

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 18 June 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.

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 WONG YUNG-KAN

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

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

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.

MEMBER ABSENT:

DR THE HONOURABLE DAVID LI KWOK-PO, G.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 ELSIE LEUNG OI-SIE, G.B.M., J.P.
THE SECRETARY FOR JUSTICE

THE HONOURABLE HENRY TANG YING-YEN, G.B.S., J.P.
SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY

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 JOSEPH WONG WING-PING, G.B.S., J.P.
SECRETARY FOR THE CIVIL SERVICE

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

THE HONOURABLE FREDERICK MA SI-HANG, J.P.
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

THE HONOURABLE STEPHEN LAM SUI-LUNG, J.P.
SECRETARY FOR CONSTITUTIONAL AFFAIRS

CLERKS IN ATTENDANCE:

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

MS PAULINE NG MAN-WAH, ASSISTANT SECRETARY GENERAL

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

TABLING OF PAPERS

No. 89 — Report of changes to the approved Estimates of Expenditure approved during the fourth quarter of 2002-03 (Public Finance Ordinance: Section 8)

Report of the Finance Committee on the examination of the Estimates of Expenditure 2003-04 (June 2003)

Report of the Bills Committee on Stamp Duty (Amendment) Bill 2002

ADDRESS

PRESIDENT (in Cantonese): Address. Dr Philip WONG will address this Council on the Report of the Finance Committee on the Examination of the Estimates of Expenditure 2003-04.

Report of the Finance Committee on the Examination of the Estimates of Expenditure 2003-04 (June 2003)

DR PHILIP WONG (in Cantonese): Madam President, under Rule 71 (11) of the Rules of Procedure, the President referred the Estimates of Expenditure 2003-04 to the Finance Committee (FC). The FC has completed the examination of the relevant Estimates and I shall now report on behalf of the FC.

As in the past years, regarding the examination of the Estimates of Expenditure, the FC held open meetings to study in detail various items of government expenditure for 2003-04 to ensure that funds applied for by the Administration will not exceed what is needed for implementing various government policies. During the period from 24 to 27 March, we held a total of six special meetings in 19 sessions.

In order that members will have more detailed information on the content of the Estimates of Expenditure before the special meetings, so as to speed up the process of scrutiny, the FC put forward 1 542 written questions this year for the Government to provide us with written replies before the meeting. The hard copies and electronic version of the replies were forwarded to members

before the special meetings. Members of the public could also view such replies on the website of the Legislative Council.

Concerns raised by members at the meetings were recorded in detail in Chapters II to XXI of the Report. This year, members paid special attention to the issue of Severe Acute Respiratory Syndrome at different sessions of the meetings, in particular, matters concerning the control of the epidemic and various arrangements and related financial issues on helping medical and health care staff to avoid being infected and those issues were fully discussed. Another issue, which members have spent much time on discussion is how the Government could streamline its structure and reduce its financial commitments.

Madam President, I am truly grateful that members have participated enthusiastically in this year's special FC meetings and the Administration has also responded positively. I would also like to take this opportunity to express my gratitude to the staff of the Financial Services and the Treasury Bureau and the Legislative Council Secretariat who gave their unreserved support to the work of the FC.

I so submit. Thank you.

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Chief Executive' Pledge Concerning Civil Servants

1. **MR LEE CHEUK-YAN** (in Cantonese): *Madam President, according to a report in Wen Wei Po dated 11 October last year, the Chief Executive pledged "not to force any single civil servant to be made redundant" within his five-year term of office. However, at the meeting of this Council's Panel on Public Service on the 19th of last month, the Secretary for the Civil Service remarked that a responsible government would not rule out the possibility of redundancies. In this connection, will the Government inform this Council:*

(a) *whether the Chief Executive still honours his pledge; and*

- (b) *of the reasons for the contradiction between the Chief Executive's pledge and the Secretary's remark?*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President,

- (a) The Chief Executive held a press briefing in October last year and his remarks on a variety of subjects including civil service matters were reported in the media. In January this year, he announced in his 2003 policy address that the Government would reduce the civil service establishment by 10% to around 160 000 by the end of the year 2006-07. On 15 May 2003, in response to a question raised by a Member at the Question and Answer Session of this Council, the Chief Executive reiterated the above target and our action to achieve this target through the implementation of the Second Voluntary Retirement Scheme, civil service recruitment freeze and natural wastage. He also said that we had to review the outcome of the Second Voluntary Retirement Scheme before deciding on the next steps. In this respect, the Government will review the overall manpower situation in the light of the manpower plans to be submitted by bureaux and departments later this year and will further consider in that context whether any other measures will be required to achieve the establishment reduction target.
- (b) At the meeting of this Council's Public Service Panel on 19 May 2003, I said that there were many feasible options including redundancy for dealing with surplus staff and that we should not rule out any option before a detailed examination of the manpower situation in the bureaux and departments had been carried out. I also said that there was no plan for forced redundancy at the present stage. These remarks are not inconsistent with the response given by the Chief Executive to a question on possible forced redundancy raised by a Member at the Question and Answer Session of this Council held on 15 May 2003.

MR LEE CHEUK-YAN (in Cantonese): *Madam President, my main reason for raising this question is, apart from my desire to find out about the situation of redundancy in the Civil Service, I would also like to see whether the*

Government has administered good governance and whether it has any integrity. I do not wish to find the pledge on no redundancy turning into another "85 000 housing target" and I hope the Government will honour its pledge. However, the Secretary has actually avoided the main thrust of the question in his reply, and that is, on 11 October the Chief Executive has pledged not to make any civil servant redundant and when has this pledge disappeared? Why is the pledge not redeemed? However, so far, the Secretary has not referred to the pledge reported by the media on the 11 October. May I ask whether the Secretary wishes to deny that the Chief Executive has made a pledge in October that no layoffs will be made and there will be no forced redundancy for any single civil servant? The Secretary said in part (a) of his main reply that the Chief Executive's remarks on a variety of subjects including civil service matters were reported in the media, but he has not definitely said that the Chief Executive has made a pledge. Does the Secretary wish to deny that the Chief Executive has made this pledge? I would like to seek clarification on this point. If the Government denies that such a pledge has been made, then does it mean that the Secretary wishes to tell us that the Chief Executive did not in fact make such a pledge?

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, I have clearly stated a few facts in my main reply. Firstly, the Chief Executive did meet with members of the press last October and the relevant remarks were subsequently reported in the media. Secondly, after October, when the Chief Executive delivered his policy address in January this year, he raised the target on reducing the civil service establishment by 10%. Subsequently, at the Question and Answer Session of this Council on 15 May this year, a Member put a question, which is similar to Mr LEE Cheuk-yan's question, to the Chief Executive and I have also clearly related the response of the Chief Executive in my main reply. Therefore, at least I have clearly explained the chronology of this incident and related the latest response of the Chief Executive. I stress that there is no plan for forced redundancy at the present stage. I hope these facts could show that what we are saying now is not inconsistent with the Chief Executive's past remarks. Of course, I have also said that sometimes every government has to take stock of the situation before making a decision.

MR LEE CHEUK-YAN (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. My supplementary question was*

about the fact stated in the very first fact mentioned by the Secretary. The first fact was the Chief Executive has made a remark and I would like to ask the Secretary whether the Chief Executive has made any pledge according to this fact? Is it yes or no? My question is only as simple as that.

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

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, my reply is still the same. As I said earlier, on 15 May, a Member asked the Chief Executive a similar question and I have also related the response of the Chief Executive in my main reply. I do not have anything more to add on behalf of the Chief Executive.

MR LEE CHEUK-YAN (in Cantonese): *Madam President, it is most regrettable that the Secretary has still not answered my supplementary question. I do not know how the President will rule. May I ask the President to request the Secretary to give me a definite answer, is it yes or no?*

PRESIDENT (in Cantonese): Mr LEE, Members have in the past made similar requests in this Chamber and I have explained that government officials could choose how to answer Members' questions and if Members were dissatisfied with the officials' reply, I really could not do anything to help.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, I believe you are also aware that the unemployment rate has been continuously on the rise and has now reached a historical high. If there are forced redundancy in the Civil Service, I am afraid that it will be like rubbing salt on the wound and the existing situation will become worse. The Secretary said in part (b) of his main reply that: "I also said that there was no plan for forced redundancy at the present stage". I would like the Secretary to clarify what does he mean by "the present stage"? What is the time span? I am very worried that "the present stage" means as at today and tomorrow will not be regarded as "the present stage". Therefore, I would like to clarify how long does "the present stage" cover.*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, I have actually answered Mr LEUNG Yiu-chung's supplementary question in part (a) of my main reply. I said the Government will carefully review the manpower situation of various bureaux and departments in light of the manpower plans to be submitted by bureaux and departments later and will further consider in that context whether there is any surplus manpower. If there is surplus manpower, we will then consider adopting some feasible measures to deal with this issue. I would like to add that when the final decision is made, in addition to the basic rights of civil servants, we would also consider the prevailing social and economic interests of Hong Kong at the time.

MR HOWARD YOUNG (in Cantonese): *Madam President, whether civil servants will be made redundant or just as what Mr LEE Cheuk-yan said earlier, whether this will be turned into another "85 000 housing target" is only a matter of tactics and the most important thing is the target. The Secretary said in his main reply that the Government will reduce the civil service establishment to 160 000 by 2006-07 and this still falls short of the Liberal Party's target of 150 000. May I ask the Secretary, if after measures like the Voluntary Retirement Scheme have been carried out and this target is not yet achieved, could the Government pledge to try its best to achieve this target, instead of giving up after adopting a few measures and tactics that fail to achieve this target?*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, to reduce the civil service establishment by 10% to around 160 000 is an important target, which has been announced by the Government of the Hong Kong Special Administrative Region. My responsibility is to ensure how this target could be achieved. Therefore, I have clearly indicated in my main reply that we could consider all possible options. Overall considerations will be made after we learn about the outcome of the Second Voluntary Retirement Scheme and a decision will then be made.

MR ALBERT CHAN (in Cantonese): *Madam President, the last sentence of the Secretary's main reply is: his remarks are not inconsistent with the remarks of the Chief Executive and this gives people an impression that it implies that "a white horse is not a horse". The remarks of the Chief Executive were very*

simple. He said, "not any single civil servant will be made redundant by force" and this is somewhat different from the remarks of the Secretary. Firstly, the Chief Executive said, "no forced redundancy will be made"; secondly, the Chief Executive said "any single civil servant" and this does not necessarily include a group of civil servants. Will the Secretary say in his explanation that there will be redundancy but it will not be forced, and it is consistent since the word "force" is not used and he will not make any single but rather a group of civil servants redundant? Is the Secretary basing on such arguments when he said in his main reply that his remarks are not inconsistent with that of the Chief Executive? The Chief Executive said he would not force any single civil servant to be made redundant, but from the perspective of the Secretary, he will make a group of civil servants redundant. Is that what the Secretary means?

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, in my earlier reply to Mr LEE Cheuk-yan's supplementary question, I have clearly stated that the response made by the Government at different stages were listed in my main reply. Furthermore, I have also clearly stated in my main reply that on 15 May, in response to a similar question raised by a Member at the Legislative Council, the Chief Executive said that we had to review the outcome of the Second Voluntary Retirement Scheme before deciding on the next steps. This is not inconsistent with what I said at the Public Service Panel on 19 May and this is the message I wish to convey.

MS CYD HO (in Cantonese): *Madam President, this is really a question of time lag. A responsible government will not rule out the possibility of resorting to making its staff redundant, but a person, in particular, the Chief Executive, if he is a responsible person, has to keep his pledge. In fact, the Chief Executive has made a pledge on 11 October but subsequently, even he himself has dodged the relevant issue at the Question and Answer Session of this Council and this would easily lead the public into believing that the Chief Executive has no integrity.....*

PRESIDENT (in Cantonese): Ms HO, what is your supplementary question?

MS CYD HO (in Cantonese): *Madam President, has the authorities concerned conducted any review to assess the negative impact on the governance if the Chief Executive once again lead the community into believing that he has no integrity?*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, I think this is not a question of time lag, but rather a question of taking stock of the situation. I have said in my main reply that the Government would make different responses at different times in view of different circumstances. I still have to stress that firstly, we have no plans for forced redundancy at the present stage; secondly, we would carefully consider the manpower plans to be submitted by bureaux and departments and if the problem of surplus manpower still remains, then by that time, we will have to decide what options — there may be more than one option — should be adopted to deal with the problem of surplus manpower.

MS CYD HO (in Cantonese): *Madam President, but what about the negative impact, has the authorities concerned.....*

PRESIDENT (in Cantonese): Ms Cyd HO, which part of your supplementary question has not been answered? This is not a debate session, so please indicate which part of your supplementary question has not been answered?

MS CYD HO (in Cantonese): *Madam President, my earlier supplementary question was, the Chief Executive has once again given the community the impression that he has no integrity, has the Government conducted a review to assess the negative impact of this incident? What I would like to know is whether the Government has conducted a review to assess this negative impact? The Secretary has not answered this part of my supplementary question.*

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

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, we have not yet conducted a detailed study to see whether there is a manpower surplus problem and whether we should consider what options to adopt in solving the problem. Perhaps I should also agree that this might be a question of time lag.

MR JAMES TIEN (in Cantonese): *Madam President, the Secretary said in part (a) of his main reply that "the Chief Executive held a press briefing in October last year and his remarks on a variety of subjects including civil service matters were reported in the media". Could the Secretary clarify that when the remarks of the Chief Executive in October were reported in the media, has it been reported that the Chief Executive has said "not any single civil servant will be forced to be made redundant"?*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, according to the information I have at hand, that has been reported in the media.

PRESIDENT (in Cantonese): Mr TIEN, has your supplementary question not been answered?

MR JAMES TIEN (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. I did not ask about media reports. As the Secretary is a principal officer, he could ask Mr TUNG whether he has made such a remark. Though it was thus reported in the media, I would like to know whether Mr TUNG has said what the media claimed he had said. (Laughter)*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, I could only say that I did not attend the press briefing, neither has the Government made any announcement to the effect that the press report was inaccurate after the press briefing.

DR RAYMOND HO (in Cantonese): *Madam President, the Chief Executive's objective is to reduce the civil service establishment by 10% to around 160 000 by 2006-07. The Chief Executive has pledged "not to force any single civil servant to be made redundant" and the three measures he mentioned do not include forced redundancy. However, the Secretary said in his earlier reply that though there was no plan for forced redundancy at the present stage, he has not ruled out any option. Furthermore, the Secretary also said earlier that*

the Government would make different responses at different times. Has the Government considered the fact that many young professionals within the Government are now very worried about their jobs? Has the Government considered that this will lead to a brain drain and a gap in succession within the Government in future?

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, if there is still a manpower surplus problem, before the Government decides on what option to adopt, it will certainly consider many factors including what Dr Raymond HO has just said about whether this would have an impact on the views of certain civil servants and whether this would lead to a gap in succession within the Government. However, we must wait until bureaux and departments have submitted their manpower plans later this year before overall considerations could be made.

PRESIDENT (in Cantonese): This Council has spent more than 18 minutes on this question. We shall now move onto the last supplementary question.

MR MARTIN LEE (in Cantonese): *Madam President, in his reply to Ms Cyd HO's earlier question, the Secretary mentioned the issue of time lag. Are the Secretary and the Chief Executive so far apart in two completely different places that they could not get in touch with each other without taking a long distance flight? If not, why will there be a question of time lag? In fact, the Chief Executive has said that within his term of office, and that is, up to 30 June 2007, not any single civil servant will be made redundant. Does this actually represent the policy of the Civil Service Bureau or is it only the personal wish of the Chief Executive?*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, the issue of time lag is brought up by Ms Cyd HO. I have set out a series of facts in my main reply and clearly related what the Chief Executive said in response to a similar question on 15 May and I have nothing further to add now.

MR MARTIN LEE (in Cantonese): *Madam President, the most important point is, the Secretary said he did not attend the press briefing and the Government has not rectified the press report and this indicates that the press report is not inaccurate. Does the remarks of the Chief Executive represent the policy of the Civil Service Bureau? Yes or no?*

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, Mr Martin LEE refers to the remarks of the Chief Executive in last October which were later reported in the media. I have pointed out in my main reply that after October, the Chief Executive has actually responded to a similar question at a formal occasion. My reply was based on that response and I have nothing further to add.

MR MARTIN LEE (in Cantonese): *Madam President, the Secretary has still not answered my question. I asked whether the remarks made by the Chief Executive on that day represent the policy of the Civil Service Bureau? Yes or no? This is very simple. The Secretary could say it is no.*

PRESIDENT (in Cantonese): Mr LEE, I think you must also be very dissatisfied with the reply of the Secretary for the Civil Service. *(Laughter)* But again, I could not do anything to help.

MR MARTIN LEE (in Cantonese): *Madam President, could you ask the Chief Secretary for Administration to answer this question? (Laughter)*

(The President cast a look at the government benches but no government official raised his/her hand)

PRESIDENT (in Cantonese): Mr LEE, I think unless government officials volunteer to answer this question, I could not name anyone of them in particular to do so.

Second question.

Imposing Charges on Advertisement Signboards

2. **MR IP KWOK-HIM** (in Cantonese): *Madam President, in reply to my question in February this year, the Administration indicated that signboards overhanging from buildings would constitute a form of occupation of unleased government land if they protruded over the streets, and the owners of such signboards were required to obtain relevant licences under the law. However, the Administration advised that it had no plan to enforce such a requirement. At the meeting of the Traffic and Transport Committee of the Central and Western District Council on the 22nd of last month, a government official revealed that the Administration intended to impose charges on the relevant property owners of the World Wide House and the Queen's Theatre in Central for the huge electronic advertisement signboards on the exterior walls of the two buildings, which have occupied government land. In this connection, will the Government inform this Council:*

- (a) *given that there are numerous huge signboards in Wan Chai District which occupy government land and the Government has not imposed charges on their owners, of the reasons for its planning to selectively impose charges on the relevant property owners of the two buildings mentioned above; and*
- (b) *whether it will expeditiously conduct a study on imposing charges on the owners of huge signboards which occupy government land; if it will not, of reasons for that?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, advertisement signboards protruding over streets not only help promote businesses but has also become one of the characteristics of Hong Kong's cityscape over time. It is estimated that there are over 200 000 such signboards.

Most advertisement signboards are building works and are currently subject to prescribed structural safety controls. Earlier, the Administration has considered introducing a signboard registration system to further ensure the structural safety of signboards. However, during the course of considering the implementation details, we have found that the simplest and most effective way

is to subsume the relevant control under the building control system. In fact, if our proposals in the Buildings (Amendment) Bill introduced into the Legislative Council at the end of April are adopted, the erection of most advertisement signboards will be categorized as minor works. We consider that the proposals in the Buildings (Amendment) Bill would achieve the objective of ensuring the safety of signboards and that an additional signboard registration system is not necessary. A separate registration system will only increase the financial burden of business people or signboard owners as they have to bear various costs relating to licence renewal of signboards, insurance and declaration of ownership. The Government will also need considerable resources to establish a registration scheme. Hence, we consider that it is not necessary to implement a registration system to ensure the structural safety of signboards.

As regards issuing licences for signboards overhanging unleased land under the Land (Miscellaneous Provisions) Ordinance (Cap. 28), this will involve a number of complex and practical problems. These include the intended coverage of Cap. 28, the read across implications on other forms of occupation of government land, the need for an administrative structure to operate a licensing scheme and the cost of compliance for the community. We will need to examine these issues thoroughly and to discuss with relevant bodies before consideration may be given to issue licences for signboards overhanging government land under the Ordinance. We will review the regulation system over signboards from time to time.

With regard to the two parts in Mr IP Kwok-him's main question, the relevant information is as follows:

- (a) the Lands Department has received applications from the owners of the signboards in question for approval because parts of the signboards protrude over government land. These applications are still under consideration by the Lands Department in consultation with relevant government departments. No decision has been made; and
- (b) the Administration is considering how best to handle applications from owners of signboards overhanging government land. The Administration's deliberation will include the feasibility of imposing charges on such activity.

MR IP KWOK-HIM (in Cantonese): *Madam President, I find the reply of the Government very unsatisfactory. The Secretary said that signboards protruding over streets would help to promote business of tenants, but this is not my point. I am referring to huge advertisement signboards on body slimming, sport shoes or singers, but not those small-scale signboards of Charn Kee Store or Hung Kee Food Shop and so on. Since the Secretary states in part (a) of the main reply that the best way to handle large advertisement signboards is still under study, why the Government has to handle the applications of the two signboards in question intently and specially? There are numerous signboards overhanging government land throughout the territory, why does the government not impose any charges on those owners but have to single out the two applications in question? I hope the Secretary can respond to this point.*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): I will first respond to the last part of the supplementary question. As I have said earlier in the main reply, owners of the signboards have lodged applications for the approval of occupation of government land in accordance with the relevant ordinances. We have only started to process the two cases upon the receipt of the applications, we are not targeting against the two applications.

As mentioned earlier, it is most important to confirm the form of occupation of government land under Cap. 28. Under Cap. 28, the interpretation for "occupation" is very clear. This is not only applicable to signboards, but also other protruding objects occupying government land, such as canopies and window grilles. If the issue of signboards is considered from the prospective of "land occupation", the coverage of the issue would be extended to objects other than signboards. Therefore, in the main reply, I stated that our overall consideration on the issue is in fact quite clear, that is, to exercise control over signboards. At that time, our main consideration was the levy of charges, as I have explained in the main reply, we needed to have a massive administration structure to handle this.

Under the current practice, structural safety is our major concern. As I have said just now, the Buildings (Amendment) Bill introduced into the Legislative Council at the end of April will include a chapter on minor works. The Legislative Council does not have the time to scrutinize the Bill now. However, as far as I know, a time slot has just been allotted to the Bill last week, so it is hoped that deliberation on the relevant provisions can get started as soon as possible.

Minor works refer to some relatively large signboards, the dimension and extension of the protrusion of this category of signboards are stated in one of the chapters of the Bill. Structural safety of signboards is a primary consideration. As Mr IP Kwok-him said, the protruding sections of some signboards are relatively extensive such that they are causing significant safety problems, therefore, we have to apply the current approach to exercise control. The current approach is to exercise control from the safety aspect. As regard whether or not charges should be imposed, no provisions can be set under this control approach. I have just said, an administrative structure has to be established if we are to levy charges. At present, we are giving serious consideration for structural safety of signboards.

MR JASPER TSANG (in Cantonese): *Madam President, the explanation the Secretary gave in respect of the two applications in question and Mr IP Kwok-him's supplementary question have caused confusion. It seems to suggest that if signboards have been erected regardless of any requirements, the Government will pay no attention to them since their owners have not submitted applications for approval. But for owners making superfluous efforts to file an application, the Government would be forced to take action. Does the Secretary mean that protruding signboards occupying government land is acceptable provided that the owners do not put up any application? On the contrary, if applications have been submitted, other departments have to be consulted to find out the way to handle this. Is it provided under existing law that applications have to be made for protruding signboards once they overhang government land?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, I do understand the current practice may have given people such an impression. I have already made myself clear at the very beginning of the main reply. At present, there are over 200 000 outdoor signboards throughout Hong Kong which have to be handled, but we have to do so gradually. Just now, I tried to explain the process we have gone through for considering the approach to handle the issue. We have considered some extremely complicated issues involved from the prospective of exercising control and come to the view that the first issue to be tackled is safety. Therefore, a chapter on the relevant safety issues is included in the Buildings (Amendment) Bill.

After dealing with safety issue, we will consider the collection of fees. As I have just explained, once fees and charges are to be levied, objects other

than signboards will be involved inevitably. We need time to settle all these, but it does not mean that we are turning a blind eye on the situation, just that we have to set priorities for every task. From our point of view, the safety issue has to be handled first; we will then consider the issue on the occupation of government land. This approach may give people the impression that we only take actions against owners of signboards who have submitted applications but disregard those that have not. But this is in fact the issue we are going to tackle next.

MR HENRY WU (in Cantonese): *Madam President, Mr Jasper TSANG pointed out just now, as what the Secretary has mentioned, "scrupulous" owners making applications for approval are asking for troubles. May I ask the Government, firstly, whether it knows the current number of huge electronic advertisement signboards in the territory, of which how many have applied for approval? Secondly, what policy is the Government now adopting? If "scrupulous" owners are getting themselves into a lot of troubles, others may simply think that it is better not to file applications. What policy is the Government adopting, how is it going to tackle the issue? Moreover, at present, many advertisement signboards are made from fabric, is this type of signboards subject to regulation by the two ordinances?*

PRESIDENT (in Cantonese): Mr Henry WU, I am afraid you can only raise one question at a time, just now, you have consecutively put forward three questions. Which one would you like the Secretary to answer?

MR HENRY WU (in Cantonese): *Madam President, will the Secretary please answer the first supplementary. (Laughter)*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, there is only a single type of huge electronic screen. I do not have the relevant information at hand, I will provide a written reply later. (Appendix I) However, as far as I know, regarding these signboards, the major part of their screens is installed within the area of private land. Though some of them may be erected on the exterior walls of the buildings, they are within the range of landhold of the owners in terms of land boundary, and hence applications for approval are not required. At present, applications that are

required to apply for approval are not cases in which the entire signboards occupy government land. It is just because some signboards are too thick and their protruding parts have been extended beyond the landholding range that the owners are entitled, some even with about one third of the signboards occupying government land. I put forth these details to show that this issue is not as simple as it seems. If the signboards were thinner, they would not have protruded beyond government land. If the identification of sites had been more careful to restrict the protrusion of the signboard beyond private land, there would not be the problem of occupying government land. Regarding the need for application for approval of other signboards, I do not have the information and thus cannot give an exact answer in this respect. However, according to our criteria, for signboards erected within the landholding range that the owners are entitled, approval or otherwise for the overhanging of signboards by landowners has to be granted in accordance to leasing conditions.

MR LAU KONG-WAH (in Cantonese): *Madam President, I feel that the Secretary has found it very difficult to make out a good case when he answered the various supplementary questions raised just now. Obviously, we can see that the only answer the Government can give is that it is incapable of solving the problem. May I ask the Secretary, by allowing signboard owners to occupy government land but not imposing charges for fear of increasing the financial burden of businessmen, is the Government trying to convey a message that free occupation of government land by any person is allowed?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, this is not the case. I just want to explain the possible consequence of the levy of charges. I mainly wish to remind Members of the cost of imposing charges, not only that businessmen have to bear the cost, but that the Government will also have to incur tremendous expenditure on the maintenance of the charging structure. Therefore, we have considered tackling the issue from another perspective, we would first solve the issue of safety which is of prime concern to the public, and will then study the levy of charges step by step.

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

MISS CHOY SO-YUK (in Cantonese): *Madam President, I am going to ask a straightforward supplementary question. I understand that the issue is extremely complicated. However, does it mean that before the establishment of the relevant system, the Government will not charge any businessman for hanging out signboards on his own? Before the establishment of the system, the Government has virtually no mechanism to levy charges. Then, does it mean that provided that businessmen do not apply for approval, there would not be any problem for them to erect signboards on their own, and the Government will not levy any charges?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): *Madam President, I cannot say that there will be no problems. Certainly, as Members have just said, there is no mechanism right now. However, once the mechanism is established, we will act in accordance with the provisions of the ordinance. I dare not say arbitrarily that whether such a mechanism is necessary at present.*

PRESIDENT (in Cantonese): *Third question.*

Hong Kong Science Park

3. **MR WONG SING-CHI** (in Cantonese): *Madam President, it has been reported that the facilities and office premises of the Hong Kong Science Park (the Science Park) Phase 1 have not yet been fully rented out. In this connection, will the Government inform this Council:*

- (a) *of the total number of tenants with whom the Hong Kong Science and Technology Parks Corporation (HKSTPC) has signed tenancy agreements or letters of intent as at May this year; and whether these tenants have asked for surrender of tenancy or cancellation of tenancy agreements because of the recent epidemic in Hong Kong; if so, of the details;*
- (b) *of the vacancy and occupancy rates, rental income and operating expenses of the facilities and office premises of the Science Park Phase 1 each month since becoming available for occupation; and*

whether concessions such as rent-free period or rent exemption have been offered to tenants by the Science Park with a view to improving its tenancy position; if so, of the details; if not, the reasons for that; and

- (c) *although the authorities were allocated funds in 2001 for the construction of the Science Park Phase 2 and will arrange for the construction of Phase 3 later, in view of the continued unsatisfactory tenancy position of Phase 1, whether the authorities will consider shelving the construction plans for Phases 2 and 3 in order to avoid wastage of resources; if so, of the details; if not, the reasons for that?*

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

- (a) As at end of May this year, the Science Park managed by the HKSTPC signed tenancy agreements or letters of intent with a total of 28 tenants for Phase 1 of the Science Park. It also approved to admit nine companies as incubatees. Up to end May this year, no tenant asked for surrender of tenancy or cancellation of tenancy agreement because of the impact brought by atypical pneumonia.

On the other hand, some individual overseas companies interested in setting up in the Science Park have postponed their study visits to the Science Park owing to the situation of atypical pneumonia. The HKSTPC is now proactively following up with these companies.

- (b) The facilities and office premises of the first two buildings of the Science Park Phase 1 were opened in end June 2002. The tenants have already been moving in one after another. At present, the occupancy rate of the two buildings is 85%. Detailed information on the vacancy and occupancy rates, rental income and operating expenses each month since those two buildings becoming available for occupation are at Annex.

The Science Park attracts companies to establish in the Park by providing a comprehensive infrastructure and a conducive

environment, relevant value-added services such as business networking and information services, as well as enhancing the supporting facilities in the Science Park, for example, the setting up of the integrated circuit design support centre, so as to turn the Science Park into a focal point for promotion of technological development. In order to improve the tenancy position, the HKSTPC has been proactive in promoting overseas, mainland and local enterprises to establish, expand and consolidate their research and development businesses in the Science Park.

When discussing tenancy agreements with potential tenants, the HKSTPC will consider, on a case-by-case basis, whether it is appropriate to offer rent-free periods and if so, the length of such rent-free periods, in the light of factors such as tenancy period, tenancy area and market situation.

- (c) Promoting technological development along the concept of clustering, the Science Park is a key infrastructure for supporting the innovation and technological development of Hong Kong. Tenants of the Science Park should engage in technology-intensive business and their operations in the Science Park should be carried out through the development, enhancement or application of innovation and technology. As far as the aforementioned 37 companies approved for admission into the Science Park are concerned, the Science Park is catalyzing the building up of clusters with synergistic effect and the emergence of technology-based enterprises, particularly in electronics, information technology and telecommunications sectors.

We consider that the tenancy position of the Science Park Phase 1 is fairly satisfactory. The Science Park should be of reasonable scale in order to attract technology-based companies and develop technology clusters for creating synergistic effect. Not proceeding with Phase 2 of the Science Park at this stage will risk adverse knock-on effect on Phase 1. Therefore, we have no intention to shelve the construction plan of Phase 2. In the course of developing Science Park Phase 2, the HKSTPC will divide the construction works into four modules, and the progress of the development can be adjusted in view of market situation and prevailing conditions.

As for the construction plan for Science Park Phase 3, we will give detailed consideration to the plan in due course in the light of the development of Phases 1 and 2 and market situation.

Annex

Vacancy and Occupancy Rates, Rental Income and Operating Expenses
Each Month for Science Part Since Becoming Available for Occupation

First Two Buildings of Science Park Phase 1 (Buildings 1 and 2)

	<i>Vacancy Rate</i>	<i>Tenancy Rate</i>	<i>Rental Income*</i>	<i>Operating Expenses#</i>
July 2002	40%	60%	\$321,000	\$730,000
August 2002	37%	63%	\$458,000	\$728,000
September 2002	36%	64%	\$488,000	\$761,000
October 2002	36%	64%	\$548,000	\$718,000
November 2002	32%	68%	\$597,000	\$662,000
December 2002	32%	68%	\$598,000	\$644,000
January 2003	24%	76%	\$723,000	\$641,000
February 2003	18%	82%	\$754,000	\$643,000
March 2003	18%	82%	\$734,000	\$454,000
April 2003	15%	85%	\$784,000	\$402,000
May 2003	15%	85%	\$832,000	\$400,000

* Rental income is exclusive of management fees.

Operating expenses are the net recurrent expenditure on property administration and maintenance incurred by the HKSTPC after deducting income from management fees.

MR WONG SING-CHI (in Cantonese): *Madam President, I have been to Shanghai and Singapore to visit facilities similar to the Science Park there, such as Zhang Jiang in Shanghai and the Bark Centre in Singapore. Their office premises have almost been fully rented out even before the completion of the construction works. Although our Science Park has already been opened for one year, the tenancy rate is only 85%. This, I think, cannot be said as fairly satisfactory. Rather, I would consider it fairly unsatisfactory. Under such*

circumstance, will the Government consider deferring the development of Phases 2 and 3, and designating the sites for temporary purposes, such as developing cycling parks or barbecue sites since there are cycling tracks nearby, to enable the public to enjoy the scenery at the Tolo Harbour and carry out leisure activities there, in order to put these sites to good use and reduce the rent of Grade A offices? Will the Government consider this proposal?

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY (in Cantonese): Madam President, I was a member of the industrial sector before I took office as the Secretary for Commerce, Industry and Technology. So, I believe I have seen more industrial estates in the Mainland than the Member. Many industrial estates in the Mainland are very large in size, but there are only a small number of buildings or premises. Their industrial estates only provide the site, and the tenants are required to carry out the construction works by themselves. So, the sites on which buildings or premises are constructed that the Member has seen are basically sites that have already been allocated to the relevant tenant who built the premises by themselves. I have also built many buildings of this sort before. So, the vacant sites that the Member has seen are unoccupied, whereas those with premises on them are sites where buildings have been constructed. This is different from our style. We provide both the site and the premises. It is because there are many small and medium enterprises (SMEs) in Hong Kong. It is undesirable for us to provide only the site and require the tenants to build the premises on their own, for this is beyond the affordability of many SMEs. Therefore, while we do provide sites for the industrial sector to build by themselves the premises they need, we also provide completed premises for lease. So, for those completed premises that we have seen, some are vacant because the tenants have not yet moved in or because they have yet been rented out.

As to whether the Government will shelve the development of the remaining 22 hectares of land and turn them into cycling tracks or barbecue sites, the answer is no. As I mentioned in part (c) of the main reply, the failure to proceed with the development of Phase 2 at this stage will inhibit the creation of clusters. Indeed, the clustering effect has begun to take shape gradually. Shelving the development at this stage will mean throwing all our previous efforts down to the drain, and I think it is undesirable to do so.

MR MA FUNG-KWOK (in Cantonese): *Madam President, since the Government is saying that the development should continue, may I ask how many companies are actually engaged in the course of negotiation with the Government? How many companies were rejected in their application for admission to the Park? Does the Government have these statistics?*

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY (in Cantonese): Madam President, we have continuously been negotiating with companies that are interested in moving into the Science Park. As I said just now, 37 companies have already established in the Park or signed the letters of intent for their establishment in the Park. As we are negotiating with many companies at the moment, I do not have the actual number of these companies. As for the number of companies of which the applications have been rejected by us, I will provide the information to the Member in writing. (Appendix II)

MR CHAN KAM-LAM (in Cantonese): *Madam President, the Secretary is right in saying that the construction works for Phases 2 and 3 should not be shelved. It is because Hong Kong must vigorously promote development in this area. This is so particularly if Hong Kong has reached an agreement with the Mainland on a closer economic partnership arrangement, for we will need more space for development in this regard. Will the Secretary step up the promotion of the Science Park in the light of such closer economic partnership arrangement, in order to attract more investors to develop in the Science Park?*

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY (in Cantonese): Madam President, Mr CHAN is very correct. After the signing of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) on 30 June, I believe numerous new business opportunities will be created for many companies engaging in innovation and value-adding business or technology-based companies. If new arrangements can be made with regard to customs duty, many such companies will create many more job opportunities. After the official signing of CEPA, we will certainly consult the industry first. Then we will vigorously promote the innovation and technology industries, with a view to opening up more business and job opportunities for Hong Kong.

MR SIN CHUNG-KAI (in Cantonese): *Madam President, I do not agree with the shelving of the development either. In part (c) of the main reply, the Secretary stated that adjustments can be made in the light of the prevailing market conditions. Will the Secretary tell us when Phase 2 will be completed according to his estimation in the light of the prevailing market conditions; or when it would be completed as estimated originally and when it will be completed according to the present plan? What is the Secretary's estimation of the prevailing conditions?*

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY (in Cantonese): *Madam President, the development of Phase 2 of the Science Park will cover an area of 105 000 sq m with 10 buildings to be constructed. In respect of the time, the decision to open it in the year 2006-07 still stands. According to our estimation, judging from the current tenancy rates, Phase 2 should be opened just at the right time, in that Phase 2 will begin to be launched after all the premises have been rented out in Phase 1. Madam President, the construction works will be divided into four modules because when we were making comprehensive consideration, we did not know whether there would be the signing of CEPA with the Mainland and how substantive the arrangements would be or the quantity concerned. That is why we dare not develop the 100 000 sq m of land in one go. Dividing the construction works into four modules will allow us room to regulate the construction plan according to the future demands. I believe this is a more prudent approach as it will enable us to make certain adjustments in the light of market demands. Since we will provide many facilities based on scientific researches, such as dust-free equipment, we therefore have to make certain adjustments according to demand. But under the present plan, Phase 2 of the Science Park will be opened in 2006-07.*

MR ABRAHAM SHEK (in Cantonese): *Madam President, it is said that a fung shui master can deceive a person for as long as eight or 10 years. The Secretary has now depicted a rosy picture for the entire plan, but let us take a look at Phase 1. The tenancy rate is only 85%. Let us also take a look at this 85% and see if it is a true figure. All we need to look at is the rental and the actual income and we will know how considerably Hong Kong people have been subsidizing the Science Park. The Government subsidizes it with public coffers; and under the present economic environment, how can the Government keep on saying that there will be demand? At present, demand is already*

inadequate. Why do we still have to waste so much money to develop a site measuring 1 million-odd ft to meet the demand in 2006? Can the Secretary provide the relevant data to show how the Government has concluded from its calculations that there will be such a demand in 2006? Moreover, will this development affect the development of private premises, and that is, commercial property? The statistics provided by the Secretary appear to be very satisfactory. But if we look at these statistics further, we will know that the Government is providing all the subsidies. This development is but a "big white elephant"!

PRESIDENT (in Cantonese): Mr SHEK, according to the Rules of Procedure, a Member can only ask one question at this stage. Would you like the Secretary to answer the first question or the second question first?

MR ABRAHAM SHEK (in Cantonese): *Madam President, it is best if the Secretary could answer both questions. Otherwise, I would like him to answer the first question. (Laughter)*

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY (in Cantonese): Madam President, I know nothing about fung shui. But I know that there are bound to be ups and downs for everything. I think after signing CEPA with the Mainland, the potentials for the development of innovation and technology in Hong Kong, Shenzhen and the Mainland as a whole will certainly be very promising. I am also very confident that Hong Kong will have very good potentials given our commitments to protecting intellectual property and ensuring openness and free flow of information technology. Secondly, statistics do not lie. The two buildings completed under Phase 1 have achieved a tenancy rate of 85%. I believe every word that I have said today will be recorded in the Record of Proceedings. So, I dare not say anything rashly. Thirdly, the investment for Phases 2 and 3 of the Science Park is funded by a vote approved by the Legislative Council Finance Committee. These figures are all open. None of these figures would have to be withheld from the public.

PRESIDENT (in Cantonese): We have spent more than 16 minutes on this question. The last supplementary question now.

MS EMILY LAU (in Cantonese): *Madam President, I am very worried about the Science Park competing for business with others. Madam President, if no meeting is scheduled for next week, we will pay a visit to the Cyberport. As far as I know, members of the real estate sector are already complaining that the Science Park has poached their clients. Madam President, does the Secretary have the information about whether those 37 companies are all local clients who moved into the Science Park from elsewhere or new clients being attracted to Hong Kong?*

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY (in Cantonese): Madam President, Ms LAU has reminded me of one point that I forgot to say. That is, there is no question of direct competition between the Science Park and other commercial premises. It is because we have a set of objective criteria, and a company must meet these criteria in order to be admitted into the Science Park. According to these criteria, a company must mainly be technology-based and research sensitive. That is, it must have a huge capacity for scientific research. In fact, I visited the Science Park yesterday to inspect the latest facilities there and I also visited a number of companies which have newly moved into the Park. There are many companies in the Park. There are large-scale manufacturers of integrated circuit and companies engaging in design and scientific research, such as On Semiconductor, a company moved in from Silicon Valley. There are also some smaller companies, such as Dragonchip which manufactures a kind of very small-sized chips. Such a chip is the smallest in the world and has the capacity to store removable disks up to 500kb. It can download photographs to telephones, and a disk to the size of a fingernail can store photographs.

The Science Park is actually manufacturing a host of innovative and very good products and so it will not engage in direct competition with other office premises. Firstly, there are not many offices in Tai Po; secondly, companies in the Science Park manufacture some of the encouraging scientific research products. I hope I can have the opportunity to invite Members of the Legislative Council to pay a visit to the Science Park and to the Cyberport.

MS EMILY LAU (in Cantonese): *Madam President, we will certainly pay a visit there. But my supplementary question is this: Of the 37 companies, how many are new comers to Hong Kong and how many are moved into the Park from elsewhere locally?*

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY (in Cantonese): Madam President, regarding which of those 37 companies have moved into the Park from overseas countries direct, I am sorry that I do not have the information up my sleeves. But I can provide the information to the Member later. Those companies come from a diversity of places, such as Japan, the United States, Britain, the Netherlands, the Mainland and Taiwan. Certainly, there are also local companies which have moved in from elsewhere.

MS EMILY LAU (in Cantonese): *Madam President, will the Secretary give a reply in writing to tell us which of these companies are new-comers, that is, companies that were not established in Hong Kong before, in order to show that it is not taking business away from others?*

PRESIDENT (in Cantonese): Secretary, will you provide a written reply to Ms LAU?

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY (in Cantonese): Madam President, I will provide a reply in writing. (Appendix III)

PRESIDENT (in Cantonese): Fourth question.

Patients Infected with SARS

4. **MISS CHAN YUEN-HAN** (in Cantonese): *Madam President, after I submitted this oral question, the Administration has provided a revised version of the reply, and the content of the revised version is less than the original version. I hope that later on, the Secretary can give an explanation to this. Compared with the original version, the revised version has less.....*

PRESIDENT (in Cantonese): Miss CHAN Yuen-han, please proceed with your main question first.

MISS CHAN YUEN-HAN (in Cantonese): *Fine. I hope that the Secretary can give an explanation to me later, as a lot of information has been missed out in the revised version.*

Madam President, regarding patients infected with the Severe Acute Respiratory Syndrome (SARS), will the Government inform this Council:

- (a) of the number of cases in which the patients who had recovered were discriminated against and forced to take no pay leave or dismissed by their employers; how the authorities assisted them in resuming work or claiming financial compensation;*
- (b) whether financial assistance other than Comprehensive Social Security Assistance has been provided to SARS patients who have recovered but are not yet physically fit to resume work; if so, of the details; if not, whether it will consider establishing a fund specially for providing financial assistance to them; and*
- (c) regarding the health care personnel infected with SARS at work, how the authorities calculate the amount of compensation for injury at work payable to those who have recovered but have part of their bodily functions permanently damaged, and the amount of compensation payable to those who died of such infection at work; whether the authorities have provided them with compensations other than those stipulated in the legislation; and whether they will increase the insured amounts for the compensations concerned?*

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

- (a) As at 13 June, the Labour Department (LD) has received a total of five claims relating to SARS. Of these, two involved alleged dismissal of SARS infected employees during sick leave and the isolation period. Both cases have been resolved after conciliation. The LD is also following up on the other three cases involving the death of an employee because of SARS, a claim for sickness allowance by employees who were required to undergo medical

checkup, and alleged dismissal of an SARS infected employee during sick leave. The LD has not received any complaints from patients recovered from SARS about being forced to take no-pay leave by their employers or having their services terminated when they resumed work.

Employees' rights and benefits are governed by the Employment Ordinance (EO) and the employment contract between employers and employees. Employers cannot unilaterally alter the terms of employment of the employees. If employers wish to arrange no-pay leave for employees which have not been provided for in the employment contract, they must obtain the prior consent of the employees. If employers wish to dismiss employees, they must abide by the provisions of the EO and the employment contract, and make termination payment to the employees concerned. If an employee is forced to take no-pay leave or is dismissed because of SARS infection or other reasons, he/she may approach the LD for assistance.

- (b) The Social Welfare Department (SWD) provides financial assistance out of public funds to assist SARS patients and their families:
 - (i) The Emergency Financial Assistance Scheme for Prevention of the Spread of SARS for persons who are identified to be close contacts of SARS patients and who are put under confinement. As at 10 June 2003, 725 cases involving \$0.6 million had been approved.
 - (ii) Emergency financial assistance for eligible families of SARS patients in the form of cash grants for living expenses and grants to meet burial expenses. By 10 June 2003, 69 applications for cash grants for living expenses totalling \$0.3 million and 100 applications for burial grants totalling \$1.1 million had been approved.

The SWD has also been entrusted to administer two non-government funds, and to allocate grants to eligible persons/families:

- (i) The Business Community Relief Fund for Victims of SARS provides short-term grants for families of discharged SARS patients and gratuity payments to families of deceased SARS patients. As at 10 June 2003, 518 applications (409 applications for short-term grants and 109 applications for gratuity payments) involving \$13.9 million had been approved.
- (ii) The We Care Education Fund is a long-term education fund, to provide education and related expenses for children in Hong Kong whose parent(s) died of SARS.

Other non-governmental sources also offer financial assistance to SARS patients and their families. Examples include:

- (i) The Project Blossom offers a maximum of a one-year educational grant to children of recovered or deceased SARS patients.
- (ii) Teachers Against SARS provides an emergency fund and education subsidy for teachers and their families as well as others from the education sector affected by SARS to meet financial hardships.
- (iii) Tung Wah Group of Hospitals Anti-SARS Emergency Relief Fund provides financial assistance to individuals and families who are inflicted by SARS to help meet their basic maintenance needs.
- (iv) The Temporary Financial Assistance Scheme Against SARS is targeted at Hong Kong residents facing difficulties arising from the crisis indirectly related to SARS, for example, sudden unemployment or reduction in salary.

The SWD and non-governmental organizations introduce these funds to eligible individuals or families and assist them in completing the application formalities.

- (c) Staff of the Hospital Authority (HA), including the civil servants working for the HA, who have contracted SARS while on duty are compensated in accordance with the provisions of the Employees' Compensation Ordinance (ECO). For those who have suffered permanent total incapacity as a result of SARS infection, the amount of compensation as provided under the ECO ranges from \$344,000 to \$2,016,000, depending on the staff's monthly earnings and age. In the case of permanent partial incapacity, the amount of compensation will be calculated by multiplying the amount of compensation for permanent total incapacity by the percentage of the loss of earning capacity caused by the disease. For staff who have contracted SARS while on duty and subsequently passed away as a result of the disease, the amount of compensation provided under the ECO ranges from \$303,000 to \$1,764,000, depending on the deceased's age and monthly earnings.

Apart from the compensation provided for under the ECO, for an HA staff member who has died of SARS contracted while on duty, the HA will pay for the funeral expenses in full and provide his/her surviving family with a special relief grant of \$100,000 to meet urgent needs. If the deceased is an HA employee, his/her surviving family will receive a death benefit of 12 months' basic salary or his/her accrued provident fund balance/accrued contract gratuity (for contract staff), whichever is the greater. If the deceased is a civil servant working in the HA, his/her surviving family will receive a death gratuity in accordance with the provisions of the prevailing pension legislation. The HA plans to set up a fund to support the education of the children of the deceased staff. Besides, the HA is also considering the provision of a special recuperation grant to those staff infected with SARS while on duty.

The insurance benefits currently enjoyed by the HA staff are comparable to those offered by other major employers in Hong Kong. The HA is reviewing the insurance benefits of its staff in the context of a comprehensive review currently conducted on the total remuneration and benefit package of its staff.

A Scheme was set up by the Government in January 2002 to provide financial assistance to family members of those who have sacrificed their lives to save or protect others. The level of assistance for each approved application is worked out according to a formula having regard to the deceased's age, with minimum and maximum levels at \$3 million and \$6 million, at present. Up to 26 May 2003, the Committee set up under the Scheme supported that in recognition of the gallant acts of the three health care staff of the HA who died of SARS contracted at work, their families should be offered financial assistance, and the amount is \$3 million in each case.

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, I would ask you to deal with the question that I just raised. In part (b) of the main reply originally provided, the Secretary mentioned, "That said, we keep an open mind on establishing a fund for providing financial assistance and are listening to feedback received." That part was mainly applicable to non-health care personnel, actually to those members of the public infected with SARS. This part could be found in the reply originally provided by the Government, but has been deleted in the revised version. Madam President, could you ask that question for me, or how could that be handled? As I want to raise another supplementary question, I do not want to follow up this question.*

PRESIDENT (in Cantonese): Miss CHAN Yuen-han, let me explain to you clearly. The reply originally sent to Members by the Government is the draft version. In fact, it should be subject to the actual responses made in the Legislative Council meeting. The draft version is only to facilitate Members in thinking about how to raise their supplementary questions. Therefore, if you find that there is some content in the draft version which has been missed out in the actual reply of the Secretary, you can ask the Government how it is going to handle in that respect. However, if you do not raise this in the form of supplementary question, but ask the President to raise the question for you, I think there is no such a precedent. Thus, you have to decide on your own what to do.

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, thank you for your advice. I am very concerned about health care personnel. Up till now, six health care workers have already sacrificed their lives, but only the family members of three of them have been provided with such financial assistance to family members of those who have sacrificed their lives to save or protect others. May I ask what arrangements will be made to the remaining three workers? Besides, there are some SARS patients who are neither HA staff nor civil servants, but are contract staff of the Government or workers of the outsourcing companies. However, they are not mentioned in the main reply. I would like to ask the Secretary how the Government is going to handle in that respect?*

PRESIDENT (in Cantonese): Which Secretary is going to answer? Secretary for Health, Welfare and Food.

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, in regard to the first part of the supplementary question, the Government will provide financial assistance to family members of those who have sacrificed their lives to save or protect others. Up till now, the Committee has already approved of the applications of the family members of three deceased health care workers for financial assistance. And the Committee has not yet discussed the cases relating to the other three health care workers. Depending on the situation, the Committee will convene meetings to decide whether the other deceased health care workers are qualified for financial assistance. I have already pointed out in the main reply that as at 26 May 2003, only three health care workers died of SARS contracted when taking care of SARS patients.

Miss CHAN also asked about the compensation for other SARS patients. The normal practice of the HA is that: First, compensation would, of course, be made by the employers. Second, the HA has been considering whether it is necessary to shoulder part of the responsibility of providing compensation for contract staff, or whether it is necessary to provide them with other financial assistance. However, the HA has not come to a decision yet. And this, of course, should be decided according to the employment contract signed between the employees and the employer.

MR BERNARD CHAN (in Cantonese): *Madam President, in part (c) of the main reply, the Secretary mentioned the amount of compensation. I would like to ask the Secretary the number of HA staff who have suffered from total permanent incapacity as a result of SARS infection. If the Secretary does not have such data at hand, can he provide us with a written reply?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, to date, no HA staff has suffered from total permanent incapacity as a result of SARS infection. We will monitor whether the SARS-infected staff will suffer any sequelae in future. But for the time being, there is no such cases.

MS LI FUNG-YING (in Cantonese): *Madam President, part (c) of the main reply only focuses on the compensation for HA staff and the civil servants. Some staff from the homes for the elderly and the care and attention homes for the elderly have also been infected with SARS and have to be separated, and a few of them even passed away. I would like to ask the Secretary whether he can inform us how could they claim compensation and what will be the amount of compensation?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, generally speaking, the compensation will be determined according to the ECO. Nevertheless, if the organization or the employer would like to give a special gratuity to the staff, that will be decided by the organization or the employer concerned, and not decided by the Government.

PRESIDENT (in Cantonese): Members, although this Council has already spent more than 17 minutes on this question, the Secretary has furnished a rather detailed reply which has taken some time, while there are still a number of Members waiting for their turns to ask supplementary questions, so I will allow a few more Members to ask questions.

DR LO WING-LOK (in Cantonese): *Madam President, I would like to ask the Secretary that after the HA staff have been infected with the disease, is there a mechanism to automatically assess the degree of damage sustained by them, and compensation that will be made accordingly, or do the staff concerned have to submit their applications before their cases will be handled?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, I believe that the HA will also determine the amount of compensation for SARS-infected staff according to the ECO. During the process, it will certainly assess whether the staff concerned are suffering from short-term or long-term damage, and will consider whether any sequelae will be incurred. Assessment will definitely be made during the process.

MR TAM YIU-CHUNG (in Cantonese): *Madam President, some HA doctors have once mentioned to me that if they unfortunately die of SARS infection, according to the ECO, in calculating the amount of compensation, a monthly salary of \$20,000 is taken as the maximum level, and thus the highest amount of compensation at present is only some \$1.7 million. However, the income level of doctors is far beyond \$20,000. Since there is a gap between their income level and the existing requirement of the legislation, they ask whether it is necessary for the HA and the Government to reconsider the subject matter and to consider how to solve the problem. They also mentioned that the existing compensation package is even worse than the compensation that they would receive out of voluntary retirement.*

PRESIDENT (in Cantonese): Is the Secretary for Health, Welfare and Food going to answer this question?

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, for those HA staff who suffered injury at work or passed away due to performing duties at work, they will be compensated under two compensation mechanisms. First, compensation made according to the ECO. Second, the HA will issue a gratuity equivalent to 12 months of the basic salary of the staff concerned. If the employee's accrued provident fund balance is

higher than this amount, the employee can get back the provident fund balance. But if the amount of the provident fund balance does not exceed the amount of the gratuity, the employee will be provided with the gratuity equivalent to 12 months of basic salary. Besides, as I have mentioned in the main reply, under the Scheme set up to provide financial assistance to family members of those who have sacrificed their lives to save or protect others, the families of the three HA staff who died of SARS contracted at work could be offered financial assistance of \$3 million in each case. The HA is now considering whether it is necessary to offer them an additional gratuity.

MR FRED LI (in Cantonese): *Madam President, I would like to focus my question on the cleansing workers of outsourcing companies who work in the hospitals, as a number of them have contracted the disease when cleaning the SARS wards. I would like to ask if they can obtain special compensation? The Secretary has just said that they are employees of the outsourcing companies responsible for cleansing work. But will the HA or the Government give compassionate consideration to these cleansing workers infected with SARS while working in SARS wards?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, if a staff member passed away, he will generally be compensated according to the ECO. However, the HA will consider providing special gratuity to those non-HA employees working in hospitals. I believe that in so doing, there will have some difficulties. But I am aware that the HA has been discussing this subject matter.

PRESIDENT (in Cantonese): This Council has spent more than 22 minutes on this question. This is the last supplementary question.

MS AUDREY EU (in Cantonese): *Madam President, although SARS is a relatively new disease, there are a lot of complaints at the later stage about inadequate equipment, lack of guidelines, long working hours, insufficient facilities and so on, thus causing people to suspect the HA of being negligent. I would like to ask the Secretary that even the Government or the HA does not*

admit being negligent, will they consider making compensation to these staff according to the stipulation on "negligence" under the common law? Mr TAM Yiu-chung has just mentioned that according to the ECO, the highest compensation for a deceased staff is only some \$1.7 million. If the monthly salary of the staff concerned is more than \$20,000, their compensation should be higher than such an amount. Besides, the pain and injuries suffered by those staff undergoing intensive care treatment will not be compensated. But under the common law, such suffering is also recognized. Therefore, even the Government does not admit being negligent on its part, will it still offer compensation to the staff concerned under the stipulation on "negligence"?

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, as I said in the main reply, the HA is considering the provision of a special recuperation grant to those staff infected with SARS while on duty. As I also said just now, the HA will offer different kinds of gratuities to the family members of the staff died of the disease contracted at work. For the time being, the HA is considering the adequacy or otherwise of the gratuities offered and the financial assistance to family members of those who have sacrificed their lives to save or protect others.

MS AUDREY EU (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. I am asking whether the Administration will consider offering compensation according to the approach under the common law. Does the Secretary mean that the total amount of the gratuity and the fund released will not be less than the amount entitled by the staff concerned under the common law?*

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

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, I have nothing to add.

PRESIDENT (in Cantonese): Fifth question.

Redundancy of Primary and Secondary School Teachers

5. **MR YEUNG YIU-CHUNG** (in Cantonese): *Madam President, regarding reduction of classes in primary and secondary schools, which leads to an over-supply of teachers, will the Government inform this Council of:*

- (a) *the details of reduction of classes in primary and secondary schools, broken down by districts, in each of the two coming school years, including the numbers of redundant teachers resulting from the reduction, vacant teaching posts, and redundant teachers who are not employed by schools with vacant teaching posts; and the number of graduates from the Hong Kong Institute of Education (HKIEd) during the same period; and*
- (b) *the measures to resolve the employment problems of redundant teachers and the HKIEd graduates?*

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

- (a) For the school years of 2003-04 and 2004-05, the respective numbers of classes in aided secondary schools in Hong Kong will increase by 154 and 105, and the overall demand for teachers in such schools will increase by about 200 and 137. For the same periods, the total number of classes in aided primary schools in Hong Kong will decrease by 391 and 410, and the overall demand for teachers in such schools will subsequently fall by about 530 and 550.

Vacant teaching posts in aided secondary and primary schools (not including special schools, skills opportunity schools, practical schools and ESF schools) are estimated at 910 and 430 respectively for the 2003-04 school year. These cover teaching posts lasting for one year or more as a result of natural wastage, increase of classes, new initiatives (for example, the new post of Curriculum Development Leader) after taking into account the

decrease/increase of teaching posts due to a change in the number of classes. There are now less than 400 primary school teachers and 20 secondary school teachers in surplus who have not yet secured a teaching post. Owing to insufficient information at the moment, we are not in a position to make an accurate projection of the number of vacant teaching posts in aided primary and secondary schools for the 2004-05 school year.

We do not have district-based figures for the above.

The number of graduates from the HKIEd in 2003 and 2004 is 1 041 and 1 156 respectively.

- (b) The Education and Manpower Bureau (the Bureau) issued a notice to all aided secondary schools on 29 April this year, informing them of matters related to class organization and teaching staff establishment for the 2003-04 school year. It is stated that in the event of having surplus teachers, the aided secondary school concerned should try its best to absorb the surplus by means of internal arrangements including job-sharing. A school sponsoring body operating more than one school should arrange to redeploy all of its surplus teachers to fill available vacancies in other schools under its sponsorship as far as possible.

To further alleviate the problem of surplus teachers, we have decided, in consultation with the Hong Kong Subsidized Secondary Schools Council as well as the sponsoring bodies and schools concerned, to adopt the following one-off temporary measures in those aided schools expected to have surplus teachers in the 2003-04 school year:

- the number of Secondary Two and Three classes to be calculated using 35 as the basis (for example, four classes for 106 to 140 students; five classes for 141 to 175 students), that is, 26 to 35 students for each class, but additional teachers over the existing establishment will not be allowed;

- to reinstate the previous flexible arrangement in gauging the manpower needs for split-class teaching;
- based on the number of senior secondary classes planned for the 2003-04 school year, to invite suitable schools to run additional Secondary Four classes or Secondary Five repeaters' classes;
- to allow individual schools to operate self-financed Secondary Five repeaters' classes or other charged classes at marginal cost; and
- to allow schools with capacity and experience to operate special programmes on basic knowledge (for example, languages, computer, personal development) and career-oriented courses which are suitable for non-engaged youths and new arrivals to Hong Kong.

To help surplus teachers in primary schools look for another teaching post, the Bureau has requested sponsoring bodies operating more than one school to redeploy surplus teachers to fill available vacancies in other schools under them. The Bureau has also implemented various other measures, such as disseminating information of teaching vacancies through its homepage, offering a preferential treatment period during which surplus teachers are given the priority to apply directly to schools, arranging group recruitment interviews and encouraging job sharing among teachers, to help those surplus teachers who are really in need of assistance to secure a teaching post as soon as possible. We hope that, with the concerted efforts and full support of all schools, the problem of surplus teachers this year will be solved by early July so that schools can finalize their planning for the upcoming school year and make more room for the prospective teachers.

According to the estimate, there should be a sufficient number of teaching vacancies in the new school year for graduates from the HKIEd.

MR YEUNG YIU-CHUNG (in Cantonese): *Madam President, I am very much concerned about the employment problems faced by surplus teachers of primary and secondary schools. The Secretary has mentioned in the main reply that the problem of surplus teachers will be solved by early July. But there are now still about 420 surplus teachers in primary and secondary schools. In this connection, may I ask the Secretary what he means by "the problem will be solved"? Does it mean that all those 400 and more teachers will be able to secure employment?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): *Madam President, I understand that there are over 400 surplus teachers. Under the present circumstances, there should be a sufficient number of vacancies for them. However, there may be a mismatch between subjects and teachers.*

MR SZETO WAH (in Cantonese): *Madam President, as regards the inadequate supply of English language teachers due to the recent language benchmark test, will the Government inform this Council whether it will urge the eight universities to run bridging courses on English language as soon as possible so that serving non-graduate teachers may acquire degree qualification? On the one hand, teachers undertaking the course will be able to reach the benchmark requirements, while on the other hand, the supply of English language teachers will be increased without delay. I think this will help in solving the problem.*

PRESIDENT (in Cantonese): *Mr SZETO Wah, will you please explain to me how your supplementary question is related to the over-supply of teachers due to the reduction of classes in primary and secondary schools?*

MR SZETO WAH (in Cantonese): *Madam President, at present, redundant teachers resulting from the reduction of classes in primary and secondary schools encounter difficulties in seeking a teaching post, and that is, a lot of schools are looking for English language teachers but the teachers in surplus may not have reached the benchmark requirements. If those teachers are given*

a chance to study, they may acquire benchmark qualification within a period of time and then secure a teaching post. This may help solve their employment problem.

PRESIDENT (in Cantonese): Mr SZETO Wah, this question is about the over-supply of teachers due to the reduction of classes in primary and secondary schools. Because some teachers do not meet the requirements to teach certain subject, you are now proposing an alternative to solve.....

MR SZETO WAH (in Cantonese): *No, a moment ago.....*

PRESIDENT (in Cantonese): Will you please elaborate?

MR SZETO WAH (in Cantonese): *Madam President, when talking about the solving of the problem of surplus teachers resulting from the reduction of classes in primary and secondary schools, the Secretary has said that generally speaking, there should be a sufficient number of teaching vacancies, only that there has been a certain mismatch between subject and teacher. Therefore, if such courses can be provided, some of the redundant teachers will have a chance to study. When they satisfy the requirements, schools are willing to employ them. I think this will help solve the problem of surplus teachers resulting from the reduction of classes in future.*

PRESIDENT (in Cantonese): Mr SZETO Wah, do you ask the Secretary whether he will adopt this method to solve the problem of mismatch between subject and teacher? Do you ask such a question?

MR SZETO WAH (in Cantonese): *Yes.*

PRESIDENT (in Cantonese): Good.

MR SZETO WAH (in Cantonese): *This is because apart from an adequate supply of teaching vacancies, the subject and the teacher should also be matched.*

PRESIDENT (in Cantonese): Yes. Mr SZETO Wah, please sit down.

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I am pleased that Mr SZETO Wah raises this supplementary question. In fact, I met the Vice-Chancellors of the eight universities last week to discuss whether it is possible to run more training courses for these teachers to upgrade their language proficiency. The Bureau do not want to see any of the teachers lose his job. If the eight universities can run more courses to help upgrade their language proficiency, we will welcome it very much. I have already conveyed this message to the eight Vice-Chancellors and they said they would take this into consideration.

MR SZETO WAH (in Cantonese): *Madam President, when will these eight universities give a more concrete reply?*

PRESIDENT (in Cantonese): Mr SZETO Wah, please sit down first. This is not part of your supplementary question, so I am afraid you have to wait for a second round.

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, in reply to the main question raised by Mr YEUNG Yiu-chung, the Secretary has said that in view of the present number of vacancies, there should be sufficient posts for the 400 or more surplus teachers who are still looking for teaching employment. However, there might be a mismatch between subjects and teachers. In this connection, may I ask the Government how to solve the problem of mismatch or the over-emphasis of schools on certain subjects, for example, English language, during their recruitment of teachers and ignore the need to employ teachers of other subjects such as Chinese language and Mathematics? What*

measures will the Government take to solve the problem of mismatch between subjects and teachers to ensure full employment of surplus teachers?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, we have all along established good communications with schools. In this regard, we have explained to the schools very clearly that we understand their desire to employ teachers with benchmark qualification, but there are still quality teachers who have not yet applied for the benchmark test. We hope that, under these circumstances, schools will consider employing those teachers. We also hope that those teachers will find time to study relevant courses and apply for the benchmark test after they are employed. We have already explained this clearly to schools.

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, it seems that the Secretary has only answered part of my supplementary question. The other part of the question is: What measures will the Bureau take to solve the problem of mismatch between subjects and teachers because some Chinese language and Mathematics teachers still cannot fit in the overall situation?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, we will try our best to solve the problem. I have already mentioned a series of measures that can help those teachers. Since the spirit adopted is one of school-based management, it is hoped that schools can identify teachers who are most suitable for their needs.

DR TANG SIU-TONG (in Cantonese): *Madam President, the Secretary has mentioned in part (a) of the main reply that the number of graduates from the HKIEd in 2003 and 2004 school years is 1 041 and 1 156 respectively. And the vacant teaching posts in aided secondary and primary schools are only 910 and 430 respectively for the 2003-04 school year. Does this mean that a lot of graduates may not be able to find a job? Under these circumstances, will the Government consider asking the HKIEd to cut down the number of student intake?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, if we calculate in accordance with the number of vacant teaching posts, there are 430 in primary schools and 910 in secondary schools, that means there are a total of 1 340 vacancies. The number of graduates from the HKIEd is 1 041 this year. In other words, there are 1 340 vacancies while the number of graduates is 1 041 only.

MR YEUNG YIU-CHUNG (in Cantonese): *Madam President, as regards temporary measures, the Secretary has mentioned in the main reply that individual schools are allowed to operate self-financed Secondary Five repeaters' classes or other charged classes at marginal cost. Will the Secretary explain what he meant by operate "at marginal cost" and "self-financed"? Will it affect the status of teachers in aided schools?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I think their status should not be affected.

PRESIDENT (in Cantonese): Mr SZETO Wah, you wanted to raise one more supplementary question a few moments ago. Would you like to do so now?

MR SZETO WAH (in Cantonese): *Yes, Madam President. May I ask when these universities will give a reply?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, universities enjoy autonomy. Although I offer a suggestion, when and how they will do it is their own decision. I have to respect their autonomy.

MR SZETO WAH (in Cantonese): *Madam President, will the Secretary convey a message to the universities saying it is hoped that their reply could be expedited? If they could only give a reply in a few years' time, it will not be of much effect in solving the problem. Can it be expedited?*

PRESIDENT (in Cantonese): Mr SZETO Wah, do you ask the Secretary to convey this message on your behalf?

MR SZETO WAH (in Cantonese): *Yes.*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I am most happy to convey this message. I have already discussed this issue with the universities. And I may now add that Mr SZETO Wah share my view. Perhaps the universities will respond much more quickly. *(Laughter)*

MR TOMMY CHEUNG (in Cantonese): *Madam President, the Secretary has mentioned in the last part of the main reply that to help surplus teachers in primary schools look for teaching post, the Administration apart from requesting sponsoring bodies operating more than one school to redeploy surplus teachers to fill available vacancies in other schools under them, has implemented various other measures. In this connection, may I ask the Secretary how to take care of those teachers-to-be? If all teaching vacancies, whenever they are available, are reserved for surplus teachers, will it be more difficult for fresh graduates to apply for teaching posts of schools under the same network? May I ask the Secretary what his view is in this respect?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, in this regard, as surplus teachers are very experienced, if they can be redeployed to schools with vacancies under the same sponsoring bodies, it will be a perfect solution indeed. Mr CHEUNG asked whether this will be a bit unfair to the fresh graduates, I do not agree to this. As there will be teaching vacancies available for these fresh graduates after early July, in fact, quite a lot of teaching posts are still left vacant, I think they can compete for these posts on their individual merits.

PRESIDENT (in Cantonese): The Council has spent more than 16 minutes on this question. This is the last oral question.

Accumulation of Miscellaneous Objects Inside Units by PRH Tenants

6. **MR FREDERICK FUNG** (in Cantonese): *Madam President, regarding the accumulation of miscellaneous objects by public rental housing (PRH) tenants inside their units, will the Government inform this Council:*

- (a) *of the number of complaints received by the authorities against PRH tenants about the accumulation of large quantities of miscellaneous objects inside their units causing environmental hygiene problems, the number of units repossessed by the Housing Department (HD) on the above ground, and the total weight of rubbish and miscellaneous objects cleared from such units, in each of the past three years, together with a breakdown by estates;*
- (b) *of the usual ways by which the HD has followed up such complaints, and the time, manpower and detailed expenses used on average in handling each case; and*
- (c) *as tenants of the repossessed units can apply for PRH again, of the measures to ensure that such tenants will not slip back into the old habit after they have been allocated another PRH unit?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, my reply to the three-part question is as follows:

- (a) In the past three years, complaints were received against 124 households who had caused public hygiene problems through junk accumulation inside their flats. 79 of these cases have been settled, with over 60 tons of miscellaneous objects and junk having been removed. The HD is still taking follow-up actions on 45 outstanding cases. Breakdown by estate is at Annex. No notice-to-quit has been issued on account of junk accumulation inside flats in the past three years.

- (b) On receipt of a complaint, the HD will visit the flat in question to look into the problem. If the complaint is substantiated, the tenant concerned will be advised to dispose of the junk so as to improve environmental hygiene. Warning will be issued if the tenant refuses to co-operate. Over the past three years, 278 verbal and 29 written warnings have been issued. In most cases, tenants who have been warned would agree to clear the junk. If the volume of junk is unmanageable, HD staff, with the tenant's written consent, will assist in the clean-up in conjunction with other government departments such as the Food and Environmental Hygiene Department, the Social Welfare Department, the District Office and the police. HD staff will pay special attention to the settled cases during regular estate patrol to prevent recurrence of the problem. Where necessary, the Social Welfare Department will provide counselling and any necessary assistance to the tenant.

The time and manpower required for dealing with complaints about junk accumulation depend mainly on the magnitude of the problem and tenants' reactions. The time needed ranges from a few days to several months while the staff needed may vary from a few estate management staff to several tens of staff to persuade the tenant, clear up the junk and maintain order on the clean-up day. As the handling of complaints and disposal of junk and rubbish are part of estate management and cleaning duties, the costs are absorbed under the HD's estate management account and cleaning contracts. The costs incurred in handling individual cases are not separately accounted for.

- (c) In allocating flats to successful applicants for public housing, the HD does not make any reference to their previous tenancy records. The HD treats all tenants equally in day-to-day estate management, including those whose tenancies had been terminated before. However, if a tenant goes into junk accumulation again on re-admission, the HD will deal with the problem expeditiously.

Number of Cases of Junk Accumulation
Inside Flats in the Past Three Years

<i>Estate</i>	<i>No. of Households</i>	<i>Estate</i>	<i>No. of Households</i>
Ap Lei Chau	2	Oi Tung	1
Butterfly	1	On Yam	1
Cheung Ching	1	Ping Shek	1
Cheung Hang	1	Ping Tin	5
Choi Hung	3	Po Lam	1
Chuk Yuen (South)	7	Pok Hong	1
Chun Shek	1	Sau Mau Ping	4
Fu Shin	1	Sha Kok	2
Fuk Loi	1	Shan King	1
Fung Wah	1	Shek Kip Mei	2
Hing Man	2	Shek Lei (II)	3
Hing Wah (I)	1	Shek Yam (East)	1
Hing Wah (II)	1	Shui Pin Wai	1
Ho Man Tin	2	So Uk	3
Kai Yip	1	Tai Hing	1
King Lam	1	Tai Yuen	1
Kwai Chung	1	Tak Tin	1
Kwai Shing (East)	4	Tin Yat	1
Kwong Fuk	1	Tsui Lam	2
Kwong Yuen	4	Tsui Ping (North)	1
Lai Yiu	2	Tsui Ping (South)	3
Lei Muk Shue	1	Tsui Wan	1
Lei Tung	1	Tsz Ching	1
Lek Yuen	1	Tsz Man	1
Lok Fu	3	Tung Tau (II)	4
Lok Wah (South)	3	Wah Kwai	2
Lung Hang	1	Wong Chuk Hang	2
Mei Lam	2	Wong Tai Sin Lower (II)	5
Nam Cheong	3	Wong Tai Sin Upper	8
Nam Shan	1	Yat Tung	2
Ngau Tau Kok Lower (II)	2	Yau Oi	1
Oi Man	2	Yau Tong	1
		Total	124

MR FREDERICK FUNG (in Cantonese): *Madam President, the Secretary has stated in the first paragraph in part (b) of his main reply that, under certain special circumstances, HD staff, with the tenant's written consent, will assist in the clean-up in conjunction with other government departments. The Secretary has also stated in the second paragraph in part (b) of his main reply that several months are needed to complete the clearance and many staff have to assist in some cases. I believe that the longer it takes, the more staff it requires. Will the Secretary inform this Council if the tenant's written consent must be obtained? If so, has the HD considered other methods for the expeditious disposal of the accumulated junk so that the work could be carried out smoothly?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): *Madam President, that is the tactic we use to resolve matters in a peaceful manner. Of course, it will be more effective if we can enter premises for the clean-up with the tenant's consent, otherwise, we have to break and enter. We wish to avoid getting into any entanglement with the tenants or causing other accidents in the process, therefore, we will try our best to obtain the tenant's consent before handling the relevant matter. If a tenant has not given his written consent, one of the solutions is that we can post a notice on the tenant's door according to the relevant ordinance and if he still fails to deal with the problem after a certain period of time, we will handle the case with the powers conferred. Opinions differ on whether this is a suitable solution but I hope that these cases can be handled in a somewhat peaceful way.*

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, I think the reply given by the Secretary in part (b) of his main reply is not very specific. The Secretary has mentioned that 278 verbal and 29 written warnings have been issued over the past three years and the tenants who have been warned agreed to dispose of the junk in most cases. That is completely different from the complaints I received in PHEs. As far as I understand it, the HD has frequently failed to tackle problems that it should deal with and it has dealt with these problems very slowly. The Government is very loose when it made such remarks and it has indicated that the time required to follow up these cases depends on the magnitude of the problems. The contents of such remarks are very loose indeed and the complainants do not know how they should solve the relevant problems, that is, the tenants who accumulated junk will be left to continue doing so. Has the Secretary obtained an understanding about the*

process in person? Only 200-odd warnings were issued within three years, should this quantity be considered large or small? Must it take several months to solve the problems? I hope the Secretary can give a reply.

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, part (b) of the main reply is about the tactic that we generally adopt to handle complaints, that is, the tactic that we adopt according to general principles, and part (a) of the main reply fits in better with the queries just raised by Miss CHAN Yuen-han. In the past three years, complaints were received against 124 households that had accumulated junk inside the flats. We are taking follow-up actions on these complaint cases and 79 of these cases have been settled, with over 60 tons of miscellaneous objects and junk having been removed. As we can imagine, 60 tons of miscellaneous objects are actually very large quantities. Let us do some calculation: a large refuse collection vehicle can handle 10 tons of junk and we have filled up six large refuse collection vehicles when we disposed of the 60 tons of junk of these tenants, thus, the quantities are quite enormous. We have to be more careful in handling these cases precisely because they are rather special; therefore, the time required will inevitably be longer. Just as what the Member has expressed, if there are really such cases, we hope we can handle them as soon as possible. Nevertheless, we have to give tenants a chance to dispose of the junk by themselves after all. As I have said in part (b) of my main reply, in most cases, tenants would agree to dispose of the junk by themselves and we do not need to dispose of the junk for them.

PRESIDENT (in Cantonese): Miss CHAN, has your supplementary not been answered?

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. First of all, I think the Secretary cannot just inform this Council of the tons of miscellaneous objects involved as an answer to the relevant question. Apart from that, must the authorities take so long to handle them? The Government has not answered these two parts of my supplementary question.*

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

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, this is certainly only an average figure and some tenants have already disposed of the junk by themselves after our verbal warnings, under such circumstances, the time required will definitely be shorter. However, some tenants neglect our repeated warnings and even continue to do so in an intensified manner, so it will take longer to handle such cases. Whether the length of time required is long or short as stated in my main reply is based on our experience. Of course, the time required to handle different cases differs.

MR HENRY WU (in Cantonese): *Madam President, the Secretary has stated in part (b) of his main reply that the time needed for dealing with complaints ranges from a few days to several months and the Secretary has just mentioned that it only takes a few days to handle small quantities of miscellaneous objects and it takes longer to handle large quantities of miscellaneous objects. Most complainants have taken the initiative to lodge complaints and the HD only passively handles the cases. Will the Secretary consider taking the initiative to prevent the entry of miscellaneous objects into PHE flats, especially the surroundings of households, such as lobbies and lifts? Will HD staff or outsourcing staff be alert and take the initiative to carry out such work? If so, when it is necessary for the HD to dispose of the junk, the task can then be completed within a shorter period of time.*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, in some cases, it was the neighbours who cannot tolerate the foul odour lodge the complaints. When our staff discover similar cases during patrol, they will also take the initiative to carry out clean-up actions. In fact, of the verbal and written warnings we issued over the past few years, some are issued after we have received complaints from tenants or the neighbours while others are issued after our staff have discovered such cases during their patrol.

MR HENRY WU (in Cantonese): *Madam President, the Secretary has not answered my supplementary. Actually, I have asked whether the Secretary will take the initiative to pay attention to cases in which tenants take miscellaneous objects into the public area but I have not asked him about cases in which staff become aware of foul odour when they pass by certain households during their patrol.*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, I did not have the experience of seeing tenants placing miscellaneous objects into the premises, but according to the explanations given by my colleagues, those tenants only carry with them small quantities of miscellaneous objects each time and they will not ask many people to carry miscellaneous objects into the premises together. People in these households would only choose certain things on the streets that they consider as useful each time and bring them home, of course, they may not have used these things afterwards. Things that are not used and are put aside for too long have become junk, and damaged objects that have not been properly repaired also create problems. The problems would aggravate when more and more miscellaneous objects have been accumulated. These problems do not emerge within a day or two and they are created by junk accumulation for a fairly long time. Some households even have the whole flats filled with junk.

MR CHAN KAM-LAM (in Cantonese): *Madam President, it can be said that such are frequently found problems in PHEs. The Secretary has stated in his main reply that the time needed to handle a problem ranges from a few days to several months depending on the magnitude of the problem. However, for many cases, it has actually taken more than one to three years to handle, which reflect that there are many management problems in PHEs. If we do some calculations on the basis of 60 tons of junk in 79 households, we will find that the authorities have to handle approximately 0.75 ton of junk each time, which are very enormous quantities. If it takes so long to handle the case of a flat emitting foul odour, which was the subject of frequent complaint by the residents, it will be very unsatisfactory. I would like to acquire an understanding on this. Insofar as the new Clean Hong Kong Programme is concerned, the Chief Secretary for Administration has instructed that this kind of households should be dealt with as soon as possible. Will the Secretary inform this Council how the time required can be shortened? It has taken so long to handle the cases because the HD allows the tenants to dispose of the junk by themselves but every time these tenants have failed to meet the requirements. Will the Secretary inform this Council whether the work can be completed within a shorter time?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, as I have just said, it might take longer to handle some cases. There is a case at hand that we have really taken two to three years to handle.

We started handling the case in 1997 but we finally have to terminate the tenant's tenancy for various reasons. In line with the Clean Hong Kong Programme recently implemented by the Chief Secretary for Administration, we will put a de-merit points system into effect. We will deduct five points whenever we find such cases and if a tenant has been deducted 16 points, his tenancy will be terminated. Whenever a tenant breaches the regulations, we will deduct some points and we will also ask him to dispose of the junk, and we will further deduct some points if he refuses to do so. Certainly, we will give the tenant concerned sufficient time to dispose of the junk before taking actions to deduct points. How much time should be considered sufficient? Our department is considering the relevant details and we hope that we can find a method that is more explicit, easily comprehensible and easy to follow. We will announce that method later. Under the system proposed at present, five points will be deducted each time and if a tenant fails to solve the problem for several months running, the 16 points will easily be fully deducted and his tenancy may be terminated as a consequence.

MS EMILY LAU (in Cantonese): *Madam President, I wish to follow up this point. I initially thought that points would only be deducted for littering, which is actually a very controversial issue already. A person who has violated the law should be punished but it is somewhat problematic for those living with him to lose their stay permits as a consequence. The Secretary has also said that points would be deducted for placing rubbish inside a flat and the tenant concerned will lose his stay permit if the 16 points have been fully deducted. Will the Secretary inform this Council how the authorities become aware of junk accumulation inside the tenants' flats? The Secretary has also said a while ago that he has not witnessed the process and I believe the miscellaneous objects are not useless when they are brought into the flats. Under what circumstances will five points be deducted from a tenant who has brought home miscellaneous objects, and under what circumstances will the 16 points be fully deducted? Apart from this, is it fair for the whole family to lose their stay permits when only one person has violated the law?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, the de-merit points system mainly targets very serious cases of junk accumulation. I do not have the relevant experience and I have not witnessed what really happened. My colleagues have told me that, in some

cases, there is no foothold after they have pushed open the door to try to enter the flat. The whole flat is filled up with junk and the hygiene conditions are very poor. Nuisances have very obviously been caused to the neighbours. Therefore, we are gradually implementing the de-merit points system. Under the present circumstances, everybody has much higher requirements of domestic environmental hygiene and we would definitely find some conditions intolerable, so we have set out different cases that need handling under the de-merit points system. I have just said that a tenant's stay permit will not be cancelled when he has violated the law once and his stay permit will only be cancelled when he has done so four times or more. If a person has some pointed deducted for that reason, I believe his family members will become vigilant after he has violated the law once and they will take the initiative to help him rectify his not-too-good behaviour. The tenancy of a tenant will not be terminated if he observes the regulations.

PRESIDENT (in Cantonese): This Council has spent more than 19 minutes on this question. Last supplementary question.

MR FREDERICK FUNG (in Cantonese): *Madam President, on the basis of the figures just given by the Secretary, each household has 0.76 ton of junk on average, in other words, each household has 1 702 pounds of junk on average. In the past when the de-merit points system was not implemented, the time needed to handle the junk ranged from one day to several months. Will the Secretary inform this Council, after the implementation of the de-merit points system in the future, how long will it take to clear the junk and how many pounds of junk cleared will be considered as satisfactory? Will the standard be set as 200, 300 or 500 tons of junk left for disposal? I suspect that the de-merit points system may not be able to do what the Secretary aims at doing.*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, we will definitely not put a balance there to illustrate to the tenants that points will be deducted if the junk weighs more than certain pounds. We mainly focus on the impacts on environmental hygiene. Some miscellaneous objects such as steel chairs will not decay and they will cause lesser nuisances. Some miscellaneous objects that will decay after being accumulated will have greater impacts, so we will not calculate the weight of

the junk but will mainly focus on the environmental hygiene nuisances they would cause. I believe the case is very obvious once a tenant violates the law and we will initiate prosecution if he fails to dispose of the junk, regardless of its quantity. We will gradually work out the details of the scheme and consider the circumstances under which certain decisions will be made. We will announce the relevant details later.

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

WRITTEN ANSWERS TO QUESTIONS

Homes for the Elderly Operating in Commercial/Residential Buildings

7. **MS AUDREY EU** (in Chinese): *Madam President, it has been reported that the High Court has recently ruled that a home for the elderly operating in a commercial/residential building falls into the category of "hostels" and thus violates the terms in the deed of mutual covenant of the building that no hostels shall be established in that building. The Court subsequently orders the home for the elderly to be vacated from the building. In this connection, will the Government inform this Council of:*

- (a) *the number of homes for the elderly currently operating in commercial/residential buildings in Hong Kong; and*
- (b) *the measures in place to address the situation in which the homes for the elderly referred to in (a) are forced to be relocated and consequently closed down as a result of the above court ruling?*

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

- (a) As at 30 April 2003, there were 575 private residential care homes for the elderly (RCHEs) with a total capacity of 45 000 and an enrolment of 31 000 elderly residents. Other than about 50 private RCHEs located in New Territories Exempted Houses, nine in low-rise buildings with single owner, two in Public Housing

Estates (PHEs) and another 16 in government-owned premises, we believe that the majority of the remaining around 495 private RCHEs are located in commercial or residential buildings under co-ownership governed by Deed of Mutual Covenant (DMC). In addition, there were 123 subvented RCHEs with 48 being located in purpose-built premises and 75 at PHEs not subject to DMC.

- (b) Currently, the majority of private RCHEs set up in private developments maintain good communication and co-operation with other owners/residents and co-exist harmoniously with the Incorporated Owners (IOs) concerned (if any). According to the Social Welfare Department (SWD)'s operational experience, most of the initial disputes between RCHE operators and owners/residents of the concerned buildings are resolved at an early stage when mutually agreed measures like having separate entrance for the RCHE, clear delineation of common areas, sensible management of the RCHE environment by the operator, and so on, have been adopted. Disputes between owners/residents and the RCHE operators resulting in lawsuits are the exception rather than the norm. Government departments concerned will continue to endeavour to mediate in such disputes to enable smooth operation of RCHEs in private buildings.

In the event that a court order is made restraining the use of certain premises as RCHE on grounds that such use is in breach of the DMC of the building, the SWD will closely monitor the situation and provide assistance to the elderly residents as necessary. In respect of the RCHE affected by the recent court ruling, as we understand it, the operator is still considering to appeal against the court decision. The operator has also indicated that contingency arrangements will be made to decant the elderly residents, either by relocating the RCHE to nearby suitable premises or by transferring the elderly residents to branch RCHEs under mutual consent. Where necessary, the SWD will provide support to ensure that alternative welfare arrangements are made for the elderly residents concerned. As at 30 April 2003, there were 45 000 places in 575 private RCHEs with an average occupancy of about 70%. There is thus sufficient supply in the market to meet the care needs of elders affected.

As a long term objective, we are of the view that RCHEs should preferably operate in purpose-built premises. Thus, in consultation with the Elderly Commission, the Government has launched various initiatives to increase the supply of quality RCHE premises. Under the premises-led approach, the Government will continue to build, or to pay developers to build RCHE premises on the Government's behalf and on an entrustment basis. We have reserved about 6 000 residential places mainly in PHEs, or under urban renewal/railway-related development projects in the next 10 years. The number of places to be provided will be adjusted in light of demand. The Government has also opened up government supplied purpose-built RCHE premises at nominal rent for competitive bidding by both non-governmental organizations and the private sector. Since December 2001, five homes have been contracted out providing a total of 504 subsidized places and 213 non-subsidized places. To encourage developers to incorporate purpose-built RCHE premises in their new private developments, the Government is finalizing details of a premium concession scheme.

However, private buildings will remain an important source of premises for private RCHEs. On the advice of the Elderly Commission, the Lands Department has since February 2001 expressly disallowed prohibition of RCHE in DMCs for new residential developments where commercial uses are normally permitted in the lowest three floors.

Coffins Covered with National or Regional Flag

8. **MR BERNARD CHAN** (in Chinese): *Madam President, it was reported that the coffins of persons who demonstrated bravery and died on duty could be covered with the national flag or the regional flag of the Hong Kong Special Administrative Region (SAR). In this connection, will the Government inform this Council:*

- (a) *since the reunification, of the respective numbers of persons who demonstrated bravery and died on duty and had their coffins covered with the national flag or the regional flag; and*

- (b) *of the criteria for determining whether the coffins of the persons who demonstrate bravery and die on duty should be covered with the national flag or the regional flag?*

CHIEF SECRETARY FOR ADMINISTRATION (in Chinese): Madam President, the National Flag and National Emblem Ordinance and the Regional Flag and Regional Emblem Ordinance provide for the use and protection of the national flag and the regional flag in the SAR respectively. The use of the national flag or the regional flag at funeral service is considered within the remits of the Ordinances.

Since reunification, the national flag was used at the official funeral of two deceased public officers and the regional flag at eight such occasions to date.

Following a recent internal review, as a general practice, the departmental flag, where available and appropriate, should be used at official funerals for public officers who died on duty. The regional flag may be used at an official funeral with full honours for a public officer who demonstrated a high degree of bravery, gallantry or commitment in the discharge of his/her final duties in service of the SAR. Only in very exceptional circumstances when the deceased officer should warrant the most honorific recognition at the national level above full honours would consideration be given to the use of the national flag. The proposed use of the national or regional flag at an official funeral would require prior approval by the Chief Executive with the personal support of the Director of Bureau and head of the agency concerned.

Funding for Tertiary Institutions

9. **MR CHEUNG MAN-KWONG** (in Chinese): *Madam President, regarding the estimates of expenditure on future funding for University Grants Committee-funded institutions (UGC-funded institutions), will the Government inform this Council:*

- (a) *of the base for calculating the amount to be cut in reducing the funding for UGC-funded institutions;*
- (b) *of the following information regarding each UGC-funded institution in each year from 2003-04 to 2007-08:*

- (i) *the percentage change in recurrent grant and the amount involved;*
 - (ii) *the number of courses for associate degree, higher diploma and master degree to be cancelled, the amount of grant involved and the percentage of the amount in the total funding;*
 - (iii) *the amount of grant for home financing and other benefits and the percentage changes thereof;*
 - (iv) *the expenditure for salaries and benefits and their percentages in the total funding; and*
 - (v) *of the percentage changes and the amounts involved in the other individual funding items; and*
- (c) *whether it has assessed the effects of the cuts in funding and grants for UGC-funded institutions on various courses, the number of academic staff and their salaries and benefits; if so, of the assessment results; if not, the reasons for that?*

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

- (a) Apart from reflecting civil service pay adjustment and changes in price levels, as a planning target we expect funding for the University Grants Committee (UGC) sector in the 2004-05 academic year will also be reduced by 10% to reflect efficiency savings. The Administration is working with the UGC on the funding requirements for the sector in the 2004-05 academic year, and has yet to finalize the detailed calculations.
- (b) Recurrent funding to the UGC sector is determined on a triennial basis. While we have information on the total funding for the current triennium (that is, 2001-02 to 2003-04 triennium), funding for the 2004-05 rollover year and the 2005-06 to 2007-08 triennium is yet to be determined. Based on available information and planning targets:

- (i) We have not requested UGC-funded institutions to deliver efficiency savings in the 2003-04 academic year, but will expect a 10% reduction in funding on this account for 2004-05, as mentioned in (a) above.
- (ii) The UGC has informed the institutions of its decision on the timeframe for withdrawing subvention for publicly-funded sub-degree and taught postgraduate programmes. The number of affected programmes in each academic year from 2004-05 to 2007-08 is set out at Annex. Taking into account the above, the UGC is working with the institutions on the academic and funding proposals to be submitted to the Administration in due course. As the academic plans for 2004-05 and the 2005-06 to 2007-08 triennium are yet to be finalized, the amount of grants involved is yet to be determined.
- (iii) and (iv)

Recurrent funding is provided to the institutions through the UGC mainly in the form of block grants. At present, institutions are free to determine the amount of funds to be used for salaries and benefits, subject to compliance with approved pay scales and eligibility criteria for specific housing benefits schemes. With effect from 1 July 2003, institutions can also freely decide the remuneration package and housing benefits to be offered to their staff, and will set aside an appropriate amount of their block grant to meet these requirements. As such, information regarding institutions' expenditure on salaries and benefits will only be available after the end of the relevant years.

Insofar as government funding is concerned, we will continue to adjust the portion of pay-related expenditure in the recurrent grants to ensure that the deregulation of salaries is cost-neutral. We will also continue to provide top-up funding for Home Financing Scheme (HFS) for eligible staff.

- (v) Apart from providing recurrent grants and top-up funding for HFS, on a recurrent basis the Government also refunds UGC-funded institutions of rates and government rents payable by them.

Funding in this regard reflects the actual amounts paid by the institutions.

- (c) The Administration is working with the UGC on the institutions' funding requirements for 2004-05. The UGC will take into account all relevant factors, including the implications of reduced funding on the institutions' academic and resource plans, in assessing the funding requirements before submitting its recommendations to the Administration.

Annex

Number of publicly-funded sub-degree and taught postgraduate programmes to be affected

(I) Number of sub-degree programmes to be affected

<i>Institution</i>	<i>Academic Year*</i>	2004-05	2005-06	2006-07	2007-08
CityU		2	4	7	1
PolyU		1	1	9	0

(II) Number of taught postgraduate programmes to be affected

<i>Institution</i>	<i>Academic Year*</i>	2004-05	2005-06	2006-07	2007-08
CityU		15	6	4	0
HKBU		2	4	1	0
CUHK		3	7	0	0
PolyU		7	2	7	2
HKUST		11	4	1	1
HKU		31	5	0	0

Note:

CityU	:	City University of Hong Kong
HKBU	:	Hong Kong Baptist University
CUHK	:	The Chinese University of Hong Kong
PolyU	:	The Hong Kong Polytechnic University
HKUST	:	Hong Kong University of Science and Technology
HKU	:	University of Hong Kong

* Programmes affected in a particular year means programmes in respect of which subvention will start to be withdrawn from that year onwards. Students admitted before the year will not be affected.

Professional Grades in KCRC

10. **MR LAU PING-CHEUNG** (in Chinese): *Madam President, with respect to the professional grades in the Kowloon-Canton Railway Corporation (KCRC), will the Government inform this Council whether it knows:*

- (a) *the KCRC's remuneration policy in respect of these grades;*
- (b) *the names of these grades and the ranks in each grade, those professional grades with entry qualifications and ranks comparable to those of the Civil Service, and how the two compare in terms of salary scales; and*
- (c) *the professional grades with duties and ranks not found in the establishment of the Civil Service, and the justifications for these grades' being classified as professional grades?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): Madam President, it is the KCRC's policy to align the pay levels and fringe benefits of jobs, including those performed by professionals, with those of similar jobs in companies which the Corporation has selected as external benchmarks. These benchmark companies include those in the transportation, banking and engineering industries as well as public utilities companies. The underlying policy is that the Corporation should maintain its pay competitiveness with its external benchmark companies.

The KCRC is a statutory body operating on prudent commercial principles to construct and operate railways. To carry out its business, the Corporation has to employ professionals in a variety of occupational groups. The occupational groups which require specific professional qualifications or accreditations are set out at Annex. The entry requirements for appointment to the entry ranks of these occupational groups are, in general terms, a recognized degree or professional qualifications and three years' relevant experience.

In general, the occupational groups listed at Annex comprise up to four ranks, namely, Officer (entry rank), Senior Officer, Executive Manager and General Manager.

All occupational groups employed by the KCRC as listed at Annex can be found in the Civil Service. However, the professionals employed by the Corporation may carry out different functions in pursuance of the railway business as compared with their counterparts in the Civil Service. For instance, engineers are employed by the Corporation to develop railway signalling systems and such posts do not exist in the Civil Service.

In view of the differences in the functions and responsibilities of professional staff in KCRC and civil servants in the same professional groups, it would not be meaningful to make a direct comparison of their respective pay levels.

Annex

List of occupational groups which require specific professional qualifications or accreditations

Occupational Groups

Disciplines where applicable

(qualifications required are put in bracket)

Transport	(a degree in Transport Management or membership of the Chartered Institute of Logistics and Transport)
Engineers	Civil, Electrical, Mechanical, Electronics, Building Services, Signalling, Telecommunications and Computer Engineering. (a degree and/or professional qualifications in the relevant engineering discipline)
Architects	(a degree and/or professional qualifications in Architecture)
Surveyors	Building, Quantity, Estate and Land Surveyors. (a degree and/or professional qualifications in the relevant surveying discipline)

*Occupational Groups**Disciplines where applicable
(qualifications required are put in bracket)*

Project Planning	(a degree and/or professional qualifications in Engineering or Transport Planning)
Environmental Management	(a degree and/or professional qualifications in Environmental Engineering or Environmental Science)
Property Development	(a degree and/or professional qualifications in Architecture, Structural Engineering, Town Planning or Surveying)
Accountant	(a degree and/or professional qualifications in Accounting)
Legal Counsel	(a degree and/or professional qualifications in Law)
Information Technology Services	(a degree or professional qualifications in Computer Science)
Risk Management and Safety	(a degree in Risk Management, Environmental Studies, or Health and Safety)

Cancellation of Night-time Classes for Inmates of Correctional Institutions

11. **MS CYD HO** (in Chinese): *Madam President, it has been reported that the Correctional Services Department (CSD) has recently cancelled all night-time computer classes for inmates of correctional institutions on the grounds of the atypical pneumonia epidemic in Hong Kong. In this connection, will the executive authorities inform this Council:*

- (a) *of the number of staff members and inmates of the various correctional institutions and probation/residential homes under the CSD and the Social Welfare Department (SWD) who have been confirmed as or suspected of having contracted atypical pneumonia since 10 March this year;*

- (b) *of the number and contents of the classes provided for inmates of correctional institutions and probation/residential homes that have been cancelled to prevent the spread of atypical pneumonia, the dates when the classes ceased, the number of inmates affected, as well as the arrangements made in respect of the inmates' scheduled class hours during the cessation of classes; and*
- (c) *in addition to cancellation of classes for inmates, what other measures have the authorities adopted to prevent the spread of atypical pneumonia in correctional institutions and probation/residential homes; and whether they include special arrangements for visits to the inmates by their relatives?*

SECRETARY FOR SECURITY (in Chinese): Madam President,

- (a) Up to the present, none of the inmates of the correctional institutions of the CSD or the correctional/residential homes of the SWD has contracted Severe Acute Respiratory Syndrome (SARS). Nor is there any infected case among staff, except two members, one from the CSD and another from the SWD, who had contracted SARS during vacation leave. Both have already recovered.

At present, no staff or inmates of the various correctional institutions of the CSD and correctional/residential homes of the SWD is suspected of having contracted SARS.

- (b) In a bid to prevent any possible spread of SARS into its institutions and to protect the safety of inmates, staff and visitors alike, the CSD has introduced restrictions on access of non-departmental personnel since April. As a result, all evening education classes provided to the inmates by part-time teachers or volunteers from non-governmental organizations have been suspended since 15 April 2003.

All education classes and vocational training courses provided to young offenders are not affected by this measure as all these are conducted by full-time CSD staff.

On the other hand, education classes for adult offenders are provided on a voluntary participation basis in the evening outside normal working hours. A total of 995 adult prisoners from various institutions have been affected by the above measure. A total of 71 classes have been suspended, with subjects including Chinese language, English language, mathematics and basic computer application. During the hours originally scheduled for the evening classes, these adult prisoners can still continue their educational pursuit by self-study and also approach CSD educational staff for advice.

The CSD has been closely monitoring the SARS situation in Hong Kong and has decided to relax the restrictions by phases. All hobby classes, including computer classes, have resumed since 9 June 2003. Other evening educational classes for adult prisoners will resume after the summer vacation in July and August.

As regards the correctional/residential homes of the SWD, preventive measures have been stepped up during the acute period of SARS. However, no classes were suspended as a result. Only a few minor adjustments to the content of the training activities were made. For example, cookery classes were substituted by handicraft lessons to avoid sharing of food, and demonstration using a dummy was given in beauty therapy workshops in lieu of student practice to prevent close body contacts.

- (c) The CSD and the SWD have adopted the following precautionary measures in fighting against possible spread of SARS in their institutions and homes respectively:

CSD

- (i) Screening procedures such as temperature taking are followed upon the arrival of new inmates. All newly admitted inmates are accommodated at certain particular locations for a period of observation. Prompt medical consultation will be arranged if any inmate shows symptoms of SARS.

- (ii) Appropriate protective gear such as facemasks, protective gowns and goggles are provided to the staff and inmates as may be necessary.
- (iii) Prison areas, in particular areas open to the public, are cleansed and disinfected frequently.
- (iv) Staff and inmates are updated with information on SARS and are reminded to observe good personal hygiene to prevent infection.
- (v) In general, prison routines, including family visits, are conducted in the usual manner except that prison visitors are advised to have temperature taken and to wash their hands upon entering an institution, and to put on facemasks throughout their stay.

SWD

- (i) Every newly admitted resident is required to take body temperature and to be examined on possible symptoms of SARS. The homes will arrange immediate medical consultation and observation for residents with temperature and cough.
- (ii) All the home staff and inmates are required to wear facemasks.
- (iii) All the homes have stepped up cleansing work to ensure a hygienic environment, including cleaning facilities with bleach, placing sterilized mats at door entrances, providing liquid soap and paper towel in toilets, sterilizing the cutlery in high temperature, opening the windows to enhance air circulation, and so on.
- (iv) The homes have arranged talks on SARS prevention and distributed leaflets to inmates to enhance their knowledge and awareness and to ensure personal hygiene.

- (v) All visitors are required to take body temperature and wash their hands on entering the homes, and to wear facemasks during their stay. During the acute period of SARS, residents were encouraged to communicate with their families by telephone in order to minimize the chance of infection due to visits. Residents also agreed not to take home leave, unless absolutely necessary, to avoid community infection. In view of signs showing abatement of the outbreak, all homes have resumed normal arrangements for guardian visits and home leaves.

Review of Travel Subsidy Schemes for Students

12. **DR TANG SIU-TONG** (in Chinese): *Madam President, in its reply to my question on 18 December last year, the Administration indicated that it would review the Student Travel Subsidy Scheme and the Cross-net Travel Subsidy Scheme, and forecast that the review would be completed before the commencement of the 2003-04 school year. In this connection, will the Government inform this Council whether:*

- (a) *the review will be completed on schedule; if so, of the completion date and the timetable for implementing the review results; if not, the reasons for that; and*
- (b) *the travel subsidy schemes for the 2003-04 school year will be affected by the review results; if so, of the details?*

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

- (a) The review of the two travel subsidy schemes is underway. We expect the review to be completed in August 2003. We will present the review findings and our recommendations on the future direction of student travel subsidies to the Education Panel and, if appropriate, seek the approval of the Finance Committee to implement our recommendations.

- (b) Application for the assessment of eligibility for student financial assistance in the 2003-04 school year has already started. As applications for travel subsidy from students who meet the means-test are submitted through their schools in September for completion of processing in October, we do not envisage that any proposed changes arising from the review can be implemented in time for the 2003-04 school year.

Re-engineering of ArchSD

13. **MR CHAN KWOK-KEUNG** (in Chinese): *Madam President, it has been reported that the results of the study conducted by a consultant commissioned by the Government regarding the function of the Architectural Services Department (ArchSD) show that the unit cost of the ArchSD is lower than those of the private sector contractors. Despite these results and repeated flaws in projects participated by private sector contractors, the Government still insists on reducing the functions of the ArchSD by outsourcing the supporting and follow-up projects in its charge in 2003-04. In this connection, will the Government inform this Council of:*

- (a) *the supporting and follow-up projects in the charge of the ArchSD in 2003-04, broken down by the categories of property maintenance and new construction projects, the costs involved and, among them, the respective amounts of expenses on staffing and project works;*
- (b) *the rationale for outsourcing the above projects; and*
- (c) *the latest position of the re-engineering of the ArchSD, including the number of posts to be deleted in each of the years between 2003-04 and 2005-06, the posts and job types involved and arrangements to be made for the affected staff?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Chinese): *Madam President, in the business review of the ArchSD conducted in 2001, the consultant commissioned by the Government found that*

the costs of delivering new projects by in-house resources or by outsourcing were broadly comparable. If the costs of monitoring the performance of consultants by the ArchSD were taken into account, the professional services costs were slightly higher in those projects where some of the professional services were outsourced. The consultant pointed out that outsourcing would help reduce costs. The construction costs have been declining over the past two years since the business review. We therefore believe that outsourcing will become more cost-effective and will enable the ArchSD to concentrate on dealing with the strategic matters.

- (a) In 2003-04, the ArchSD is responsible for the delivery of about 450 new construction projects, which total \$78.7 billion in value and are either under design or construction stage; and the total gross floor area of government premises being maintained by the ArchSD is about 28.3 million sq m. In 2003-04, the estimated works expenditure for new building projects will amount to approximately \$8.3 billion and the maintenance cost of government premises about \$4.4 billion. The total staff cost involved in these two areas is estimated at around \$747 million.
- (b) To achieve the Government's objective of "reprioritizing the provision of services, reorganizing the structure of government departments, reengineering procedures and making full use of the market", the ArchSD will continue to outsource the professional and technical services of new construction projects, devolve the duties in various types of maintenance works and strengthen its role as a professional advisor.
- (c) The ArchSD plans to reduce its establishment from the existing 2 037 to 2 000 in 2003-04, and to 1 721 and 1 583 in 2004-05 and 2005-06 respectively. This plan is subject to review and update in light of the progress of outsourcing, the implementation of the second Voluntary Retirement Scheme and the deployment of staff to other departments. The posts to be reduced will include those in professional, technical, site supervisory, general and common grades. The Government will address any problems arising from the reduction of posts through various practicable options, including natural wastage, retraining and staff redeployment.

Regulation of Fund-raising Activities

14. **MR MICHAEL MAK** (in Chinese): *Madam President, to help people affected by the Severe Acute Respiratory Syndrome, various organizations have set up funds and organized fund-raising activities. In this connection, will the Government inform this Council:*

- (a) *how the present legislation regulates fund-raising activities launched openly for charitable purpose;*
- (b) *the measures in place to ensure that these organizations will use the fund raised for the purported purpose; and whether it will consider requiring these organizations to release details of the fund accounts on a regular basis; and*
- (c) *whether it will consider setting up a statutory body to co-ordinate and standardize the management of and payment from various non-governmental charitable funds; if so, of the details; if not, the reasons for that?*

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

- (a) There is legislation to control charitable fund-raising activities in public places and the associated issue of maintenance of order in public places. Section 4(17)(i) 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. Contravention of section 4(17)(i) is an offence punishable with a fine of \$2,000 or imprisonment for three months.

Anyone who wants to conduct a lottery can apply for a licence from the Commissioner for Television and Entertainment Licensing (CTEL), under the Gambling Ordinance. The licensing conditions prescribe the maximum duration of a lottery sale. The conditions also prescribe that lottery proceeds should not be

appropriated for the private gain of any individual, all lottery tickets should be serially numbered, and prior written permission of the CTEL is required for sale or offer for sale of lottery tickets on public streets. Contravention of any licensing condition is an offence punishable with a fine of \$50,000 and imprisonment for two years.

- (b) In issuing permits under section 4(17)(i), the Social Welfare Department (SWD) imposes a set of administrative controls to, *inter alia*, promote accountability and transparency of charitable fund-raising activities.

In particular, to ensure that charitable fundraisers use the funds raised for the purported purpose, the SWD imposes a set of administrative controls, such as:

- (i) no person will benefit improperly from the proceeds of the activity;
- (ii) within 90 days of the last date specified in the permit, the permittee shall cause the money received from the public subscription, less any expenses incurred, including expenses in printing and stationery, to be applied or to be credited to the bank account, for the purpose for which this permit is issued; and
- (iii) if the money raised is donated to any organization or institution solely for charitable purposes, copy of a receipt from the latter organization is required.

As regards requiring charitable fundraisers to release details of the fund accounts, there are also pertinent administrative controls, such as:

- (i) the account of the fund-raising activities covered by this permit is to be audited by an accountant or firm whose name appears in the List of Professional Accountants or in the list of firms of Certified Public Accountants published in the Gazette of the Government of Hong Kong Special Administrative Region by the Registrar of the Hong Kong

Society of Accountants under section 32(1) of the Professional Accountants Ordinance (Cap. 50);

- (ii) a certified copy of the audited account with auditor's opinion thereon shall be forwarded to the Director of Social Welfare within 90 days of the last day specified in the permit; and
- (iii) where the monies donated are to be spent outside Hong Kong, the audited account together with auditor's opinion shall be published in at least one local Chinese language newspaper and one local English language newspaper within 90 days of the last day specified in the permit and copies of the said newspaper cuttings shall be forwarded to the Director of Social Welfare at the same time.

The audited accounts of the permit regime cover basically the fundraising activities. For a permit activity which raises money for donation to a fund, the SWD ensures this is carried out by asking for the production of the receipt issued by the fund concerned.

In addition to the above, a person who solicits funds from members of the public for a particular purpose is a trustee of the funds who collects and holds them upon trust for those purposes. If he applies those funds for another purpose he may, subject to proof, be guilty of obtaining money by deception. At common law, a trustee may be made personally liable if he commits a breach of trust and as a result the trust or charity suffers loss.

Under section 3 of the Registered Trustees Incorporation Ordinance (Cap. 306), the duly appointed trustees of any body of persons or charity may apply to the Registrar of Companies (the Registrar) for incorporation of the trustees. The certificate of incorporation, if any, granted by the Chief Executive shall be subject to any conditions imposed in the certificate and may be cancelled or amended by the Chief Executive at any time.

The trustees incorporated under Cap. 306 are required to notify the Registrar of any change of principal office or trustees in accordance with section 9. The Registrar shall maintain a register

of all such corporations which shall be open to public inspection. Documents of the incorporation registered with or kept by the Registrar, including the deed or instrument creating the trust, statement of its property at the date of application for registration and names and residential addresses of the trustees are also open to public inspection upon payment of the prescribed fee.

Trustees of trust or charitable funds may be trust companies registered under the Trustee Ordinance (Cap. 29). These trust companies are subject to the control under Part VIII of Cap. 29. Under section 95, the Financial Secretary may at any time appoint an inspector to investigate the affairs and management of a trust company if it appears to him that there are circumstances suggesting that the trust company has committed a breach of trust. Any director, officer or servant of a trust company who refuses to produce to the inspector for examination all books, accounts, and so on, relevant to such investigation which are in his custody or control shall be guilty of an offence.

While there is no general requirement for trust or charitable institutions to submit their accounts to the Government for scrutiny, they may need to submit relevant information, including books and accounts, for an assessor or inspector's consideration under Part IX of the Inland Revenue Ordinance (Cap. 112) if they wish to claim the tax exemption in respect of charitable institution or trust of a public character under section 88 of Cap. 112.

If a registered charity is also a limited liability company, it will be required as a matter of course to comply with all the statutory disclosure requirements of the Companies Ordinance (Cap. 32).

As regards a lottery, the organizers are required to send to the CTEL a statement of all moneys received from the sale of the lottery tickets and every disbursement made from the moneys so received, within 28 days of the lottery draw. The organizers are also required to submit an audited account to the CTEL at the end of the relevant financial year to account for the use of the proceeds from the lotteries should the proceeds be used for meeting the operating expenses of the organizations concerned. In cases

where the proceeds are to be donated to other charitable organizations, official receipts from the recipient organizations are required.

- (c) Our policy objective is to improve the transparency and accountability of charitable fund-raising activities so that the public can make an informed choice, without stifling these activities by imposing onerous and costly bureaucratic requirements on fund-raisers.

The Administration has carefully considered and eventually ruled out establishing further statutory controls at this time. This is because it is unnecessary in the local context and would entail the establishment of a sizeable bureaucracy and would require substantial resources to operate effectively. The significant compliance and enforcement costs would not only stifle charitable fund-raising activities, but also discourage the public from making donations, as the compliance costs would reduce the actual amount of donations to assist potential beneficiaries.

Instead, we have mapped out a medium-to-longer term policy. In brief, we will continue strengthening administrative controls over charitable fund-raising activities with a view to enhancing their transparency and accountability. This package of enhanced administrative measures consists of a reference guide of best practices for charitable fundraising and a public register of charities which pledge to adopt the guide on a voluntary basis. It is expected that the reference guide will be finalized by end 2003 and the public register put in place in 2004.

Food Products Containing Genes that Encode Resistance to Clinically Used Antibiotics

15. **MR FRED LI** (in Chinese): *Madam President, last month, the Consumer Council released the results of the tests for genetically-modified (GM) ingredients it had conducted on a number of food products in the market. One of the findings revealed that three snack food products contain a GM corn ingredient known as Maximizer (also known as Bt176), which contains a gene that confers resistance to Ampicillin, an antibiotic commonly used to treat*

pneumonia, bronchitis, diphtheria, scarlet fever, whooping cough and other infectious diseases. Some environmentalists are thus concerned that for people who frequently consume such snack food, the effectiveness of the antibiotic for treating these diseases may be undermined. Besides, the Codex Alimentarius Commission (Codex) has issued a guideline that food products should not have ingredients which contain genes that encode resistance to clinically used antibiotics. In this connection, will the Government inform this Council whether:

- (a) it will consider banning the sale of food products which contain the above ingredient; if it will, of the details; if not, the reasons for that;*
- (b) it will, in accordance with the guideline of Codex, demand distributors to recall food products which contain such ingredient; if not, of the rationale; and*
- (c) it will conduct a comprehensive survey on other food products for such ingredient; if it will, of the timing of the survey; if not, the reasons for that?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Chinese):
Madam President, as stated by the World Health Organization (WHO), GM foods currently available on the international market have passed risk assessments and are not likely to present risks to human health. This also applies to Maximizer corn (Bt176). According to the WHO and the Codex, the probability of transfer of antibiotic resistance gene from GM foods to the body cells or bacteria in the gastrointestinal tract of humans is extremely low. It is because the presence of novel DNA in a GM food consumed in the human diet represents only a very small amount of the total amount of DNA consumed in the dietary intakes. In addition, the transfer of plant DNA into microbial or mammalian cells under normal circumstances of dietary exposure would require all of the following complex events to occur consecutively:

- the relevant gene(s) in the plant DNA would have to be released, probably as linear fragments;
- the gene(s) would have to survive nucleases in the plant and digestive enzymes in the gastrointestinal tract;

- the gene(s) would have to compete for uptake with dietary DNA;
- the recipient bacteria or mammalian cells would have to be competent for transformation and the gene(s) would have to survive their restriction enzymes; and
- the gene(s) would have to be inserted into the host DNA by rare repair or recombination events.

In the very unlikely event that all of the above occur and the gene was incorporated into a bacterial genome, it would still need the specific bacterial promoters to initiate translation in order to produce the enzyme that confers bacterial antibiotic resistance.

Before marketing internationally, the Maximizer corn has been thoroughly assessed by a number of overseas regulatory authorities including authorities from member countries of the European Union, the United States, Canada, Japan, Australia and New Zealand. These overseas regulatory authorities have evaluated, among others, the health impact arising from the presence of antibiotic resistance gene in the Maximizer corn. Results of safety assessments reveal that even if such highly unlikely transfer should occur, the health impact to humans would be negligible because the gene is already commonly carried by bacteria found in the environment as well as in the human gastrointestinal tract.

While the Codex recommends that alternative technologies that do not result in the presence of antibiotic resistance gene in foods should be used in the future development of GM plants, it does not imply that GM foods currently available on the market which contain antibiotic resistance gene are unsafe for human consumption. The Codex has not recommended a ban on the sale of these GM foods. Safety assessments conducted by the overseas regulatory authorities concluded that Maximizer corn was considered to be as safe as its non-GM counterpart. Given the above considerations, we do not intend to prohibit the sale of or to recall food products containing Maximizer corn. As other GM foods currently available on the international market have also passed risk assessments and are not likely to present risks to human health, we do not intend to conduct a study on the presence of antibiotic resistance gene in those foods.

Handling of Noise Problems by Housing Department and Environmental Protection Department

16. **MR ALBERT CHAN** (in Chinese): *Madam President, I have received complaints from the public about the excessive noise from the loading/unloading area at the shopping centre of Tin Shing Court, Tin Shui Wai. After investigation, the Environmental Protection Department (EPD) has found that the noise level there exceeds the statutory standard, and has therefore issued the noise abatement notices (NANs) to the persons concerned. However, no improvement has been made yet. In connection with how the Housing Department (HD) has followed up this case and the handling of noise problems by the EPD, will the Government inform this Council:*

- (a) *whether the HD will install noise-abating facilities at the above location; if so, of the timing of the installation; if not, the reasons for that; and*
- (b) *of the respective numbers of complaints received and the NANs issued by the EPD; the number of cases in which the noise problem improved within one month after the issuance of abatement notices; and how the EPD followed up the cases in which no improvement had been made, in each of the past three years?*

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

- (a) To resolve the noise problem at the loading and unloading area of Tin Shing Shopping Centre, the HD will arrange to provide a six-metre tall acoustic barrier between the loading and unloading area and Shing Lai House, the housing block that was affected by the noise problem. The contract was awarded on 29 April 2003 for completion by the end of November this year.
- (b) Under the established practice, upon receiving a complaint against noise emanating from an industrial or commercial premises, the EPD will investigate and measure the noise level at the noise sensitive receivers nearby as appropriate. If the noise level is found to have exceeded the statutory limit, the person making the

noise, or causing or permitting the noise to be made will be asked to abate the noise to within the statutory limit. If it is considered that the person is unable to do so immediately and reasonably requires a period of time to abate the noise, the Noise Control Ordinance (NCO) provides that the EPD may issue a NAN requiring him to abate the noise within a specified time period. Under the NCO, the EPD shall have regard to the nature, difficulty and complexity of complying with the requirements in the NAN in specifying the time period.

In the past three years between 2000 and 2002, the EPD received 3 239, 3 454 and 3 451 complaints against noise emanating from industrial or commercial premises and issued 237, 167 and 160 NANs respectively. The time period specified in the NANs generally ranged between two to three months. Of the NANs issued in those three years, 76%, 80% and 89% of them were complied with respectively. Those who did not comply with the NANs were prosecuted under the NCO.

Regulation of Internet, Phone and Mobile Banking Services

17. **MR SIN CHUNG-KAI** (in Chinese): *Madam President, regarding the provision of Internet, phone and mobile banking services by licensed banks, will the Government inform this Council:*

- (a) *of the number of complaints and reported crimes relating to the above banking services received by the authorities in each of the past three years and, among them, the number of cases in which service system audit and security problems are involved;*
- (b) *of the way in which the complaints mentioned in (a) were handled; how it differs from that for handling complaints relating to traditional banking services;*
- (c) *whether it has formulated measures and criteria to require that licensed banks must meet certain technical requirements before providing Internet, phone and mobile banking services; and*

- (d) *whether it has formulated measures to ensure that banks providing the services mentioned in (c) should maintain a steady level of system audit and security in a persistent manner, such as requiring banks to appoint qualified or certified information systems auditors to assess the audit and security level of their systems and to submit reports on a regular basis?*

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

- (a) The Hong Kong Monetary Authority (HKMA) has received the following number of reports of complaints and fraud cases in relation to services delivered by authorized institutions (AIs) over the Internet, telephone or mobile devices in the past three years:

<i>Year</i>	<i>No. of cases</i>		
	<i>No. of complaints reported to the HKMA</i>	<i>No. of fraud cases reported to the HKMA(*)</i>	<i>involving audit or security issues of the system</i>
2001	1	7	1
2002	0	4	0
2003	3	4	1

(Up to 11 June)

- (*) In all fraud cases reported to the HKMA, no computer security system of the AIs had been successfully penetrated by fraudsters. Fraudsters very often obtained, through other ways, the customers' personal information (for example, user ID and password) by fraudulent means. The direct financial losses of the customers were reimbursed by the AIs so long as the customers had not acted fraudulently or with gross negligence. Nevertheless, these cases highlight the importance of continuous consumer education in relevant precautions. The Hong Kong Association of Banks and the HKMA have been co-operating in a number of initiatives to educate consumers in precautions against fraud.

- (b) The way that the HKMA handles complaints relating to banks' Internet, phone and mobile banking is same as the handling of complaints relating to banks' traditional services. The procedures are summarized below.

-
- (i) The customer should lodge his complaint with the bank first. This gives the bank the chance to put things right at an early stage. According to the Code of Banking Practice, the bank should upon receiving a written complaint send a written response to the complainant within a reasonable period, normally not exceeding 30 days.
 - (ii) If the customer is not happy with the way in which the bank has dealt with his complaint, or if the bank has not sent him a final response within 30 days after receiving his complaint, he may seek the assistance of the HKMA.
 - (iii) Upon receipt of a written complaint, the HKMA will issue an acknowledgement to the complainant and will refer the complaint to the bank concerned for prompt investigation and direct reply to the complainant, normally within 30 days. The HKMA will check that the bank has replied within the deadline and will ask the bank to give the complainant a full explanation and response.
 - (iv) The HKMA will review the reply that the bank has sent to the complainant to check whether its complaint procedures are working properly. If the complaint raises issues of supervisory concern, the HKMA will separately pursue them with the bank.
- (c) The HKMA has issued a series of guidelines on e-banking since 1997 to specify broadly what risk management measures should be in place before banks may introduce e-banking services. These guidelines do not prescribe rigidly uniform practices or particular details, as effective risk management of e-banking can be implemented through a variety of controls or technologies which might change quickly over time. Apart from these guidelines, the HKMA has adopted the following measures to help ensure that only banks that maintain the necessary capability and take appropriate risk management measures may offer Internet or mobile banking services in Hong Kong:

- (i) Before a bank starts to offer an Internet or mobile banking service, it needs to inform, and explain to, the HKMA the risk management measures for the service;
 - (ii) The bank's senior management is required to appoint an independent expert to commission an independent assessment of the security aspect before the launch of the service, and generally thereafter at least once a year. The independent assessment report should be submitted to the HKMA (please also refer to the reply to question (d) below).
 - (iii) Having regard to the situation of individual banks, the HKMA will assess, among others, the relevant e-banking security controls during its onsite examinations and offsite reviews of banks; and
 - (iv) The HKMA has been monitoring emerging e-banking risks (including issues arising outside Hong Kong). The HKMA issues circulars to relevant banks from time to time to draw their attention to these risks and to propose certain preventive measures.
- (d) As set out in the "Guidance Note on Independent Assessment of Security Aspects of Transactional e-banking Services" issued by the HKMA in September 2000, banks' senior management should commission periodic independent assessments of the security aspects of their Internet or mobile banking services. These independent assessments should be carried out before the launch of the service, and generally thereafter at least once a year. The assessing party needs to have the necessary expertise in the field to perform the independent assessment. Moreover, the assessing party should not be involved in the operations to be reviewed or in selecting or implementing the relevant control measures to be reviewed. Banks should submit the independent assessment reports to the HKMA for reference. When determining the appropriateness of the assessing party, the HKMA considers factors such as the extent of independence, the reputation, the track records, the professional qualifications and the working experience of the assessing party. In addition to this requirement, the HKMA

also assesses, among others, the effectiveness of a bank's audit activities including technology audits during its onsite examinations of banks.

Gauging of Public Views by Chief Executive

18. **MS EMILY LAU** (in Chinese): *Madam President, when attending the Question and Answer Session of this Council last month, the Chief Executive said that as the Chief Executive, he had to "gauge public views at all times". In this connection, will the executive authorities inform this Council:*

- (a) *whether the Chief Executive frequently personally reads local newspaper, listens to and watches local radio and television news and current affairs programmes; if so, of the respective amounts of time he spends each day on average in these respects; if not, the reasons for that; and*
- (b) *of the avenues through which the Chief Executive directly gauges public views and the amount of time he spends each week on average in this respect?*

SECRETARY FOR HOME AFFAIRS (in Chinese): Madam President, my reply to the Honourable Emily LAU's question is as follows:

- (a) The Chief Executive frequently reads local and international newspapers, listens to and watches radio and television news and current affairs programmes. However, the time he spends each day on average in these respects cannot be quantified.
- (b) The Chief Executive directly gauges public views through the following channels:
 - meetings with various sectors of the community, such as the labour, business and political sectors, academics, professionals, and so on;

- visits to the districts to meet the public, such as visiting housing estates, markets, shopping arcades, schools, youth and elderly centres, voluntary and social welfare agencies, and so on; and
- attendance at public functions such as ceremonies, receptions, seminars, and so on.

The amount of time the Chief Executive spends each week on average on these activities depends on the needs and his schedule, but gauging public views does account for a substantial proportion of his hours of work.

Ban on Import of Japanese Beef

19. **MR LAU KONG-WAH** (in Chinese): *Madam President, as some cattle in Japan were suspected of having been infected with Bovine Spongiform Encephalopathy (commonly known as the "mad cow disease"), the Food and Environmental Hygiene Department has prohibited the import of Japanese beef since September 2001. In this connection, will the Government inform this Council whether:*

- (a) *it knows if there have been cases of cattle in farms in Japan being infected with the mad cow disease in recent months; if so, of the dates of their occurrence and their number; if there have been no such cases, of the reasons for continuing to ban the import of Japanese beef;*
- (b) *it knows the countries which are currently importing beef from Japan; and*
- (c) *it has recently discussed with the relevant authorities in Japan the resumption of the import of Japanese beef; if so, of the details of such discussions and the expected date to resume import of Japanese beef?*

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

- (a) Hong Kong has suspended the import of beef from Japan since September 2001 following the discovery of the first Bovine Spongiform Encephalopathy (BSE, more commonly known as "mad cow disease") case in Japan. There is still mad cow disease in Japan. According to the statistics released by the Office International Des Epizooties, as of 23 January 2003, a total of seven cases were found in Japan since September 2001 and two of them occurred in 2003. The suspension is continuing because the Japanese Government has yet to provide us with relevant information and documents assuring us that its exported beef is safe for human consumption.
- (b) We are not aware, according to information available to us, that Japan is exporting beef to other places.
- (c) We have been monitoring the mad cow disease situation in Japan and we will consider allowing resumption of beef import from Japan provided that the necessary food safety assurance is provided by the Japanese Government.

Use of Intelligent Lifts in Government Offices

20. **DR RAYMOND HO** (in Chinese): *Madam President, it has been reported that the lifts at Mongkok Government Offices previously operated on an intelligent system, but the public were not accustomed to the operation of the system. The intelligent system was subsequently removed and replaced by traditional lift operating devices. In this connection, will the Government inform this Council:*

- (a) *whether the authorities have assessed the degree of public acceptance of the intelligent lift since its implementation;*
- (b) *how intelligent lifts compare to traditional lifts in terms of the installation and maintenance costs as well as their service life; and*
- (c) *how the removed intelligent system has been disposed of?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Chinese): Madam President, the intelligent lifts at Mongkok Government Offices were installed by the Electrical and Mechanical Services Department (EMSD) under a pilot scheme to conserve energy. Intelligent lifts differ from traditional ones in being equipped with an intelligent group control system and new button panels that enable them to adjust to the landing call according to the demand of users. In the implementation of the pilot scheme, the EMSD only retrofitted the existing four lifts at Mongkok Government Offices with the control system to convert them into intelligent lifts for trial operation.

- (a) Upon the implementation of the pilot scheme, the EMSD commissioned the City University of Hong Kong to conduct an assessment. The assessment report has revealed that the users' reactions to intelligent lifts were mixed. While some users thought that their performance was better in terms of waiting time and journey time, some pointed out that new users had greater difficulty in getting accustomed to the intelligent system. The data collected by the EMSD and the public opinions made known to the department through the management office of Mongkok Government Offices show that the members of the public visiting the Government Offices have greater difficulty in adjusting to the new system because they do not often use such intelligent lifts.
- (b) According to the available data, the difference in the new installation cost between an intelligent lift and a traditional one is generally not greater than 5% whereas the maintenance costs of the two systems are more or less the same. In general, the service life of each system can exceed 20 years. The buildings in which the intelligent lift system has been installed include Devon House of Taikoo Place and AIA Tower in North Point.
- (c) Upon completion of the pilot scheme, the intelligent system has been repurchased by the contractor for retrofitting the lifts.

BILLS

First Reading of Bills

PRESIDENT (in Cantonese): Bills: First Reading.

ADOPTION (AMENDMENT) BILL 2003**SUPPLEMENTARY APPROPRIATION (2002-2003) BILL**

CLERK (in Cantonese): Adoption (Amendment) Bill 2003
Supplementary Appropriation (2002-2003) Bill.

Bills read the First time and ordered to be set down for Second Reading pursuant to Rule 53(3) of the Rules of Procedure.

Second Reading of Bills

PRESIDENT (in Cantonese): Bills: Second Reading.

ADOPTION (AMENDMENT) BILL 2003

SECRETARY FOR HEALTH, WELFARE AND FOOD: Madam President, I move that the Adoption (Amendment) Bill 2003 be read a Second time.

The purpose of the Bill is two-fold, that is, to improve existing local adoption arrangements and to give effect to the Hague Convention on Protection of Children and Co-operation in respect of Intercountry Adoption (Hague Convention) in Hong Kong. In this, the dominant principle is to ensure that adoption arrangements are made in the best interests of the child.

I will now highlight a few of the key legislative proposals.

At present, private arrangements for adoption by unrelated persons is not prohibited in Hong Kong. However, since the Social Welfare Department (SWD) may not be involved in making such adoption arrangements, such arrangements may give rise to various problems such as lack of proper counselling and assessment, inability to verify consent given by birth parents, manipulation of adoption for pecuniary gain or the birth parents being compelled to make decisions on the basis of limited/incorrect information. Accordingly, there is a real risk that a child will not be placed with the most suitable prospective adopters nor in the best available adoptive home.

We, therefore, propose to amend the Adoption Ordinance to prohibit a person or an organization, other than the SWD or a person authorized by the SWD, to make arrangements for the adoption of a child, with the exception of adoption of a child by his/her birth parent or relative, or save in pursuance of an order of the Court.

Currently, there are no express legislative provisions for intercountry adoption arrangements. A non-governmental organization involved in matching local children (mostly healthy babies born to unmarried mothers) with unrelated overseas adoptive parents has made use of the jurisdiction of the Court under the Guardianship of Minors Ordinance for a birth mother to apply to the Court for a custody order in favour of the prospective adopter and leave for the child to be removed permanently. These arrangements are problematic in two ways.

Firstly, this leaves uncertain the extent to which the provision of the Adoption Ordinance must be complied with before a child can be dispatched overseas. There is also a possibility that the receiving country will not accept that such arrangements made in Hong Kong are sufficient to enable an adoption to be completed in the receiving country.

Secondly, both Article 21(b) of the United Nations Convention on the Rights of the Child and the Hague Convention recognize that where possible a child should be placed in suitable care in his/her country of origin as a priority, and intercountry adoption should only be explored as a last resort. In private adoption arrangements by unrelated persons, there is a real risk that local adoption opportunities may not be given due consideration before the intercountry arrangements are made.

We, therefore, propose that new provisions be added to make it unlawful for a child to be removed out of Hong Kong for the purpose of adoption by an unrelated person without an order given by the Court under the Adoption Ordinance.

Another important legislative proposal is to impose a mandatory criminal record check on every applicant who seeks to adopt a child. At present, applicants are invited to declare whether they have any previous convictions. Without legislative back-up, criminal record checks to verify the authenticity of these declarations cannot be undertaken without the consent of the applicants.

To help ensure the safe custody of children to be adopted, we propose that criminal record checking should be made compulsory.

In addition to the above improvements, we are also proposing to enhance the step-parent adoption arrangements, allow an aggrieved adoption applicant to appeal to the Administrative Appeals Board, update the penalty levels of certain adoption related offences, remove a discriminatory provision against male *vis-a-vis* female and sole *vis-a-vis* joint adopters, remove the birth parents' right to specify the religious persuasion in which the adopted child should be brought up, and reduce the minimal consent period as well as put in place a root tracing system. These improvements will be beneficial to birth parents, adoptive parents and infants alike.

I now turn to the Hague Convention, which the Central People's Government is consulting the Government of the Hong Kong Special Administrative Region (SAR) on whether the Hague Convention should be extended to the SAR.

The Hague Convention, which was concluded at the Hague in 1993, is a widely recognized international covenant. So far, 39 States have ratified the Hague Convention and 13 States have acceded to it.

There is a strong case for applying the Hague Convention to Hong Kong, since this will facilitate our existing adoption work by extending the network of suitable adoptive parents overseas, and will facilitate the SWD in establishing formal working relationships with the relevant authorities of other Contracting States. Besides, the Hague Convention provides for the automatic recognition in Contracting States of adoptions made in accordance with its provisions. It will also demonstrate Hong Kong's commitment to facilitate the intercountry adoption of children and to safeguard the interests of those children who are subject to an intercountry adoption.

On the operational front, we propose that the Director of Social Welfare be designated as the Central Authority for the SAR, in view of the administrative and operational nature of the various functions required of a Central Authority under the Hague Convention. We propose that the Director of Social Welfare should be permitted to delegate some of the functions of a Central Authority under the Hague Convention to non-governmental social service agencies accredited by the Director. The High Court would be empowered to hear Convention adoption applications and to grant Convention adoption orders.

Madam President, the Adoption (Amendment) Bill 2003 will bring our adoption system up-to-date and ensure that both local and intercountry adoptions are made in the best possible interests of the children. With these words, I commend the Bill to the Legislative Council. Thank you.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Adoption (Amendment) Bill 2003 be read the Second time.

In accordance with the Rules of Procedure, the debate is now adjourned and the Bill referred to the House Committee.

SUPPLEMENTARY APPROPRIATION (2002-2003) BILL

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, I move that the Supplementary Appropriation (2002-2003) Bill be read the Second time.

Section 9 of the Public Finance Ordinance states that "If at the close of account for any financial year it is found that expenditure charged to any head is in excess of the sum appropriated for that head by an Appropriation Ordinance, the excess shall be included in a Supplementary Appropriation Bill which shall be introduced into the Legislative Council as soon as practicable after the close of the financial year to which the excess expenditure relates".

The expenditure accounts for the financial year 2002-03 have been finalized by the Director of Accounting Services. The expenditure charged to eight heads, out of a total of 91 heads, is in excess of the sum originally appropriated for those heads in the Appropriation Ordinance 2002. In each head, the excess expenditure reflects supplementary provision approved by the Finance Committee or under powers delegated by it. The Supplementary Appropriation (2002-2003) Bill seeks final legislative authority for the amount of supplementary provision approved during the year in respect of particular heads of expenditure by the Finance Committee or under powers delegated by it.

The total supplementary appropriation required in respect of the eight heads of expenditure is \$271 million.

Despite the supplementary appropriation required for eight heads of expenditure, total expenditure from the General Revenue Account was within the amount originally included in the Appropriation Ordinance 2002 as a result of savings in other heads of expenditure and the provision made for additional commitments in the original estimates for the year.

Madam President, I hope Members will support the Supplementary Appropriation (2002-2003) Bill. Thank you.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Supplementary Appropriation (2002-2003) Bill be read the Second time.

In accordance with the Rules of Procedure, the debate is now adjourned and the Bill referred to the House Committee.

Resumption of Second Reading Debate on Bill

PRESIDENT (in Cantonese): We will resume the Second Reading debate on the Stamp Duty (Amendment) Bill 2002.

STAMP DUTY (AMENDMENT) BILL 2002

Resumption of debate on Second Reading which was moved on 11 December 2002

PRESIDENT (in Cantonese): Mr SIN Chung Kai, Chairman of the Bills Committee on the above Bill, will now address the Council on the Committee's Report.

MR SIN CHUNG-KAI: Madam President, in my capacity as Chairman of the Bills Committee on the Stamp Duty (Amendment) Bill 2002, I wish to address the Council on the report of the Bills Committee, which has been tabled in the Council today.

The principal object of the Stamp Duty (Amendment) Bill 2002 is to amend the Stamp Duty Ordinance (SDO) to implement a proposed electronic stamping system which will remove as far as possible the need for original instruments to be submitted to the Stamp Office for stamping. The SDO provides that every instrument chargeable with stamp duty shall be presented to the Collector of Stamp Revenue (the Collector) for stamping. Under the current system, all documents presented to the Collector for stamping must be original instruments. However, under the proposed system, applications for stamping may be made without presenting the original instruments to the Stamp Office and stamp certificates may be issued by the Collector online.

At the invitation of the Bills Committee, seven organizations have submitted written representations to the Bills Committee. One of these organizations has also sent its representatives to make representation at a meeting of the Bills Committee.

In scrutinizing the Bill, the Bills Committee has studied various issues, including:

- (a) Access to the proposed system;
- (b) Need to restrict access to the proposed system to verify stamp certificates;
- (c) Different modes of paying stamp duty under the proposed system including payment by credit card;
- (d) Validity of stamp certificates for which stamp duty has been paid by cheques;
- (e) Feasibility of using the proposed stamping system to issue stamp certificates for instruments in respect of properties that are being transferred as gifts;
- (f) Power of the Collector to inspect instrument or evidence;
- (g) Definition of "error" in a stamp certificate; and
- (h) Cancellation of stamp certificates.

Madam President, I would like to highlight the major issues considered by the Bills Committee.

The Bills Committee notes that the proposed section 18I(1) in clause 9 of the Bill provides that the Collector may, at any time after an application for stamping an instrument is made, require the presentation of the instrument or relevant evidence to the Collector for inspection for the purpose of the SDO. Furthermore, under the proposed section 18I(2)(b) in clause 9, where a stamp certificate has been issued, the Collector shall cancel the stamp certificate if there is a failure to comply with section 18I(1). Members of the Bills Committee point out that section 4(5) of the SDO says that no action shall be brought for the recovery of any stamp duty with respect to any instrument more than six years from the expiration of the time for stamping such instrument. They query whether the power of the Collector to request presentation of the instrument for inspection under the proposed section 18I in clause 9 should also be limited to within six years of the expiration of the time for stamping such instrument. Members also advise the Administration that parties to certain instruments, for example, tenancy agreements, do not keep the agreements soon after their expiry or may have lost them. If no time limit is set to the Collector's power to request presentation of the original instruments, parties to agreements such as tenancy agreements may not be able to comply with the proposed section 18I. On the suggestion of the Bills Committee, the Administration has agreed to limit the time in which the Collector may exercise his power to require the presentation of the instruments for inspection to six years, as against an indefinite period proposed in the Bill.

Members of the Bills Committee query the circumstances that may result in an error in a stamp certificate. In response, the Administration clarifies that an error in a stamp certificate may occur when an applicant for a stamp certificate extracts incorrectly information from the original instrument to the application form for stamping or when the Stamp Office inputs incorrectly the information from an application form into the new electronic stamping system. If the information supplied in an application form corresponds with that contained in the instrument and the stamp certificate is subsequently issued with the same contents, and even if the Collector is of the view that the stamp duty paid in respect of that instrument is not sufficient, the stamp certificate in question is regarded as not containing any error.

While the Administration considers that how the term "error" should be constructed in the Bill is adequately clear, it agrees with the Bills Committee that the term may be further clarified to avoid doubt.

To address members' concern about the cancellation of stamp certificates under the proposed section 18I(2)(b) in clause 9 without the relevant parties' knowledge, the Administration has agreed to delete the sanction of cancellation of the stamp certificate in the proposed section 18I(1) in clause 9 in respect of failure to present original instruments for inspection by the Collector. However, to ensure compliance of the requirement about submission of original instruments or evidence for inspection, which is very important under the electronic stamping system, the Administration proposes to impose a Level 2 penalty instead, which is currently \$5,000.

Members express concern that under the proposed arrangement, the Collector may cancel a stamp certificate because of errors in a stamp certificate, without the knowledge of the parties concerned. To address members' concern, the Administration has agreed that the provisions in the new section 18J(1)(c) be changed so that the Collector will exercise his power of cancellation only upon request. If a person finds that a stamp certificate contains an error, he may request the Collector to rectify the error on supporting evidence provided by him. If the Collector is satisfied that there is indeed an error, the Collector will cancel the original stamp certificate and issue a new one.

The Administration will move Committee stage amendments to the Bill to give effect to the above changes.

The Administration has also undertaken to consult the securities industry before deciding whether to extend the application of the proposed system to stock transactions. The Administration has also agreed to indicate clearly the instruments not to be covered by the new system when publicizing the new system.

The Bills Committee supports all the Committee stage amendments to be moved by the Administration as they have been proposed on the suggestion of members. The Bills Committee will not move any Committee stage amendment.

Thank you, Madam President.

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

MS MIRIAM LAU (in Cantonese): Madam President, the Stamp Duty (Amendment) Bill 2002 (the Bill) seeks to, in consistent with the e-government policy, streamline the existing process and reduce the needs to handle instruments. The Liberal Party is supportive of this.

Under the present stamp-duty collecting arrangement, the stamping is done manually upon the production of the relevant instrument and payment of stamp duty. Although this long-standing practice has not given rise to too many great problems, it has the disadvantage of being time-consuming and the instrument has to be sent personally by the representative of the stamp duty payer to the Stamp Office. At the same time, the Stamp Office has to deploy its staff to operate its stamping machine before the document is collected by the representative of the stamp duty payer. The entire process takes at least six working days.

The electronization of property stamp duty helps save substantial manpower and resources. For the public and professions frequently required to handle property stamp duty matters such as lawyers, estate agents and so on, the electronic property stamp duty system can bring about enormous convenience. Insofar as the Government is concerned, it can streamline the process and save manpower. This is in line with public aspiration for the Government to reduce spending.

One of the most noteworthy points of the Bill is that the Collector of Stamp Revenue (the Collector) may cancel stamp certificates without the relevant parties' knowledge, and this might produce a significant impact on future property transactions. Such power can be exercised by the Collector when there is an error in a stamp certificate or in cases of non-compliance when the Collector requests to inspect the instrument or evidence. With respect to the term "error", I have once queried under what circumstances an error in a stamp certificate may be resulted in. Will it result in an error if the stamp duty paid in respect of an instrument is not sufficient as a result of re-evaluation of rental values or property values by the Rating and Valuation Department?

The Administration explained that an "error" in a stamp certificate may occur when an applicant makes a mistake in completing an application form

with information extracted from the original instrument to fill in the form, or upon receipt of an application form, the Stamp Office makes a mistake in inputting the data into the electronic system. However, for the sake of clarity, the Government has agreed to move Committee stage amendments to clarify that the term "error" does not cover cases in which the stamp duty paid is found to be insufficient. Furthermore, the Government has agreed to move Committee stage amendments to impose a reasonable time limitation with respect to the power of the Collector to request for the inspection of instrument or evidence. In addition, "reasonable excuse" is introduced as an element for non-compliance with the request of the Collector to ensure a stamp certificate will not be cancelled unreasonably.

The Liberal Party welcomes the Government's readiness in accepting good advice and active response to the concern of the Bills Committee. The Liberal Party would like to urge the Administration to review the operation of the new system on a regular basis to enable it to better meet actual needs and to provide the public with better services.

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

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

(No Member indicated a wish to speak)

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, the principal object of the Stamp Duty (Amendment) Bill 2002 (the Bill) is to amend the Stamp Duty Ordinance (Cap. 117) to provide the legal basis for the introduction of an alternative stamping system.

The Bills Committee on Stamp Duty (Amendment) Bill 2002 (the Bills Committee) has scrutinized the Bill in detail and has provided many valuable opinions. I would like to take this opportunity to thank Bills Committee Chairman Mr SIN Chung-kai and other Committee members. Later on at the Committee stage, I shall move amendments to a number of clauses contained in the Bill.

Currently, the instruments of tenancy agreements, property conveyance and stocks transactions are chargeable with stamp duty. All documents presented to the Stamp Office for stamping must be original instruments. The Stamp Office examines the original instrument and calculates the amount of stamp duty payable. Upon payment of the duty, the instrument is stamped to this effect.

In line with the e-government policy and to streamline the present process, the Administration plans to introduce an alternative system of stamping which is more convenient to the public. The alternative system of stamping will operate as follows: Under normal circumstances, an applicant needs only to fill out an application for stamping and submit it to the Stamp Office electronically or via other means. Unless otherwise required by the Collector of Stamp Revenue, the applicant does not need to present the original instruments as required under the existing stamping system. Upon receipt of the application and payment of stamp duty, the Collector of Stamp Revenue may issue a certificate to be attached to the original instrument as evidence of stamping, either electronically or in writing. The Bill aims to provide the legal basis for the alternative stamping system, whereby applications may be submitted electronically and the Collector of Stamp Revenue may issue stamp certificates. Notwithstanding the introduction of the alternative system, the conventional system of stamping on original instruments continues to apply.

The new stamp certificates and the conventional stamps on original instruments shall enjoy equal legal status. Many developed countries have started to accept electronic applications for stamping and the electronic handling of stamp duty matters.

The new system will provide a convenient service to users. We expect that with the automation under the new system, the processing time for stamping property conveyance instruments may be shortened from the current six working days to immediately after an application is received by the computer system of the Stamp Office; this is in line with the standards currently governing the stamping of tenancy agreements and stocks transaction documents. Depending on the usage rate, the introduction of the new electronic system may reduce the staff costs of the Stamp Office.

During the scrutiny of the Bill, Mr SIN, other members and the organizations concerned raised a number of concerns. I shall respond to these concerns briefly now.

The first phase of the new stamping system will apply to the instruments of property conveyance and tenancy agreements only. As for stocks transaction documents, since the stamp duty for most of the instruments are currently collected via authorized brokers and the Hong Kong Exchanges and Clearing Limited under simple and effective procedures, the Government does not intend to include stocks transactions in the first phase of the new stamping system. Should we later see the need to extend the alternative stamping system to stocks transactions, we will consult the securities industry before implementation.

Some members advised the Government to explain to the public what kinds of applications shall be covered by the alternative stamping system. Our current plan is to apply the alternative system to 90% of property conveyance cases and tenancy agreements. The Collector of Stamp Revenue shall only require the submission of original instruments in more complex property conveyance cases. We shall offer a detailed explanation to the public when the alternative system is fully developed and before its implementation.

The Bills Committee has expressed its support for the resumption of Second Reading debate on the Bill. I hereby call upon Members to render their support.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Stamp Duty (Amendment) Bill 2002 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): Stamp Duty (Amendment) Bill 2002.

Council went into Committee.

Committee Stage

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

STAMP DUTY (AMENDMENT) BILL 2002

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Stamp Duty (Amendment) Bill 2002.

CLERK (in Cantonese): Clauses 1 to 8, 10 to 21, 23 and 25.

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

(Members raised their hands)

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

(No hands raised)

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

CLERK (in Cantonese): Clauses 9, 22 and 24.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam Chairman, I move the amendments to the clauses read out just now as set out in the paper circularized to Members.

The proposed section 18I(1) in clause 9 of the Bill provides that the Collector may, at any time after an application for stamping an instrument is made, require the presentation of the instrument or relevant evidence to the Collector for inspection. No time limit is set for this power. This power is conferred on the Collector for revenue protection purposes.

Some members of the Bills Committee considered it necessary to set a time limit for this power. We have incorporated this view of members and proposed to add subsection (1A) under section 18I to limit the Collector's power to inspect instruments or evidence under section 18I(1) with respect to cases where stamp certificates have been issued to six years from the expiration of the time for stamping the instruments, in order to be consistent with the time limit for recovering stamp duty under section 4(5) of the Stamp Duty Ordinance.

Under the proposed section 18I(2)(b) in clause 9 of the Bill, the Collector is empowered to cancel the stamp certificate that has been issued if there is a failure to comply with the proposed section 18I(1), that is, failing to present the original instrument or the relevant evidence as required by the Collector. Members were concerned about the cancellation of stamp certificates without the relevant parties' knowledge. To allay members' concern, we propose to delete the sanction of cancellation of the stamp certificates for cases of non-compliance with section 18I(1). Insofar as the electronic stamping system is concerned, as the Stamp Office may not necessarily have examined the original instruments when handling applications for stamping under general circumstances, the Collector must therefore be empowered to require the submission of the original instruments for inspection when necessary. To ensure compliance with this requirement, we propose to impose a Level 2 penalty for non-compliance as a deterrent. Moreover, at members' suggestion, we will stipulate that the penalty shall be imposed only for non-compliance without reasonable excuse.

Under the proposed section 18J(1)(c), the Collector has the power to cancel a stamp certificate if the certificate is found to contain an error. The purpose of conferring on the Collector the power to cancel and re-issue a stamp certificate is to rectify errors in the certificates resulting from mistakes made in the process of stamping. Members were concerned about the possible cancellation of stamp certificates without the relevant parties' knowledge. To address members' concern, we propose to amend this provision to the effect that the Collector will exercise his power to cancel the stamp certificate on

grounds of an error only upon request from the applicant for amendments to the stamp certificate. In this connection, any person who has found an error in the stamp certificate may provide the relevant evidence to the Collector and request for an amendment. If the Collector is satisfied that an error does exist, he will cancel the original stamp certificate and re-issue a new one. Meanwhile, we have also accepted the suggestion of members to further clarify that the meaning of "error" excludes insufficiently stamped cases.

Clauses 22 and 24 of the Bill seek to amend the provisions related to "allowance for stamps" in sections 48(1) and 51(1) of the Stamp Duty Ordinance. In the light of the arrangements under the new system, we propose to amend the relevant wording in the provisions to cover making allowance for stamp certificates. The amendments are also in line with the other provisions of the Bill.

I hope Members will support the amendments proposed by the Government. Thank you, Madam Chairman.

Proposed amendments

Clause 9 (see Annex)

Clause 22 (see Annex)

Clause 24 (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 Secretary for Financial Services and the Treasury 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): Clauses 9, 22 and 24 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.

STAMP DUTY (AMENDMENT) BILL 2002

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, the

Stamp Duty (Amendment) Bill 2002

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 Stamp Duty (Amendment) Bill 2002 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): Stamp Duty (Amendment) Bill 2002.

MOTIONS

PRESIDENT (in Cantonese): Motions. Proposed resolution under the Fixed Penalty (Public Cleanliness Offences) Ordinance.

PROPOSED RESOLUTION UNDER THE FIXED PENALTY (PUBLIC CLEANLINESS OFFENCES) ORDINANCE

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, I move that the resolution to amend Schedule 1 to the Fixed Penalty (Public Cleanliness Offences) Ordinance (the Ordinance) as printed on the Agenda be passed. It seeks to increase the fixed penalty from \$600 to \$1,500 for cleanliness offences covered by the Ordinance, namely, spitting, littering, display of bills or posters without permission and fouling of street by dog faeces.

By way of background, the Ordinance provides for a fixed penalty of \$600 to be payable for the aforesaid offences. Seven government departments were empowered to enforce the Ordinance in areas and venues under their responsibility since 10 June 2002. Since the commencement of the Ordinance, a total of around 18 000 fixed penalty notices have been issued against the offenders.

The recent outbreak of Severe Acute Respiratory Syndrome (SARS) in Hong Kong has called into question the adequacy of the existing fixed penalty in combating spitting and littering offences. In promulgating its interim report on 28 May, Team Clean proposed, among other things, increasing the fixed penalty for spitting and littering offenders from \$600 to \$1,500.

Since the proposed increase in fixed penalty was announced, there has been overwhelming public support for this proposal. Members of this Council, media and public opinions are generally in favour of extending the proposed increase to the remaining two scheduled offences, that is, fouling of street by dog faeces and display of bills or posters without permission. The motion I move today has responded to such aspirations.

The Administration is mindful that effective law enforcement is key to the success of any legislative proposal. In the wake of the recent outbreak of SARS, our front-line staff have already intensified their enforcement actions against cleanliness offenders. By and large, such an approach has worked well and won wide acclaim from members of the public. We will continue to equip our front-line officers with sufficient training and communication equipment to facilitate their enforcement actions. The Commissioner of Police has also pledged full support for the crackdown on cleanliness offences.

We have carefully considered suggestions that a grace period be allowed before implementing the stiffer penalty. Since the proposed increase in fixed penalty was announced three weeks ago, the community is well aware of and has accepted the need for the heavier fines. Once this Council has passed the resolution to increase the fixed penalty, the Administration will launch a variety of publicity measures to remind the public of the commencement of the new fixed penalty on 26 June.

Madam President, public expectations for improving personal and environmental hygiene are at an all time high. The community looks to us for taking effective actions. At this critical juncture, the Legislative Council and the Administration should join forces in stamping out cleanliness offences. Let us demonstrate our resolve by implementing the new fixed penalty in a concerted and expeditious manner.

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

The Secretary for Health, Welfare and Food moved the following motion:

- "(a) that Schedule 1 to the Fixed Penalty (Public Cleanliness Offences) Ordinance be amended in items 1, 2, 3, 4, 5, 6, 7 and 8 by repealing "\$600" and substituting "\$1,500"; and
- (b) that this Resolution shall come into operation on 26 June 2003."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Health, Welfare and Food be passed. Does any Member wish to speak?

MR FRED LI (in Cantonese): Madam President, at the Legislative Council, I am the Chairman of the Panel on Food Safety and Environmental Hygiene (the Panel), but today, Madam President, I am speaking in the capacity of the Democratic Party's spokesman for environmental hygiene affairs and not on behalf of the Panel.

It is certainly true that many Members and the Democratic Party have learned from public opinion polls that the public supports the amendment to this legislation to increase the fixed penalty from \$600 to \$1,500. Some Panel members even proposed at the Panel that acts like fouling of street by dog faeces should be punished. The Government accepted their views readily and incorporated the proposal on penalty increase in the amendment. However, I would like to stress that apart from increasing the penalty, it is definitely equally important to enhance the enforcement powers of this legislation. This is because even if a piece of legislation is in place, the public will still be disappointed with the Government if the legislation is improperly enforced or if we do not have enough enforcement officers.

I would like to point out that altogether seven departments are empowered to enforce this legislation with the Food and Environmental Hygiene Department (FEHD) as the major player. In addition, I would like to point out in particular the roles of the Housing Department (HD) and the Leisure and Cultural Services Department (LCSD). The HD was originally responsible for the work of managing a great number of public housing estates (PHEs), but now the management work of more and more PHEs has been contracted out to management companies. It could be said that the management work for over half of the PHEs has been contracted out to management companies. The front-line staff of the HD are in most frequent contact with PHE residents. However, in terms of the ratio of fixed penalty tickets issued to the number of offences, over the past six months or so (apart from this June, for it is known that only a small of tickets have been issued), only 300-odd tickets have been issued and this is actually not proportionate to the number of offences. Therefore, I believe the HD has stepped up its efforts during the period from May to June in making more prosecutions.

However, I do not wish to see the department doing its job only when it is under pressure and falling back to its old ways when it is not under the watchful eyes of the public. This is what we most definitely do not wish to see and we are harsh in our criticisms only because we care very much. I know that staff members of the HD are also listening to our speeches today outside this Chamber. In fact, if we just rely on a total of 14 persons in seven teams with two members to patrol more than a hundred PHEs, we could see that it is a mission impossible. This is particularly true in older PHEs — the management work of such PHEs, and not only newer PHEs, are also contracted out to management companies — certain bad habits of residents in those estates

have been acquired over many years, and if we do not step up our efforts in enhancing our law enforcement actions, this will lead to certain bad phenomena: that is, loose enforcement actions in some PHEs, no actions in some and too much actions in others. I do not wish to see such phenomena.

Secondly, I would like to talk about the LCSD for the cleansing service of more and more parks and recreational venues of that Department has been contracted out to cleaning companies, but like management companies that work for the HD, such cleaning companies do not have any law enforcement powers. Under such circumstances, no matter how much the penalty has been increased, such companies still do not have any law enforcement powers. Therefore, though people are found spitting and littering in parks, the management companies could only advise them not to do so and no action could be taken against people with such disorderly conduct. These people would not stay behind to wait for the staff of the management companies to contact the LCSD or the police to come and arrest them for it is only natural that they will go away. So, such venues will become loophole areas in the law enforcement system.

I believe today's motion on this legislation would certainly be passed but after it has been passed, we have to be even more concerned about its enforcement. As the Chairman of the Panel, I would certainly follow up this matter, for example, to monitor the enforcement actions on a quarterly basis. I do not wish to see more and more tickets being issued for this do not really mean anything. The issuance of more tickets does not mean that it is a good thing, while on the contrary, it is even more encouraging if fewer tickets have been issued. I am not saying that the more tickets issued the better for this is not what we think.

Lastly, though being a major player, the FEHD would have to face the fact that quite a number of its health inspectors would soon enjoy the "pigeon set meal", and that is, voluntary retirement. Health inspectors possess the statutory power to enforce the legislation, while Workman I and Workman II do not have such statutory powers; the relevant powers are only granted to members of the Health Inspector grade. I heard that hundreds of health inspectors (that is, enforcement officers) would be leaving their jobs on a voluntary basis. Today, Members of this Council intend to urge this major player to enhance its actions in enforcing the \$1,500 penalty as set out under this legislation, but many of the staff in the FEHD have to leave the service. We understand that Mr TSANG, Chief Secretary for Administration and Director LEUNG hope that things could be done without any resources, but we

do not know how they could resolve this problem. Does the contract staff of various departments possess such enforcement powers? How would the relevant departments go about training up their temporary staff to take up such prosecution duties? In fact, such a large number of Health Inspectors are actually leaving the service. Therefore, I hope the Secretary will have a chance to respond to the questions I raised at this meeting.

We have confidence in the Government, but we hope that the Government could let us see that the conditions in Hong Kong would be improved after this legislation has been passed. Of course, penalty is not the best solution but penalties have now been awarded because we hope to see quick results. I hope the Chief Secretary could soon come up with ways to educate the public and implement community service orders: I think instead of asking the offenders to pay a fine, they should be asked to do some cleaning jobs to let them be aware that they have acted wrongly and thus change their ways; the Democratic Party always thinks that fines alone is not the most ideal solution.

I so submit.

MR MICHAEL MAK (in Cantonese): Madam President, in fact, if a subcommittee could be set up to scrutinize today's resolution, then there would be no need for me to make this speech in this Council, for Members have expressed the wish at the House Committee to set up a subcommittee to look into matters set out in this resolution, but this did not have the support of other Members then.

In fact, I do conditionally support this resolution in principle to increase the amount of fixed penalty. Why do I say conditionally? This is because everyone is responsible for cleaning up Hong Kong. The Clean Hong Kong Campaign actually has a history of several decades but I trust everyone would have an inkling about its effectiveness. Now, people are still found spitting in public, not to mention throwing away tissues, littering the streets openly with refuse left behind after eating food like fish balls, not to mention cigarette butts.

I think since the \$600 fixed penalty was imposed last year on offences like littering, the cleanliness condition of Hong Kong has actually not been

much improved. I think the people of Hong Kong has become rather apathetic to this \$600 penalty because some of them think: as long as I have money in my pocket, I could do anything I like. Just go ahead and punish me, but how many times could you catch me? Even if I were caught once, I would not be caught twice. If I litter 10 times or "throw flying swords 10 times" (that is, spit 10 times), I may only be caught one or two times, but I have \$600 for paying the fines (to most people, it seems that \$600 is still an affordable amount, despite the serious situation of unemployment at present). However, if the fines were increased to \$1,500, then I would be worried because \$1,500 is actually two and half times that of \$600, and that is, the fine of \$600 has been increased by one and a half times.

As regards the enforcement officers responsible for enforcing this legislation, I am mainly concerned about their personal safety because we could see on the television that many law enforcement officers of the Food and Environmental Hygiene Department (FEHD) undertake their law enforcement duties in plainclothes. Under the circumstances where they undertake their duties in plainclothes, everyone could well imagine that though they may have received training in certain areas, for example, in terms of techniques or physical training, their equipment certainly could not serve any purpose in dealing with some of the unruly people. It may turn out that they may need the help of the police before they could succeed in issuing a fixed penalty ticket.

We could imagine that the sum of a \$1,500 fixed penalty is quite substantial to many people because nowadays many people only earn a few thousand dollars each month, and now if they are now suddenly ask to pay \$1,500 as fines, they would certainly fight desperately, or beg sorely by saying that they are only careless and would give a lot of explanations and excuses, or they would even say they want to pick up refuse that they have thrown away. Therefore, I am certainly worried that front-line law enforcement officers would get injured in the course of enforcing the law due to inadequate support, or that there would be a lot of disputes in court. Here, I ask that the Government (in fact, I also asked the Government at the relevant Panel) should provide adequate support for the officers concerned, for example, support in terms of techniques. I am very glad to find that the Secretary has mentioned in the first paragraph on the second page of his speech that front-line officers would be equipped with sufficient training and communication equipment and the Commissioner of Police has also pledged full support for the crackdown on such cleanliness offences.

However, I really hope the Secretary could tell us in his response, what is meant by sufficient training? How about equipment for communication? How would the police assist and support front-line staff in cracking down on cleanliness offences? Will the police be monitoring the situation from afar whenever front-line staff enforces the law in plainclothes? If unruly people refuse to produce their identity cards, refuse to accept penalty tickets, try to argue without reason or even threaten the relevant enforcement officers ferociously, then would the police immediately come upon the scene to offer them protection?

In fact, I would like to give the Bureau a warning for if the authorities concerned failed to do so, I would think that the Government has owed it to the relevant enforcement officer. The authorities concerned should provide them with appropriate protection, otherwise the authorities concerned may have committed an offence under the occupational safety legislation. Therefore, I hope the Secretary could give us a clear explanation. If the Secretary could only give us the usual reply: that is, it could not give us a reply at this moment, I still hope the Secretary could list out clearly at the next meeting what form of assistance and support would be provided by the authorities.

Earlier on, the Chief Secretary said to me in the Ante-Chamber that they would take vigorous enforcement actions. I then asked him back that when the time comes for our law enforcement officers to come across unruly people like muscular men with "left dragon and right white tiger" tattoos, would such people pose any threat to our enforcement officers? However, the Chief Secretary said with conviction that the legislation would be vigorously enforced and they would certainly stand firm against the offenders. I hope the Secretary will tell us that in the event that they come across such relatively anti-social behaviours, in addition to equipping our law enforcement officers with techniques, how could we also allow them to discharge their duties with satisfaction and ease of mind.

Furthermore, I have to talk about the so-called education and I am sure not whether this falls within the responsibility of the Secretary for Health, Welfare and Food. I am actually quite disappointed about the situation in this area that we actually have to use a \$1,500 penalty as a deterrent; for if Hong Kong people have a conscience and are public-spirited, then it is actually not necessary to use a \$1,500 penalty as a deterrent or to make them change their behaviours. Why would it be necessary to use a \$1,500 fine to deter them so as to change their behaviour? From the perspective of behavioural studies,

penalties could serve no purpose, at least this is also my theory. We must rely on education, education and education to change the people. Education has to begin at an early age and infants need to learn from how other people behave, and that is, how we adults could teach them through our own acts and deeds and how teachers could act as role models for their students. All role models would make offenders think about how their family members and parents would act when they commit an offence.

I certainly hope the penalty of \$1,500 could impose a deterrent effect, but I could say that I would expect some people would not be deterred because they would think that they could do anything they like just because they have money and this is as the saying goes, "money could even make the ghost do anything". I have talked to Mr Donald TSANG, the Chief Secretary for Administration, about the report of the Team Clean and it was mentioned in the report that in the long run, the team could consider issuing a community service order. I would like to once again make my most complete and solemn request in this Council and hope the authorities concerned would consider that some people would commit the offence repeatedly, and should thus be given community services orders so that they change from here — that is their mindset — and make up their minds not to break the law again. I really hope that in the near future (of course, it may take eight to 10 years), we no longer have to lay down any form of fixed penalty, could let people look forward to live in Hong Kong, and other countries not to describe Hong Kong as a "stinky harbour" again.

Once again I urge the Secretary to give me a reply, or the Chief Secretary to give me a reply in this regard. Under the prevailing circumstances, I do support conditionally this resolution in principle. However, if neither the Chief Secretary nor the Secretary could give me a reply, or as I have warned, if law enforcement officers sustain injuries in the course of discharging their duties in future, then the authorities concerned will have treated them unfairly and should thus do them justice.

I so submit. Thank you, Madam President.

MR TAM YIU-CHUNG (in Cantonese): Madam President, as one of the measures on improving the environmental hygiene of Hong Kong, the Government is going to substantially increase the penalty on littering, spitting and related offences. People are found littering and spitting everywhere and

why has prohibition actions repeatedly exercised failed to get rid of such unhygienic behaviours? Apart from the lack of strict enforcement actions on the part of the Food and Environmental Hygiene Department (FEHD) and inadequate deterrent effect of the legislation, a more important factor is the habit and mindset of the people.

If the public fails to change those unhygienic habits and mindset, then the act of prosecuting such public cleanliness offences will always be a task of "tracking down and arresting offenders" — people will exercise more self discipline if enforcement officers are around; and they will revert to their old habits once they discover that nobody is paying attention. If we do not want the game of "tracking down and arresting offenders" to continue, then the Government should step up its publicity and promotion efforts and the bad habits could only be changed through gradual and imperceptible influences. A typical case frequently reported by the media is, elderly people in old districts are often found spitting on the streets. Is this because they are lacking in public spirit in particular? I do not think so. This is only because they do not have such sanitary awareness and since they have acquired these bad habits for several decades, it is very hard for them to change overnight; and some people may have certain misunderstandings, for example, they assume that it is not an offence to spit into roadside sewers; and others have done so because they are not in the habit of carrying tissues around, then where could they go and find a piece of tissue when they need to spit?

To resolve the cleanliness problem by stepping up acts of prosecution certainly gives no cause for criticisms, but in addition to heavy penalties, the Government must also come up with a comprehensive public education policy. Firstly, in order to spread the message in the community, we have to reach out to social groups that lack education on public hygiene in the past. Seminars and exhibitions must be organized with those targets in mind to guide them in learning about correct hygienic ways. Secondly, considerations on introducing compulsory education in replacement of penalties should be made. Let us think about this, though a poor elderly person may be unhygienic, he may have difficulties in paying the penalty of \$1,500 and he may have to go without meals in the following month for \$1,500 is all he has got to support himself. If the fine is replaced by the introduction of compulsory education, then it could achieve the purpose of stipulating punishment while conflicts between the Government and the people could also be avoided. At present, in relation to safe driving, arrangements for replacing the demerit points system with training courses have already been made.

After the introduction of new penalties, the front-line staff of the Government will certainly be faced with even greater pressure in enforcing the law and their safety problem should even be of greater concern to the Government. Thus, it must arrange for adequate police force to support the actions of the FEHD and the HD, so as to safeguard their safety. Furthermore, the Government must enhance training for enforcement officers and provide them with suitable guidance, so as to avoid conflicts between the people and the Government as a result of law enforcement actions and to avoid the efforts of the cleanliness campaign from being diminished.

I so submit.

DR LAW CHI-KWONG (in Cantonese): Madam President, Mr Fred LI has just talked about some of the Democratic Party's views on the enforcement of the relevant legislation and also stated our position. Here, I simply wish to express some views of the Democratic Party on this motion and state our position. As regards the penalty, the Democratic Party thinks that the most important consideration is whether it could achieve a sufficiently deterrent effect. We totally agree that no one should spit and litter but this does not mean that we could set the penalty rate at an outrageous level. The Democratic Party thinks that a \$600 penalty level has already achieved a sufficiently deterrent effect and it would be effective if the Government could enforce legislation in a serious manner. However, the Democratic Party also agrees that the penalty level should be adjusted upwards to reflect our determination in improving the hygiene conditions of Hong Kong and combat acts against public morality and those that affect public hygiene. Therefore, at the Legislative Council debate on 28 May, Mr Fred LI moved an amendment on behalf of the Democratic Party to propose that the penalty on spitting in public should be raised and that community services should be taken as one of the penalties. However, the government motion this time proposes to raise the \$600 penalty by 150% to \$1,500. The Democratic Party thinks this has gone beyond the required deterrent level and the determination in combating acts against public morality and those that affect public hygiene. As such, the Democratic Party has reservations on this penalty level. The Democratic Party, however, has no objections to the policy direction on increasing the penalty level, and will therefore abstain from voting on this motion.

MS AUDREY EU (in Cantonese): Madam President, the Fixed Penalty (Public Cleanliness Offences) Ordinance was passed in June last year. Since then, the Government has issued a total of about 18 000 fixed penalty tickets and it is very hard for us to determine on this basis whether the legislation has a deterrent effect. I recalled that the passage of the legislation has evoked strong repercussions in the community and the public considered the fixed penalty of \$600 too excessive and many people even questioned whether officers responsible for enforcing the fixed penalty system should wear uniforms. Back then, even right after the legislation was passed, some people described this as a "white terror" in a radio programme. However, since the outbreak of the Severe Acute Respiratory Syndrome (SARS), public sentiments have changed greatly. Firstly, people feel that unhygienic acts should be strictly combated; secondly, people think that law enforcement officers should wear plainclothes before they could make successful prosecutions against people who are found spitting and littering.

Madam President, as regards this issue, I also feel that after the outbreak of SARS, fines should be increased. Some people think that the penalty increase is unfair to poor people, but Madam President, I do not agree with this viewpoint for I feel that both the rich and the poor should have the same level of responsibility in keeping the community clean and should not use poverty as an excuse against penalty. However, Madam President, I am also concerned that to certain people, the \$1,500 penalty would really cause them great difficulties. Earlier on, Mr TAM Yiu-chung especially referred to some poor elderly people who may have acquired unhygienic habits all along.

Madam President, I recall that during the discussion on Fixed Penalty (Public Cleanliness Offences) Ordinance, we have specially requested that even after fixed penalty tickets have been issued, the accused in question could still go to the magistracy and plead with the magistrate to ask for concessions to be made in regard to penalties on personal grounds. At that time, the Government agreed to insert a clause to the effect that the enforcement agency could approach the magistrate to cancel the relevant fixed penalty but apart from this clause, the accused could not ask for the cancellation of the penalty.

Madam President, in light of SARS and the fact that I agree that both the rich and the poor alike have the responsibility to be hygienic, I have no objections to increasing the amount of fixed penalty to the level of \$1,500. However, I also must point out that if the defendant could not afford this

penalty, then under the existing legislation, he need to go to jail, notwithstanding that this sentence may not be proportionate to the severity of his offence. Therefore, though I have no objections to an increase on the amount of penalty, I also still request that law enforcement officers should issue summons instead of imposing a fixed penalty, because the advantage of issuing summons lies in: Firstly, the accused would have to go through more troubles because of the need to appear in court in person; secondly, the magistrate could deal with the case in light of the defendant's circumstances and award the amount of the fine accordingly, and thus the accused would not be sentenced to imprisonment because he could not afford to pay the fines. Therefore, I hope all law enforcement officers could consider this point. I also agree with Mr Fred LI that very often it would be more appropriate to issue a community service order under such circumstances. So, if summons are issued, then the judge could pass sentences like community service order.

Madam President, all in all, I have no objections against an increase on fixed penalty on the part of the Government, but I also hope that the law enforcement officers could exercise their relevant powers in a flexible manner. Thank you, Madam President.

MR JAMES TIEN (in Cantonese): Madam President, the Liberal Party supports the current proposal of the Government.

First of all, I have to say I found it regrettable that Hong Kong as a world-class city has to go through the pains of an epidemic like atypical pneumonia before our community could attach importance to our cleanliness and hygiene conditions. A few years ago, I moved an amendment to a motion debate in relation to such offences, and that was, if the fine for a first time offence was \$600, should the fine for a second offence be increased and that should the fine for a third offence be further increased. However, eventually, my proposal was not supported by Members of this Council and my amendment was not carried.

As regards what Ms Audrey EU has said earlier, I very much agree with her. Whether a person is rich or poor and whether he could afford to pay the fine are not important factors. We do not think that poverty is equated to dirtiness because we have been to many countries over the world and some of them are even poorer than we are, but they are much cleaner. Why is that so?

I do not think that poverty necessarily means dirtiness. Some bad living habits should be dealt with in two ways: one of the ways is education, for example, to publicize that there should be no spitting and no littering; and on the other hand, I think penalties are necessary. The absence of either is still unfair.

As regards the fact that there have always been problems in Hong Kong, one of the saying is that the \$600 penalty may be too low and the other saying is that the law was not actually enforced. I think the fact that we have not enforced the law is a major factor to the problem. During the recent few years, even if the relevant legislation is in place, the people of Hong Kong still keep littering. Let us take a look at our streets, when pedestrians walk pass the shops and find garbage everywhere, they would also add to the heap of garbage by littering. When visitors, in particular those from the Mainland, see such acts, they would also follow such examples. Why is it that other countries like Singapore are so clean? Their streets are clean and people do not litter, therefore tourists likewise would not litter when they visit those countries. In Hong Kong, everyone follow other people's example for after all no one will enforce the legislation even if it is in place and the public would follow such examples in succession.

Therefore, I think if the fine is increased or if a better job could be done in enforcing the fine, then they could also put an end to these problems. The Liberal Party has supported this proposal not because we intend to increase the revenue of the Treasury, neither do the Government have such an intention. After the \$1,500 fine is set, the Government does not have the intention to go around arresting offenders for the purpose of issuing more than 10 000-odd penalty tickets each day so as to add to the revenue of the Treasury. This is definitely neither our intention nor that of the Government.

We believe if this penalty were increased, anyone would feel the "pain" for a penalty of \$1,500. If an offender were punished for once, we would hope that he would not commit the offence again. However, if there is an offender who could not even afford to pay the fine for his first offence, then what should be done? I think there would be such a possibility, for example, Mr TAM Yiu-chung and Mr Fred LI have also talked about similar cases. Many elderly people may not even be able to afford payment for the first offence because \$1,500 may be quite a substantial amount to them, so could the Government consider at least giving them one verbal warning? However, it is very difficult to put this into practice for how would the law enforcement officer be able to tell whether they have come across the same elderly person

again if they give an elderly person a verbal warning one day? Is it possible that there would be such a coincidence that the same law enforcement officer would come across the same elderly offender every time and also have the chance to give him repeated warnings?

Furthermore, some people propose that offenders should be issued with community service orders and this could possibly be done. This is because if the offender really could not afford to pay the fine, he should still not be sentenced to immediate imprisonment and the sentence of community service may have certain effects. I think even if the offender could not afford the fine for a first offence, we could still consider not passing a penalty sentence.

On the whole, I support the proposal made by the Government this time. As regard the community service order and the relevant compulsory courses, I think they are similar in nature: to make it mandatory for the offender to attend relevant courses, to teach him not to litter, and also to order him to carry out the community service order. I believe we should not often cite elderly people as examples, for younger people may also commit similar offences. We could see many cigarette butts on the streets, therefore such actions are not only restricted to elderly people and we should not pinpoint them. What is most important is that this has already become a habit in their daily lives and if we want to change people's habits, I think it is more difficult to do so in respect of elderly people but easier for younger people. If the Government could vigorously enforce the legislation, I believe many people would soon acquire a no littering habit and our objective could thus be achieved.

As such, the Liberal Party supports this proposal.

MR FREDERICK FUNG (in Cantonese): Madam President, I think the outbreak of Severe Acute Respiratory Syndrome (SARS) has enabled people in Hong Kong to become more cautious about cleanliness and hygiene. However, before the SARS outbreak, it is quite common that people with bad habits act inconsiderately in three ways, such as spitting, littering and throwing objects from a height. In the past, during our participation in community work, we have tried to stop people from spitting, but most often, we are met with wrangles, with people speaking louder than us and abusing us with offensive language. In the worst case, representatives of residents had been flanked by several people when they tried to stop others from spitting. All along, we feel that we can do nothing about the situation. We find ourselves

in vain in making complaints. Neither the Food and Environmental Hygiene Department nor the Housing Department would respond to our complaints. When we notify the police, they would say that such complaints are beyond their purview. Previously, the problem can hardly be tackled.

In March, there was the outbreak of SARS in Hong Kong. In April, responding to the appeal of the Government, we had conducted intensive cleaning in various areas. We have also established cleaning ambassador teams in the community, with ambassadors between the ages of 30 and 40 mainly from the local community. I have already told them that whenever behaviour damaging environmental hygiene was spotted, they should advise the person concerned politely that littering and spitting were prohibited. Until April, not much achievement has been made, for whenever we stopped people from littering or spitting, we were met with offensive language or hard words. The community and we have been very discontented with the situation, we think the Government should have worked on the solution to this long-standing problem earlier. Therefore, we are pleased to hear Chief Secretary Donald TSANG putting forward the proposals today. We agree that "heavy penalties is needed in times of trouble", however, we hope the Government can pay attention to two issues in imposing heavy penalties.

First, the Government should be alert to the fact that the objective of imposing heavy penalties is not to levy fines on citizen. In other words, the ultimate goal of imposing heavy penalties is not fining offenders \$1,500 or putting them in prison. Actually, the real intent of imposing heavy penalties is to deter people from committing offence by threatening them with heavy penalties. It is hoped that we do not have to resort to heavy penalties in the long run, instead of having to award heavy penalties repetitively. Therefore, I think, before punishing offenders with heavy penalties, the Government must adopt a high profile approach in publicizing the introduction of heavy penalties for a considerable period of time, for only this is the real "deterrent" part of the imposition of heavy penalties; when it comes to fines, it is already the part on "enforcement". To deter people from committing offence by heavy penalties is an alternative form of education that is very important. I think the Government needs to provide this type of education.

In the past, the Government generally adopted a positive approach in education, such as lecturing people not to litter but to keep Hong Kong clean. Regarding education, I do not know whether Chief Secretary Donald TSANG will include in his reply today the consideration of launching high profile

publicity work to inform every citizen about the new measures. Some members of the local community, in particular the elderly, may not be able to grasp the latest development of society, for they may not often read newspapers, or they do not have televisions but can only depend on radios. Such kind of people does exist and they are often those who commit cleanliness offences. I hope the Government can give more thought to its publicity work, and look for ways to deliver its message to everyone in the territory. I hope the Government will consider this a priority issue.

Second, the Government should pay attention to the effectiveness of heavy penalties. Recently, after hearing the phenomenon described by some tour guides, I consider the imposition of heavy penalties on cleanliness offences a correct move. Those tour guides said that some visitors who might spit in Hong Kong would not dare to do so in Singapore. Those visitors might not necessary be Hong Kong people, some might be heading for Singapore via Hong Kong. This phenomenon should perhaps be attributed to the deterrent effect of heavy penalties, for Singapore imposes heavier penalties on spitting. We can see clearly from this phenomenon that heavy penalties can cause a person to alter his behaviour; it makes no difference whether or not the behaviour is ingrained. The experience of Singapore allows us to see that the imposition of heavy penalties is an effective measure. Though I cannot be sure that the same approach will have the same effect on everyone, I think that heavy penalties can act as a deterrent to the community at large.

Under such circumstances, just as some colleagues including Ms Audrey EU and Mr Fred LI mentioned earlier, I think the Government should be aware that some people might not afford the penalties. Then, what should we do about these people? Those can afford certainly should pay the penalties, but what about those who find the penalties unaffordable? When the Government discovered overdue penalties (charged either by summons or in the form of fixed penalties) as a result of late payment, refusal to pay or affordability of offenders, I do not know if the Government can request the Social Welfare Department to follow up, and to gain an understanding on the family background of the offenders to confirm if they really find the penalties unaffordable. For example, if the offenders come from single elderly or double elderly households, I believe that it is likely for them to encounter difficulties in paying the penalties. In this case, alternative form of punishment may have to be imposed, including the use of community service order and other feasible practices as mentioned by other Members earlier. I hope that the Government will consider these approaches under special circumstances.

I have discussed the Government's proposal of setting the penalty level at \$1,500 with residents and representatives from various organizations of our districts. At the beginning, some people did argue that a fine of \$1,500 was too high. However, in the course of discussion, when more and more people contracted SARS and even died of it (about 300 people have died by now), opposition worn down. Among the people I know, more and more of them turned to support setting the penalty level at \$1,500. To reflect the views of those I have contacted, I have to state my support to the Government's proposal of setting the penalty level at \$1,500.

I would like to raise another point about law enforcement. Given the present penalty level of \$600, enforcement officers are already facing troubles in discharging their duties. The Government should think about them, for increasing penalties by more than two times will certainly put enforcement officers in a more difficult position. Since the publicity on offenders' liability to heavy penalties has started, confrontations and even violence have occurred between enforcement officers and the public. In this respect, I think the Government should enable enforcement officers to have the confidence to enforce the law. At present, patrols are carried out in pairs. However, if for a period of time it is found that enforcement duties cannot be discharged effectively, I hope the Government may consider upgrading the patrol teams to three-member teams. It may even consider deploying police officers to render assistance in the nearby areas when enforcement tasks are carried out, so that law enforcement officers may call the police for support in case of emergency. The above measures can give confidence to our enforcement officers. Once our enforcement officers are too scared to fulfil their duties, it will be hard for the relevant requirements to be enforced effectively. Just like the case I have mentioned earlier, when a local resident stop a person from spitting, he received a loud response and was later encircled by several people. Since then, the resident dares not to stop other people from spitting again. I thus hope the Government could pay more attention to this aspect.

Finally, I would like to raise the issue of civic education. Though our discussion today is focused on penalties, I think we should not overlook civic education. I think that civic education is of great importance to a sustainable and long-term solution for the problem. It is particularly important to incarnate these values in our next generation and to alter their undesirable behaviour. Therefore, today, apart from discussing the imposition of heavy penalties, I have to emphasize that the Government must keep up with its

publicity work at schools and on television. It may even have to expand the coverage of its long-term civic education to ensure that cleanliness message is seen and heard everywhere in the territory. It is our responsibility to maintain Hong Kong as a healthy city; everybody takes pleasure in living in a healthy city. We can have cleaner and fresher air, and live a healthier and more comfortable life. Today, I support the Government's proposal of imposing heavy penalties, but I still wish to remind the Government not to overlook civic education.

With these remarks, I support the motion.

MR HOWARD YOUNG (in Cantonese): Madam President, Mr James TIEN and Mr Frederick FUNG have both referred to the example of Singapore. I believe this illustrates that a person's behaviour may be influenced by the environment and atmosphere. Let me quote some examples to explain that Hong Kong should try to give others the impression that heavy penalties would be imposed on spitting and littering in Hong Kong, whether the offender is a local or an overseas visitor. I would like to cite two examples that are not related to littering. Nowadays, a lot of people travelling between Hong Kong and the Mainland would go to Shenzhen via Lo Wu or go to Huanggang via Lok Ma Chau. I do not know if Members have noticed that, on the Hong Kong side, many of them (may include Hong Kong people and mainlanders) waiting in queues will stay behind the yellow line until the signboard before the yellow line indicate it is their turn. They will wait behind the yellow line until the previous visitor has left the counter. However, the same group of people, once they enter Shenzhen, will behave differently even under the same circumstance. Instead of waiting, they rush forward, ignoring the yellow line right in front of them, for it is their perception that law enforcement standard and regulations of this place differ from ours, so they have to follow the norm. This phenomenon coincides with cases cited by other Members, the same group of visitors would behave differently in Hong Kong and Singapore. According to Mr FUNG, for Hong Kong tours heading for Singapore, many tour guides will remind their tour members upon their arrival in Singapore not to litter as they may be subject to heavy penalties. This is to give them a prior impression of strict enforcement in Singapore.

Let me cite another example. Some friends of mine who have been to London told me that along the streets of London, refuse containers are separated according to the classifications of refuse, one for glass bottles, one

for tin cans and the other for paper. However, refuse separation is not a common practice in Hong Kong. We can find that people visiting London or going for temporary stay will separate their refuse before disposal, because they think they have to follow the established practice of the place. However, once they return to Hong Kong, they will stop doing so, for they think such a standard has not been established in Hong Kong. I am thus of the view that the habits and behaviour of a person will be influenced by the environment and the habits of locals, as well as the stringency of law enforcement. The same person may behave differently in different places. Given that, fellow members of the Liberal Party and I support today's motion on fixed penalties. We hope that with the passage of the motion, heavier penalties could be imposed, thereby encouraging our citizen to develop good hygiene habits to make Hong Kong a really clean city.

MRS SOPHIE LEUNG (in Cantonese): Madam President, recently, I have the chance to visit Japan and the United States. Of course, out of self-discipline, I engaged in self-isolation for some days. Like the 7 million-odd Hong Kong citizens, I have grave concern about the adverse impact that the outbreak of the Severe Acute Respiratory Syndrome (SARS) had on Hong Kong economy. However, to my surprise, many people told me that they stopped coming to Hong Kong not because of the spread of epidemic, but for the news reports shown on television. It took me by greater surprise that Hong Kong's reputation as a city for tourist was tarnished by news reports on television. Many people were scared by the two scenes covered by the CNN, one depicting an episode at Lower Ngau Tau Kok Estate, the other filming two officers, in white protective gears, protective shoes, white cap and eye protectors, holding two cages with two big rats inside. People were shocked and scared by those scenes. Those scenes have ruined the good reputation Hong Kong enjoyed for people have completely changed their attitudes towards Hong Kong. In my view, for the future development of Hong Kong economy, it is necessary for the Hong Kong people to get rid of their bad habits completely, ensuring that every filthy place is cleaned up. Therefore, I consider it worthwhile for us to think carefully about every excuse made at the meeting today, and to see whether we are actually deceiving ourselves by involving ourselves in argument on trivial matters while neglecting the vital issue.

Madam President, the second point is about the bad habits of the elderly. Is this an absolute right for the elderly? Definitely not. In Japan, the elderly are in fact those giving the most support to community cleaning activities.

They help to motivate students and youngsters to undertake all the necessary cleaning measures. Therefore, our elderly should not be labelled as incapable of breaking their bad habits. In fact, committees responsible for elderly affairs have been established in Hong Kong, I strongly urge our colleagues and government officials to provide assistance in this respect to the relevant committees for the elderly. More time should be spent in this area, if elderly do have bad habits, and I think the effect will be much better by educating them through those committees rather than relying on the Government alone.

Moreover, Madam President, today, I am glad to learn from many Members that they support the use of community service order for punishing offenders. In my view, even if the level of penalties is to be raised to \$2,500 in future in respond to the prevailing need, the effect it carries will not be comparable to ordering offenders to undertake street cleaning duties for a day, or making it known to others that they have been punished for carrying out community service order for littering. Since opinion in support of this has been voiced, I hope the enforcement of community service order will be the next issue we will consider.

Madam President, I so submit.

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

MR CHAN KAM-LAM (in Cantonese): Madam President, I think the outbreak of Severe Acute Respiratory Syndrome (SARS) has brought to the attention of Hong Kong people the utmost importance of cleanliness and hygiene.

In the '70s and '80s, Hong Kong was a model to other South East Asian countries on the cleanliness and tidiness of a territory on a whole. It was clean and tidy everywhere. At that time, everyone paid attention to cleanliness and hygiene, and attached great importance to hygiene. However, after these eight to 10 years, we tend to neglect household hygiene and personal hygiene, though relevant penalties and ordinances have been increased and reinforced respectively. Recently, penalties for cleanliness offences have been raised from \$300 to \$500, and to \$600 finally. However, the levy of higher level of penalties had been heatedly debated in the community for a considerable period of time. Conflicting views presented during the discussion indicated that we

are not fully conscious of the importance of cleanliness. The SARS outbreak enabled us to be aware that many infectious diseases are transmittable by saliva droplets. I therefore support the Government to take this opportunity in putting forward the proposal to increase penalties from \$600 to \$1,500.

Recently, I have conducted a survey to gauge the views of the grassroots, the result indicated that most residents support the increase of penalties. Though some members of the public, as quoted by other colleagues earlier, were concern about the potential difficulties faced by the elderly and relatively poor people, this is in fact a wrong perception. We have to think about the reason for increasing penalties. The main purpose of the proposal is to direct the increase against inconsiderate behaviour. We have to let those inconsiderate people know that they have to pay a price for their behaviour, that they will be held accountable to the inconsiderable act they have committed. No distinction in punishment for inconsiderate behaviour should be made between the upper class and the lower class, or between the rich and the poor, anyone committing inconsiderate act should be subject to penalties imposed by society. We should encourage and advocate this principle. I find the opinions of some of our colleagues hard to agree to. They keep on shouting "what the poor can do?", "what if some people find the penalties unaffordable?" as if they are fighting for the interests of those people. Actually, everyone has the responsibility to keep our society clean and hygienic, be him a recipient of Comprehensive Social Security Assistance, a senior citizen or just a little kid. Given that, I can hardly agree to the point widely discussed in the community that should elderly committing spitting offence be penalized as others do. Should only the elderly be allowed to spit? No. When we talk about offenders of spitting, we should not always stress that the elderly would spit or only some of the poor would do so; I think we should not say this. I hope we can make concerted efforts to let the community know that every citizen in the community can be a good citizen. No one should spit; no one should litter and no one should throw objects from height. We should all observe good public hygiene standard. Some colleagues said that law enforcement should be stepped up, this is definitely right. We should also step up education and step up publicity in this respect; these are absolutely the right moves. However, it is wrong if we do not impose heavier penalties, and even try to shield people committed inconsiderable act.

Today, the Democratic Party states that though they consider every measure included in the proposal necessary, they will abstain from voting just because they object to the increase of penalty level to \$1,500. I have, to

certain extent, found this hypocritical. While looking for a cleaner society on the one hand, they do not want to impose penalties with adequate deterrent effect against inconsiderable people on the other. Only if we work together for a clean city, or make concerted efforts to establish a city with considerate members, can we improve our society. Therefore, I wish the Democratic Party could change their minds. A penalty of \$1,500 will certainly have significant deterrent effect on those who often litter or spit, as it would impose severe financial punishment on them. However, if we think that we should not impose heavy punishment and oppose to such proposal just because that some people cannot afford to pay the penalties, I think that is actually a hypocritical act.

Thank you, Madam President.

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

(No Member indicated a wish to speak)

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, I wish to thank Honourable Members for making the various proposals. There are many proposals in the interim report of Team Clean, among them is the proposal to increase the penalty for cleanliness offences in public places. Furthermore, there is an array of proposals for enhancing publicity and strategic measures. In fact, the proposal to increase the penalty has certain deterrent effects and publicity and educational functions because it reflects that our society considers these offences as serious. Therefore, if we want Hong Kong to be a clean and healthy society, we can no longer allow anybody to litter and spit. If we continue to allow people to do so, it will not only spread Severe Acute Respiratory Syndrome but will also increase the risk of infection by other infectious diseases. It will then be impossible for us to safeguard the health of Hong Kong people. Hence, I call upon Honourable Members to agree to raise the penalty.

The Government also understands that effective law enforcement is crucial to the successful implementation of legislative proposals. The Food and Environmental Hygiene Department (FEHD) also provides front-line law enforcement officers with sufficient training. We certainly know that it is not easy to enforce the law, thus, the FEHD will continuously review the training

courses and consider where improvements should be made. It will also provide staff with continuous training to increase the effectiveness of law enforcement by front-line staff. Moreover, various government departments will deploy resources to enable us to effectively implement the relevant legislative proposals.

Our colleagues in the FEHD are facing the difficulty that they frequently need the support of the police before they can successfully enforce the law. Thus, communication equipment is a very important tool. Over the past few years, the FEHD has continuously reviewed how it can support front-line staff in effectively enforcing the law. For that reason, the FEHD has already provided staff with communication equipment so that they can ask other personnel to assist in law enforcement, including the facility to ask the police to assist.

Madam President, I hope Honourable Members will support this motion.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for Health, Welfare and Food 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)

Mr James TIEN rose to claim a division.

PRESIDENT (in Cantonese): Mr James TIEN 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, Dr Raymond HO, Mr Eric LI, Dr LUI Ming-wah, Mr NG Leung-sing, Mrs Selina CHOW, Mr CHAN Kwok-keung, Mr CHAN Kam-lam, Mrs Sophie LEUNG, Mr Andrew WONG, Mr WONG Yung-kan, Mr Howard YOUNG, Mr YEUNG Yiu-chung, Mr LAU Chin-shek, Mr LAU Kong-wah, Mr LAU Wong-fat, Ms Miriam LAU, Mr Ambrose LAU, Mr Timothy FOK, Mr TAM Yiu-chung, Dr TANG Siu-tong, Mr Abraham SHEK, Mr Henry WU, Mr Tommy CHEUNG, Mr LEUNG Fu-wah, Dr LO Wing-lok, Mr Frederick FUNG, Mr IP Kwok-him, Mr LAU Ping-cheung and Ms Audrey EU voted for the motion.

Ms Cyd HO, Mr Albert HO, Mr Fred LI, Mr James TO, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr YEUNG Sum, Ms Emily LAU, Mr SZETO Wah, Dr LAW Chi-kwong, Ms LI Fung-ying and Mr WONG Sing-chi voted against the motion.

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

THE PRESIDENT announced that there were 45 Members present, 32 were in favour of the motion and 12 abstained. Since the question was agreed by a majority of the Members present, she therefore declared that the motion was carried.

PRESIDENT (in Cantonese): Two proposed resolutions under the Interpretation and General Clauses Ordinance in relation to amending the subsidiary legislation.

First motion: Amending the District Councils (Subscribers and Election Deposit for Nomination) (Amendment) Regulation 2003.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, I move that the District Councils (Subscribers and Election Deposit

for Nomination) (Amendment) Regulation 2003 (the Amendment Regulation) be amended as set out in the Agenda.

The Amendment Regulation was laid on the table of the Legislative Council on 21 May 2003. A Subcommittee was formed by the Council subsequently to collectively examine three pieces of subsidiary legislation relating to the District Council Elections, including the Amendment Regulation. The Subcommittee has now completed its scrutiny of the Amendment Regulation.

In the course of its deliberation, the Subcommittee expressed its support for the policy objective underlying the Amendment Regulation. However, the Subcommittee also took the view that there was room for further improvement in drafting and presentation as regards certain aspects of the provisions. Following discussions with the Subcommittee, the Administration now proposes to make changes to some of the provisions. These proposed changes are all technical in nature, which are aimed at making the provisions clearer and easier to understand.

The proposed changes have been endorsed by the Subcommittee. My colleagues would like to sincerely thank Mr IP Kwok-him, the Subcommittee Chairman, and other members of the Subcommittee for the comments they made during the scrutiny of the Amendment Regulation.

Thank you, Madam President.

The Secretary for Constitutional Affairs moved the following motion:

"That the District Councils (Subscribers and Election Deposit for Nomination) (Amendment) Regulation 2003, published in the Gazette as Legal Notice No. 120 of 2003 and laid on the table of the Legislative Council on 21 May 2003, be amended in section 3, by repealing paragraphs (c), (d), (e) and (f) and substituting -

"(c) by adding -

"(3A) A person whose signature as a subscriber to a nomination paper is in surplus having regard to the required number of subscribers for the

purposes of subsection (1) shall be regarded as not having subscribed the nomination paper."."

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

Does any Member wish to speak?

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Second motion: Amending the Legislative Council (Subscribers and Election Deposit for Nomination) (Amendment) Regulation 2003.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, I move that the Legislative Council (Subscribers and Election Deposit for Nomination) (Amendment) Regulation 2003 (the Amendment Regulation) be amended as set out in the Agenda.

I have just explained the rationale for amending the District Councils (Subscribers and Election Deposit for Nomination) (Amendment) Regulation 2003. As the provisions in the Amendment Regulation are similar to those in the District Councils (Subscribers and Election Deposit for Nomination) (Amendment) Regulation 2003 that I have just mentioned, we propose to follow the same approach in amending the former Amendment Regulation. Likewise, the proposed amendments have been endorsed by the Subcommittee.

Thank you, Madam President.

The Secretary for Constitutional Affairs moved the following motion:

"That the Legislative Council (Subscribers and Election Deposit for Nomination) (Amendment) Regulation 2003, published in the Gazette as Legal Notice No. 119 of 2003 and laid on the table of the Legislative Council on 21 May 2003, be amended in section 3 -

- (a) by repealing paragraphs (a)(iii) and (b)(iii);
- (b) by repealing paragraphs (c) and (d) and substituting -
 "(c) by adding -

"(2C) A person whose signature as a subscriber to a nomination paper is in surplus having regard to the required number of subscribers for the purposes of subsection (1)(a) or (2)(a)(ii), as the case may be, shall be regarded as not having subscribed the nomination paper."."

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

Does any Member wish to speak?

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Two proposed resolutions under the Interpretation and General Clauses Ordinance to extend the period for amending subsidiary legislation.

First motion: Extension of the period for amending the Electoral Affairs Commission (Electoral Procedure) (District Councils) (Amendment) Regulation 2003.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR IP KWOK-HIM (in Cantonese): Madam President, I move that the first motion under my name, as printed on the Agenda, be passed. In my capacity as Chairman of the Subcommittee on Subsidiary Legislation Relating to District Councils Election gazetted on 16 May 2003 (Subcommittee), I move that the resolution under my name, as printed on the Agenda, be passed.

Members of the Subcommittee agreed that a motion should be moved by me to extend the scrutiny period of the Electoral Affairs Commission (Electoral Procedure) (District Councils) (Amendment) Regulation 2003 to 9 July 2003, in

order to allow more time for the Subcommittee to study the Regulation and report to the House Committee on its deliberations.

I so submit and implore Members to support this resolution. Thank you, Madam President.

Mr IP Kwok-him moved the following motion:

"That in relation to the Electoral Affairs Commission (Electoral Procedure) (District Councils) (Amendment) Regulation 2003, published in the Gazette as Legal Notice No. 125 of 2003 and laid on the table of the Legislative Council on 21 May 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 9 July 2003."

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

Does any Member wish to speak?

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Second motion: Extension of the period for amending the Registration of Persons (Application for New Identity Cards) Order and the Registration of Persons (Application for New Identity Cards) (Repeal) Order 2003.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR IP KWOK-HIM (in Cantonese): Madam President, I move that the second motion under my name, as printed on the Agenda, be passed.

At the House Committee meeting on 23 May 2003, Members agreed to form a Subcommittee to examine the Registration of Persons (Application for New Identity Cards) Order and Registration of Persons (Application for New Identity Cards) (Repeal) Order 2003 tabled in Council on 21 May 2003.

In order to give the Subcommittee enough time for deliberation and to report on the result of the deliberations to the House Committee, I move, in my capacity as Chairman of the Subcommittee, the extension of the period for deliberation of the subsidiary legislation to 9 July 2003.

Madam President, I implore Members to support this motion.

Mr IP Kwok-him moved the following motion:

"That in relation to the -

- (a) Registration of Persons (Application for New Identity Cards) Order, published in the Gazette as Legal Notice No. 126 of 2003; and
- (b) Registration of Persons (Application for New Identity Cards) (Repeal) Order 2003, published in the Gazette as Legal Notice No. 127 of 2003,

and laid on the table of the Legislative Council on 21 May 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 9 July 2003."

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

Does any Member wish to speak?

(No Member indicated a wish to speak)

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

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Two motions with no legislative effect. I have accepted the recommendations of the House Committee. Honourable Members should be too familiar with the recommendations, I therefore will not repeat. I only wish to reiterate that I am obliged to direct any Member speaking in excess of the specified time to discontinue.

First motion: Thanks for the Central Government's support.

THANKS FOR THE CENTRAL GOVERNMENT'S SUPPORT

MR NG LEUNG-SING (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed.

Madam President, I believe that you and my colleagues may still remember the two major issues of grave concern to the entire community during the Severe Acute Respiratory Syndrome (SARS) period that I have mentioned in the Chief Executive Question and Answer Session, which are first, to pay tribute to health care workers; second, to thank the support of the Central People's Government. In fact, the outbreak of SARS is like a battle without the smoke of gunpowder, and presented to Hong Kong the toughest challenge. The entire world, in the face of such a challenge and this new virus, has to learn about the virus and to adopt emergency actions from point zero. In Hong Kong, health care workers and others at the forefront in the fight against SARS, under the shadow of unknown risks, still stood fast to their posts in such extremely difficult situation. Their noble sentiments and professionalism have been fully displayed as they bravely volunteered to join the fight even to the extent of sacrificing their lives. The unprecedented solidarity and spirit of mutual assistance shown by the community and business sector have enabled Hong Kong to stand up to the crisis, and exhibit its unparalleled capacity in scaling new heights after having to suffer from the heavy blows. The crisis has allowed the people of Hong Kong to display fully their worth as citizens of a civilized society. Hong Kong has measured up to its status as an international advanced metropolis.

At the same time, the crisis has made Hong Kong people fully aware that as the first special administrative region established under the "one country, two systems" and "high degree of autonomy" principles, we are not alone in the fight against SARS. Under the testimony of the world, the Central People's Government had provided the care and support to the Hong Kong Special Administrative Region (SAR), acting as our strongest backup in the battle against SARS. As this epidemic, one which was rarely seen in the past century, is gradually under control, I believe it is most appropriate and necessary for the SAR legislature to move a motion to express our heartfelt gratitude to the Central People's Government for its care and support.

Regarding the support of the Central People's Government, I think most people may distinctly remember the simple but forceful remarks made by the Premier WEN Jiaobao at a leaders special meeting of the Association of South East Asian Nations in April. He said, "The Central People's Government will support fully whatever medical and hygienic resources and health care personnel Hong Kong needs. Once the need arises, the supply is guaranteed, and all the costs incurred will be paid out of the central coffers."

Actually, the SARS epidemic was no less serious in the Mainland than in Hong Kong at that time. Owing to the vast territory of the Mainland and the significant differences in the economic conditions of different districts, the Mainland was also facing pressing demands for resources and funds to fight SARS. Against this background, the Premier still offered generous support to Hong Kong. In such a difficult situation, the Central People's Government still made immediate effort to source the materials on the checklist submitted by the SAR Government. Within 10 days, the first batch of supplies including 77 000 masks and 140 000 sets of protective gears were delivered to Hong Kong, while materials amounting to a total cost of \$100 million would be supplied by batches. The arrangement has fully demonstrated that the Central People's Government cares about and treasures the people of the SAR. At the peak of the outbreak, many places around the world have to scramble for health care materials, while money could no longer be a guarantee of adequate supply. But the Central People's Government still guaranteed the adequate supply of what we needed, and apparently, the care so offered is beyond what money can buy.

Members may also recall that, when the SAR Government studied the feasibility of installing, and subsequently decided to install, infrared thermometers at the land border control points, the Shenzhen authorities had pioneered the use of local developed thermometers. Though the supply was tight, the Mainland still guaranteed to accord priority to the orders from Hong Kong. On 5 May, with simplified customs clearance for priority treatment, the 30 sets of thermometers ordered by Hong Kong were smoothly delivered across the border to Hong Kong. Moreover, as Premier WEN Jiaobao has said, the Mainland was ready to send health care personnel to support Hong Kong whenever the need arose in the SAR, even health care workers were prepared to join their Hong Kong counterparts to fight SARS. It is reported that the effect of Chinese medicine treatment on SARS applied by the Mainland had won the praise of the World Health Organization (WHO). In view of this, two specialists, professors of Guangdong Provincial Hospital of Traditional Chinese Medicine, were invited to help treating SARS patients in Hong Kong. It is reported that by mid-May, they had diagnosed and given treatment to 39 patients through 115 consultations, and patients receiving timely Chinese medicine treatment showed relatively good progress. The Mainland has been offering support to the SAR in the fight against SARS from different aspects. As I recalled, in the second half of March, I myself and Madam President, together with other Hong Kong Deputies to the National People's Congress (NPC), wrote to the Chairman of the Standing Committee of the NPC, WU

Banguo, urging for the co-operation of the Mainland and Hong Kong in the fight against SARS. The General Office of the NPC gave a prompt reply, stating that the Mainland would take all effective measures to assist the SAR Government. Later, some mainland private scientific research bodies offered 100 boxes of rapid virus test reagent which would be enough for 9 000 patients to the SAR via the Hong Kong Deputies to the NPC, in a bid to assist the health authorities of the SAR to fight SARS.

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

During the outbreak of SARS, co-operation between Hong Kong and the Mainland has sufficiently testified the blood ties between the compatriots of the two places, giving full play to their sense of caring and sharing. In the Mainland, assistance from the government as well as the community were provided to Hong Kong in respects of health care resources, scientific researches and experience in fighting SARS. Also worth mentioning is that the SAR Government and citizens did their level best to raise funds for providing relevant assistance to the Mainland. For example, the SAR Government's proposal to finance mainland research with \$50 million in the development of testing, treatment and vaccine on SARS was well responded by generous donations from the community. As indicated by GAO Jiyan, Director of the Liaison Office of the Central People's Government on 30 May, donations by various organizations, groups and individuals of Hong Kong for assisting the Mainland to fight SARS has already exceeded \$100 million at that time. The above incidents fully demonstrated how the people of the two places rendered mutual assistance and joined hands to fight SARS with concerted hearts.

It is worth mentioning that throughout the fight against SARS, the Central People's Government did not only help the SAR by providing health care support, but has also supported in the economic aspect. The drastic drop in tourists caused by the WHO travel advisory against Hong Kong had heavily hampered our tourist, hotel, catering and aviation industries, as well as other sectors like the transport and retail trades. As the outbreak comes under control in this initial stage, the important task of the Government is to revive the economy, while persuading the WHO to lift the travel advisory against Hong Kong remains to be a fairly crucial consideration. On 18 May, Madam WU Yi, the Vice Premier of State Council and Health Minister, met with

Mr BRUNDTLAND, Director-General of WHO and other officials at a meeting of WHO in Geneva. During the meeting, she related to the international community that SARS was under control in Hong Kong, and she strived actively for the lifting of the travel advisory against Hong Kong. With the efforts from various parties, some surprising and encouraging news broke on 23 May; the WHO announced the immediate lift of the travel advisory against Hong Kong. Doubtlessly, the untiring and rigorous efforts of local front-line health care workers and staff of health departments had contributed to the control of the epidemic. The SAR government officials' proactive approach in providing figures during their attendance at WHO meetings and the community's concerted efforts in the fight against SARS provided a basis for the WHO's decision to lift the travel advisory. However, WHO's different treatment to Vietnam and Toronto demonstrated clearly that credit should go to the support of national leaders and the Central People's Government for their role in fighting for and persuasion for the lifting of the travel advisory.

In respect of reviving the economy, the Central People's Government has made vigorous efforts to assist Hong Kong in three aspects. These include the relaxation of relevant procedures to allow more residents from Guangdong Province to travel to Hong Kong, the reinforcement of co-ordination between the Mainland and Hong Kong on infrastructures development and the implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). At the end of May, the National Tourism Administration issued notice directing the resumption of group visits of residents from Guangdong Province to the two Special Administrative Regions, Hong Kong and Macao, with effect from June. By now, operation of group tours between the two places has recovered. I believe, with further relaxation of requirements on residents from Guangdong Province to travel to Hong Kong, new impetus will be brought in for the revival and blooming of tourist industry and relevant trades in Hong Kong.

Moreover, according to certain sources, the CEPA to be announced by the end of this month covers these three aspects: trade in goods, trade in service and trade and investment facilitation. Specifically speaking, for trade in goods, mainland tariff on Hong Kong goods will be gradually reduced to zero. For trade in service, the threshold for access to mainland market will be lowered for certain service sectors, including banking service, securities service and legal service. As for the facilitation of trade and investment, promotion for trade and investment and the reinforcement of co-operation with small and medium-sized enterprises will be launched. I believe that the implementation

of CEPA will open up more development opportunities for the Hong Kong market, different sectors of the community and the trade and industrial sectors as we strive to rebuild our economy after the outbreak. This will also enhance the attractiveness of Hong Kong, as a cosmopolitan city, for foreign investments.

We might not have achieved full success in the control of SARS, but it is still worthwhile to conduct initial review on our experience in the fight against SARS now. During the outbreak, we have seen and felt the generosity, caring, solidarity and bravery displayed by our community. More so, we have seen and felt the close ties between the SAR and the Mainland by the mutual assistance shown, which is a vivid portrayal of the successful implementation of the "one country, two systems" arrangement. We should not only be proud of the remarkable performance of our health care workers and citizens, but should also take pride in being part of the country. In the fight against SARS, the new generation of leaders of the Central People's Government has displayed decisiveness, open-mindedness and emphasis on science, winning applause from the international community. Their performance has also given Hong Kong people confidence in the future development of China and the SAR.

Undoubtedly, we still have to work hard to fight SARS, rebuilding work in the post-SARS period has to count on the support from all sectors. I hope Hong Kong can establish a mechanism to enhance closer cooperation with the Mainland in the prevention of infectious diseases, in particular scientific researches and tests and the monitoring of the notification system. Medical and health care authorities in Hong Kong should also draw on the experience of the Mainland in the application of Chinese medicine treatment and the building of specialty hospitals for infectious diseases. In the rebuilding of the Mainland and Hong Kong after the outbreak, I believe there will be ample room for comprehensive cooperation and mutual assistance between both sides, so that both could strive for recovery and further development of society and the economy.

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

Mr NG Leung-sing moved the following motion: (Translation)

"That this Council thanks the Central People's Government for its support to the Hong Kong Special Administrative Region in the battle against Severe Acute Respiratory Syndrome."

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

Dr LAW Chi-kwong will move an amendment to this motion, as printed on the Agenda. The motion and the amendment will now be debated together in a joint debate.

I now call upon Dr LAW Chi-kwong to speak and move his amendment.

DR LAW CHI-KWONG (in Cantonese): Madam Deputy, I move that Mr NG Leung-sing's motion be amended, as printed on the Agenda.

Madam Deputy, at time of crisis, we should be thankful for any sincere assistance. In April, we heard from time to time that Dr KO Wing-man of the Hospital Authority (HA) had encountered many difficulties in purchasing medical protective materials. The HA has to scramble for protective gears with not only the local community, but also other countries. As the HA's supplies of protective materials has been running short, the Medecins Sans Frontieres donated 40 cartons of medical goods amounting to \$160,000 to the HA on 9 April. The donation, including protective gears, eye protectors and masks, has provided enough supply for 10 health care workers working in a high risk ward for 10 days. We should also express our thanks to the Medecins Sans Frontieres for giving a helping hand.

On 12 April this year, HU Jintao, the President of the People's Republic of China, met with TUNG Chee-hwa, the Chief Executive of the Hong Kong Special Administrative Region (SAR) in Shenzhen. During the meeting, President HU expressed that the Central People's Government would provide full support in regard to whatever resources and personnel that Hong Kong would need in the fight against SARS. On 8 May, a large batch of medical materials from the Mainland was delivered to Hong Kong. By that time, the epidemic in Hong Kong had begun to recede, and worrying that other mainland provinces and cities may also suffer from the shortage of medical equipment and resources, I feel slightly ashamed to receive those materials. I believe many people would share my feelings. We, of course, have to be thankful for the kindness of the Mainland, but we will naturally ask, what can we do for our country then? This is actually the reason why I have to move the amendment. Today, apart from moving a motion of thanks in the Legislative Council for the

support of the Central People's Government, we should at the same time urge the Hong Kong Government and appeal to the people of Hong Kong to provide supplies and medical support to the various provinces and cities in the Mainland, make concerted efforts to prevent the epidemic and minimize the losses caused to the Mainland by Severe Acute Respiratory Syndrome (SARS).

Though I believe that the exchange of supplies is good, the most important factor in the fight against SARS remains to be the full co-operation between the Mainland and Hong Kong and the improvement of the notification system on infectious diseases so that strong efforts could be made to fight them. Thank you, Madam Deputy.

Dr LAW Chi-kwong moved the following amendment: (Translation)

"To add "; at the same time, this Council urges the Hong Kong Government and appeals to the people of Hong Kong to provide supplies and medical support to the various provinces and cities in the Mainland, and make concerted efforts to prevent the epidemic and minimize the losses caused to the Mainland by Severe Acute Respiratory Syndrome" after "in the battle against Severe Acute Respiratory Syndrome".

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr LAW Chi-kwong to Mr NG Leung-sing's motion, be passed.

Does any Member wish to speak?

MR TIMOTHY FOK (in Cantonese): Madam Deputy, it has been 100 days since the outbreak of the epidemic. The Government has shifted its focus from containing the epidemic to one of rebuilding the economy. The Central People's Government has made a timely implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) to revive the economy of Hong Kong and to boost the confidence of the Hong Kong people.

The outbreak of atypical pneumonia has dealt a severe blow to Hong Kong. The public medical system was caught off guard and the public became anxious and panicky. At this crucial moment, the Central People's

Government lent a helping hand to Hong Kong in terms of policies and supplies. Not only was a direct liaison mechanism established between Guangdong and Hong Kong to deal with the epidemic, but the first batch of supplies including 140 000 protective gowns and over 70 000 masks was also sent to Hong Kong within a span of only 10 days. Moreover, other medical supplies are ready for despatch to Hong Kong and medical personnel are asked to be on standby at all times to render us support. In fact, whenever the Hong Kong Special Administrative Region is in difficulty, the Central People's Government always lends a readily helping hand to offer us material and moral support and to boost our confidence. At time of crisis, such sympathetic support is the most sincere and encouraging indeed.

Although Hong Kong has suffered heavily in this unprecedented calamity, with loss of lives and damages in economy, the society has become more co-operated and created a stronger sense of cohesion. The public has a deeper understanding in the meaning and significance of the vital interrelationship between Hong Kong and the Mainland, which serves to enhance the quality and scope of partnership between the two places.

While the Government is now planning to rebuild the economy, the Central People's Government offers us crucial support again by the early implementation of the CEPA. Thus, strong and substantial support is rendered to revitalize the economy of Hong Kong and to restore the confidence of overseas investors. I am sure that with this historic opportunity, Hong Kong will succeed in making a breakthrough in these difficult times and in transforming the economy so that a new phase of prosperity will be achieved.

I have to point out that the survival, development and prosperity of a country or a race depend on strong racial spirit and social cohesion, and the building of a world city is based on the interplay of different cultures and the nurture of talents. In fact, with the growing trend towards globalization, cultural creativity and talent are no longer restricted by territories and boundaries. Take sports as an example, coaches and sportsmen from overseas have become the backbone in the promotion of local sports development. In the area of films.....

DEPUTY PRESIDENT (in Cantonese): Mr FOK, please put on your microphone. We cannot hear you clearly.

MR TIMOTHY FOK (in Cantonese): famous films such as "Crouching Tiger, Hidden Dragon" and "Hero" are magnificent evergreens that are produced by the collective efforts of Chinese talents all over the world.

If the status of Hong Kong as a world city has to be further developed and maintained, greater importance should be attached to the interplay of different cultures and the nurture of personal quality in a systematic manner. The first step is to make good use of the talent and market resources in the Mainland to promote the interaction of talents between the two places. At the same time, opportunities offered by the CEPA should be seized to expand the markets in film and culture for the local industries. We should bear in mind that where there is talent, there is market. And where there is market, talents will be supported. The merging of talent and market will broaden the scope of creativity, enrich the resources of talent, improve the interplay of different cultures and promote the economic development.

With these words, I support the motion.

DR RAYMOND HO (in Cantonese): Madam Deputy, the outbreak of the Severe Acute Respiratory Syndrome has apparently been eased recently. The economy has started to revive and the life of the people has generally been back to normal.

However, during the past few months, when the outbreak had yet to be contained, Hong Kong, on the one hand, had to fight against this highly contagious and fatal epidemic and suffer from huge losses in life and in economy. On the other hand, Hong Kong was then left in a very much isolated position because the world had very limited knowledge of this new disease and as a result, various forms of restriction or even discrimination were imposed on tourists and businessmen from Hong Kong. At this critical moment, it was fortunate that the Central People's Government rendered its full support to Hong Kong, and hence played a very positive role in our fight against the epidemic.

Firstly, on various public occasions, the leaders of our country expressed concern about the epidemic situation in Hong Kong and extended sympathy to our people. They also offered us moral support and material supplies. While the Mainland had to face similar crisis and some provinces and cities affected had only limited supplies, large quantity of medical supplies such as protective

gowns, eye masks and face masks were quickly sent in batches to Hong Kong to meet the urgent demand. To Hong Kong people who had to endure great sufferings of the epidemic, the selfless support from the Mainland was most sincere and touching.

Moreover, when Madam WU Yi, Vice-Premier and Minister of Health of the State Council, attended a conference of the World Health Organization (WHO) in Geneva in mid-May, she was proactive in appealing to the senior officials of the WHO to lift the travel advisory against Hong Kong. This shows that the Central People's Government's assistance to Hong Kong is comprehensive in nature and every detail is taken into consideration.

Although the outbreak of the epidemic in Hong Kong has been contained, the Central People's Government also gives us support in other relevant policy areas as far as possible in order to expedite the reviving process of the local economy, for example, the reintroduction of tour groups for Guangdong residents to visit Hong Kong, and the official signing of the Mainland and Hong Kong Closer Economic Partnership Arrangement, which is soon to be reached, on 30 June in Hong Kong.

During the outbreak of the disease, the whole country has strived to fight against it and the Central People's Government has rendered support to Hong Kong. We can learn from these experiences that under the principle of "one country, two systems", both Hong Kong and the Mainland can take advantage of the "one country" principle to foster better co-operation in various aspects, which include medical technology and research, epidemic notification and economic partnership, so that people of the whole country will benefit and the development of the country will be expedited.

Madam Deputy, I firmly believe that the rendering of support by the Central People's Government to Hong Kong is in the spirit of helping each other in the same boat and nothing has been asked for in return. I think this Council should at least express our thanks for its support. With these remarks, I support the motion. Thank you.

MR LAU PING-CHEUNG (in Cantonese): Madam Deputy, the principle of "one country, two systems" is an innovative idea in politics. Although the Basic Law in Hong Kong has been implemented for over five years, there are

numerous areas that need to be explored in the relationship and co-operation between the Central Authorities and the Hong Kong Special Administrative Region (SAR). If one side is too "proactive", it may be regarded as "interference" by the other side. However, if both sides tread too cautiously within the self-imposed bounds, delay will be caused and mutual interests will be compromised.

In the incident of atypical pneumonia, the adjustment in the notification mechanism between Guangdong and Hong Kong is the most obvious example. Everybody knows that Article 12 of the Basic Law stipulates that: "The Hong Kong Special Administrative Region shall be a local administrative region of the People's Republic of China, which shall enjoy a high degree of autonomy and come directly under the Central People's Government." And Article 22 stipulates that: "No department of the Central People's Government and no province, autonomous region, or municipality directly under the Central Government may interfere in the affairs which the Hong Kong Special Administrative Region administers on its own in accordance with this Law." Therefore, contacts between Hong Kong and the governments of its nearby provinces and cities have to be arranged and co-ordinated through the Hong Kong and Macao Affairs Office of the State Council. In this way, there was a barrier between the health authorities of the SAR Government and the Guangdong Provincial Government in their exchange of information on the epidemic, which resulted in a waste of time and effort. The media reported that officials of the Department of Health of Hong Kong were aware of an outbreak of epidemic in Guangdong in as early as February this year and there were informal contacts with the health department at provincial level. The epidemic then spread in Hong Kong in March. It was not until officials of the Department of Health of Hong Kong went to Guangzhou on 17 April to hold a meeting and exchange virus samples with the officials of the Guangdong Health Department that a direct liaison mechanism was officially established.

Madam Deputy, I cite this example to illustrate that although it has been five years since the implementation of the principle of "one country, two systems", in some areas, specific arrangements that are of mutual benefit can only be made when actual problems arise. Looking back on the outbreak of atypical pneumonia, we see that the Central Authorities have actually done its part to render tremendous support to the SAR. This Council should express our thanks.

I think a few incidents are well worth mentioning. First, the World Health Organization (WHO) issued a travel advisory against Hong Kong on 2 April. Madam WU Yi, Vice-Premier and Minister of Health, lobbied the WHO to lift the travel advisory when she attended the annual meeting of the WHO in May. In the end, the WHO acceded to the request of China on 23 May. I would like to point out that as Hong Kong is not a sovereign state, a request of this nature could only be made through the Central Authorities. And the Central People's Government has succeeded to appeal to the WHO in lifting the travel advisory on our behalf.

Apart from sending us supplies and stipulating that travellers should be subject to temperature check at border points, the Central Authorities have also made a lot of appropriate and constructive arrangements. More importantly, the Central Authorities have not made any inappropriate arrangements, that is, nothing bad is done out of good intentions. Perhaps Members may remember that in around April, the media reported that there was a shortage of nurses in Hong Kong and asked for medical personnels to be sent from the Mainland to help us fight the epidemic. Vice-Premier WU Yi said that the Central Authorities would consider sending nurses who were proficient in English and Cantonese to Hong Kong. Moreover, treatment that combines Chinese and Western medicines adopted by the Mainland has produced effective results. It was the desire of the Hong Kong people to have Chinese medicine incorporated into their treatment. Finally, two professors in Chinese medicine came to Hong Kong in low profile for an exchange visit in May. After they returned to Guangzhou, they prescribed Chinese medicine for the patients in Hong Kong. I think public opinion in Hong Kong has been prudently considered by the Central Authorities. And high-profile measures were avoided in order to prevent medical professionals from cross-border practice in the absence of a recognized mechanism, which might set a bad precedent under the principle of "one country, two systems".

In addition, while the economy of Hong Kong has suffered heavily under the epidemic, the Chief Executive announced last Sunday that with the blessing of President HU Jintao, Premier WEN Jiabao and Vice-Premier WU Yi, leaders at the central level, the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) would be signed towards the end of this month. The Hang Seng Index has rebounded to 10 000 points in recent days. This incident alone shows that the CEPA will give an impetus to the economy of Hong Kong and help alleviate the pressure of unemployment.

Madam Deputy, I fully support the amendment proposed by Dr LAW Chi-kwong because what he proposes is an act of returning a favour. Therefore, I will support both the original motion and the amendment. Thank you.

DR DAVID CHU (in Cantonese): Madam Deputy, I speak on behalf of the Hong Kong Progressive Alliance (HKPA).

The Central People's Government's support to Hong Kong is not only reflected in the outbreak of the Severe Acute Respiratory Syndrome (SARS). In fact, since the reunification of Hong Kong, the Central Authorities have all along assisted Hong Kong in overcoming its difficulties: When the financial crisis in 1998 dealt a severe blow to Hong Kong, the Central Authorities told speculators that reserves would be deployed for intervention if necessary, which effectively stopped speculators from taking reckless moves. As the tourism industry of Hong Kong has seen a downturn in recent years, the Central Authorities relaxed the restrictions imposed on travellers of the Mainland to visit Hong Kong, which subsequently led to a revitalization of the industry. The outbreak of SARS dealt the heaviest blow to Hong Kong since it was founded. Apart from the provision of the \$100 million worth medical supplies and the assistance rendered to lobby the World Health Organization (WHO) to lift the travel advisory against Hong Kong, the Central People's Government also helps in rebuilding the economy of Hong Kong by sending us timely a generous gift in the name of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), which is custom made for Hong Kong. The support of the Central Authorities fully demonstrates the protective role played by the "one country" under the principle of "one country, two systems". On the other hand, the people of Hong Kong have all along expressed our concern for our motherland through our actions. Apart from helping the Mainland introduce more open reforms, we have been keen to share the sufferings of the people of the Mainland. Fund raising campaigns for the provision of medical services for flood victims and Project Hope show that the people of Hong Kong spare no efforts and money in their love of their motherland.

The convention of mutual help and blood tie shared between Hong Kong and the Mainland over the years is invaluable indeed. This is because since the two places are positioned in different stages of development and developed against different historical and cultural background, conflicts and doubts will easily be emerged. In fact, it is not necessary for partners of any

relationships, whether it is interpersonal, interregional or international, to share the same view on every issue in order to get along harmoniously with one another. Most important of all, differences should be put aside to seek common ground and mutual respect and understanding should be established. This is particularly important in the relationship between Hong Kong and the Mainland. The people of Hong Kong should not have any doubts on the sincerity of the support of the Central Authorities towards Hong Kong, because the success of Hong Kong is actually the success of the Central Authorities. And the honour of Hong Kong is actually the honour of the Central Authorities.

Madam Deputy, with these words, I support the original motion and the amendment on behalf of the HKPA.

MR TOMMY CHEUNG (in Cantonese): Madam Deputy, this is the seventh consecutive day that Hong Kong registers zero infection and it is hoped that Hong Kong will be removed from the list of infected areas of the World Health Organization (WHO) soon. This is good news indeed. Behind all these, we must not forget all the people who have contributed their efforts. In fact, since the outbreak of the Severe Acute Respiratory Syndrome (SARS) in Hong Kong this March, with the concerted efforts and great perseverance of the Government, medical personnel, cleaners, commercial sector and all sectors of the community, Hong Kong has eventually succeeded in combating the epidemic and made a full recovery.

On the other hand, we also clearly understand that since the reunification of Hong Kong with China, the Central People's Government has all along stressed that it will give Hong Kong support through action. In this battle against SARS, the Central People's Government has made no exception and gave people of Hong Kong the most practical support and encouragement in time. The sense of comradeship in misfortune is fully demonstrated. And the promise made by President HU Jintao that "the Motherland will provide powerful backing to Hong Kong" is also truly fulfilled.

That Vice-Premier WU Yi's success in helping Hong Kong appeal to the WHO to lift the travel advisory at the annual meeting of the WHO is the most obvious example recently. The Central People's Government has also provided Hong Kong with medical supplies to combat SARS and prepared to deploy medical personnel to Hong Kong for backup purpose.

The Central People's Government has also provided strong support to Hong Kong in its rebuilding of the post-SARS economy. For example, in the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), the implementation of "zero tariff" alone means the Central Authorities have to transfer hundreds of millions of Hong Kong dollars to Hong Kong each year. It is also anticipated that manufactures will be attracted to return to Hong Kong and more job opportunities will be created. Although CEPA has been in the pipeline for a long time, it is undoubtedly a timely help to the SARS-battered economy of Hong Kong. In addition, the Mainland helps revitalize the economy of Hong Kong by the early implementation of the arrangement for Guangdong residents to visit Hong Kong on an individual basis in July. The people of Hong Kong will certainly bear all these in mind.

The full support of the Central Authorities to Hong Kong in this incident makes us further realize the importance of having the backing of our motherland. In fact, China has seen rapid improvement in terms of economic growth, standard of living and social development in recent years. And the influence of China on the world is also growing. In this connection, the Liberal Party is of the view that Hong Kong should make good use of our advantage in having our motherland as hinterland to develop our strengths under the principle of "one country, two systems" as far as possible. We should tie this in with our advantageous geographical location and further enhance our financial, economic, social and cultural developments.

As regards the rendering of support to the Mainland, the Government and the community have already played an active role even if Dr LAW Chi-kwong of the Democratic Party does not tag his amendment onto the end of the motion. For example, around one-half of the funds raised, that is, \$15 million, by the Business Community Relief Fund for Victims of SARS initiated by the Liberal Party was offered to the mainland SARS victims and their families as early as in mid-May. Madam Deputy, please allow me to give a brief account of the Business Community Relief Fund for Victims of SARS initiated by the Liberal Party. From 2 May onwards, the Fund has already raised HK\$35 million. As in the Mainland, on 8 June, the Fund officially donated HK\$15 million to China Red Cross which is responsible for the approval and management of the relief fund. Money mainly goes to atypical pneumonia patients and family members of deceased victims who are verified by the local health authorities. Each confirmed patient is offered RMB 1,000 yuan to RMB 2,000 yuan for relief purpose, and each family of deceased victim RMB 10,000 yuan for the same purpose. The relief fund is paid on a one-off basis and application is not required. Up till now, there are

a total of 5 326 people infected with SARS in the Mainland and 346 people died. Based on these figures, if each confirmed case is granted RMB 2,000 yuan, the Fund has to appropriate at least RMB14 million yuan for relief purpose. This is the seventh consecutive day that the Mainland registers zero infection. It is anticipated that the epidemic will gradually subside.

As in Hong Kong, the figures provided by the Social Welfare Department indicate that as at 16 June, 612 applications for the Fund were received, in which 543 were approved and arranged for payment. The total amount approved accumulates to \$14.5 million. The Social Welfare Department is responsible for the vetting and payment side of the Fund which mainly offers assistance to Hong Kong people who suffer from financial hardship, unemployment and death because of SARS and their family members. Family members of deceased victims are given a one-off payment of \$50,000 to \$200,000 and SARS patients a monthly subsistence allowance of \$3,000 to \$8,000 for a maximum of three months.

Madam Deputy, as far as we know, various local organizations and community figures such as the Democratic Alliance for Betterment of Hong Kong, Hong Kong Federation of Trade Unions, Chinese People's Political Consultative Conference of Hong Kong and the Chinese General Chamber of Commerce have initiated in succession to support the fund raising exercises for the combat of atypical pneumonia in the Mainland. As regards the Hong Kong Government, Mr TUNG Chee-hwa, the Chief Executive, announced on 29 May that on the principle of experience sharing and mutual benefit, a sum of \$50 million was earmarked to subsidize the Mainland on the research of epidemic prevention.

In fact, whenever the Mainland was hit by natural disasters such as floods and earthquakes in the past, the people of Hong Kong, with the feeling that blood is thicker than water in their minds, have never hesitated to offer assistance in terms of money and supplies to our compatriots in the Mainland. We have lent them a helping hand through action rather than engaged in empty talks. Therefore, the Liberal Party supports the amendment and the original motion. We also sincerely ask Dr LAW Chi-kwong, other Members of the Democratic Party and other Members to fit in their action with their words and support this motion so that support will be given to our compatriots in the Mainland through action.

Thank you, Madam Deputy.

MR WONG YUNG-KAN (in Cantonese): Madam Deputy, the extent of the Severe Acute Respiratory Syndrome (SARS) occurring in Beijing, the capital of the Central People's Government, has been more serious than that in Hong Kong. Its need for medical supplies is as urgent as that of Hong Kong. Out of concern for the compatriots in Hong Kong, 400 000 protective gowns, 200 000 eye masks and one million face masks which were purchased from foreign-funded enterprises were donated to Hong Kong. These supplies, produced at a standard required by Hong Kong to combat SARS, delivered expeditiously. As a result, the shortage of medical supplies at the early stage of the SARS outbreak in Hong Kong was improved and the opportunity of medical workers having cross-infection was greatly reduced. As a member of the public of Hong Kong, I was deeply touched by the action of the Central People's Government in this incident.

In the SARS incident, the Central Authorities has not only supported Hong Kong by sending us supplies, but has also paid tremendous efforts in helping rebuild the international image of Hong Kong. With the epidemic tapering off, Hong Kong requested the World Health Organization (WHO) to lift the travel advisory against us. When the WHO hesitated, Madam WU Yi, Vice-Premier of the State Council, argued with them on just grounds, which led to the subsequent lifting of the travel advisory. As regards matters that protect the interests of Hong Kong, the Central People's Government takes action whenever it is necessary.

Madam Deputy, it is by no means unprecedented that the Central People's Government, or the Mainland, sends us supplies when we are in difficulty, though this is the first occasion since the reunification of Hong Kong with its Motherland. In fact, in examining the history of China-Hong Kong relationship, we can see that since The People's Republic of China was founded in 1949, the Mainland has sent supplies for relief purpose to the compatriots in Hong Kong on several occasions when Hong Kong was hit by natural disasters. For example:

On 21 November 1951, a fire in Tung Tau Tsuen squatter area destroyed over 2 000 squatters houses and there were over 16 000 victims. Our compatriots in the Mainland were deeply concerned. The Guangdong Provincial Relief Society, the Guangzhou Municipal Relief Society, various trade unions, federations of youths and women donated 30 000 cattles of rice and a relief fund amounted to over HK\$56,000 to the fire victims.

On 1 September 1962, typhoon Wanda ravaged Hong Kong. As a result, 130 people died, over 600 injured and 75 000 became homeless. Subsequently, the Guangdong Provincial Branch of the Chinese People's Relief Society donated 150 000 catties of rice to relieve the victims.

On 17 August 1971, typhoon Rose hit Hong Kong. The wind was so strong that *Fat Shan*, a Hong Kong-Macao ferry, capsized off the Lantau Island. The people of Hong Kong suffered huge losses. At this time of difficulty, our Motherland remitted RMB 3 million yuan to help the victims.

In those three years, the Mainland did not achieve the "better-off" level of living such as today. In 1951, China was in the midst of a war in which she aided Korea to fight against the United States. In 1962, China was hit by economic maladjustment and then natural disasters. In 1971, China was at the middle phase of the Cultural Revolution. Although supplies in China were seriously inadequate, when Hong Kong was in difficulty, material support was sent our way out of feelings of kinship.

Madam Deputy, a State Councillor of the Central Authorities was responsible for the handover of the supplies donated by the Central People's Government to the Chief Executive of the Hong Kong Special Administrative Region (SAR). Our young generation might have taken this for granted. However, to middle-age people like us, this has stirred up tremendous feelings.

This is because the donation of supplies from the Mainland to the compatriots in Hong Kong before the reunification not only took place in the absence of any official ceremonies, but also was distributed without the assistance of the officials of the British Hong Kong Government. The Mainland could only rely on the so-called "leftist" organizations such as the Hong Kong Federation of Trade Unions and the Chinese General Chamber of Commerce to co-ordinate and mobilize workers and volunteers to distribute relief fund and items to the victims.

The donation of supplies from the Mainland to Hong Kong before the reunification has not only failed to receive appreciation and co-operation from the British Hong Kong Government, but has also been sometimes suppressed. I mean the riot on 1 March 1952 resulted from the fire in Tung Tau Tsuen in 1951. On that day, a delegation of condolence formed by relevant units of Guangdong Province and Guangzhou city came to Hong Kong to express their sympathy to the fire victims. A large receiving party was gathered at the

railway station in Tsim Sha Tsui. The British Hong Kong Government suddenly announced the banning of the entry of the delegation into Hong Kong. The receiving party at the railway station in Tsim Sha Tsui could do nothing but disperse. However, the British Hong Kong Government suppressed and arrested a large number of people from the receiving party in the name of a traffic accident caused by an expatriate police officer during the dispersion of the crowd. The prosecution against *Ta Kung Pao* in 1952 is still often mentioned today. The newspaper was prosecuted by the British Hong Kong Government because it published an article related to this incident.

Madam Deputy, such unpleasant incident certainly will not happen in Hong Kong in the future. When I thank the Central Authorities for the donation of supplies to Hong Kong, I have the feeling that this is different from the humanitarian assistance rendered by the international community. This is because humanitarian assistance is rendered out of a sense of obligation, that is, they just do us a favour and it is not unreasonable of them even if they do not do so. However, the relationship between the Central Authorities and SAR Government is like mother and son, and the relationship between the mainland provinces and cities and Hong Kong is one of fraternity. When a son or a brother is in difficulty, his mother and brother will help him out of a sense of duty rather than a sense of obligation. If the reverse happens, when a mother is in difficulty, her son will help her out of a sense of duty rather than a sense of obligation. The same also applies to brothers. If the future relationship between the Mainland and Hong Kong can be treated as that between mother and son as well as that between brothers, I am sure that every major obstacle will be overcome with ease and all of us will be united as one. I hope that Hong Kong will be removed from the list of infected areas soon. I also hope that the lifting of the travel advisory against Beijing and its removal from the list of infected areas will happen as soon as possible so that the economy of Hong Kong, Macao and the Mainland will be revived hand in hand. Thank you, Madam Deputy.

MRS SOPHIE LEUNG (in Cantonese): Madam Deputy, during the outbreak of the Severe Acute Respiratory Syndrome (SARS), apart from the demonstration of the noble character of the medical personnel and the public of Hong Kong, the regards and support that the Central People's Government offered to the Hong Kong Special Administrative Region (SAR) make us understand deeply the meaning of "a friend in need is a friend indeed" and "blood is thicker than water".

Perhaps many people may think that it is only natural for the Central Authorities to support Hong Kong. They take this for granted and think this is no big deal. However, if we give this some careful thoughts, we know that this plays a very major role in calming the feelings of the people. For example, when the epidemic was at its peak and the people were most anxious, it was really reassuring to hear Premier WEN Jiabao say that if the SAR needed help from the Central Authorities, they would guarantee the availability and delivery of medical supplies.

Another example is that in the early stage of the outbreak, a lot of people criticized the absence of an effective notification mechanism and co-operation channel between the Hong Kong Government and the provincial government. However, after President HU Jintao visited southern China, communication between the Governments of Guangdong and Hong Kong stepped up expeditiously like blood vessels no longer clotted. The two places shared their experiences in combating the epidemic which was contained in succession in Guangdong and Hong Kong. Hong Kong has also tried to treat SARS patients with a combination of Chinese and Western medicines, a method which was adopted by the Mainland. It has produced effective results and earned special esteem from medical professionals all over the world.

Guangdong and Hong Kong have cracked down the barrier and combated the epidemic hand in hand through stepping up the exchange between the two places. This shows that the two places rely on each other for survival and prosperity. Co-operation of this nature can extend to the other areas so that integration between Hong Kong and the Pearl River Delta, or even places further mainland can be promoted. Moreover, invaluable experiences and research results gained from combating SARS by Guangdong and Hong Kong can be shared with the other areas and the international community.

In modern society, interpersonal relationship is relatively detached. Because of historical factors, the society and system of Hong Kong have developed in a manner different from that of the Mainland over the years. Hong Kong and the Mainland have also moved along different directions. People of our generation and the younger generation still often think in a "Hong Kong-centred" mentality and do not know much about the Mainland.

After the outbreak of this epidemic, I hope people will be made aware of the real meaning of blood is thicker than water and that we are not simply

people who share the same Chinese nationality. Hong Kong is not the entire world. Even international organizations such as the World Health Organization took into account the situation of both Hong Kong and Guangdong when it considered whether to lift the travel advisory against Hong Kong. We must transcend beyond the psychological barrier posed by the "Hong Kong-centred" mentality and adopt a broader perspective in assessing the development of the world and the Mainland and in the positioning of Hong Kong. Otherwise, no true sense of integration can be achieved between Hong Kong and the Pearl River Delta or the extensive inland areas of China. As a result, we will lose the chance to go out to the world and to find our own positioning. I think it is more important for our public figures to have such a broad perspective.

Lastly, though we are in fear and in grieve, people from different sectors and different walks of life donate to help SARS victims and spend to help revive the economy of Hong Kong. Compared with our nearby territories and countries, people of Hong Kong can be proud of our devotion and sense of unity. Apart from thanking the Central Authorities, I would also like to extend my respects to the general public. I so submit.

MR HENRY WU (in Cantonese): Madam Deputy, while the outbreak of atypical pneumonia has brought a lot of unhappy events, people of Hong Kong have acquainted themselves once more with the importance of environmental hygiene; surveys conducted by community organizations indicated that more people attached greater importance to family relationship and paid more concern to the people and incidents around them; and the degree of cohesion in the community has been boosted out of the sense of comradeship in combating the epidemic. Some comfort can be drawn from these facts since the outbreak of atypical pneumonia. More importantly, people of Hong Kong have learned to engage themselves in self-examination. During the process, they have learned to treasure whatever they possess now.

Through the motion today, I hope people of Hong Kong will not only be made aware of the need of self-examination, they will also always cherish a sense of gratitude to our Motherland which has shown deep affection for the compatriots in Hong Kong.

Over the past half century, the economy of Hong Kong has seen a rapid boom. So long as people are willing to put in efforts, there would be

opportunities for earning money. Therefore, Hong Kong people in general only do their best to earn money and neglect things that surround them. They often fail to appreciate what happiness really means. They do not learn to treasure but they criticize all the time. They always complain, complain and complain. They complain about others. They complain about the Government for not doing enough, not doing fast enough and not doing good enough!

The severe outbreak of atypical pneumonia has been a matter of concern to the Central People's Government and it has rendered us support. Apart from fighting for Hong Kong at the summit meeting of the World Health Organization, it has initiated the donation of medical supplies to us and has sent medical professionals in Chinese medicine with experiences in the treatment of atypical pneumonia to Hong Kong to help conduct consultation. While the Mainland had to face similar crisis, the Central People's Government accorded priority to the compatriots in Hong Kong and gave us the strongest moral and material support. To the people of Hong Kong, this is like the genuine care a mother bestows on her child. Such maternal love is so great that it is offered gratis and is invaluable.

Madam Deputy, history may testify that the care bestowed on the compatriots in Hong Kong by our Motherland has never changed. It is only that the people of Hong Kong lead such a busy life that it fades from their memories without their awareness. A small number of them has even grown numb with what they possess and become ungrateful. They forget the reason why Hong Kong is able to possess all these.

The outbreak of atypical pneumonia has stirred up the memories of the elderly in particular on the vicissitudes of life in Hong Kong over the past hundred years, especially on past disasters such as plague, cholera, water rationing, landslide, fire and so on. Each and every instance has hit hard on the society and the economy of Hong Kong. In many instances, Hong Kong could emerge out of danger only because we were fortunate enough to have the full support of our Motherland at the most critical moment.

I do not know whether Members remember the urgent introduction of the water-rationing measure of supplying water for four hours in every four days on 1 June 1963. I am sure the popular saying in those days of "asking people downstairs to switch off the tap" is still on our minds. The people of Hong

Kong were then in the midst of a battle against drought. The Administration, apart from urging people to save water, started to discuss transporting water from the Guangdong areas to Hong Kong to alleviate the water shortage problem with the Guangdong authorities. On 26 June, with the safe arrival of the first vessel that transported water from the Pearl River to Hong Kong, there was temporary relief for the battle against drought. In December of the same year, after the then Premier ZHOU Enlai gave the situation his personal attention, he immediately issued an important directive stating that the issue of water supply to Hong Kong should be separated from the issue of political negotiation. At the same time, the water supply project was listed as national programme and had to be completed as soon as possible. Subsequently, with the completion of the water supply project of Dongjiang River, regular and constant supply of water to Hong Kong was then guaranteed and the problem of water shortage in Hong Kong was solved once and for all. At present, 80% of drinking water of Hong Kong is supplied by the Dongjiang River.

To the younger generation of Hong Kong, they are not able to appreciate the timely assistance offered by our Motherland. Since they do not experience the sufferings at those difficult times, they have already forgotten what is meant by past kindness. They do not only fail to learn to treasure, but they also criticize all the time. They have even turned the gun and proposed terms concerning water supply all in their own favour, which are not in line with commercial principles.

Madam Deputy, in the list of water resource per capita of 153 countries and territories in the world, China ranks 121st and is regarded as one of the 13 severe water resource shortage countries. However, under this circumstance, the Government and people of the Mainland would rather suffer themselves from water rationing in order to ensure a constant supply of water to Hong Kong. In April this year, some of the towns and villages in Pao On district and Long Gang district in Shenzhen adopted local water-rationing measures. However, under the protection of the agreement of water supply from Dongjiang River, Hong Kong was not slightly affected. Apart from water supply, abundant supplies of by-products such as food and cooking oil are imported to Hong Kong every day from the Mainland. The guarantee of constant supplies of these products also demonstrates the support of the Central People's Government.

The aforesaid examples demonstrate the support given by the Central People's Government to Hong Kong in various aspects. The recent series of

effective measures for better co-operation under the Closer Economic Partnership Arrangement also help revive the economy of Hong Kong. However, as habit makes things natural, many people have gradually forgotten to be grateful. Therefore, at this stage of the outbreak of atypical pneumonia, the people of Hong Kong should do some self-examination. And we should not ignore the goodwill of the Central People's Government. After the process of self-examination, we should unite in harmony and strive for the ultimate solution to the problem.

The amendment proposes to "appeal to the people of Hong Kong to provide supplies and medical support to the various provinces and cities in the Mainland". In fact, the patriotic figures of Hong Kong have all along been very willing to render their full support within their capacity to the compatriots in the Mainland. Whenever the Mainland was hit by disasters in the past, the community of Hong Kong had initiated relief activities to provide mainland people with moral and material support. I hope that this relationship of mutual assistance and encouragement will continue.

Madam Deputy, with these words, I support the motion.

MISS CHOY SO-YUK (in Cantonese): Madam Deputy, "one country, two systems" is an unprecedented experience. Since the reunification, significant incidents have taken place one after another in Hong Kong, and tackling the recent Severe Acute Respiratory Syndrome (SARS), the avian flu and the Asian financial turmoil that happened a few years ago has tired us out. Around the reunification, Hong Kong was the prime focus of the global media and any signs of trouble were infinitely magnified. Our society has remained relatively stable under these turbulent and tumultuous circumstances. Apart from the existence of a sound and well-tested system, the full support of the Central Authorities is extremely crucial.

The all-directional support of Hong Kong by the Central Authorities is even more evident in the battle against SARS. Without China as a strong backup force and lobbying in person by Vice Premier WU Yi, I do not know how long we would have to wait before the World Health Organization lifted the travel advisory against Hong Kong. During the most rigorous moment of the battle against SARS, the Mainland provided Hong Kong with supplies and President HU Jintao stated clearly that so long as the Hong Kong Special Administrative Region (SAR) had the needs, the Central Authorities would

certainly render full support and send Hong Kong the best medical staff or supplies for meeting emergencies at the first instance. These actions and kind feelings are really touching.

As compared with the battle against the epidemic, revitalizing our ailing economy is a bigger headache for the SAR Government. Accordingly, the Government has put forward meticulous measures and the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) will be announced late this month. It is expected that zero tariff for some commodities will be achieved by stages and the arrangement will hopefully bring the local service and manufacturing industries continuous business opportunities and essentially assist in our economic recovery in the long run. Moreover, Guangdong Province will shortly announce its consent for the residents of four cities, namely Guangzhou, Shenzhen, Zhuhai and Foshan, to travel to Hong Kong in their personal capacity. The through train service between Guangzhou and Hong Kong currently at a frequency of seven trips per day from each place will shortly be increased to eight trips per day.

In all fairness, six years after the reunification, we should be grateful to the Central People's Government for its active assistance. Actually, it has been particularly caring and has done all that can be done. It is a pity that some Hong Kong people are not moved by its deeds and they have always analysed through tinted glasses all that the mainland Government has done. Some have even regarded the well-intentioned praises by mainland officials as "acts to support TUNG before the flag drops" and their criticisms as intervention in the affairs of the SAR.

Madam Deputy, from the strictest perspective, doubtlessly, mainland officials should not make comments about Hong Kong people and our affairs at will. But even if that is so, we should have enough confidence and accept well-intentioned criticisms with the positive attitude of correcting mistakes if there is any, and guarding against them if there is not, and we should not focus our attention on whether the relevant remarks have gone beyond the boundary of "one country, two systems". Provided that the views of the Central Authorities are useful and constructive, there will be not much problem even if the Chief Executive adopts them, and that will not be his fault.

In fact, the exchanges between China and Hong Kong have become more frequent after the reunification and the understanding between the two places has grown deeper, and we have been as closely related as lips and teeth long

ago. Take this epidemic as an example, the Hong Kong members of the National Committee of the Chinese People's Political Consultative Conference donated \$2 million to Guangdong Province to show their support for anti-atypical pneumonia researches and they have made 10 suggestions to the provincial leader for the co-operation between Guangdong and Hong Kong in rebuilding our economy after the epidemic. They include the establishment of a mechanism for emergencies and contingencies in Guangdong and Hong Kong. It is hoped that the concept of blood is thicker than water can be further consolidated.

Actually, under the able leadership of the Chinese People's Government, our country has gradually become an emergent country in the international arena, which is witnessed by all and a fact that is recognized internationally rather than flattery that is casually made up. Hence, Hong Kong people wish that the relationship, co-operation and contacts between the two places can be enhanced and that there will also be closer dovetailing with the Central People's Government.

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

MR LEE CHEUK-YAN (in Cantonese): Madam Deputy, the motion today thanks the Central People's Government for providing supplies to support Hong Kong. I believe Hong Kong people all think that we should say "thank you" to people who have offered us something. However, I feel ashamed when I witnessed the Central Authorities providing supplies to Hong Kong. It is because the Government of the Hong Kong Special Administrative Region (SAR) has not satisfactorily handled such matters as supplies and protection of medical personnel and I wonder if Secretary YEOH can respond to this point later.

On one hand, we are not sure if the investigation carried out by Secretary YEOH on the matter can find out the causes. If it fails to do so, I think this Council should then carry out an investigation. We should be able to find through the investigation why our medical personnel still lack supplies. Is it because we really fail to buy or purchase the supplies and the Central Authorities must therefore provide supplies to us, or are there any other problems? We are not sure if there are problems such as sectarianism.

Besides showing thanks to the Central People's Government, we should also review why the governance of Hong Kong is in such a state; that is, even the purchase of supplies has been handled badly.

On the other hand, I do not hope that the relationship between the Central Authorities and Hong Kong is such that the Central Authorities will give us candies if we are obedient. I hope that there will be mutual trust. I remember watching an advertisement about hamburgers recently. For sure, I will not name the company because I do not like it too much. In that advertisement, a child visits the restaurant and his mother told him that she has already chosen some food and a drink for him but the child tells his mother, "I know how to choose." In fact, the Central Authorities and Hong Kong should trust each another and we should also tell the Central Authorities that "we know how to choose" — We know how to choose our Chief Executive.

Therefore, I think Hong Kong people should thank the Central Authorities and I hope that we will be able to thank the Central Authorities for allowing us to choose our Chief Executive one day. We will have a chance on 1 July because I heard that the central leaders would come to Hong Kong. I hope that Hong Kong people will go into the streets on that day and tell the Central Authorities that we want democracy and we know how to choose our Chief Executive. We will certainly thank the Central Authorities for their trust in Hong Kong people and allowing us to choose our Chief Executive in the future.

MR LEUNG FU-WAH (in Cantonese): Madam Deputy, the remarks just made by Mr LEE Cheuk-yan are not unexpected at all. As a result of the atypical pneumonia epidemic, Hong Kong has encountered unprecedented difficulties and crises. The battle against the epidemic is drawing to an end after we have fought for more than three months and Hong Kong has begun to move on again. At this turning moment in the course of events, we must stand united and be cohesive, and give impetus to our recovery after the epidemic with the support of our country behind us.

Atypical pneumonia is a crisis that cannot be predicted or prevented and the experience that we have gained for more than a century in the past has failed to provide the SAR Government with sufficient systems and mechanisms for tackling the crisis. That is an important reason why the Government was at a loss and so inefficient during the initial period of the battle against the epidemic. Actually, the unprecedented disaster has brought us losses beyond estimation but it has kindled our fighting will and spirit of mutual help and protection, which are unprecedented and unyielding. More importantly, the progress of the epidemic situation has helped us further understand the

relationship between the two places, which is one of sharing weal and woe, and brought about important changes and inspirations for mutual co-operation.

Firstly, the Central Authorities have only taken 10 days to dispatch to Hong Kong the first batch of 77 000 masks and 140 000 protective suits, and they have promised that so long as the SAR Government makes the requests, the Central Authorities can certainly provide medical supplies and support for medical personnel just as many colleagues have mentioned earlier. It is extremely encouraging for all of us in Hong Kong and it makes us more confident about winning this battle of the century against the epidemic. The supplies do not only have pecuniary values but are also valuable in terms of love between compatriots and our country's caring spirit. In the face of disasters one after another since the reunification, "one country" has really sheltered Hong Kong and given us a chance to gasp for breath.

Secondly, the urgent and interrelated fight against the epidemic has broken quite a few conventions under "two systems" that have been accepted through common practice. With the concern and support of President HU Jintao, intense co-operation in epidemic prevention has been established between Guangdong and Hong Kong and a channel for direct communication has also been specially established. It avoids delays caused by the need to obtain the consent of the Central Authorities for everything and largely enhances the efficiency and flexibility of the exchanges between the two places. There are conspicuous effects in such aspects as the exchange of information between the two places on the epidemic situation, comparison of notes on treatment methods, clinical application of combined western and Chinese medicine treatment, immigration, quarantine and so on.

Furthermore, the financial turmoil a few years ago and the atypical pneumonia incident today clearly show that Hong Kong and the Mainland are no longer relatively independent plates and there is a mutually complementary and interactive relation between these two places sharing weal and woe. When one party is in trouble, the other party will inevitably be affected but if one of the parties can conversely hold out while the other party holds its ground. Therefore, the two places should support each other and deal with foreign countries together so as to expeditiously resume social and economic order and restore the confidence of foreign tourists and investors. A consistent goal and mutual support on which honour or disgrace depends have substantially strengthened the cohesive forces of the two places, especially the Greater Pearl

River Delta Region covering Guangdong and Hong Kong, which is conducive to future co-operation in other aspects.

While the epidemic situation is subsiding, the SAR Government has the prime task of rebuilding our economy. If we need the support of the Central Authorities to fight the epidemic, we definitely need the co-operation of the Mainland in rebuilding our economy afterwards. It has been confirmed that the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) will be signed on 30 June on the eve of the sixth anniversary of the reunification, which signifies the full support of the Central Authorities for revitalizing our economy indicating practical and symbolic significance. The problem is how we are going to grasp this opportunity to turn assistance into impetus for revitalizing our economy and restoring the confidence of local and foreign investors.

Madam Deputy, to solve this problem, we must start with the "three removals". First, the removal of a format of reliance. Hong Kong has an enormous fiscal reserve enough to cope with the economic downturn because we fully relied on the Land Fund the establishment of which was urged by the Central Authorities years ago; Hong Kong can cope with the blow dealt by the Asian financial turmoil and the "international crocodile" because we relied mainly on the support of the Central Authorities in respect of financial affairs and the exchange rate; and the support of the Central Authorities still plays a decisive role concerning this battle against atypical pneumonia and our plans and preparations for rebuilding our economy after the epidemic. Besides thanking the Central People's Government, we must consider why we have tried our best to solve the difficulties on our own at the very beginning but have to ultimately rely on the support of the Central Authorities on each occasion. I believe that for Hong Kong to become better, we have to adjust the industrial structure, attract the return of Hong Kong businessmen and learn from the resolution, transparency and courage to make improvements demonstrated by the Central People's Government in this incident.

Second, the removal of the psychology of exclusion. Although Hong Kong is a world city integrating Chinese and Western cultures and people are open and progressive, some from the political and religious sectors and some professionals exclusively resist the integration of Hong Kong into our country and regard the co-operation between the two places as great scourges. Consequently, we have imposed restrictions and delimited a boundary on our

own, intending to exclude Hong Kong from our country. Even when Hong Kong discharging due responsibility for national security, it is severely reprimanded and vigorously criticized. If we do not break through these barriers in our minds, we would have missed the excellent advantage of having our Motherland to back us up for no reason.

Third, the removal of complacency. With the outstanding prerequisites of rather satisfactory rules and regulations and getting rich ahead of others, Hong Kong obviously occupies a dominantly leading position as compared with our adjacent regions. But our dominantly leading position has gradually been outshone with global integration and the accession of our country to the World Trade Organization and the development and take-off of our neighbours. Thus, we must adjust our mentality and position ourselves anew. We must not cherish the memory of our past excellence as a leader and we must practically strengthen our advantages in terms of the rule of law, systems, business environment, market information and networks, and tightly grasp the opportunities brought by the opportunities offered by CEPA to look for and give play to new economic impetus actively.

Hong Kong has always been one of the best-managed cities and most internationalized cosmopolitan city in Asia. The atypical pneumonia crisis has given us a chance to solve our problems. Provided that the activities for revitalizing Hong Kong are planned well, proper use is made of the support provided by our country and efforts are made for unity and cohesion, Hong Kong will be more excellent than any time in the past when the crisis is over. In particular, after completing the legislation for national security and after Hong Kong people have fully fulfilled our constitutional responsibilities, the foundation of "one country, two systems" will be consolidated and the goals of our stability and national security will become more consistent. Thank you, Madam Deputy.

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

MR AMBROSE LAU (in Cantonese): Madam Deputy, the changes from having the largest number of some 1 700 Severe Acute Respiratory Syndrome (SARS) in-patients to downsizing the number to just 40 or so still in hospital, from having the highest daily record of 12 SARS-induced deaths to achieving an increasingly high incidence of zero death daily, and from having some 80

infected cases a day at the height of the epidemic to pronouncing no infected cases for seven days in a row — all such changes, together with the indication of the World Health Organization (WHO) that Hong Kong can be removed from the list of infected areas next week at the soonest, can show that our achievements in combating SARS are really hard-earned. Our health care workers of course deserve the highest commendation, and the solidarity shown by the masses and voluntary organizations has also been most encouraging. Besides, the Central Government's strong support for Hong Kong should also be applauded.

The Central People's Government's support for Hong Kong this time around is especially meaningful, because the new State leadership, which has just taken over for less than two months, while having to face international pressure resulting from some health care officials' failure to combat the SARS virus, have also to make sure that China, as the world's most populous country, must successfully combat the virus to prevent the outbreak of a world-wide catastrophe. Under the circumstances when the people of the Mainland are worried so much about the spread of the virus, the international community looks on with such indifference and the WHO follows the situation so closely, the Central Authorities has still shown such a great concern about the outbreak in Hong Kong. It has been true to its words and has supported Hong Kong with great determination, ridding Hong Kong of any worries in its fight against the virus. This shows fully that the spirit of "blood is thicker than water" underlying the relationship between Hong Kong and the Mainland.

The Central Authorities' support for Hong Kong has not only been timely but also appropriate. When Hong Kong was caught in a massive virus outbreak in the community, President HU Jintao went south to Guangdong. There, he urged the governments of Hong Kong, Guangdong and Shenzhen to join hands to fight the virus and asked the Chief Executive about the latest position of the epidemic, paying his regards to the people of Hong Kong at the same time. When health care workers in Hong Kong complained about the shortage of personal protective equipment, Premier WEN Jiabao immediately promised that the Central People's Government would offer material and manpower assistance; in the end, \$100 million worth of health care supplies were provided to Hong Kong in separate batches. Before Hong Kong could persuade the WHO to withdraw the travel advisory against it, Vice-Premier WU Yi made great lobbying efforts for us and encouraged us by asking us all to "work with one heart". As Hong Kong needs to revitalize its economy now, thanks to the efforts and co-ordination of the Central Authorities, we will be able to conclude the Mainland and Hong Kong Closer Economic Partnership

Arrangement at the end of June as scheduled, thus providing the opportunities required for the relaunching of our economy.

The Central Authorities' show of solicitude is of course not meant to spoil Hong Kong, and not meant to make it think that whenever it encounters any setbacks, it can turn to the Central Authorities for help. Instead, the intention is to make Hong Kong even stronger. The Central Authorities definitely knows that when Hong Kong is in trouble, the Mainland cannot possibly remain unaffected, and *vice versa*. It certainly knows that it is only when the Mainland and Hong Kong can tackle the difficulties together that all of us can get through these troubled times. The Government of the Hong Kong Special Administrative Region and the people of Hong Kong should also realize this. Therefore, the best way for Hong Kong to express its appreciation for the Central Authorities' support should be to keep up its efforts of fighting the virus, so as to prevent the import and export of any affected cases. Hong Kong must also make good use of its strengths in health care and conduct research into the possibility of combining Western and Chinese medicine in the treatment of SARS patients. Besides, the Government should also encourage professional bodies and voluntary agencies to form voluntary teams for the provision of health care assistance in the Mainland, especially in those agricultural villages facing an acute shortage of health care supplies and personnel.

SARS has dealt a very heavy blow to both Hong Kong and the Mainland, but their attempts to tackle the difficulties together have increased the mutual trust between Hong Kong on the one hand and the Central Authorities and the Mainland as a whole on the other. In a way, this is an unexpected harvest resulting from the recent outbreak of SARS.

Madam Deputy, I so submit.

MR TAM YIU-CHUNG (in Cantonese): Madam Deputy, "the stitches done by a loving mother becomes the clothes worn by her wayfaring son". I am sure that the people of Hong Kong, who have recently risen to their feet again after the SARS outbreak, and on looking back at the support and help given to them by the Central People's Government, will all see the point of this line from a Tang poem ever more deeply.

(THE PRESEIDENT resumed the Chair)

Because of the onslaught of atypical pneumonia, the World Health Organization issued a travel advisory against Hong Kong on 2 April. Over the past two months, the number of foreign visitors to Hong Kong dropped drastically; hotels were practically empty; the various airlines cancelled more than 60% of their flights; food establishments were extremely quiet; seldom have shopping malls seen so few shoppers; and, Hong Kong businessmen have been boycotted by organizers of overseas exhibitions. The economy of Hong Kong has been dealt a most severe blow. On the other hand, since atypical pneumonia is caused by a virus never known before, the health care system of Hong Kong has not been fully able to stop the spread of the virus despite prompt mobilization of all available resources. But just as the virus was equally rampant in the Mainland, the Central People's Government still allocated huge quantities of health care supplies to Hong Kong to assist our health care workers in fighting the virus. It also assigned two Chinese medicine experts through the Health Department of Guangdong Province to explore the combined application of Western and Chinese medicine in the treatment of SARS patients, with the aim of increasing their resistance and facilitating their early recovery.

Economically, the Central People's Government has made great efforts to lobby on the withdrawal of the travel advisory against Hong Kong. It has also relaxed the restrictions on mainland citizens wishing to travel to Hong Kong and finalized the Closer Economic Partnership Arrangement between the two places. In brief, the Central People's Government has been making every effort to assist Hong Kong in its economic recovery. Besides people's rationality and solidarity as well as the fearlessness of our health care workers, the rapid recovery of Hong Kong from the virus outbreak is also attributable to the "stitches" done by our Motherland.

The Central People's Government aside, the Guangdong Provincial Government and the Shenzhen Municipal Government have also extended their friendly assistance to Hong Kong since the virus outbreak. In April this year, my colleagues from the Democratic Alliance for Betterment of Hong Kong (DAB) and I visited the Shenzhen municipal health authorities and the Health Department of Guangdong Province respectively. Very frankly and without any reservation, both of them disclosed all the details of the measures they had adopted to control and prevent the virus. Later, when we returned to Hong Kong, we relayed their experience to the Government and the mass media. We feel that their warm concern is indeed unforgettable. Besides, the Mainland also helped us to develop some Chinese pharmaceutical preparations

in soup form and virus-prevention powder from a number of ancient prescriptions. These have provided some help in preventing the virus.

The recent outbreak of atypical pneumonia shows that public health is an issue which will directly affect the economic development of both Hong Kong and the Mainland. And, it is also noticed that the advanced medical technologies and health care professionals of Hong Kong can presumably play a more significant role in promoting epidemic prevention between Hong Kong and the Mainland in the future. "Who says that the wayfaring son's heart felt tenderness, as delicate as an inch of grass, can be gratitude enough for all the sunshine of motherly love?" I hope that the SAR Government can make more contributions to upgrade the health care standards and epidemic prevention of the whole country, including first, the SAR Government should enhance the cross-boundary co-operation in respect of disease notification and contingency arrangements. The huge resources possessed by Hong Kong should be used to promote disease notification in the Mainland, to assist the authorities there in tracing the sources of viruses and infectious diseases, so as to build up a common line of defence that can prevent the spread of various infectious diseases. Second, the Mainland should be given assistance in upgrading its standards of public health research and in enhancing its epidemic surveillance, so that national health can be protected.

Madam President, last month, the DAB held a territory-wide fund-raising campaign covering the various districts all over the Hong Kong Island and Kowloon. The aim was to ask the people of Hong Kong to donate some money as a token of their concern about the Motherland at this very time of atypical pneumonia attack. There were many touching scenes in this campaign. For instance, that day, when I officiated at the inauguration ceremony in Pedder Street, an elderly-looking cleaning worker, wearing a mask and a cap, went up to us before the fund-raising stage, he was thin and short and pushing a wooden cart loaded with a big basket of garbage. He took out a \$100 note and put it into the donation box without saying a word. Seeing this, many reporters hastened to ask him why he was so generous, why he had donated so much money. He replied that he had not been to the Mainland for several years, but as a Chinese citizen, he still wanted to show his concern about the country. My DAB colleagues and Members belonging to the DAB who were present all felt very moved, thinking that this was a full reflection of the mutual care and concern between the people of Hong Kong and the Mainland. I always think that "one country, two systems" must be founded on the spirit of mutual support. I hope that such a spirit and concern can be

spread widely in the community of Hong Kong. The campaign raised a total of \$500,000, and the money has been distributed to the relevant mainland authorities through the Office of the Foreign Affairs Ministry in Hong Kong. It is hoped that the donation can serve as a modest expression of Hong Kong's concern and care for the Motherland in the recent epidemic outbreak. Thank you, Madam President.

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

MR ALBERT CHAN (in Cantonese): Madam President, I personally think that we should be grateful to the Central People's Government for the assistance it has recently given to us, because it has done so of its own accord. But I also do not think that we the people of Hong Kong deserve the assistance. Specifically, the Hong Kong Government and its principal officials, particularly the Chief Executive, should all be ashamed to accept the Central People's Government's assistance, or even disaster relief, to be exact.

Over the six years since the handover in 1997, Hong Kong as a Special Administrative Region (SAR) has degenerated from an affluent and prosperous metropolis into a super infected city in need of help from the Central Authorities. Any Hong Kong leaders who do not think that they should thus be ashamed must ask themselves where their dignity has gone and what their own worth is.

Over a short span of merely six years, Hong Kong has been rapidly declining, like a huge river descending from high altitudes. There were also times when the Mainland was plagued by outbreaks of epidemic. During the flooding of eastern China, for example, every one in Hong Kong provided active assistance to help their compatriots in the Mainland. When it was learnt that there was a shortage of schools in the backward mountainous regions of the Mainland, we launched the "Project Hope", and everybody contributed either money or their efforts to help. However, just several years later, because of the atypical pneumonia attack, Hong Kong has become a recipient of the Central Authorities' assistance.

Since the outbreak of atypical pneumonia in March, Hong Kong government officials have repeatedly told the public that Hong Kong did not face any shortage of health care supplies, and that there was enough protective

equipment for health care workers. They have said this on many public occasions. But if there is really no shortage of personal protective equipment as claimed repeatedly by senior officials of the Government and the Hospital Authority, why then have we accepted the assistance offered. Why have we accepted the masks? Is that because we the people of Hong Kong are greedy, so greedy that we simply do not care whether we really need the supplies? Should we disregard the needs of millions of mainland compatriots simply because we want to satisfy the Central Authorities' desire to offer us assistance? Many poor regions in the Mainland do face a shortage of these supplies, and their need for assistance is far greater than ours.

Maybe, our Chief Executive, TUNG Chee-hwa, is very much used to accepting assistance from the Central Authorities. He relied on the assistance of the Central Authorities in the last two elections anyway. When his own shipping company ran into trouble, he also relied on assistance from the Central Authorities. But we the people of Hong Kong should have our dignity; we should exercise our own judgement. If our government officials are so sure that we do not need these supplies, why have we accepted the assistance? The only answer is that we have put our own interests above the well-being of our compatriots in the Mainland. There are many poor regions in the Mainland, and many of our district-level colleagues returning from mainland trips have told us about the shortage of health care supplies faced by many mainland hospitals and rescue centres, particularly those in the rural regions. The mass media may not have covered all these in their reports, but people who are familiar with the situation in the Mainland all know very clearly that many medical institutions there do face a shortage of supplies. Our government officials say that we have enough supplies, but they have accepted millions worth of supplies from the Central Authorities. If theirs is not greediness, what else can it be?

Madam President, the arrival of the first batch of supplies from the Mainland was covered extensively by the local media. The lines of lorries transporting supplies to Hong Kong were also broadcast on television. When I saw such a scene on television, I was in tears. I could not help asking, "How come Hong Kong has sunken into such a miserable state? Why do we have to accept the Central Authorities' assistance when we still possess \$300 billion worth of reserves?" I hope that the Secretary can tell us why later on. Are we really faced with insufficient supplies? Is the situation of Hong Kong really so poor that we must accept the Central Authorities' assistance?

Certainly, I do appreciate the kindheartedness and good intention of the Central Authorities. But the events in the past few months and the plight of our mainland compatriots have made me feel very uncomfortable with the acceptance of such assistance. The Government of Hong Kong possesses \$300 billion worth of reserves; there is a rich supply of all sorts of resources; our technologies are so advanced; our system is described as so satisfactory; and it has been repeatedly claimed that we do not face any shortage of supplies. But still, we have accepted the supplies, the supplies needed so badly by our mainland compatriots; to a certain extent, we have robbed them of their needed supplies; we have still made the Central Authorities give us the supplies.

Madam President, this motion can fully express Members' gratitude to the Central Authorities. But having expressed our gratitude, we must think seriously about the implications of the assistance offered — the assistance can aptly reflect that Hong Kong is faced with very acute problems, that the SAR leaders are incompetent, and that they always say one thing and do another.

I also hope that when he speaks later on, Secretary YEOH can tell us whether we are really facing an acute shortage of health care supplies, whether our health care workers are really so miserable and so short of these supplies, that they cannot continue to provide any services. Does the Secretary know that many compatriots and backward areas in the Mainland are in dire need of these supplies?

Thank you, Madam President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr NG Leung-sing, you may now speak on Dr LAW Chi-kwong's amendment.

MR NG LEUNG-SING (in Cantonese): Madam President, "tacit gratitude is the best", as the saying goes. So, conciseness, not verbosity, should be the most appropriate way to express the gratitude intended by the original motion.

Anyway, as pointed out by Mr Tommy CHEUNG of the Liberal Party, Dr LAW Chi-kwong's amendment to the original motion, though a bit verbose, seems to be able to make something good still better, in the sense that it urges us to take more actions. But the fact is that the actions referred to have always been taken. I hope that this amendment can mark a good beginning, following which Dr LAW can induce his Democratic Party colleagues to keep abreast of the times and look more positively at a relationship of extensive policy co-operation and mutual support between Hong Kong and the Mainland, especially the Central People's Government.

Regarding the specific contents of the amendment, as I pointed out in my earlier remarks, Hong Kong and the Mainland have been maintaining a close and two-way relationship in their actions against Severe Acute Respiratory Syndrome. Regarding the assistance provided by Hong Kong to the Mainland, when replying to my question during a Chief Executive's Question and Answer Session, the Chief Executive disclosed that the Hong Kong Special Administrative Region (SAR) Government would provide \$50 million to the Mainland for the purpose of financing joint research on epidemic prevention. This is one of the examples.

As the colloquialism goes, "I will give you a yard in return for an inch." Facts have evidenced that the people of Hong Kong and its commercial sector have been making huge donations to the Mainland. To quote Mr GAO Si-ren again, as at the end of last month, such donations have already exceeded \$100 million. Many Hong Kong people and organizations like to make their donations in a low-profile manner, and there may not necessarily be any media reports at all. The fact is that Hong Kong has always been offering assistance to the Mainland, mostly in the very practical form of capital provision. A point worth mentioning is that "supplies and medical support", as mentioned by Dr LAW in his amendment, are not the strengths of Hong Kong, and this can be seen from the list of required supplies which Hong Kong presented to the Central Authorities.

The aim of my motion, as suggested by both the topic title and contents, is to express our thanks to the Central People's Government for all the assistance and support it has rendered to Hong Kong during the recent epidemic outbreak. In regard to how and in which areas the two places can further enhance their co-operation and mutual assistance, Members have enriched the concise original motion by expressing a much wider range of opinions. They have definitely achieved its aim. As for the oblique accusations of some

Members, I am not going to make any comments, lest this may smear such a well-intentioned motion of thanks. I hope that this motion of thanks can induce all walks of life in Hong Kong to think actively about the matter. That way, the motion will be able to produce greater and more far-reaching effects on the co-operation between the Central Authorities and the SAR.

I so submit. Thank you, Madam President.

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, first of all, I would like to thank the Honourable NG Leung-sing for moving the motion today to thank the Central People's Government for the support given to the Hong Kong Special Administrative Region (SAR) in the battle against Severe Acute Respiratory Syndrome (SARS).

Over the past three months, with the co-operation and support of members of the public and the Legislative Council, the Government has introduced a host of measures, including liaison with the World Health Organization (WHO) and mainland health authorities, amending the relevant legislation, allocating the necessary resources, and implementing various isolation and control measures to prevent the spread of the disease. With the health care system providing comprehensive treatment and researching into the virus, SARS is now under control. Since the 12th of this month, this is the seventh consecutive day of zero infection in Hong Kong. In addition to thanking the efforts of various sectors of the community, in particular the diligence and dedication of our health care workers, we are also very grateful to the full support rendered by the Central People's Government.

SARS is a highly infectious disease, hence the consumption of protective gears is great. Coupled with the occurrence of SARS in other places of the world, the supply of selected medical gears has become very tight in the last months. Under this unique and difficult situation, the Central People's Government has provided considerable quantities of medical equipment and supplies to Hong Kong. In addition, the Central People's Government has promised to send mainland health care workers to Hong Kong to help in our fight against SARS if the situation so warranted. Two experienced Chinese medicine practitioners from the Guangdong Provincial Hospital of Traditional Chinese Medicine arrived in Hong Kong in early May. They provided expert advice on the treatment of SARS patients with Chinese medicine and conducted clinical consultation for SARS patients.

The outbreak, prevention and treatment of SARS have highlighted the interdependence between Hong Kong and the Mainland, in particular that with Guangdong Province. With the full support of the Central People's Government, experts from Hong Kong and Guangdong Province held a series of meetings in April, and agreed to enhance the notification mechanism for SARS and pass to each other regularly the latest information on the disease, including relevant statistical data, as well as clinical management, epidemiological investigations, and progress on pathological study.

Furthermore, the two sides agreed, on the existing basis, to expand the existing scope of information exchange on infectious diseases by including AIDS, cholera, dengue fever, malaria, influenza and tuberculosis to facilitate control and prevention. The notification mechanism for SARS has been extended to Macao since the end of May, and the three sides have already held meetings.

In addition to stepping up the notification mechanism for infectious diseases, the two sides have enhanced co-operation in the areas of clinical treatment, epidemiology and pathology. In April and May 2003, experts from Guangdong and Hong Kong visited medical institutions and laboratories of the two places and exchanged views with local experts and medical staff.

Mainland and local experts have made outstanding accomplishments in researches related to causative agent and tracing of the source of the virus. To encourage and strengthen research collaboration in respect of prevention and control of communicable diseases, the SAR Government has set aside \$50 million for the purpose of sponsoring mainland research organizations in studies relating to the virus, diagnostic test, treatment and vaccine. The research findings will be shared between the Mainland and Hong Kong.

With the enormous support from the Central People's Government, the notification mechanism between the SAR and the Mainland has been enhanced in a short period of time, thereby greatly facilitating the surveillance of diseases. Co-operation on clinical treatment and research work on SARS is also facilitated with the exchanges among clinical and other experts in both places.

On behalf of the SAR Government, I sincerely express my heartfelt gratitude to and esteem for the support and assistance provided by the Central People's Government to the SAR. Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the amendment, moved by Dr LAW Chi-kwong to Mr NG Leung-sing's motion, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Mr NG Leung-sing, you may now reply and you have one minute 11 seconds.

MR NG LEUNG-SING (in Cantonese): Madam President, I would like to express my gratitude to Members for speaking on this motion of thanks. I hope that the motion can deliver the message that the full support of the Central People's Government and the various mainland authorities is an unequalled advantage enjoyed by the Hong Kong Special Administrative Region under "one country, two systems". The motion has also brought about an understanding that the people of Hong Kong, who are recovering from the impacts of the epidemic, and also foreign investors, that however difficult the situation may be, as long as the people of Hong Kong can work with one heart, Hong Kong is able to overcome all present and future difficulties, and is worthy of good comments.

With these remarks, I call upon Members to support the motion.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr NG Leung-sing, as amended by Dr LAW Chi-kwong, 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 as amended passed.

PRESIDENT (in Cantonese): Second motion: Revitalizing tourism and encouraging spending.

REVITALIZING TOURISM AND ENCOURAGING SPENDING

MR HOWARD YOUNG (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed, so that the Government can be urged to step up co-operation with various trades and industries to encourage spending through actively supporting community activities such as "We Love Hong Kong" that aim at reviving the economy, and to make its efforts in launching various types of promotional and publicity campaigns for the attraction of more tourists to Hong Kong, so as to help revive the tourism industry.

Since the outbreak of Severe Acute Respiratory Syndrome, or atypical pneumonia, in March, the economy of Hong Kong has been dealt a very heavy blow.

For months, people have been reluctant to spend money, and foreign visitors have stayed away from Hong Kong, thus plunging the tourism industry

into rapid decline. Other related industries, such as the catering, retail and entertainment industries, have all suffered heavy losses as a result. These industries and the tourism industry have become the four industries worst-hit by the epidemic outbreak, and the latter is at the same time one of the four main pillars of our economy.

Business is shrinking, and what is most frustrating is that we simply do not know when the epidemic can be brought under control. But this does not mean that we can thus sit there with folded arms, waiting for death to befall us, or hoping that the economy can somehow pick up again automatically. On 23 April, in a bid to ease the plight of the various industries, the Chief Executive announced a package of measures costing \$11.8 billion, including the waiving of licence fees and rates, reduction of water charges and the establishment of a \$3.5 billion loan scheme. But all these measures will at best only provide some sort of relief, instead of ultimately resolving the problem of market sluggishness.

Since others cannot give us any help and we cannot expect the Government to offer us all the help we need, our only alternative is to save ourselves from market adversities. For this reason, the tourism sector, comprising airlines, hotels and travel agencies, has recently formed the Tourism Coalition in the hope of gathering the strength required for taking the lead in revitalizing the economy of Hong Kong. The decision was made in late April.

The tourism industry does not think that we must wait until atypical pneumonia is brought under control before we take steps to revitalize our economy. Therefore, it is unanimously agreed that the important tasks now should be to restore people's confidence and boost domestic consumption. Without any resource support, the Tourism Coalition has launched a "self-help" movement named "We Love Hong Kong" on 1 May. The movement does not involve any large-scale publicity or expenses. It is just about some discount incentives offered by travel agencies, airlines and hotels; people having spent money according to specified consumption combinations will be qualified to redeem low-priced air tickets. Such incentives are meant to encourage people to spend money. With "Go Out and Spend!" as its slogan, the movement encourages people to go out and spend money, and to enjoy the fun in eating, shopping and sightseeing; besides, it also aims to create a territory-wide consumption vogue that can boost the economy and salvage the four worst-hit industries, thereby bringing forth a win-win situation.

The movement has been well-received since its inception. Merchants of different trades and industries have pitched in, offering various concessions and discount incentives, with a view to encouraging more people to spend money. The movement has achieved very evident results. Over 80% of the 28 000 low-priced tickets on offer have been redeemed; more than 100 000 people, including Directors of Bureaux have joined local tours; and, many retail outlets have recorded substantial growth in business volume. Because of the enthusiastic responses, it has been decided to defer the completion of the movement from 31 May as originally scheduled to the end of June. Earlier this month, "We Love Hong Kong" entered its second phase under the co-ordination of the Hong Kong Consumption Coalition. The resources of more merchants from different industries will be pooled together to provide more concessions, with a view to further encouraging people to spend money.

The World Health Organization (WHO) has withdrawn its travel advisory against Hong Kong, but I believe that unless and until WHO withdraws its travel advisory against China and people from all over the country, not just from Guangdong Province, start to come here again, the local tourism industry will not be able to attain the levels of business before the onslaught of atypical pneumonia. We actually think that long-term recovery will not come until autumn. That is why we must still make more efforts to restore tourists' confidence in Hong Kong as a tourism destination.

Immediately after the WHO withdrew its travel advisory against Hong Kong, the Government announced an action plan worth \$1 billion to rebuild the economy of Hong Kong. The aim is to assist the various economic activities in returning to normalcy. As much as \$400 million, or nearly half of the total funding, will be used for boosting tourism and domestic consumption. I think that apart from this plan, the Government should also consider the idea of supporting some of the activities organized by non-governmental organizations to boost the economy, such as "We Love Hong Kong", which I mentioned a moment ago.

"We Love Hong Kong" is a campaign founded on a brand new concept, and it has yielded excellent results, but we cannot merely draw on our own resources all the time. Domestic consumption alone will not be able to revitalize the economy, for inward investments are also extremely important. That is why I would recommend the Government to further the idea underlying "We Love Hong Kong" and extend the campaign to other industries and

countries. The extended campaign may be renamed "You and We All Love Hong Kong". Tourists can also say "We Love Hong Kong" and come here for consumption. Apart from local residents, visitors from overseas should also qualify for discounts and gift redemption, so that more of them can be induced to spend money in Hong Kong to boost our economy. Every thing is actually inter-related, because tourists will want to come only when they can observe improvements to our domestic consumption market. If they see that all those who spend money in Hong Kong are not local residents, they will just wonder what has gone wrong and why they should come here for consumption.

The point is that to attract tourist consumption, we may need to offer super discount incentives. This may, however, mean huge losses for merchants. For this reason, I hope that besides conducting publicity, the Government can also offer financial assistance. I understand that the Government will conduct publicity on the second phase of "We Love Hong Kong", but it should also consider how it can offer financial assistance, the reason being that while it will not cost an airline too much to offer tickets for flights scheduled for departure shortly, it will be very difficult for a retailer to sell his diamond or other goods at low prices, for really he may thus incur huge losses. Mr Selina CHOW should know this only too well. Since the Government has set aside \$400 million for tourism promotion and boosting consumption, it may as well make use of this sum of money to launch a massive sales promotion campaign in conjunction with the various industries.

If we wish to restore tourists' confidence in Hong Kong as a tourist spot, to induce them to come again, we will need to conduct positive and high-profile publicity all over the world, especially in major tourism markets, telling the people there that the travel advisory against Hong Kong has been withdrawn, and that Hong Kong is a tourist spot free from any health hazards. And, not only this, while it is certainly useful to enlist the help of famous film stars or celebrities in our publicity efforts, it is even more important to work out some creative and really powerful approaches if we wish to bring forth a win-win situation. The tourism industry and I have recommended that incoming tourists be issued consumption vouchers; the purpose of our suggestion is precisely to bring in some kind of a gimmick. Admittedly, people will not decide to come just because of a mere sum of \$300, but if the proposal is really put into practice, then, at least, before other countries follow suit, consumption coupons as a publicity or sales gimmick can hopefully serve the purpose of "casting a brick to draw in a jade piece". Such proposals should merit our consideration.

We may issue consumption coupons or offer departing tourists some kinds of concessions if they can prove that they have spent a specified sum of money in Hong Kong, so as to encourage them to do more shopping here, but apart from all these, we may even consider the possibility of holding a grand luck draw for cross-industry consumption. The prizes must be rich in variety and appealing enough, some examples being jewellery and ornaments, brand name handbags, free hotel accommodation and so on. We must also invent some attractive publicity slogans, such as "The Hong Kong Gold Rush", so as to induce tourists to come to Hong Kong instead of other places. Or, we may hold some large-scale and special functions, such as the "Dragon Dance Parade" held by the tourism sector on the Sunday just past. On that day, there was a parade of several hundred dancing dragons and lions in Tsim Sha Tsui East, attracting more than 10 000 spectators. Functions of this kind can all help boost tourism and consumption. They have been organized by private-sector organizations in the wake of the atypical pneumonia outbreak. All the sponsorship has come from private donations. I think these special functions should continue to be held on a yearly basis. But in that case, I am afraid that it will be rather difficult to get sponsorship from the industries. Since we have just overcome atypical pneumonia, the industries are still willing to offer sponsorship. But on the day of the dragon dance, there was heavy rain, and all the dragons and lions were soaked, causing real and huge losses to the industries. I think if we are to continue to hold this kind of functions, the Government must render its support, or even offer partial sponsorship. Only this can enable us to hold these functions every year or even develop them into international festive events. The annual dragon boat race is but one example. There are local as well as international races. I think that all such ideas really merit our consideration.

To boost tourism, we must offer some innovative and special programmes to attract tourists. The balloon trips round the Hong Kong Island reported earlier on and the recently popular helicopter trips round the Hong Kong Island are new tourism products in Hong Kong. Since tourism is one of the four main pillars of our economy, the Government should give it support and encouragement. Support and encouragement may take the form of financial assistance or tax concessions. For example, the Government may offer helicopter companies fuel duty subsidies similar to those offered to airlines, so as to encourage this development of local tourism and induce more tourists to come.

In a word, the rigid and unimaginative publicity approaches of the past may no longer be able to attract tourists, because we now have to face competition from many other tourism markets. To restore tourists' confidence

in Hong Kong as a tourist spot, we must come up with innovative ideas. Only creative sales approaches can attract the world's attention and induce huge numbers of tourists to come again for sightseeing and consumption. During this extraordinary period, besides making its own efforts, the Government must also offer financial assistance and must "cast a brick to draw in a jade piece", instead of solely relying on people's resources as in the early days of "We Love Hong Kong".

In regard to Dr LAW Chi-kwong's amendment to my motion, Mrs Selina CHOW will speak on it for the Liberal Party later on.

Mr Howard YOUNG moved the following motion: (Translation)

"That this Council urges the Government to step up co-operation with various trades and industries to encourage spending through actively supporting community activities such as "We Love Hong Kong" that aim at reviving the economy, and to make its efforts in launching various types of promotional and publicity activities to attract more tourists to Hong Kong, so as to help revive the tourism industry."

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

PRESIDENT (in Cantonese): Dr LAW Chi-kwong will move an amendment to this motion. Mrs Selina CHOW will move an amendment to Dr LAW Chi-kwong's amendment. The two amendments have been printed on the Agenda. The motion, the amendment, and the amendment to amendment will now be debated together in a joint debate.

I will first call upon Dr LAW Chi-kwong to speak and move his amendment to the motion. Then, I will call upon Mrs Selina CHOW to speak and move her amendment to Dr LAW Chi-kwong's amendment. Members may then debate the motion and the amendments. After Members have spoken, I will first put Mrs Selina CHOW's amendment to Dr LAW Chi-kwong's amendment to vote. Then, depending on the result of the vote, I will put Dr LAW Chi-kwong's amendment, either in its original form or in the amended form, to vote.

I now call upon Dr LAW Chi-kwong to speak and move his amendment.

DR LAW CHI-KWONG (in Cantonese): Madam President, I move that Mr Howard YOUNG's motion be amended as printed on the Agenda.

Madam President, today I have become an "amending Member", because I am now moving the second amendment. The Democratic Party fully supports any moves to revitalize the economy and promote tourism. Mr SIN Chung-kai will speak on this in detail later on.

The lifting of the World Health Organization's travel advisory against Hong Kong was received by massive celebration locally. But many people at the same time have warned that jubilation should not put us off guard. Today is the seventh day to record nil infection, so it is only a matter of time that Hong Kong can be removed from of the list of Severe Acute Respiratory Syndrome infected areas. The situation is improving, but if we are not vigilant enough, a crisis may emerge again. In other words, the better the situation is, the more we should remind ourselves that we must be cautious and vigilant.

I also wish to say a few words on encouraging consumption. I was invited by the Secretary to patronize a Karaoke box the other day to encourage consumption. But in the afternoon of the following day, when I was shopping in the streets, I heard a boy near me say this to his father, "Dad, can you buy this for me?" But the price was several thousand dollars, so the father replied, "Woh, that's really very expensive!" The boy then said, "Dad, didn't you hear the Secretary, Legislative Council Members and everybody say that consumption should be encouraged? Dad, please buy this for me! This is how we can support the Government's appeal!" Hearing this, the father said, "Only rich people can respond to the appeal. How can you do so without any money? Spending money is only the rich men's game."

After listening to this dialogue, I cannot help thinking about the whole thing again. Yes, if they have any need for consumption, those who have the means should certainly spend money and enjoy the various goods and services offered by this shoppers' paradise of ours. But while we so frequently encourage people to do so, we must remember that many people are currently unemployed. And, actually, the unemployment rate of Hong Kong has recently reached to a record high. Under such a situation, many people will be very unhappy when hearing others talk about spending money. I hope that Members will not go on talking about this matter as if it is sinful not to spend any money, or as if consumption is the only way to show one's love and

concern for Hong Kong. I hope Members can strike a proper balance. And, this is precisely the rationale behind my amendment.

The promotion of tourism and the revitalization of our tourism industry can of course help bring about economic recovery. However, many people are also worried that with increasing passenger flow, there may be a higher incidence of disease infection. Therefore, the Government should strengthen its quarantine measures on passengers from infected areas to prevent the spread of diseases in Hong Kong again. I hope that while the Government seeks to revitalize the economy of Hong Kong by promoting tourism, it can also make good preparations to prevent any further outbreak of the epidemic.

I so submit.

Dr LAW Chi-kwong moved the following amendment: (Translation)

"To add "; and with increasing passenger flow, the Government should strengthen its quarantine measures at immigration control points on passengers from infected areas to prevent the spread of diseases" after "so as to help revive the tourism industry". "

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment moved by Dr LAW Chi-kwong to Mr Howard YOUNG's motion be passed.

I now call upon Mrs Selina CHOW to move amendment to Dr LAW Chi-kwong's amendment.

MRS SELINA CHOW (in Cantonese): Madam President, I move that Dr LAW Chi-kwong's amendment be amended as printed on the Agenda.

Madam President, first of all, I wish to make a declaration of interests, because at this moment, I am responsible for the administration of "We Love Hong Kong", being the convenor of the Consumption Coalition which forms part of the whole campaign. Although I do not thus derive any personal gains, I still think that it is still safer for me to make a declaration of interests beforehand.

Mr Howard YOUNG has told us in detail how he initiated "We Love Hong Kong". Actually, the main reason was that there was a sudden stagnancy, for practically no tourists came here during the "golden week". This scared the tourism industry, so a coalition was formed in the hope that the people of Hong Kong would not hide away in their home all the time any more. What Dr LAW Chi-kwong has said is certainly right. Everybody would spend money according to his own ability. Hong Kong people are very clever about things like this; they will not spend any money if they do not have the means. That will not happen to the people of Hong Kong, and everybody will spend money according to his means. The most important point is that at that time, there was a widespread panic, and no one dared to go out and spend any money, or everybody just wanted to spend money outside Hong Kong. In all fairness, the aim of "We Love Hong Kong" is not so much of asking everybody to spend money regardless of his ability; rather, it aims to restore people's confidence to go out for consumption, to live a normal life again, in the hope of revitalizing the economy and showing foreigners that we the people of Hong Kong have regained our confidence. This will produce positive effects both on our economy and on how foreigners look at Hong Kong. Foreigners will have a greater desire to come here.

One point I wish to add is that as a campaign initiated by the people themselves, the achievements of "We Love Hong Kong" have been quite admirable so far. In May, we already heard that many people tried to redeem air tickets. In this month alone, more than 28 000 air tickets with a total worth of \$35 million were redeemed. This was a very good result, bearing in mind that one could only redeem an air ticket after spending \$1,000. So, as a matter of fact, the campaign has already boosted people's general consumption desire and confidence. This is undeniably a big booster to our tourism sector, and not only this, the campaign has also served as a "feel good" factor. I mean, the people of Hong Kong have thus felt better, instead of simply staying home all the time, feeling scared.

In June, in a bid to induce foreigners to visit Hong Kong or to organize tours to Hong Kong, the retail sector pooled its resources for the promotion of "We Love Hong Kong". As at today, there are more than 194 Award Merchants from various services sectors, and those from the retail sector are engaged in a wide range of businesses, including the sale of electrical appliances, telecommunications services and equipment, electronics products, fashion and ornaments, emporium goods, watches and jewellery, beauty

products and cosmetics, Chinese medicine, ginseng, preserved deer horns, preserved seafood, home furniture, household goods, footwear and garments. All these merchants have come together with one heart to bring back vitality to our market conditions.

It is quite beyond our expectation that since the establishment of our website in May, there have been over 600 000 hits. I am sure that this is quite a very admirable achievement. Besides, people's responses have also been very favourable, because the largest number of telephone enquiries per day we have recorded is some 1 400. Frankly speaking, people's support has nothing to do with the offers or anything else. The only reason is their genuine intention in helping Hong Kong ease its general despondency and improving its appalling market conditions. Members may have heard all sorts of stories, such as the one that a restaurant may only have one table of customers, or even none at all, for the whole day.

We now hope that "We Love Hong Kong" can last through June. In July, the catering industry can take over and assume the administration until the end of the month. Many large-scale promotion functions will then be launched. Members have all learnt that the Government will allocate \$1 billion, and \$400 million of this amount will be allocated to the tourism sector for overseas promotion. I am sure Mr Howard YOUNG must be very delighted, and so too must be the various sectors of society, because visitors will keep pouring into Hong Kong. But I must say that there will be lots of work waiting for us to do.

I very much support Dr LAW Chi-kwong's amendment today. We have long since said that it is most important to give assurance to our visitors, to make them realize that their health and safety are adequately protected here. We need not have any worries in this respect, for we have in fact done a very good job, or have even carried the whole thing to excess. One day, a CCTV reporter told me that after getting off his plane, he did not hear any welcome message, but was instead told where to measure his body temperature. I immediately told the airport that this was wrong. And, I told them that before broadcasting any warning messages, they must first say "Welcome to Hong Kong" to all visitors.

I am sure we will launch various publicity activities one by one in the days to come. I very much agree that we should do so, but why do I still want to move an amendment? Because apart from arousing the attention required, it is equally important to make corresponding arrangements in terms of manpower

and clearance counters. Our aim should be to enable visitors to enter Hong Kong without spending too much time on all these formalities. That is why I want to move an amendment. Thank you, Madam President.

Mrs Selina CHOW moved the following amendment to Dr LAW Chi-kwong's amendment: (Translation)

"To add "at various immigration control points" after "and with increasing passenger flow"; to delete "at immigration control points" after "the Government should strengthen its quarantine measures"; and to add ", and at the same time deploy additional staff as appropriate to facilitate passenger movement, so as to maintain a smooth flow at the control points" after "passengers from infected areas to prevent the spread of diseases"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mrs Selina CHOW to Dr LAW Chi-kwong's amendment, be passed.

DR RAYMOND HO: Madam President, I am really glad that Severe Acute Respiratory Syndrome (SARS) in Hong Kong is at last under control. However, it does have tremendous impact on Hong Kong, both internationally and locally. From the international perspective, SARS has, in one way or another, caused damage to Hong Kong's reputation. In the past few months, some countries regarded Hong Kong as an epidemic city and advised their people not to come to Hong Kong, nor would they welcome people from Hong Kong to visit them. As a result, the number of tourists coming to Hong Kong dropped drastically. From the local perspective, SARS has discouraged local spending. Both of these have negative impact on the Hong Kong economy. Now the epidemic is nearly gone, it is high time for us to concentrate our efforts on revitalizing our economy.

Tourism is one of the major sources of revenue of Hong Kong. It has a close relationship with many industries such as hotel, retail and catering industries. Therefore, if it went downhill, other industries in Hong Kong would be seriously affected. Under these circumstances, it is imperative for the Government to devise various urgent measures to save the industry.

Currently, the Hong Kong Government is considering some promotional and publicity activities, including the invitation of some international celebrities to come to Hong Kong to have different shows in order to achieve this objective. However, I must point out that this kind of activities is costly. Thus, the Government must carefully consider the effectiveness of these activities against their costs before it makes the final decision, and if they are considered effective, they must be carried out in a timely and well-planned manner.

In my opinion, generally speaking, carrying out promotional and publicity activities will help Hong Kong's tourist industry recover and the job will mainly fall on the shoulders of the Government. However, to achieve long-term recovery, the Government's efforts alone are not sufficient, various industries and Hong Kong people must co-operate with the Government to create a good travelling environment. For example, they not only need to keep Hong Kong clean, but also need to be kind to travellers regardless of their skin colour and nationalities. In the past, the Government encouraged Hong Kong people and local service providers to put on more smiling faces such that consumers would enjoy consuming in Hong Kong, but it seems that the efforts were not very successful. I think that, to address the problem on a long-term basis, we need to train Hong Kong children and youngsters to be polite. And here, education plays an important role.

SARS has important negative impact not only on tourism, but also on local consumption. To alleviate the impact, various industries co-operate with one another to launch the programme called "We love Hong Kong". I think that the Government should offer more support to this programme and should work more closely with the participating industries to help them formulate appropriate strategies to revive their industries.

It is undeniable that SARS has considerable impact on the Hong Kong economy. But I believe that, with Hong Kong people's dedication and intelligence, we can revive our economy soon.

Madam President, I so submit. Thank you.

MR CHAN KAM-LAM (in Cantonese): Madam President, the Economic Relaunch Working Group has been set up for more than a month, and last week, the Financial Secretary and other relevant government officials have also

already briefed the Legislative Council on some tentative proposals to revitalize our tourism industry. In principle, the DAB welcomes the publicity and promotion measures announced by the Government. However, the DAB also thinks that if we wish to assist the tourism industry more effectively in its recovery, there must be continuous review and improvements.

Following visits by Malaysia and six European countries, a fact-finding mission from Japan has also recently arrived. We are convinced that the first-hand experience of foreigners in Hong Kong and the message they bring back home about Hong Kong's return to normalcy will achieve far greater publicity effects than any lengthy explanation of Hong Kong people themselves. Regarding media reports that some overseas Chinese in France are dissatisfied with the Hong Kong Tourism Board's neglect of the French market, we maintain that the Government should immediately review the existing promotion strategies for the French market, so as to understand what information is required by the Chinese there and to show the importance attached by the Hong Kong tourism industry to overseas Chinese in France. Besides, from members of the fact-finding missions, we have learnt that the Chinese communities in many countries have also been affected by the epidemic outbreak in Asia, and overseas Chinese very much hope that once the disease is brought under control in Hong Kong, recovery of their own economies can in time be stimulated. Overseas Chinese in the Netherlands, for example, have even set up a Concern for Hong Kong Committee. The DAB is of the view that the tourism authorities of Hong Kong should reach out for overseas Chinese organizations and join hands with them to organize publicity activities for Hong Kong, so as to achieve a win-win effect.

Moreover, many foreigners actually form their opinions about Hong Kong from media reports. And, our own publicity work can never compare with foreign media reports in terms of the number of recipients. The reason why the DAB has repeatedly urged the Government to fight for the hosting of international conferences and other large-scale events is precisely that all these are useful to the revival of Hong Kong's business tourism and can attract foreign media coverage. Through such coverage, we can let foreigners know that the epidemic has been brought under control in Hong Kong, thus achieving the purpose of marketing Hong Kong. It is understood that the Government now intends to bid for the hosting of the East Asian games and is conducting studies on the ancillary facilities required. The DAB supports this very, very strongly, and it also urges the Government to make a final decision without delay, so as to boost the morale of Hong Kong people.

The DAB has recently conducted a survey on Guangzhou citizens' impression about Hong Kong. The findings reveal that the Guangzhou citizens who have been to Hong Kong and those who have not actually constitute two separate categories of travellers differing from each other in terms of age, income levels and even their expectations of Hong Kong as a tourist spot. Information of this kind can help Hong Kong plan its publicity work and the future development of its tourism industry. That is why we agree that the Government should conduct studies on the travellers from 15 countries, using "tourists' impression about Hong Kong" as the theme. That way, corresponding arrangements can be made in respect of tourism-related facilities and other ancillary services, and can also provide clear investment prospects and directions to our tourism sector.

In an attempt to boost consumption, the Hong Kong Tourism Board started to hold the Mega Hong Kong Sale last year. This year, the items already announced include concessions and discounts for shoppers and diners, welcome packs and welcome cards. Actually, concessions and discounts are invariably the main ways to boost consumption, so instead of offering them under different names and in different forms every time, it will be a nice idea to turn them into annual events in Hong Kong. In Singapore, for example, there is a "Singapore Shopping Festival" every year. We think that the tourism authorities should conduct a review on the effectiveness of the Mega Hong Kong Sale items last year, turn the whole thing into a regular event and make improvements on the basis of participating merchants' views, so as to rally their support. The DAB believes that the Mega Hong Kong Sale as a continuing tourism promotion project will both boost tourist consumption directly and add to the appeal of Hong Kong as a tourist spot.

Besides affecting tourism revenue, the SARS epidemic has also dealt a heavy blow to domestic consumption. We are pleased to see that all in the commercial sector are joining hands to revitalize the economy by launching activities such as "We Love Hong Kong". We hope that the Government can also act as a co-ordinator and pool together the strengths of all similar events and individual efforts to revitalize the economy. That way, it is hoped that all these activities and efforts can be combined to produce a city-wide consumption force, in very much the same way as droplets of water merging to form a vast ocean.

Hong Kong has recorded no infection cases for seven days in a row. Provided that there are no new confirmed cases in the next few days, Hong

Kong can be removed from the list of infected areas. This is something we have been looking forward to. However, we must not thus slacken our efforts on disease prevention, because the case of Canada has shown us that the disease may easily strike again if we are not vigilant enough. We must be particularly concerned, because after Hong Kong has been removed from the list of infected areas, our various immigration checkpoints will become as busy as before and the risk of disease infection will increase correspondingly. The Government must call upon all Hong Kong people to remain highly vigilant against hygiene hazards. At the same time, Hong Kong must also do the best it can to establish closer and more effective co-operative mechanisms with foreign countries, whereby any outbreak of epidemic can be notified promptly and exchanges on disease prevention and treatment can be conducted, because only international co-operation can really bring epidemics under control.

Madam President, I so submit.

MR SIN CHUNG-KAI (in Cantonese): Madam President, today I only wish to discuss the problems faced by the local tourism industry. Hong Kong used to be called the Pearl of the Orient, a Shoppers' Paradise and a Gourmets' Haven. Many mainland visitors were so happy to spend several thousand dollars on shopping and eating in Hong Kong for the simple reason that our goods and services were renowned for low prices yet high quality.

However, since the reunification, the status of Hong Kong as a tourist centre has gradually been undermined. Names like "Shoppers' Paradise" and "Gourmets' Haven" have become increasingly devoid of any real meaning. A recent survey comparing the consumption in 11 Asian cities reveals that the concession rate of goods and services in Hong Kong (being the fourth most expensive city in Asia) is still higher than those of other cities by 3% after taking into consideration the average prices of all the cities under survey. The survey points out that although Hong Kong has experienced deflation over the past four years, it is still very difficult for Hong Kong to compete with its neighbouring tourist spots because of its linked exchange rate, exorbitant shop rentals and high costs of retail businesses and transportation.

Since the Asian financial turmoil in 1997, the currencies of South East Asian countries have devaluated a great deal, but owing to the linked exchange rate, the value of the Hong Kong currency has not gone down any significantly,

so the value of our currency is still very high. Admittedly, the drastic drop of the greenback since the beginning of this year has helped increase Hong Kong's competitiveness, but overall, prices in Hong Kong are still rather high relative to those in the rest of South East Asia. Tourists from the rest of South East Asia will thus find a trip to Hong Kong an expensive one, and the goods they buy in Hong Kong naturally are not cheap.

Prices aside, more and more visitors have complained about their being cheated in the course of shopping, much to the disgrace of Hong Kong. In the first five months of this year, the Consumer Council received a total of some 460 such complaints. Most of these complaints were related to the sale of audio-visual equipment, and mainland visitors' complaints were mostly about the sale of electrical appliances and golden ornaments. Actually, there have always been many similar complaints, but I think much will have to depend on how our law enforcement agencies clamp down on — well, I do not actually want to use this expression — "unscrupulous merchants". I am sure that the Honourable Selina CHOW will also agree that these merchants are the most unscrupulous of all unscrupulous merchants, whom we must deal with very seriously.

Another point is that Hong Kong should build up for itself a good image and never let any faked brand name goods appear in our market. Frankly speaking, these goods can be bought just by taking a train to our neighbouring city, but they should not be put on sale in Hong Kong. This is a job which the Government should do to upgrade the image of our city. If we do not do anything to improve the situation, our economy will be greatly affected.

Also, the cleanliness and hygiene conditions in Hong Kong are still below international standards, and many visitors are surprised by the poor hygiene conditions in Hong Kong. I am sure that when we go up to the Peak to look at the night scene, we will feel very sorry, because when we were small, the harbour scene from the Peak used to be very clear, but now, it is all so misty most of the time. A clear harbour scene is so rare these days. I do not think that Secretary Stephen IP can possibly do much in this respect, but Secretary Sarah LIAO may be able to offer some help here. Our air pollution is so serious that even our night scene has lost its glamour. I find this very regrettable, because there is already not too much of a night scene left.

But environmental cleanliness is very important to Hong Kong. Visitors who catch sight of a dim environment and a rear lane full of litter and foul

water while eating will certainly be unhappy and feel uncomfortable. Frankly speaking (Mr Tommy CHEUNG is not here now), tourists all think that the food establishments in Hong Kong must make improvements in this respect. Foreign tourists patronizing local food establishments often find that the toilets here are far less hygienic than those in their own countries. I fail to see why this has to be the case. Why is it impossible to make some improvements? Tourists of course want to have good food, but then after eating, they too have to use a toilet. But the toilets of our food establishments are always relatively poor in hygiene standards.

Ten years ago, tourists from the Mainland and foreign countries were all led to the Repulse Bay, Stanley and the Po Lin Monastery for sightseeing. Today, 10 years later, their sightseeing schedule is essentially the same, still with all these places on the list. Perhaps, after the Repulse Bay, there may be the Tsing Ma Crossing, the Buddha Statue on Lantau Island and possibly the cable car system linking to it later on, but these are about all the places we have. It is hoped that the Hong Kong Disneyland to be completed in 2005 can offer one more place of interest to our visitors. Being confronted with all these problems, the Government should work out a massive plan to implement the various tourism projects.

Certainly, the Government may mention the Tsim Sha Tsui Police headquarters and Marine Police headquarters later on. In fact, the Government should expedite the construction of infrastructure projects, so as to turn more places into tourist spots. But I also think that the Government should actively encourage the development of local cultural industries, organize more large-scale arts exhibitions and performances and include a greater number of local cultural performances in our tourism projects. For example, local creative artists should be permitted to use our public venues for performances, so as to increase the tourist appeal of some special places. As far as I know, the Government now intends to open some parts of the boundary areas for the development of environmental tourism.

We of course hope to see and support the hosting of more international events by the Government. Successful examples in the past included dragon boat races, Chinese New Year floats, the Rugby Seven, marathon running races and so on. The Government should in fact be capable of doing more in this respect. However, having said all these, I must add that some economists have raised the point that when it comes to tourism, we can actually do some

sort of computation to find out the amount saved if Hong Kong people do not spend money in other places and the amount lost if tourists do come. If Hong Kong people spend money in other places, our economy will suffer losses, and if outsiders do not come, we will earn less profits. The two amounts are actually more or less equal. Therefore, we must do something more — to encourage Hong Kong people to spend their money in Hong Kong.

Thank you, Madam President.

MS MIRIAM LAU (in Cantonese): Madam President, although Severe Acute Respiratory Syndrome (SARS) has basically come under control recently and domestic consumption atmosphere is better than before, the unemployment rate has reached a record high, reflecting that the eerie consequences of SARS are now emerging gradually. Public confidence in consumption is still very weak and the confidence of tourists in visiting Hong Kong has yet to revive.

The SARS outbreak has dealt a severe blow to Hong Kong economy. There are four industries which are badly hit. But in fact, almost every industry and every economic link is affected by SARS, some are even hit as hard as the four industries. Take transport industry as an example. School buses, minibuses, taxis, coaches, franchised buses, cross-border buses and so on, they are all being seriously affected by school suspension, people going out less and reduction in the number of tourists.

Although the Government has earlier on introduced some relief measures for the transport industry, such as relaxation of the limitation in taxi boarding and alighting areas and the provision of parking concessions. However, they are only stop-gap measures. In order to thoroughly solve the livelihood problem of professional drivers, public confidence in spending has to be restored. Therefore, I strongly support the community driven campaigns concerning public consumption, like "We Love Hong Kong" campaign and the "Spending \$100" campaign. Many of those seriously hit industries can deeply feel the kindness of the public during difficult times. It is time for the Government to take over. It should assist different trades and industries to organize more activities to encourage spending.

The Home Affairs Department has recently organized the Starry Starry Night Street Party in Wan Chai, which was very well received and the carnival

has attracted not a few visitors. The increased flow of people benefited the restaurants and shops nearby, as well as the transportation sector. These kinds of activities have received very positive comments from various sectors and have certain attractiveness to both local people and foreign visitors. I hope that during the summer holidays, the Administration can make use of the different characteristics of different districts in organizing thematic activities on Sundays and public holidays, in order to enhance the attractiveness of local touring and boost the consumption atmosphere in popular districts. However, I also hope that when the Government is organizing activities in the districts, there will be good supporting facilities, such as sufficient parking spaces or boarding and alighting points for taxis and minibuses. Measures as such can prevent causing inconvenience to the shops and residents nearby, while facilitating people to go participating the activities.

It is a matter of course that the Government can strengthen co-operation with organizations like the Hong Kong Tourism Board in order to enhance the promotion of Hong Kong both locally and overseas, with a view to attracting tourists to revisit Hong Kong sooner. Nevertheless, before attaining that goal, the Government can consider co-operating with tourist and consumption trades, for example, launching reward schemes with shop operators. It may revive local consumption market by making use of the sense of belonging and cohesion shown by the public in combating SARS.

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

MISS CHOY SO-YUK (in Cantonese): Madam President, the removal of our name from the list of infected areas is expected soon after the lifting of the travel advisory by the World Health Organization. We can thus anticipate that the tourism industry that has been filled with dead silence in recent months and the retail and consumer markets that are closely linked with it will walk out from the bottom of the abyss. However, whether these economic lifelines can resume their past prosperity depends on our efforts and determination.

Hong Kong is no longer the same after the battle against Severe Acute Respiratory Syndrome (SARS). For the international community to regain confidence and believe that Hong Kong is again a safe and hygienic city as well as a tourist hot spot where they will be warmly received, we can no longer rely on public relations activities to improve our image. It is because any such moves will be regarded as window dressing done to present a false picture of peace and prosperity that is devoid of substantive significance. The best

publicity method is to grasp practical knowledge of the crux of the problem and suit the remedy to the case.

Crisis offers opportunities. No doubt, SARS has dealt a heavy blow to our tourism and retail businesses. The employment situation as announced yesterday also reflects that the catering, hotel and retail industries are being hit the hardest insofar as unemployment is concerned. Nevertheless, if we are thereby given a chance to question ourselves deeply about the reasons for our success in the past and the causes of the downturn in recent years, for eliminating the impure and retaining the pure and reconsolidating our advantages, we can also consider the occasion a turning point at which crisis is turned into opportunities.

We have all along attracted tourists especially mainland tourists to do shopping here mainly because there are genuine goods at fair prices and we do not cheat people no matter they are children or old people. Nevertheless, competition in the tourism industry has turned white-hot long before the emergence of SARS. To attract tourists, travel agencies have not hesitated to sell more for fewer profits and they have even launched unimaginably queer throat-cutting battles such as "zero tour fee", which have created cut-throat competition among members of the same industry. We have to pay for what we are given in the long run and we often hear that tricks such as "勞詩丹頓"¹ are used to cheat tourists. We are worried that a small number of black sheep over-anxious for quick results may step up such inconsiderate actions when the epidemic is over. We should know that the goodwill of Hong Kong is a very important but extremely delicate asset and a small number of people fishing in troubled waters are sufficient to wreck tourists' confidence in shopping here. To further boost tourists' desires to buy, the Government, the Hong Kong Tourism Board (HKTB) and the trade should join hands to boost such desires. Systems such as full refund within 14 days of purchase and Q marks should be reinforced and implemented throughout the territory. Satisfactory mechanisms for complaints and follow-up should also be established to avoid tourists' complaining about the lack of channels of complaints. If we do not satisfactorily handle the problem at an early date, when Guangdong Province implements the measure for opening up and for residents to visit Hong Kong, the turnover that we will consequently lose will be beyond estimation.

¹ There is an incident in which a saleslady cheated a tourist into buying a "勞詩丹頓" watch because she told the tourist that it was a famous watch produced by a joint venture between Rolex "勞力士" and Constantine "江詩丹頓".

The standard of services was also one of our strengths in the past but after a golden period of rapid development, quite a number of practitioners in food establishments and the retail and general merchandise industries seem to have gradually forgotten about the service spirit of such as "customers first" and "making constant improvements" and they have conversely been overtaken by their counterparts in the Mainland. The living standards of the two places are also different and our selling point can no longer be "low prices for quality products". Hence, we should rouse ourselves to catch up while front-line attendants should be trained up by means of systematic training and publicity to warmly receive customers, making mainland and foreign tourists feel at home and facilitating their spending as much as they like. Otherwise, how can we revitalize the tourism industry?

Furthermore, the Government and the HKTB should also step up publicity among tourists. At present, the publicity information given to tourists is limited and excessively focused on promoting shopping centres and large shopping malls, and the maps attached only cover places such as Tsim Sha Tsui, Causeway Bay and Central, and tourists may mistakenly think that Hong Kong only comprises such places. In fact, apart from shopping, tourists know very little about the different aspects of Hong Kong and they certainly do not have any ideas about the typical gourmet food in various districts, humanistic scenery, and products with distinctive features and famous ecological tourism routes. Yet, quite a few tourists are actually very interested in the above information. Further still, since the Government has positioned Hong Kong as Asia's world city, we really should introduce to tourists the latest cultural activities in Hong Kong by handing out more information and leaflets.

I would like to say in passing that, to make Hong Kong more attractive to tourists, the Government should discover more regional features and repackage them. For instance, jewellery and goldsmith companies stand in great numbers in the Tsuen Wan and North Point Districts. So long as these districts are slightly decorated and given more publicity, they will have full potentials for development into gold accessories streets to which Chinese and foreign shoppers will be attracted. What is more, similar modes can definitely be adopted in other districts and extended to other industries.

Another point that requires improvement is publicity among tourists entering the territory by land at Lo Wu and Huanggang. Indeed, I can hardly

understand why the HKTB can tolerate the fact that even basic tourist brochures are not available at these land border control points now that the Mainland has become the biggest source of tourists to Hong Kong.

Madam President, in the face of economic doldrums, the blow dealt by SARS is undoubtedly another disaster for Hong Kong and it can certainly be appreciated why so many Hong Kong people are pessimistic about the future. Nevertheless, there are two sides for a coin and as quite a few colleagues have remarked when they touch upon the preceding motion, the Mainland has already put forward many measures for alleviating the economic difficulties in light of the situation of Hong Kong, let alone the fact that Hong Kong has still preserved the systems on which our success hitherto depended upon even after a lot of disturbances. Hence, although the future is not an easy path, we should not be pessimistic and blame everyone and everything. Most important of all, what we should not lose is confidence.

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

MR ALBERT CHAN (in Cantonese): Madam President, I speak to support the motion today. I reckon that revitalizing tourism is very important to Hong Kong, not only because it is a problem brought about by the incident of atypical pneumonia, but also because both the success and development of Hong Kong throughout these years owe very much to the success of tourism industry.

However, for revitalizing tourism, we cannot only rely on massive publicity, or boasting our own strong points and encouraging tourists to come to visit Hong Kong. Making a big fanfare and self-praising can increase the flow of people and create a transient bustling atmosphere, causing an apparent revival of the tourism industry, but I think we have to be very careful about a speculative mentality, and be alert to materialism in case we pay too much attention to short-term interests.

In order to develop tourism industry successfully, publicity is, of course, very important. However, the setup and design of hardware are also indispensable. Recently, a lot of people, including the Government, are talking very much about publicity, but actually, there are very limited facilities and hardware.

Looking back on Hong Kong before 1997, the tourism industry mainly depended on overseas tourists. At that time, Hong Kong was the last colony of the United Kingdom, and that carried a definite degree of historical value and significance. Many overseas tourists, such as tourists from the United Kingdom, the United States, Europe and so on, after visiting Hong Kong, would find a certain special characteristics in Hong Kong. Of course, Hong Kong people will not take pride in that, but this is part of the history of the city. After 1997, it turns out that there are more tourists from mainland China, because Hong Kong is a Special Administrative Region (SAR) of China and has a lot of special features. And of course, mainland tourists coming to Hong Kong for the purchase of gold ornaments and brand-name products forms also a major reason.

Therefore, if we have to study, in 2003, the future development of Hong Kong and to attract tourists as well as to revitalize tourism, we will have to develop more facilities and tourist spots with Hong Kong characteristics. We cannot only resort to concerts or street parties and carnivals, and presume that the tourism industry has revived. In my opinion, these measures have placed too much emphasis on increasing short-term flow of people. In order to develop tourism industry on a long-term basis, we have to attract tourists to continuously come and stay in Hong Kong. We cannot rely on the "instant noodle" approach in promotion in every attempt.

Hong Kong does not have the grand and beautiful landscape of mainland China, nor does it have the thousand years of cultural history and heritage as in many cities of mainland China. We only have a history as short as a few hundred years, specifically a 100-odd years of colonial history. However, after 1997, the SAR Government is scared of mentioning about the colonial buildings and history. Indeed, in order to attract tourists, one very important step is to retain and design more tourist spots related to the colonial history, as the billion-odd compatriots in China seldom have the chance to visit such kind of tourist spots.

I have been to Qingdao lately, and have specially seen some historical heritage of this old colony. When I went to Shanghai, I have also seen many of the historical buildings. These are the main purpose or attraction for many people when they visit other cities.

I remember that two years ago, I went to Lantau Island to see the stone carving in Shek Pik which has a history of a few thousand years. However, I

could only sigh after getting there. The stone carving was totally sheltered by iron bars. To its left is a refuse collection point. The surrounding scene is very foul-looking. The Government has totally failed to protect and promote this piece of important relic with 4 000 years of history. The design and wrapping of the hardware is the focal point of attraction to tourists. I hope that the Government will not adhere to the speculative mentality of Mr Antony LEUNG, the Financial Secretary, that only asks for short-term interests and instant return. It must be understood that substantial facilities are necessary in the development of tourism industry.

A little more than a year ago, I sent a submission to the Government on revitalizing tourism in Cheung Chau and Lantau Island, in which I have listed 16 proposals. A couple of days ago, the Government replied that most of my proposals were not feasible. Before submitting these proposals to the Government, I have discussed the proposals with and obtained the approval signatures of the country gentlemen, residents and shop operators in Lantau Island and Cheung Chau. This reminds me of the criticism from many people that the difference between the Hong Kong government officials and mainland officials is that after submitting the proposals to the Hong Kong Government, after a very long period of time, it will tell you that the proposals are not feasible because of ten thousands of reasons. However, if you discuss with the leading persons of many cities or even villages in the Mainland, they will try their best to consider how to properly deal with the matter. If the Hong Kong officials keep working with their existing mindset, Hong Kong will be doomed. Among the many proposals that I have submitted, one proposal the Government considers non-feasible is to raise the value of Cheung Po Tsai Cave. I find that Hong Kong does not have any special historical spots for film shooting, but Cheung Po Tsai Cave may pose as a very special spot. Nevertheless, it has been recently reported that a visitor may have the risk of breaking his arm or leg when entering Cheung Po Tsai Cave, as the cave is very dirty and is full of the bad smell of excrements. This proposal is considered non-feasible by the Government, but I have recently found a consortium which thinks that the theme of Cheung Po Tsai Cave can be developed into a tourist spot bearing tens of million dollars of investment. The spot would include a resort in the sea, windmills and a village with Cheung Po Tsai as the theme. One can see how innovative the idea is, but the Government wrote to me formally that everything was not feasible.

I have submitted a proposal to the Bureau Secretary earlier on, urging him to remove the existing policy-making mechanism and the bureaucratic-led

controlled development. Otherwise, if Hong Kong is to revitalize tourism in this way, I think the result will only be a continuous display of fireworks, with nothing left after the glimpse of glamour. I reckon that after a period of time, the continuous flow of visitors may fade out. The officials of the Hong Kong Government must have this sensation of crisis. If they just sit there doing nothing, it will be disastrous for Hong Kong.

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

MR HUI CHEUNG-CHING (in Cantonese): Madam President, the unemployment rate announced by the Government yesterday has turned drastically worse to reach a record high of 8.3%. Most of the newly joined unemployed persons come from consumption industries, such as tourism, catering, retail industries and so on. It is believed that the main reason is related to the blow dealt by the outbreak of Severe Acute Respiratory Syndrome (SARS) on Hong Kong between March and May, and the marked reduction in the numbers of local and overseas tourists. In April alone, the number of visitors has dropped by 900 000 person trips as compared with the same period last year. And the retail turnover in April only valued at \$12.7 billion, a drastic drop by \$1.5 billion as compared with March. The worsening once again of the Hong Kong economy and the employment problem shows that the tourism industry is becoming more and more important to Hong Kong. Although the World Health Organization has already lifted the travel warning on Hong Kong in late May, different provinces and cities in the Mainland have gradually revive the tour groups visiting Hong Kong, while the Government has also started publicity drives overseas spreading messages about Hong Kong being back to normal, since Hong Kong is still in the list of infected areas, and places generating the main sources of tourists like the Mainland and Taiwan are still under the threat of the epidemic, as the Hong Kong Tourism Board estimates, so at least we have to wait till the fourth quarter of this year before we can see more overseas tourists coming back to Hong Kong. When the tourism industry is in doldrums, and when consumption industries are subject to great pressure in operation, with the threat of unemployment still lingering on, members of the public simply do not have the desire to spend money. A vicious cycle is thus formed as a result.

For the tourism industry to move forward under unfavourable environment, the Government of the Hong Kong Special Administrative Region (SAR) has to

try its best to decisively curb the infectious disease from spreading, in order to restore the confidence of tourists. With the outbreak of SARS, any infectious disease will easily touch the nerve centre of the entire community. In the coverage of the mass media, the headlines have been related at one time to SARS, at other times to dengue fever, avian flu and encephalitis B. This has certainly reflected that infectious diseases have become a sharp sword above the head of the Hong Kong tourism and consumption industries. But at the same time, this has also reflected that the community is dubious of the ability of the Government in combating infectious diseases. If even the Hong Kong people themselves are all panicky all the time, how can we convince the tourists to come to Hong Kong for consumption? Therefore, in order to revitalize tourism and to restore the reputation of Hong Kong being the shoppers' paradise, the Government has to do well in its work of preventing infectious diseases.

At the same time, although the number of overseas tourists will not jump up to the original level in the short term, it is also an appropriate opportunity for a consolidation of members of the public and to encourage them in spending locally. In fact, the epidemic in the Mainland has not yet disappeared, and the number of Hong Kong people going north for consumption has also remarkably reduced. Besides, some overseas areas still do not welcome Hong Kong visitors very much. Hence, the means of consumption originally leaking outwards is still kept in Hong Kong. The Government should grasp this opportunity to encourage local groups to organize more sales activities and carnivals. The Sham Shui Po computer festival in late May, where crowds of visitors could be seen, is a successful example of local economy. The Book Exhibition and the Comic Festival in July, Mid-autumn Festival in September, Halloween in October, and even Christmas, are all golden opportunities to create an joyful atmosphere, stimulate the desire of spending, and ease the frustration of the public. Such are golden opportunities whereby the Government, the business sector and the local groups can seek to express their creativity with a view to reviving Hong Kong as a city of life.

Besides, no matter it is promoting tourism industry or revitalizing local consumption, the quality of staff in local service industries such as catering and retail industries should be enhanced. The Government should encourage these people to receive professional training, to enhance their standard and professional conduct, so that customers will be willing to spend. Otherwise, one day when the economy improves, and then they would put on their impatient looks, disregard the hygiene conditions or make any false shows, the customers would rather spend outside Hong Kong.

Indeed, in order to boost local consumption, the Government naturally has to create an environment conducive to consumption. Earlier on, the Government has introduced the \$11.8 billion rescue package (with measures like waiver on water and sewage charges, and so on), which really serves a relief function. Such effect, however, would usually only lasts for three months. The Government should extend the relief measures for three more months. The Chief Executive of the Hong Kong Monetary Authority has pointed out in the Legislative Council earlier on that the impact of SARS on Hong Kong has been far-reaching, and now is the appropriate moment to rescue the economy by using the reserves. Under the circumstances, the Government indeed does not have to be over-worried about fiscal deficits as this will only render it hands-tied in the rescuing work. Moreover, the economic situation of Hong Kong has been much less favourable than was estimated by the Government in the Budget released in March. Although I personally agree that the Government has to solve the problem of fiscal deficits by all means, I also hope that the Government could seriously consider setting aside temporarily those tax increase initiatives, including profits tax and salaries tax, which actually affect people's livelihood and business operation, and are inconducive to consumption while aggravating deflation. With the repeated emergence of the consequences of SARS, if the Government insists on increasing taxes, this will only further diminish the consumption market. Besides, on the premise of respecting commercial principles, the Government should continue to show its determination in persuading New Territories taxis to reduce fares, and to persuade, with greater efforts, other public transport companies to reduce fares, instead of being complacent in only introducing some piecemeal concessionary packages. With the reduction in fares and charges, the business turnover will increase, while the public will be encouraged to spend more. A win-win situation would then be the result.

These are my remarks, Madam President.

MR TIMOTHY FOK: Madam President, if there has been one lesson from the Severe Acute Respiratory Syndrome (SARS) tragedy, it is that we have to be all for one and one for all. Most of us have discovered that what divides us is superficial and what unites us is fundamental — a question of life or death.

I agree with this motion's premise. Government departments have to work together. They must also work with non-governmental organizations, community groups and interested citizens. If we do not work together, chances are we end up working against each other.

We in this Council have had several debates on how best to revive the tourist trade. I will not quote statistics or stress the obvious. I will get to the essence since time is short and the challenge is great.

Some suggest the way to invigorate the industry is to bring in all kinds of cultural, sports and entertainment events, whatever the costs. Others say that we should pay for more advertisements in foreign media channels, whatever the costs, which is something we have already been doing with the Hong Kong World City of Asia campaign. Still, some figure that we should build facilities up to world standards, whatever the costs.

True, we need to create excitement to heal the wound that SARS has inflicted on our reputation. Hong Kong has to aspire to be the best by showcasing the best. We should tell the world about us, not always with slogans, catchy jingles and television spots, but more from the heart. Hong Kong has to build not by quota but by necessity. What we put up has to be functional and esthetic, not frivolous or sterile.

I have been saying all that for a long time, long before the SARS crisis. I have since been vindicated — and saddened that it has taken such a shock for us to reach the same conclusion. We cannot continue going through the motions, just muddling through. This is not how great cities operate. New York and London are our models. They have everything, and they are driving for the Olympics in 2012. The Games are not only for a couple of weeks. They are the compasses that guide the host cities in their transformation before, during and after the Olympics.

New York and London not only have shrines to commerce. They also have those for arts and sports. New York has the Madison Square Garden, Radio City Music Hall and Yankee Stadium. London has Royal Albert Hall, Crystal Palace and, this month, Wimbledon. All these are synonymous with great sporting and cultural events. We do not have anything remotely as famous. But nature has endowed us with the Peak and the harbour. They are our totems that neither London nor New York can match. Yet we must wonder what we are doing to our assets by putting up buildings that do not enhance our beauty.

Lately, we are making efforts to promote and honour our local talents in the arts, pop culture, and sports. Artists like Jackie CHAN and the late Bruce

LEE put us on the world entertainment screen. Hong Kong is constructing its own equivalent of the Hollywood Mann's Chinese Theater in Los Angeles in Tsim Sha Tsui. We are doing more also to preserve our film archives and looking for a home for Cantonese opera. These elements of Hong Kong appeal far more to visitors than the selfsame high-rises and the airport, which we have been trying to sell as a tourist attraction.

We Hong Kong must not only construct but also cherish what we already have. To bring back the tourists, we need urgent "home improvement". I do not mean fixing up our flats. I mean the cleaning up of Hong Kong, which has become a priority because of SARS. Cleaning up our act is not only a defence against the disease, but also a statement of pride. No one can have dignity or say he loves his city if he litters, spits and lets his sewerage seep. Visitors will never think of Hong Kong as a World City or the Asian answer to New York and London if our people do not respect their environment — and themselves.

A World City has to be worldly. This means steeping our youths in the international language of commerce, science, and tourism — English. To polish this language does not mean that we love being Chinese less, but that we are determined to deal with the rest of the world, to help our country, and ourselves, compete. We have to encourage our youths to be responsible and free — responsible for their actions and free to use their imagination.

A city of vibrancy, courtesy, cleanliness with happening events, a spectacular harbour and a skyline that complements the landscape will entice the tourists. We already have many advantages. We have to accentuate the positive and overcome the negative. We can do this through unity, all for one, one for all. With those words, I support the motion.

DR TANG SIU-TONG (in Cantonese): Madam President, the outbreak of atypical pneumonia has dealt a heavy blow to the Hong Kong economy. The Gross Domestic Product has been revised downward from the estimated 3% to 1.5%, with unemployment and deflation on further decline. Under the present economic environment, the public and enterprises are expecting the Government to come up with practical measures to revive the economy and alleviate unemployment. Government officials may think that the Government of the Hong Kong Special Administrative Region (SAR) has already made the utmost effort and utilized plenty of resources to rescue the market. Certainly,

I do not doubt the sincerity and intention on the part of the Government. But the question is while the Government has proposed a great variety of measures to rescue the market, the measures are still far from being creative, visionary and groundbreaking and are hence unable to reverse the public's view on the future. At the end of the day, all proposals to invigorate the economy have only ended up as measures to alleviate the people's plights, instead of actually invigorating the economy. I hope the Government can understand that it is incorrect to think that a hodgepodge of measures or some "chop suey-styled" measures would help and thus overlook the importance of adopting a focused approach to address the problem at root.

In fact, to boost Hong Kong's retail and consumer markets, it all boils down to encouraging consumption among the public and attracting visitors both inside and outside the country to come to Hong Kong for sightseeing and consumption. This sounds easy, but it is never easy to achieve the objective. Recently, the Economic Relaunch Working Group stated that the Government would relaunch Hong Kong's economy in three directions, namely, rebuilding confidence in Hong Kong, stimulating local consumption and attracting foreign businessmen and visitors to revisit Hong Kong. No doubt these are correct directions. But the fact is that the Government has all along been working in these directions even without the atypical pneumonia epidemic. Members know only too well about the substantive results.

To make people willing to spend money, the key lies in whether there is money available in the people's pockets for spending, and the people must not be worrying about not being able to earn the money back after spending it. Certainly, the tax rebate and rates exemption initiated by the Government can result in the people having more money to spare in their pockets. But given the poor economic conditions and the lack of confidence, the people may prefer to save the money instead of spending it, which is also understandable. The tax rebate back in 1998 and the several times of rates exemption have shown that these measures only serve to increase public savings but they have limited effect in stimulating consumption. Worse still, rates exemption has even added to the pressure on deflation. The Government must focus on this problem and come up with some solutions. I think the Government should consider taking some new measures, such as allowing tax deduction for receipts of local consumption, so as to inject life-saving money into the local consumer market. The merit of tax deduction is that a consumer will have to spend a few dollars more in the market if he wishes to pay one dollar less for tax. The chained effect so created economically is more significant than a direct tax

rebate. Certainly, I do hope that the Government can play an active role and co-ordinate efforts in the industrial and commercial sector and in the community to urge enterprises to offer more concessions for consumers, such as offering sale when the public receive the cheque for their tax rebates, with a view to reinvigorating the market.

Meanwhile, the Government must be very careful in proposing any measure concerning tax increase and increase in fares and charges. The Government should not effect any such increase as far as possible, in order not to deal a further blow to the confidence of the people and enterprises. Moreover, the Government should expeditiously provide the various kinds of temporary jobs that it plans to create, in order to stabilize public sentiments.

Madam President, insofar as reviving the tourism industry is concerned, although the World Health Organization has lifted the travel advisory against Hong Kong and we can expect the removal of Hong Kong from the list of infected areas soon, it is still a very difficult task to restore foreigners' confidence in Hong Kong and re-establish the names of Hong Kong as a tourist and shopping paradise. Spending money to put on shows, to conduct publicity and to organize some spectacular events in Hong Kong will no doubt be helpful to some extent. But to the general people in foreign countries, they are most concerned about whether Hong Kong has measures in place to prevent such diseases as Severe Acute Respiratory Syndrome (SARS) from spreading to Hong Kong from other places again or whether Hong Kong can prevent a local outbreak, and whether the hygiene conditions in Hong Kong are desirable. Therefore, we must clearly reveal to people inside and outside the country that Hong Kong is capable of effectively preventing, monitoring, controlling and treating SARS and other communicable diseases, and that the Government has the ability to react promptly.

I must point out in particular that the Government must make an effort to ensure good hygiene standards at all tourist spots and provide adequate matching facilities for use by tourists. If tourists can still find rubbish everywhere at tourist spots and if the condition of public toilets is appalling and giving off foul smell, then the effectiveness of the Government's publicity efforts is set to be discounted considerably. As for some long-standing problems in the tourism industry of Hong Kong, such as the lack of attractiveness of tourist spots and the fact that some members of the retail and catering sectors are not up to standard, efforts must be stepped up to make

improvements. To make Hong Kong more attractive to foreign visitors, co-operation among Hong Kong, Macao and Guangdong Province must be enhanced and an alliance should be formed to facilitate concerted efforts to develop more tourism products and conduct publicity campaigns overseas.

Madam President, lastly, one point I wish to emphasize is that in order to breathe new life into the market in Hong Kong, apart from the role played by government policies, the key also lies in the confidence of the local industrial and business sector as well as the people of Hong Kong. Hong Kong has faced several major crises after 1997. But with the perseverance and resilience of Hong Kong people in meeting the challenges, we managed to ride out the crises one by one. I believe the same will happen this time around. Certainly, the SAR Government must really be able to sense the urgency of the people, to think in the way the people think, and must carry out more practical work in order not to disappoint the people over and over again. I so submit.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr Howard YOUNG, you may now speak on the two amendments. You have up to five minutes.

MR HOWARD YOUNG (in Cantonese): Madam President, I agree entirely to the two amendments.

To begin with, Dr LAW Chi-kwong's amendment aims mainly to strengthen the quarantine measures and system of Hong Kong. We must not ignore such an importance, or else after the withdrawal of the travel advisory against Hong Kong and its removal from the list of infected areas, the situation will become even worse once there is any further epidemic outbreak.

I notice that several Members, including Dr Raymond HO and Mr Albert CHAN, have all talked about the Cheung Po Tsai Cave in their speeches, and Dr TANG Siu-tong and Mr Timothy FOK even discussed the importance of cleanliness and hygiene. We in the tourism sector are extremely concerned

about this. Travel agencies took the lead in drawing up a hygiene charter during the early days of the epidemic outbreak in Hong Kong. Under the charter, operators are requested to keep their tourist coaches clean and disinfect them regularly. The charter also requires that masks be provided to tourists upon request. Airlines have also done an adequate job in preventing the spread of diseases. Besides, the Government has too put in place many quarantine measures at immigration checkpoints. We fully agree and also hope that all of us will not go off guard during this period of time. We hope that all can remain vigilant. This is the only way to assure visitors of their safety and to allay their fear.

Then, there is the amendment moved by Mrs Selina CHOW. As rightly pointed out by her, though visitors must go through quarantine procedures, we must first say "Welcome" to them upon their arrival, in order to let them know that they are welcomed. She also says that the various quarantine and clearance procedures should not take up visitors too much time. In brief, the amendment aims to revitalize the economy and boost consumption. So, the shorter the clearance time, the better it will be, because visitors will then have more time to spend money downtown. The rationale behind is very simple. That is why the Liberal Party will fully support the two amendments. I so submit.

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, first of all, I would like to thank Mr Howard YOUNG for moving the motion on "revitalizing tourism and encouraging spending". I would also like to thank Members for the invaluable comments presented in their speeches. In fact, my response can be very simple. I only need to say that the Government gives its full support to tourism. And like all of you, I also hope that people will work together for the best interests of Hong Kong and to revitalize tourism. Then I can sit down. However, if I did that, Members might think I have not done my job properly. Therefore, please allow me to take a few more minutes to talk about tourism.

Since the outbreak of the Severe Acute Respiratory Syndrome (SARS), tourism in Hong Kong has been hard hit. The number of tourists visiting Hong Kong dropped drastically in April and May, and hotel occupancy rate during the same period was just around 20%. At the same time, the retail and dining industries were also adversely hit. In order to ease the impact of the epidemic on the various sectors, the Government has announced a packet of

relief measures with a commitment of \$11.8 billion to provide assistance to the sectors affected. Measures related to tourism include the introduction of a loan guarantee scheme of \$3.5 billion for the four hardest hit sectors, namely, tourism, dining, retail and entertainment. Moreover, promotion campaigns involving a total amount of \$1 billion will be launched overseas, in the Mainland and Hong Kong to restore the confidence of tourists in Hong Kong and to revitalize the economy of Hong Kong. \$0.4 billion out of the \$1 billion will be spent on tourism. I hope Mr Howard YOUNG will agree that this is "genuine money" for spending indeed.

With the epidemic under control and the successive lifting of the travel advisory against Hong Kong by the World Health Organization (WHO) and the CDC of the United States, we are pleased to see a rise in the number of both mainland and overseas tourists visiting Hong Kong over the past two weeks. First and foremost, what we need to do now is to cohere various sectors to work together to revitalize the economy of Hong Kong and to encourage the public to return to a normal life and engage in economic activities. At the same time, we must remain vigilant. Attention should be given to personal and community hygiene and the prevention of the epidemic. And effective quarantine measures should continue to be in place at immigration control points. In this way, the confidence of the mainland and overseas tourists in Hong Kong will be restored and the image of Hong Kong as a prime tourist attraction in Asia could be rebuilt.

I have just mentioned that a total of \$1 billion will be spent on helping to promote Hong Kong and rebuild the economy of Hong Kong, stimulate confidence in local spending, promote Hong Kong as a tourist and business centre as well as attracting investors and tourists to visit Hong Kong.

It is vital for any promotion campaigns to gain support and co-operation of the related sectors, organizations and community bodies to accomplish twice as much with half the effort. In stimulating local spending and reviving tourism of Hong Kong, the Government has worked very closely with the related sectors such as travel, retail, dining, hotel and aviation in the past two months to map out measures to revitalize tourism after the epidemic. The most rewarding example is the We Love Hong Kong campaign initiated by the various sectors. We are pleased to see that the spending desire of the public is on the increase. We will continue to give our full support to this campaign and foster better co-operation with the various sectors.

To further stimulate local spending and encourage the participation of the community, \$1.5 million is earmarked to support the events launched this month under the We Love Hong Kong campaign. Moreover, preparation for a number of priority events that aim at encouraging local spending is underway. For example, mind-blowing lucky draws for both residents and tourists will be held in the coming July to September. I am sure the fabulous prizes will bring nice surprises to the public and the tourists. Major promotion campaigns on tourism will be launched in the coming few months to attract tourists to visit Hong Kong.

Since the lifting of the travel advisory against Hong Kong by the WHO, the Hong Kong Tourism Board (HKTB) has disseminated this piece of information worldwide in order to revive tourism of Hong Kong. The HKTB will co-ordinate its efforts with the overall strategy of the Government to gain promotion by introducing a series of promotion activities which target at international markets. For example, delegations from Malaysia, Japan and Korea for familiarization visit will be received this month, reciprocal visits of the sector and the media will be arranged in co-ordination with the Guangdong authorities, exchanges and discussions of the travel industry and the media will be arranged by the Guangdong and Hong Kong authorities at the end of this month.

A series of topical and promotion events are going to be launched by the joint efforts of the HKTB and the hotel, aviation and travel industries to advertise the multiple incentives in shopping and dining that can be enjoyed now in Hong Kong. These events are expected to be launched next month until the first quarter of next year.

To ensure these market promotion events will yield the most fruitful results, the HKTB will monitor their effectiveness during their launch and conduct study in three different stages to gauge the outside opinions on Hong Kong. Through this study, the effectiveness of the various market promotion events can be guaranteed and timely adjustments can be introduced along with the launch of the events.

The HKTB and the Tourist Commission will organize a series of major events in the coming few months. For example, "Strato-Fantasia", a mega outdoor laser and pyrotechnic show; "Lantern Wonderland" in which tourists

will be seated inside a lantern the size of a soccer pitch to enjoy a lantern and cultural show; and the world's largest music and light show staged against the backdrop of the Victoria Harbour.

Other than the promotion events mentioned above, Hong Kong will host a major international tourism forum on revitalizing Asian tourism jointly organized by Boao Forum for Asia and World Tourism Organization in mid-July. Issues concerning the strengthening of regional co-operation, the restoration of confidence of tourists and the worldwide promotion of Asia as a tourist attraction will be discussed in the forum. Boao Forum for Asia has invited government officials responsible for tourism of a number of countries, representatives of various related sectors such as aviation, hotel and travel agency, and international tourist organizations such as Pacific Asia Travel Association and World Travel and Tourism Council to participate in the event.

Moreover, we will be proactive in taking part in other international events to showcase the revival programme of Hong Kong. We will also give support to world class events held in Hong Kong to attract tourists to visit Hong Kong.

To avoid a resurgence of the epidemic because of the rebound of the number of tourists, quarantine measures will continue to be in place at the airport and immigration control points at sea and land accesses. For the Hong Kong International Airport, other than requiring all inbound travellers to fill out health declaration forms, all departing, arriving and transit travellers and all staff who enter the closed areas of the airport have to be subject to temperature check. The Airport Authority also encourages all staff working in the Hong Kong International Airport to check their temperature before they report for duty. All these measures help boost the confidence of tourists in visiting Hong Kong.

For the border control points at sea and land accesses, inbound travellers, apart from filling out health declaration forms, are also required to have their temperature checked. Outbound travellers using the Hong Kong and Macao Ferry Terminal, Hong Kong and China Ferry Terminal and the through train services to the Mainland are also required to have their temperature checked.

Suspected cases will be handled on the spot and referred to hospital for examination by staff at the health declaration counter stationed at the various control points. The Department of Health has also issued guidelines to travel

related industries and tourists to provide them with information on the prevention of SARS and the handling of suspected cases. On the one hand, vigilance of the various sectors will be stepped up. On the other hand, more comprehensive health protection will be offered to the tourists and their chances of contracting the disease will be reduced.

Moreover, the travel industry and the relevant government authorities of Guangdong, Hong Kong and Macao held a tourism co-operative conference in Guangzhou in early June. A consensus has been reached to set up a tripartite notification system for the tourism management authorities in order to safeguard the health and safety of tourists. To protect the personal safety of tourists, the tourism authorities of the three places will encourage tourists to take out travel insurance on their own. It was also agreed that concerted efforts in the promotion of overseas publicity campaigns will be stepped up. In the coming two months, overseas media will be invited to Guangdong, Hong Kong and Macao for familiarization visits and new tourism promotion programmes will be planned to attract overseas visitors.

To improve the clearance of travellers, it is agreed that the smooth flow of travellers at border control points must be ensured. Measures are going to be taken to shorten the time needed for travellers to wait for clearance. Moreover, the hardware facilities at the border control points will also be improved to ensure that travellers go through customs in a more comfortable environment. For example, after the Lok Ma Chau extension project completed in September this year, the handling capacity of this border control point will increase by 50%. The government departments concerned will certainly continue to co-operate with the travel industry to facilitate the smooth clearance of travellers and to step up co-ordination during the peak period of inbound travellers.

Madam President, tourism has been dealt a devastating blow over the past two months and SARS is now being under control. I believe the hardest time is already over. This is the crucial moment for the Government, the HKTB and the travel industry to strive together to rebuild tourism in Hong Kong. We will give our full support to the travel industry and continue to work hand in hand with the various sectors to revitalize tourism for the interests of Hong Kong.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the amendment, moved by Mrs Selina CHOW to Dr LAW Chi-kwong's amendment, be passed. Will those in favour please raise their hands?

(Member raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): I now put the question to you and that is: That Dr LAW Chi-kwong's amendment, as amended by Mrs Selina CHOW to Mr Howard YOUNG's motion, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Mr Howard YOUNG, you may now reply and you have one minute 52 seconds.

MR HOWARD YOUNG (in Cantonese): Madam President, I wish to thank the 19 Members who spoke on this motion. I have just referred to the few Members who talked about health issues. Apart from that, I would like to refer to the "genuine money" subsidy mentioned by the Secretary a moment ago.

We know that the Government will set aside \$400 million to help revitalizing tourism. However, as far as I know, the amount for direct sponsorship of activities is limited. For the Mega Hong Kong Sale mentioned by Mr CHAN Kam-lam just now, the local cultural activities mentioned by Mr SIN Chung-kai, Ms Miriam LAU and Miss CHOY So-yuk, the carnival suggested by Mr HUI Cheung-ching, as well as the dragon and lion dance by thousand people organized by the tourist sector last Sunday that I just mentioned, they are all being organized without a single cent of direct subsidy from the Government. If such kinds of activities are to be organized on a long-term basis, for example, the gold accessories streets as suggested by Miss CHOY So-yuk, although the shops can sell the merchandise concerned, should the decoration, the banners and so on in the streets be the responsibility of the Government? I think that the Government should consider launching such kind of publicity before these activities can be perennially or annually held. In this way, what would really be shown is the co-operation between the Government and all sectors, that is, the "We Love Hong Kong" spirit.

I so submit.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Howard YOUNG, as amended by Dr LAW Chi-kwong and 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 as amended passed.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 25 June 2003.

Adjourned accordingly at twenty-six minutes to Ten o'clock.

STAMP DUTY (AMENDMENT) BILL 2002

COMMITTEE STAGE

Amendments to be moved by the Secretary for
Financial Services and the TreasuryClauseAmendment Proposed

- 9 (a) In the proposed section 18I -
- (i) by adding -
- "(1A) The power of the Collector under subsection (1) shall not, in the case where a stamp certificate has been issued, by exercised more than 6 years from the expiration of the time for stamping the instrument.";
- (ii) in subsection (2)(b), by deleting everything after "issued," and substituting -
- "the person who, without reasonable excuse, fails to comply with subsection (1) shall incur a penalty at level 2 which shall be recoverable by the Collector as a civil debt due to the Government.".
- (b) In the proposed section 18J -
- (i) in subsection (1) -
- (A) in paragraph (b), by adding "or" at the end;
- (B) by deleting paragraph (c) and substituting -

ClauseAmendment Proposed

- "(c) requested by any person who has shown to the satisfaction of the Collector that the stamp certificate contains any error.";
- (C) by deleting paragraph (d);
- (ii) by adding -
- "(1A) For the purposes of subsection (1)(c), an error contained in a stamp certificate does not include a case where upon the assessment of the stamp duty of an instrument by the Collector under section 13, the instrument is found to be insufficiently stamped.";
- (iii) in subsection (2)(a) -
- (A) by deleting "one or more";
- (B) in subparagraph (i), by adding "or" at the end;
- (C) by deleting subparagraph (ii) and substituting -
- "(ii) the person who has made the request for cancellation of the stamp certificate; and";
- (D) by deleting subparagraph (iii);
- (iv) in subsection (4), by deleting ", upon request or on his own initiative,";
- (v) in subsection (5), by deleting "concerning" and substituting "which results in";

ClauseAmendment Proposed

(vi) by deleting subsection (6).

23 In paragraph (a), by adding "退回在以下任何情況下" after "或".

24 (a) In the heading, by deleting "等的方式及進行退換" and substituting "或退回印花證明書的方式及進行退換或退回".

(b) By deleting "Section 51(1) is repealed and the following substituting -" and substituting -

"Section 51 is amended -

(a) by repealing subsection (1) and substituting -".

(c) By adding -

"(b) in subsection (2), by adding "或退回" after "退換".".

Appendix I**WRITTEN ANSWER****Written answer by the Secretary for Housing, Planning and Lands to Mr Henry WU's supplementary question to Question 2**

As far as we are aware, there are about 10 large size electronic advertising signboards over the territory. Seven of them are within the boundary of private lots and they do not constitute occupation of government land. The other three have encroached on government land. Among them, two applications (that is, the two in Central which were the subject of the question) have been submitted to the Lands Department for consideration.

Appendix II**WRITTEN ANSWER****Written answer by the Secretary for Commerce, Industry and Technology to Mr MA Fung-kwok's supplementary question to Question 3**

As at end May 2003, a total of seven applications were rejected. The applications were rejected because they did not meet the admission criteria to the Science Park, including the fact that they did not demonstrate technology-intensive research and development work be carried out in the Park.

Appendix III**WRITTEN ANSWER****Written answer by the Secretary for Commerce, Industry and Technology to Ms Emily LAU's supplementary question to Question 3**

As at end May 2003, the Hong Kong Science and Technology Parks Corporation approved 28 tenants into the Science Park. Another nine companies were approved for admission into the Science Park as incubatees. Among these 37 companies, seven are new inward investing companies and two are local start-up companies.

Among the remaining 28 companies, they plan to expand their research and development activities in Hong Kong or consolidate these activities elsewhere in the Science Park.