES TIEN: Madam President, no Member of this legislature needs to be reminded that the reason so far all Members are speaking to you in English today is because, in Hong Kong, whether we speak in English or Cantonese is purely a matter of personal choice. Many of us use both media, changing from time to time according to the subject of the debate.

In the Liberal Party, with our business background, the use of English is essential to further our working lives. In a world-class city like ours, the same applies to many sectors of society. It is not an exaggeration to say that there are a few in our working population who do not need a basic command of English in order to prosper in their daily lives.

English is the language of global commerce and industry. Of even greater importance to us, it is the language of the common law, on which our freedoms are based, and through which all our most vital and far-reaching legal judgements are made.

It is a fact that school leavers and students who have a good knowledge of English have an infinitely wider choice of careers than those who finish their education with poor English skills. The companies which earn most of Hong Kong's vital foreign exchange could not operate without being able to conduct high level business in English.

So, perhaps the most crucial factor, when Hong Kong's economic prosperity hinges on retaining its position as the region's premier service and financial centre, is that English must be fostered and promoted in every possible way. Our Government has made sterling efforts in recent years to promote our bilingual skills, through the Workplace English Campaign. In the two years of its existence, it has received 34 000 applications, of which more than 20 000 have been approved, with the campaign costing of \$34 million. This is a major achievement and it leaves no doubt about the importance the Government attaches to language proficiency.

Unfortunately, our English language standards have been slipping. This is very worrying. If we are to stay competitive in an increasingly challenging business environment, we must double our efforts to promote our English language skills.

There are many ways to improve our English language skills. Formal teaching is essential. English teachers' standard is also essential, but we must make English part of our lifestyle so that every citizen can on a daily basis acquire and improve their knowledge. This can be done through English language programmes on radio and television, through bilingual signage on our streets, through advertising in public places. All government notices and forms should return to their old bilingual format. That is the way it is done in rival cities in Southeast Asia, where, it has to be said, the use and level of English spoken is all too often far ahead of Hong Kong.

Despite that, it is not false pride, and it is no idle boast, to say that this city far outstrips any neighbouring metropolis in the incentives it can offer foreign firms to set up regional headquarters here. Our free flow of information, rule of law, and our infrastructure is second to none. It would be unforgivable if a lack of English skills is to let us down in the increasingly fierce competition for foreign investment.

Madam President, that is why I urge our Government to do everything in its power to promote our second language, in particular by continuing to fund English language schemes, and by encouraging its citizens, across all ages and walks of life, to remember that a good command of English will help them to better jobs, better salaries and fuller lives. In doing so, they will help the Hong Kong Special Administration Region Government to maintain its prosperity, and enhance its stature as one of the great cities of the world. Surely that is an aspiration we can all share, and something that with a little application and extra effort, we can all achieve.

Madam President, I wholeheartedly support the Honourable Mrs Selina CHOW's motion.

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

MR MARTIN LEE: Madam President, the only person who has not used English during this debate is you, and this shows how independent you are from all of us.

I share the view of many of the Members who have spoken that the standard of English used in Hong Kong has deteriorated greatly in recent years. Perhaps we should take a look at the motion. The last words read: "..... this Council urges the Government to adopt measures to promote the use of English with a view to maintaining its importance and improving its standard in Hong Kong." I do not think this is good English when it comes to "improving its standard". But it happens to all of us, Madam President. I use a dictionary every time I sit down to write something, whether it is a speech or for my work in court, because we do not use it enough. Thus, I do not think that we should leave it to the Government, or to our schools either. God helps those who help themselves.

May I share my experience with the people of Hong Kong through this debate, hopefully some people are listening in. When I was studying law in England, within five days of arrival in London, I discovered to my horror that I spoke English with a terrible Cantonese accent. And then I said to myself, how could I make a living at the Hong Kong Bar Association (Bar Association) with such a standard of spoken English? But I did not give up. I then switched on the television every evening and watched BBC news and tried to follow the newscaster as he or she read the news in English. I tried to follow the intonation, pronunciation and everything. And at first, for every 10 words from the newscaster, I could only follow four. Then I continued to improve: five, six, seven. At the end of two months, I found out that my awful Cantonese accent was gone.

Now, I think this is a very useful exercise. It is cheap. It does not cost anything, and you do not have to wait for the Government to deliberate and deliberate until finally it comes up with some measures, which I doubt would succeed. So I suggest that the people of Hong Kong should really help themselves.

The use of a dictionary, of course, is important. Many people do not use it enough. They avoid using certain words because they are not sure. They cannot spell correctly, and they do not ask people. Madam President, I ask people because I find my standard of English is extremely low compared with those who speak and write in English as a native language. So, this is our handicap. I am sure the people listening in this debate will find that the spoken English of all the Members who have spoken is extremely high. Yes, that is, if they are bilingual, if they are Chinese citizens living in Hong Kong. But

whenever I speak to Englishmen, Americans and whoever, whose native language is English, and when they talk about legal subject, I am fine. When they talk about democracy, I am alright. When they talk about other things, there are so many words that I do not know. When it comes to flowers, I know rose. I do not know too many flowers. When it comes to the names of fish, I know garoupa, but I do not know too many. My vocabulary, of course, is limited, and I do not have time to read enough books, although at school, I read a lot.

I still remember the time when I went to see my father, who used to teach Chinese in Wah Yan College, Kowloon. I had just finished my Form Six and I said to him, "Dad, I have thought long and hard about this matter, and I have decided that I will do Chinese in the Advanced Level." He said, "Son, I also thought long and hard, but I suggest you take English." I have to say that I somehow regretted it, particularly not so long ago the Honourable LEUNG Fu-wah criticized me for not being able to speak in Chinese too efficiently. But we all suffer from this natural handicap simply because we do not use it enough.

Now, what can we do about it? We can actually read aloud from newspapers, from books, and we can watch television and switch over to the English channel without relying on the Chinese subtitles, because if you rely on them, you will become dependent on them, and you really cannot benefit from the exercise of the language.

I remember a Judge who was retiring, and on his retirement, the Bar Association gave him a dinner. And he confided in us why he never knew Chinese: he could never speak in Cantonese. He said that when he was a young Magistrate, he tried very hard to learn Chinese. And on one occasion, he was invited to dinner. At the end of it, as he thoroughly enjoyed his food, he paid a compliment to the hostess and said, "Madam", he wanted to say "我好食", what he meant is "the food was lovely", but that he pronounced it as "我好色". Everybody roared with laughter, and the poor man never tried again.

When we make mistakes, I hope that people will not laugh at us. We should encourage one another, tell them quietly of course, to think in English, because that is the goal. If you cannot think in English, you cannot be proficient in English. If you can quarrel in English, and you win in your arguments, then you are getting there. In the meantime, you are bound to be despondent. My suggestion is to pray in English, because one thing I can

assure Members is that God is extremely proficient in every language, including English.

Thank you.

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

(No Member responded)

CHIEF SECRETARY FOR ADMINISTRATION: Madam President, I would like to thank the Honourable Mrs Selina CHOW for providing us this excellent opportunity to speak on a subject that is so vitally important to Hong Kong's positioning as Asia's world city. Thanks, also, to other Honourable Members who have given us their insight and ideas on this matter.

This is one of those rare occasions where I think we all agree with the sentiment of the motion before us. There is no doubt that English remains an essential ingredient in our recipe for success as an economy and a cosmopolitan, world-class city.

In Hong Kong, English is very widely used in business, in the Courts and within the Government. It is the international language of aviation and the language of choice for the member economies of the Asia-Pacific Economic Co-operation. When tourists from all corners of the globe come to Hong Kong, they use English to communicate with the local population, as well as fellow travellers from different countries. Quite often, when I travel overseas on duty visits or holidays, the language that brings people together more than any other is English.

It is clear that, if Hong Kong is to maintain its position as the most cosmopolitan and international city in Asia, we must ensure the use of English remains widespread and of a high standard in Hong Kong. English is an official language in Hong Kong and this status, as the Honourable Mrs Selina CHOW's motion notes, is enshrined in the Basic Law. The Official Languages Ordinance, enacted in 1974, to encapsulate our language policy, also states that both English and Chinese are of equal status and enjoy equality of use in

communication between the Government and members of the public. Thus, we cannot blame what we may perceive as declining English standards in Hong Kong on a lack of a clear policy.

I want to assure this Council that the Government is firmly committed to nurturing the English language abilities of our community so that we can become a trilingual and biliterate society.

Indeed, as you will soon hear from my colleague, the Secretary for Education and Manpower, that the Government is devoting considerable resources to the teaching of English at schools, in the workplace and in the wider community. The Native English-speaking Teacher Scheme, the Workplace English Campaign, the recently-released consultation document from the Standing Committee on Language Education and Research (SCOLAR), and the Continuing Education Fund are concrete examples of the Government's commitment to raising English standards.

It is upon this foundation that we will promote English usage in Hong Kong. However, we should also understand that this will be a medium to long-term undertaking. What we must aim for is a steady improvement in the English language abilities of our community. In addition, specific courses have been designed under the Skills Upgrading Scheme to help our service industry workers develop a good working vocabulary within a reasonably short timeframe.

Over the past few years, we have heard comments, particularly from the international business community, that the standards of English are slipping in Hong Kong. Naturally, such comments concern the Government because one of our greatest assets has always been a workforce that can communicate in English and Chinese. The English abilities of our population have a direct bearing on our attractiveness as an international business hub and our long-term competitiveness. And if English standards are slipping then obviously we need to address that problem.

But are standards slipping? If we use data from Hong Kong Certificate of Education Examination (HKCEE) as a guide, it shows that Hong Kong students have performed fairly consistently in their English examinations over the past three decades. Then why do we still hear that English standards are falling?

The answer lies in the fact that our economy has undergone a massive change over the past three decades. And, with the advent of the Internet age in the 1990s, the effects of this paradigm shift have sharpened.

Since the late-1970s, Hong Kong has transformed itself from a manufacturing-based economy to a knowledge-based, services-oriented economy. The contribution of service industries to the Gross Domestic Product has risen from 69% in 1982 to 86% in the year 2000. During that same period, the number of employees engaged in service industries increased from 1.25 million, or 52% of the workforce in 1982, to 2.55 million, or 79% of the workforce in the year 2000.

And in the past decade we have also seen an influx of international companies into Hong Kong. The number of international companies with regional operations in Hong Kong has more than doubled from 1 345 in 1992 to 3 119 in the year 2002. Many, if not all, of them require staff who can speak English and Chinese.

Quite simply, we have a situation where demand for staff with good English-speaking abilities is at a premium and has outstripped supply. It is not so much a case of slipping standards. Rather, it is a case of bringing more students and workers up to the required standards. This we are working very hard to achieve.

Within the Government we are acutely aware of the need to promote the use of English among our colleagues. As the largest employer in Hong Kong we must lead by example. From 1 January this year, all applicants for civil service posts at degree or professional level will need to have acquired a pass in the Use of English and Use of Chinese papers in the Civil Service Common Recruitment Examination before applying for a job. For any other civil service post with academic qualifications below degree level, an applicant needs to have attained at least a Grade E in English Language (Syllabus B) and Chinese Language in the HKCEE, or its equivalent. Without passing this minimum standard, no one now can enter the Civil Service irrespective of rank. By introducing these standards, we are demonstrating the Government's commitment to providing the community with a civil service proficient in both English and Chinese.

On a personal note, I opt to conduct senior internal meetings in English. I know from past experience that most, if not all, of my colleagues at the senior

level of the Government do the same. English and Chinese are used at Executive Council meetings, and government officials attending to the questions of Honourable Members in this Chamber are equally at home in English or Chinese.

English remains widely used within the Government. In many departments, it is the primary working language. Almost all inter and intra-departmental correspondence is in English.

The Director of Administration has, on occasion, reminded the government departments and bureaux to ensure that all written material meant for public consumption is in both English and Chinese. This includes government announcements, official forms, invitations, minutes of meetings and publicity material. By doing this we fulfil our obligations under the Basic Law and the Official Languages Ordinance, we remain faithful to our policy for a biliterate civil service and we eliminate inconvenience caused to members of the public who cannot read Chinese.

On the training side, the Civil Service Training and Development Institute (CSTDI) has a unit specifically dedicated to English and communication training. Over the past four years, some 27 500 civil servants have taken part in English-training courses over a total of almost 110 000 training days. Another 8 700 civil servants are expected to have completed English training courses by the end of 2002-03. Courses cover both oral and written communication.

Standard English writing programmes focus on day-to-day writing skills such as minutes, memos and letters, with emphasis on writing styles and language clarity. Middle managers receive training on editing and image building through writing. Apart from these standard programmes, customized courses are developed for specific groups and departments.

Oral communication training is designed mainly for junior, front-line staff. With the exception of two standard courses, all courses are designed for the specific communications needs of various departments.

Apart from formal courses, the CSTDI offers various services to meet specific needs of departments and staff through seminars, self-learning packages, web courses and mixed-mode programmes combining all the elements I have just mentioned.

Self-learning packages, mostly web-based, have been developed to help staff learn at their own pace. A number of job aids and e-tools are also available for staff who need handy references for their day-to-day writing tasks. These include the Plain English Campaign, the English Net and the Art of Word Choice.

These awareness and skills building tools have enabled our civil service staff to enhance their English competency at work, and such courses have been well received.

As you can see, Madam President, we are doing a lot to not only maintain but also raise standards of English within the Government. But we shall remain vigilant and not let complacency or mediocrity set in.

Madam President, one of the core values that underpins our positioning as Asia's world city is high quality. This applies as much to the products we make as to the services we provide. It also relates to the quality of our human capital in Hong Kong. We all know that people will pay a premium for quality goods or services. In other words, an investment in quality will reap dividends in the long run.

As a government we are committed to providing Hong Kong with a high quality workforce, and that must include a workforce that can speak fluent English and Chinese. To achieve this goal we will continue to invest heavily in education and training so that Hong Kong can remain an international city of choice for companies doing business in the region.

Madam President, may I make a humble suggestion for consideration by Honourable Members. Very few public forums come close to the Legislative Council in influencing public perceptions or starting a new community movement. In order to impress upon the community, the importance the Council attaches to the use of English and to maintaining good English standards, I suggest that the Council establishes a convention of holding its fully open Council meeting regularly, say once a month, in English. The same practice should apply in Committee or Panel meetings. Individual Members may, of course, speak always in Cantonese or Putonghua if they so decide at these meetings. I stress again this is entirely my humble suggestion and the decision is entirely for the Council to make.

With these words, Madam President, I support the motion.

SECRETARY FOR EDUCATION AND MANPOWER: Madam President, first of all, let me join my honourable friend, the Chief Secretary for Administration, in thanking the Honourable Mrs Selina CHOW for introducing today's motion. The Chief Secretary for Administration and Members of this Council have already spoken extensively on the importance of English to Hong Kong both at present and in the future. I do not intend to elaborate on this point.

While the Chief Secretary for Administration has given Members a detailed account of the measures taken by the Government to ensure that English will remain one of our two official languages, I would like to bring to Members' attention what the Government has been doing to promote the use of English among our students and our working adults. In fact, we are already doing what many Members have suggested.

English language has long been a part of the core curriculum of local schools. Students learn the language throughout the nine years of their basic education, with some 17% to 21% of their curriculum being devoted to the subject. We are also aware that most of our school children are exposed to English even before they start their primary education. A survey conducted by the Education Department in May 2000 found that almost all of the kindergartens surveyed provided some form of English learning for pre-primary children under their care.

Notwithstanding the fact that our students spend thousands of hours learning the language, employers are expressing concern over the decline in English proficiency, particularly in spoken English, among their employees. This is an issue that has given rise to much debate in the community. Educators, parents and employers are all asking, "What is wrong with the way we are teaching English in schools?"

The problem was captured succinctly in the Consultation Document on English Language Education issued by the Curriculum Development Council (CDC) in November 2000. It reads, "In many local English language classrooms, considerable emphasis has been placed on helping learners master the language forms (including vocabulary, text-types, grammar items and structures), communicative functions, and skills of listening, speaking, reading and writing. Mastery of these learning elements is no doubt important and

should continue to be promoted in the language classroom. However, mechanical drilling of these elements in isolated contexts is unmotivating and can hardly bring about effective language learning. This, together with the lack of a language-rich environment in Hong Kong, presents challenges for teachers of English."

The problem is not new. We have frequently heard from teachers about students lacking confidence in using English outside the classroom. Their English is also often described as "text-book", as opposed to "authentic" — the kind we come into contact with in real life situations and in the English media.

To address these concerns, the curriculum reform, which is an integral part of the education reform started in 2000, advocates providing students with more opportunities to use English for purposeful communication both inside and outside the classrooms. Teachers are encouraged to focus on the cultivation of the reading habit, the use of information technology, and the adoption of innovative teaching methods such as language games and creative projects, so that students will be motivated to learn the language. Teaching English in a small-class setting is indeed one of the means, and is already being practised in some schools.

The Standing Committee on Language Education and Research (SCOLAR) supports this direction of change. In the report of its recently completed review of language education in Hong Kong, the SCOLAR emphasizes the need to motivate students in language learning, and calls upon teachers, the school management, parents and the wider community to work together, with a view to creating an environment more conducive to language learning.

In summary, the SCOLAR recommends that the school management should create an environment that provides more opportunities for students to use English. English teachers should improve their teaching methods to arouse interest. They should also adopt a curriculum that suits the particular needs, interests and ability levels of their students. Parents should support the curriculum reform and cultivate in their children the habit to read. Last but not least, teachers, parents and students should make better use of the mass media, particularly television programmes in English, as a resource for learning the English language.

Among the many recommendations of the SCOLAR and the large variety of government initiatives to support the curriculum reform, I would like to highlight some examples to illustrate what we have been doing and will be doing to promote the use of English among students. I shall go into some details about the Native-speaking English Teacher (NET) schemes, co-curricular activities that encourage the use of English outside the classroom, the campaign to promote reading extensively in English, and a pilot project to use television programmes for English learning and teaching.

The NET schemes are important means by which the Government seeks to enrich the language environment in schools, to bolster students' confidence in using English to communicate, and to introduce a wider variety of English teaching methods. We believe the presence of NETs in our schools will encourage the use of English not only among our students but also among our teachers.

NETs have been teaching in a number of our secondary schools under the Expatriate English Language Teacher Pilot Scheme since 1987. To extend the benefit to all public sector secondary schools, we launched the enhanced NET Scheme in September 1998 to provide one NET for each school. Schools using Chinese as the medium of instruction may employ a second NET. In the current school year, 471 NETs are working in 430 secondary schools.

We have further extended the NET Scheme to public sector primary schools this school year. We intend to provide one NET for every two primary schools that apply to the Scheme, and have so far recruited 167 NETs to work with 334 primary schools. The remaining 298 primary schools that have not yet had the opportunity to share a NET are provided with cash grants of \$150,000 each to hire the services of native-speaking English Language Teaching Assistants (ELTAs). We have already started a new recruitment exercise and aim to recruit all the NETs we need in the 2003-04 school year.

In terms of the outcome, a study sponsored by the Language Fund and completed in 2001 indicated that the NET Scheme for secondary schools had yielded positive results. It has been successful in enriching the language environment and helping to diversify teaching methods among our secondary schools. Nevertheless, professional exchange and collaboration between local English teachers and the NETs should be further promoted.

In its review report, the SCOLAR recommends that the Government should ensure the NETs in both primary and secondary schools are properly deployed to achieve the objectives of the two schemes. To provide professional support to the primary schools and the NETs involved, we have set up an Advisory Teaching Team consisting of 20 NETs and 20 local teachers seconded from schools. The Team provides centralized professional development programmes on a monthly basis for the NETs and the local English teachers who work as their partners. It gathers and disseminates good practices in the teaching and learning of English, and promotes the exchange and collaboration between local English teachers and the NETs.

In addition to ensuring the effective deployment of NETs, the SCOLAR recommends that the school management should explore and provide experiential learning opportunities for students to practise and develop their language skills. One example is the English language camps jointly organized by the SCOLAR and the Education Department in March 2002 with support from the Language Fund. A total of 8 200 primary school students participated in fun-filled activities led by 2 500 students from secondary schools in day-camps held on two Saturdays. Evaluation reveals that these activities have been useful in enhancing the interest and confidence of primary school students in using English and in developing leadership among secondary school students.

We shall continue to provide financial and professional support to schools that wish to organize English language camps. We shall also encourage our schools to organize more co-curricular activities such as English days, debates, speech and drama competitions. We believe the NETs will be a useful resource, who will play an important part in the planning and organization of such activities. Schools can also explore the possibilities of working with business organizations, alumni, and sister schools both inside and outside Hong Kong to provide immersion programmes or placements in local commercial firms.

In order to motivate students to learn and use English more extensively, we have to maximize their exposure to the language outside the classroom. One way of achieving this is to nurture an interest in and a habit of reading extensively in English. Since 1997-98, we have progressively extended the English Extensive Reading Scheme to all school levels. An English Extensive Reading Grant is given to schools for the purchase of reading materials in English. The Quality Education Fund has also sponsored over 270 projects that aim at promoting reading among pupils all the way from the pre-primary to the secondary level.

In May 2002, the Education Department set up a task force to map out a comprehensive strategy to promote reading among students. Schools have been asked to incorporate reading into their school plans, and a focused school development programme is being developed to support schools in this effort. Teachers are being trained to help their Primary One to Three students to learn to read. They will in turn conduct workshops for parents on how to help their children learn to read at home. Action research on approaches to promote reading and their impact on learning will be conducted. Lists of quality reading materials will be compiled and good practices in promoting a reading culture will be disseminated for the reference of schools. In addition, promotional activities will be arranged in collaboration with public libraries, the Hong Kong Education City, television and radio stations, to publicize the importance of reading throughout 2003.

The SCOLAR supports these continuous efforts to promote reading among students. In its review report, it draws special attention to the great influence parents have over their children's reading habit. Parents should themselves develop a reading habit, take their children to libraries regularly, help them select high quality reading materials, and spend time reading with them. These are simple suggestions for parents who want their children to develop an interest in reading.

Apart from the print medium, the electronic medium can also be used to increase students' exposure to so-called "authentic English". In Hong Kong, we have two local television channels and four radio channels that provide free English programmes. The SCOLAR found in a survey conducted in March 2002 that television was by far the more popular among students. Those who watched English television programmes were far more motivated to learn the language. Yet 36% of the students surveyed said they never or very seldom watched English programmes.

To encourage more students and teachers to learn and teach through English television programmes, the SCOLAR has launched a pilot project with the support of the Language Fund. Two entertaining television programmes targeting the teenaged audience have been selected on the advice of teachers and students to serve as the basis of a series of exercises, games and activities focusing on English, and the resources will be made available at a website specially designed by the Hong Kong Education City. Teachers and students can access the resources whenever and wherever they find convenient.

The project will be launched in the second half of the 2002-03 school year. Information on it has been disseminated to schools and parent-teacher associations. We believe this is a worthwhile project and would urge all teachers and parents to encourage students to watch the programmes and attempt the online exercises and activities. Teachers may also wish to integrate these resources into their curriculum or adapt them for use in co-curricular activities.

Having reviewed what is being done to improve the effectiveness of English teaching and learning in schools, I feel obliged to address briefly the distinction between learning English as a second language and adopting it as a medium of instruction. It has been widely held that using English as the medium of instruction will improve students' English proficiency through increased exposure and use. Some people therefore argue that teaching in Chinese will reduce exposure to English and is unfavourable to the development of English proficiency. They even attribute the decline in English proficiency among university graduates in recent years to the adoption of Chinese as the medium of instruction in secondary schools.

First of all, I must point out that the first batch of students affected by the Medium of Instruction Guidance for Secondary Schools are still in Secondary Five at the moment. In fact, most of the university graduates currently in the workforce have come from schools that claimed to have adopted English as the medium of instruction. There is no evidence of any direct causal link between English proficiency and the medium of instruction in their secondary schools.

What is really important is that all schools, irrespective of the medium of instruction, should provide a congenial environment for language learning. This is precisely the rationale for the whole range of support measures we have introduced, including the NET schemes and the provision of teaching resources. We do recognize that more should be done and we shall not relent in our efforts in this direction. A number of studies have in fact been commissioned to explore ways of enriching the language environment in both Chinese-medium and English-medium schools to help students achieve better English competence. A support strategy and measures to help Secondary One students adapt to the learning environment in English-medium schools are being explored, and an enrichment programme to increase the exposure to English among Secondary Two and Three students in Chinese-medium schools is being tested. We expect these studies to be completed by the end of 2004.

Nevertheless, we do appreciate the concern over insufficient exposure to English of students studying in Chinese-medium schools. For these schools, the Government has provided a package of support measures, including the provision of additional English teachers and additional grants for purchasing equipment and books. As mentioned earlier, these schools may also have a second NET.

The NET schemes may have been put in place, but some still argue that improvements to English teaching and learning are not possible without competent local English teachers. Members are familiar with the effort we have made in recent years to assure the English proficiency of these teachers. The Language Proficiency Requirement for English Teachers was announced in September 2000. By the 2006-07 school year, all teachers teaching English language in our primary and secondary schools, be they serving teachers or new to the profession, will have met the Requirement.

From the current academic year, the Government has also started to provide overseas immersion for all would-be English teachers as a mandatory part of their training programme. The immersion programme will not only help them master the English language, but also increase their understanding of the culture from which the language draws its vitality.

In addition to being proficient in the language, effective English teachers should also be well versed in subject knowledge and teaching methods. To ensure that all new teachers have adequate training in these two areas, the SCOLAR has recommended in its review report that schools should, as far as possible, recruit English teachers with a Bachelor of Education degree in English language, or a first degree in English language or English literature plus a Postgraduate Diploma or Certificate in Education majoring in English. We have heard comments both for and against this recommendation, and will listen to all views expressed during the public consultation exercise conducted on the SCOLAR's review report.

Students at local universities will continue to be exposed to English, which is the medium of instruction for most programmes of studies and the target of a variety of language enhancement programmes provided by their universities. Since 1991, the University Grants Committee (UGC) has been allocating Language Enhancement Grants to the UGC-funded institutions on top of their triennial grants. Over the past 12 years, a total of \$785 million has been disbursed to these institutions to support a wide range of courses designed to

enhance students' English proficiency. Some of the courses aim at equipping first-year students with the English language skills required for academic studies at the tertiary level. Others address the needs and characteristics of particular disciplines and professions.

To raise university students' awareness of the importance of English proficiency and to encourage them to work harder at improving their English, the UGC has recently adopted the International English Language Testing System (IELTS) as a common English proficiency assessment. Starting from this academic year, graduating students in UGC-funded institutions may take the assessment on a voluntary basis and receive reimbursement of test fees.

The SCOLAR is also planning to consult human resources experts to determine the band scores of the test that reflect the level of English proficiency employers expect of university graduates. Professional bodies are being encouraged to specify the level of English proficiency they wish to set for their own professions, with reference to the IELTS band scores. Such initiatives should provide university students and professionals under training a useful reference and a clear standard to work towards.

To maintain the importance and upgrade the standard of English in Hong Kong, promoting the use of English among students is not enough. Efforts must be made to raise the awareness of the working population, and encourage them to improve their mastery of the language even after they have left school. To provide incentive, the SCOLAR recommends that employers set clear language requirements for recruitment and promotion. And, for working adults seeking to improve their English proficiency, the Government has in recent years provided a variety of subsidies and training programmes.

One example is the Workplace English Campaign launched with the support of the Language Fund in February 2000. Its Funding Scheme subsidizes the attendance of training by individual employees, and the development of Workplace English courses by professional and trade organizations to meet their particular training needs. By the end of 2002, about \$38 million has been disbursed to or set aside for a total of 22 000 approved applications for subsidies from employees. As for course development, applications for 17 training courses have been approved, involving the commitment of \$1.3 million. The trades and professions that have benefitted from the scheme include taxi, import/export, legal and accounting services.

Besides the Workplace English Campaign, the Continuing Education Fund, which was launched in June 2002, also provides subsidies for training in English to non-degree-holders aged 18 to 60. So far, over 1 500 applications for English training subsidies have been approved.

Furthermore, English training programmes are available from the Employees Retraining Board and as part of the vocational education and training courses offered by the Vocational Training Council. Work-related English training for employees is also provided under the Skills Upgrading Scheme for employees in different industry sectors, for example, the retail, hairdressing, import/export and real estate service industries.

Some Members may say, "Well, these policies and measures are commendable. But how do you know they are indeed effective in raising the population's English standards?" I agree that while we push forward the curriculum reform and continue to support the different forms of language training for students and working adults, we also need to set an English standard to be attained and to develop tools for assessment.

In this connection, the SCOLAR has recommended in its review that basic competencies in English listening, speaking, reading and writing should be specified for school students, university graduates and professional groups. These basic competencies should be clearly defined in statements describing what the individual in question is capable of in terms of using the English language, which are to be accompanied by writing and speaking samples. The descriptors of the basic competencies for primary and secondary students, for instance, are already being developed and shall be tried out and validated by the end of 2004.

To ensure the basic competencies developed will cater to workplace needs, the SCOLAR invites employers and professional bodies to participate in setting the basic competencies for students and working adults who have completed Secondary Three, Five and Seven, as well as undergraduate and professional studies. By adopting them as language requirements for recruitment and promotion, employers could also help to motivate students and working adults to work towards achieving these basic competencies.

And, to monitor if our students, graduates and professionals are meeting the basic competencies set for their respective groups, the SCOLAR recommends that a set of assessment tools be developed. The Basic

Competency Assessment, which will be the tool for assessing the achievement of basic competencies among students in Primary One to Secondary Three, will become available in phases starting from the coming school year to 2006. The Hong Kong Certificate of Education (HKCE) and Hong Kong Advanced Level (HKAL) examinations on Chinese and English will, on the other hand, become the tools for assessing the achievement of basic competencies by students in Secondary Five and Secondary Seven. The SCOLAR recommends that these HKCE and HKAL examinations should be reformed to set their grade levels against specified standards in 2007 and 2009 respectively. In the future standards-referenced HKCE English Language examination, for instance, Grade E should be set against the basic competencies for Secondary Five.

After we have measured our students against these standards, we shall be able to identify who will require additional help to achieve the basic competencies expected of them, and shall channel resources to where they should be directed.

In conclusion, let me reiterate that all sectors of the community must work together to promote the use and learning of English. Educators, parents, employers and learners themselves must each play their part. In expressing our support for today's motion, we look to the Legislative Council and the community at large for active participation and support as we strive to maintain and strengthen our population's ability to use English as one of the two official languages in Hong Kong.

Madam President, with these words, I support the motion.

PRESIDENT (in Cantonese): Mrs Selina CHOW, you may now give your reply. You still have one minute 30 seconds.

MRS SELINA CHOW: Madam President, first of all, I thank the Chief Secretary for Administration for his support and the Secretary for Education and Manpower for his exceptionally lengthy piece of information on the Standing Committee on Language Education and Research.

I thank the 12 Members who have spoken in this debate and who have indicated their support for my motion. In particular, I thank the Honourable Jasper TSANG, who has given me great face by making his virgin English

speech in this debate, at the same time demonstrating his superb mastery of English. Now, the Honourable Michael MAK is too modest. His English is much better than he said it is, although his choice of vocabulary may occasionally run the risk of being unparliamentary.

On the other hand, the Honourable Martin LEE, I am afraid, does not have a perfect English accent, in spite of all the efforts he put in — but if it could be of any comfort to him — neither do I. And in addition to his examples, I would like to suggest that, if one is able to tell a joke in English and make one's audience laugh, then one will have proved that he has spoken it well.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mrs Selina CHOW be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

NEXT MEETING

PRESIDENT (in Cantonese): The meeting today is the last one before the Chinese New Year. I wish you all a happy Chinese New Year, and may everything run smoothly with you.

I now adjourn the Council until 2.30 pm on Wednesday, 12 February 2003.

Adjourned accordingly at twenty-eight minutes to Ten o'clock.

Annex

ADAPTATION OF LAWS BILL 2001

COMMITTEE STAGEAmendments to be moved by the Chief Secretary for Administration

<u>Clause</u>	<u>Amendment Proposed</u>
Schedule 1, section 1(a)	(a) By deleting subparagraph (ii). (b) By deleting subparagraph (v).
Schedule 1, section 2	By deleting everything after "amended" and substituting "by repealing "Governor" and substituting "Chief Executive".".
Schedule 1, section 3	By deleting the section.
Schedule 1, section 4	By deleting the section.
Schedule 1, section 5	By deleting the section.
Schedule 1, section 8	By deleting the section.
Schedule 2, section 2	By deleting paragraph (b).

ClauseAmendment Proposed

Schedule 2,
section 3

By deleting paragraph (d) and substituting -

"(d) in subsection (4), by repealing "that appointment"
and substituting "the office of the Commissioner".".

Schedule 2,
section 7

By deleting the section.

Schedule 2,
section 10

By deleting paragraph (b).

Schedule 2,
section 10(c)

By deleting everything after "paragraph (c)" and substituting ", by
repealing "Governor" and substituting "Chief Executive".".

Schedule 2,
section 11

By deleting the section.

Appendix I**WRITTEN ANSWER****Written answer by the Secretary for Economic Development and Labour to Mr CHAN Kwok-keung's supplementary question to Question 4**

The information on the breakdown and amount of underpayment claims by foreign domestic helpers is now attached for Members' reference.

In 2002, the Labour Department handled 94 underpayment claims lodged by foreign domestic helpers against their employers. Out of these claims, 72 involved Indonesians, 14 Filipinos, seven Sri Lankans and one Nepalese. The alleged amount of underpaid wages was \$2,000 per month or less in most of these claims.

Appendix II**WRITTEN ANSWER****Written answer by the Secretary for Economic Development and Labour to Mr IP Kwok-him's supplementary question to Question 4**

The information on whether the possession of passports of foreign domestic helpers by the employers is an offence is now attached for Members' reference.

At present, there is no law regulating the possession of a passport belonging to another person. However, under the Theft Ordinance (Cap. 210), a person commits an offence of "theft" if he dishonestly appropriates property, including a passport, belonging to another person and intends to permanently deprive him/her of it. A person appropriating property belonging to another will be regarded as having the intention of permanently depriving the other of it if he/she intends to treat the thing as his own to dispose of regardless of the other's right. Foreign domestic helpers need not surrender their passports to any employment agency if they are unwilling to do so. They should report to the police if their passports are taken from them against their wish. Any person found guilty of the offence shall be liable on conviction upon indictment to imprisonment for 10 years.

Appendix III**WRITTEN ANSWER****Written answer by the Secretary for the Environment, Transport and Works to Mr Abraham SHEK's supplementary question to Question 5**

The Hospital Authority always maintains close consultation with the Environmental Protection Department on the development of guidelines for clinical waste disposal and has observed the relevant principles of clinical waste management advocated by the World Health Organization.

Appendix IV**WRITTEN ANSWER****Written answer by the Secretary for the Environment, Transport and Works to Dr Raymond HO's supplementary question to Question 5**

In regard to the question on the amount of human body parts generated from medical practice, as well as the amount cremated, we have consulted the Hospital Authority (HA) and have been advised that it does not have information on the amount generated. As for the amount cremated, the HA cremated 38 371 kg, 41 456 kg and 33 212 kg of human body parts, whereas the Food and Environmental Hygiene Department cremated 2 680 kg, 2 461 kg and 4 337 kg in 2000, 01 and 02 respectively.