

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 20 November 2002

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

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

DR THE HONOURABLE LAW CHI-KWONG, J.P.

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

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

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

THE HONOURABLE LI FUNG-YING, J.P.

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

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

THE HONOURABLE MICHAEL MAK KWOK-FUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

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

DR THE HONOURABLE LO WING-LOK

THE HONOURABLE WONG SING-CHI

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE IP KWOK-HIM, J.P.

THE HONOURABLE LAU PING-CHEUNG

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

THE HONOURABLE MA FUNG-KWOK, J.P.

MEMBERS ABSENT:

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

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

THE HONOURABLE MARGARET NG

THE HONOURABLE JAMES TO KUN-SUN

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

PUBLIC OFFICERS ATTENDING:

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

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

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

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

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

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

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

CLERKS IN ATTENDANCE:

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

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

TABLING OF PAPERS

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

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
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Antiquities and Monuments (Declaration of Historical Buildings) Notice 2002	167/2002
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Public Health and Municipal Services (Amendment) Ordinance 2002 (1 of 2002) (Commencement) Notice 2002	168/2002
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Other Papers

No. 23 — Report of the Director of Audit on the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2002

No. 24 — Report No. 39 of the Director of Audit on the results of value for money audits - October 2002

No. 25 — Accounts of the Government for the year ended 31 March 2002

ADDRESS

PRESIDENT (in Cantonese): Address. Mr LEUNG Fu-wah and Ms Miriam LAU will address the Council separately on Road Traffic (Construction and Maintenance of Vehicles) (Amendment) (No. 2) Regulation 2002 and Road Traffic (Safety Equipment) (Amendment) Regulation 2002. The two Regulations were supplementary legislation tabled at the meeting of the Council on 23 October 2002.

Road Traffic (Construction and Maintenance of Vehicles) (Amendment) (No. 2) Regulation 2002 and Road Traffic (Safety Equipment) (Amendment) Regulation 2002

MR LEUNG FU-WAH (in Cantonese): Madam President, extending the seat belt legislation to rear seats of public light buses (PLB) will enhance the safety protection for PLB passengers on the one hand, and improve road safety on the other. Therefore, vehicle suppliers, the PLB trade and I support the amendments.

However, I wish to mention that PLB owners and drivers have expressed four points of concern regarding the PLB seat belt legislation: Firstly, PLB owners and drivers will be legally liable for the failure of seat belts; secondly, when a traffic accident occurs, the insurance company may refuse to pay the compensation on the pretext that the PLB owners or drivers have not keep the seat belts in proper maintenance; thirdly, how they can ensure that the seat belts are in good and serviceable condition; and fourthly, at a time when competition in the transport industry is very keen, the installation of seat belts may affect the business of the PLB trade.

Although the relevant Regulation has clearly stipulated that rear seat passengers shall be personally held criminally responsible for not wearing the seat belts, and that the owner and the driver do not have to assume the responsibility in this regard, according to section 121 of the Road Traffic (Construction and Maintenance of Vehicles) Regulation, PLB owners and drivers are required to ensure that the seat belts on PLBs are in good and serviceable condition, and non-compliance is an offence punishable by a fine of \$10,000 and imprisonment for six months.

When the Government first consulted with vehicle suppliers and the PLB trade, it stressed that the installation of seat belts on PLBs will not bring additional legal responsibility to PLB owners and drivers. However, when the Subcommittee examined the two Amendment Regulations, the Legal Adviser of the Legislative Council advised that, after the PLB seat belt legislation is implemented, the owners and drivers have to shoulder the legal responsibility for failure of the seat belts. This obviously has brought about additional responsibility to PLB owners and drivers.

The PLB trade points out that, as most passengers are short-trip commuters, the frequent boarding and alighting of PLB passengers would substantially increase the usage and wear and tear of the seat belts. Therefore, they worry that, if the driver could not detect the failure of seat belts in time when the PLB is running on the road, and in case such a seat belt failure should coincide with the occurrence of a traffic accident which leads to casualties or deaths, the owners and drivers may have to be held criminally liable for the failure of the seat belts. The insurance company concerned may refuse to pay compensation on the ground that the owners and drivers have not ensured that the seat belts could function properly.

The relevant Regulation does not explicitly stipulate how one could ensure that the seat belts on a PLB are in good and serviceable condition. The Administration just repeatedly stresses that PLB owners and drivers should be aware that they have the responsibility to ensure that the seat belts could function properly, and suggests that PLB drivers should check all seat belts before moving off every day. As the Administration has not formulated a sound mechanism for checking the seat belts of PLBs, so the owners and drivers really do not know what to do to ensure that the seat belts are in good and serviceable condition.

Moreover, as competition in the transport industry is very keen, the PLB trade worries that some PLB passengers may switch to travelling on buses because they may find wearing the seat belts troublesome. This will directly affect the income of drivers. The trade also questions whether it is correct and fair not to extend the seat belt legislation to large public buses which even carry standing passengers. While buses have a larger carrying capacity than PLBs and at the same time they carry standing passengers, why are they not required to install seat belts? Does it mean that the safety of bus passengers is not a major concern to the Government?

About 20 representatives from the Motor Transport Workers General Union, the Hong Kong, Kowloon and New Territories Public and Maxicab Light Bus Merchants' United Association and other PLB trade unions had a meeting with officials of the Environment, Transport and Works Bureau and the Transport Department on 7 November to reflect the trade worries on PLB seat belt legislation. In spite of the meeting, the Administration still could not dispel the worries of the trade on PLB seat belt legislation. Therefore, I hope, by

delivering this address in the Council, I can urge the Administration to pay attention to the trade worries about PLB seat belt legislation, and to minimize the possible impact the legislation may have on the trade.

Thank you, Madam President.

MS MIRIAM LAU (in Cantonese): Madam President, the safety of passengers is the prime concern of every driver. As far as I understand it, the PLB trade is generally in support of the amendment. They are of the view that the safety of passengers will be given enhanced protection with the wearing of seat belts, and the image of the PLB trade will also be improved, thus strengthening the competitiveness of the trade.

However, as PLB passengers are great in number, it will take a longer time for them (especially the elderly people and children) to unbuckle the seat belts when they alight from the vehicles, the PLBs may have to stop for a longer time on the roads. The PLB trade worries that this may make them vulnerable targets of police prosecution.

In order to relieve drivers of unnecessary pressure, I have written to the Police Force, requesting them to alert front-line officers of the need to exercise discretion when they come across such situations, so as not to make innocent drivers the victims of police prosecution. In this connection, I hope the Administration can give us an assurance so as to allay the worry of the trade.

I hope that, after the PLB trade has taken measures to enhance the safety of passengers, not only passengers' safety is strengthened, but people's confidence in PLBs will also be boosted, thereby making the people more willing to travel on PLBs. More importantly, such measures will help to reduce the accident rate of PLBs, and eventually the insurance premium for PLBs can be lowered.

With these remarks, I support the amendment.

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question.

Crackdown on Illegal Employment

1. **MR LEUNG FU-WAH** (in Cantonese): *Madam President, regarding crackdown on illegal employment, will the Government inform this Council:*

- (a) *of the number of major operations mounted last year to crack down on illegal employment; and, in each operation, the districts inspected, the targets, the enforcement agencies involved, the number of officers mobilized and the respective numbers of employers and illegal workers arrested;*
- (b) *of the number of illegal workers arrested since January this year, broken down by nationality and the trades in which they were employed and, among them, the respective numbers from the Mainland who entered Hong Kong on Two-way Exit Permits and illegally; whether such figures have shown an upward trend as compared to those of the last three years; and*
- (c) *whether it has discussed with the relevant mainland authorities measures to stop mainlanders taking up employment illegally in Hong Kong; if so, of the specific outcome of the discussions?*

SECRETARY FOR SECURITY (in Cantonese): Madam President,

- (a) In 2001, the Immigration Department (ImmD) mounted 2 896 operations to combat illegal employment. Among them, 61 were joint operations conducted with the police and/or the Labour Department. In each operation, dozens of or up to 100 officers were mobilized. In view of the large number of operations involved, we are not able to provide information on the districts inspected, the targets, the number of officers mobilized and the respective numbers of employers and illegal workers arrested in each of the operations. In summary, the law enforcement departments had inspected black spots of illegal employment, including factories, construction sites, restaurants, cooked food stalls, markets, and so on, throughout Hong Kong Island, Kowloon, the New Territories and the Islands District in the past year. A total of 7 841 illegal workers and 968 employers who employed

them were arrested in the operations launched by the law enforcement departments last year.

- (b) From January to October this year, the total number of illegal workers arrested is 9 554, including 7 035 mainland visitors on Two-way Exit Permits and 1 081 illegal immigrants from the Mainland arrested for taking up illegal employment. The majority of the people so arrested are suspected of engaging in prostitution. The ImmD does not maintain a detailed breakdown by the trades in which other illegal workers are employed. Generally speaking, they are mainly engaged in manual work, low-skilled jobs as well as jobs of relatively high mobility, such as jobs at construction sites, cooked food stalls, in shops, restaurants, cafes and factories. A detailed breakdown of the illegal workers arrested this year is at Annex.

The total number of illegal workers arrested has shown an upward trend as compared with the last three years. Of them, those entering Hong Kong on Two-way Exit Permits have increased by 74% when compared with the average monthly figure last year, following an increase of 19% in 2001 and 34% in 2000 over the previous yearly figures. Whilst the number of mainland visitors on Two-way Exit Permits has been increasing, the ratio of the number of mainlanders arrested to the number of arrivals has practically remained the same (less than 1% in the past few years), given that the number of arrivals over the past few years has also been on an upward trend. As regards illegal immigrants from the Mainland arrested for taking up illegal employment, from January to October this year, they have decreased by 23% when compared with the average monthly figure last year, following an increase of 300% in 2001 and 100% in 2000 over the previous yearly figures. The majority of the people so arrested are suspected of engaging in prostitution.

- (c) The ImmD maintains close contact with the relevant mainland authorities and discusses with them measures to stop mainlanders from taking up illegal employment in Hong Kong from time to time. Specific measures in this regard include the establishment of liaison mechanism between the law enforcement departments of the two

sides for exchanging intelligence on the activities of illegal immigrants in Hong Kong and the Mainland. In addition, the ImmD passes information on convicted illegal workers from the Mainland to the mainland entry/exit authorities on a regular basis to enable them to take follow-up action and carefully examine future applications from the people concerned to visit Hong Kong.

Annex

Breakdown of Visitors Arrested for Illegal Employment (January to October 2002)

<i>Status</i>	<i>No. of visitors suspected of engaging in prostitution (i)</i>	<i>No of illegal workers of other categories⁽¹⁾ (ii)</i>	<i>No. of visitors arrested during the year (i) + (ii)</i>
Foreign visitors	Nationality	Nationality	
	Thailand	247 India	10
	Vietnam	45 Sri Lanka	7
	Uzbekistan	23 Bengal	4
	Russia	9 Nepal	3
	India	9 Philippines	3
	Other Nationalities	14 Other Nationalities	16
(1) Total no. of foreign visitors	347	43	390 (-29%)
Visitors on Two-way Exit Permits	4 739	2 296	7 035 (+74%)
Other mainland visitors ⁽²⁾	651	83	734 (+115%)
(2) Total no. of mainland visitors	5 390	2 379	7 769 (+77%)
(3) Foreign domestic helpers		196	196 (+20%)
(4) Other illegal workers ⁽³⁾		118	118 (+556%)
(5) Illegal immigrants from the Mainland	1 003	78	1 081 (-23%)
Total (1)+(2)+(3)+(4)+(5)	6 740	2 814	9 554 (+46%)

⁽¹⁾ including visitors who work illegally at construction sites, cooked food stalls, in shops, restaurants, cafes and factories. The ImmD does not maintain a detailed breakdown by trade.

⁽²⁾ other mainland visitors include holders of Chinese Passports and Permits for Travelling to and from Hong Kong and Macao.

⁽³⁾ other illegal workers include holders of employment visas engaging in employment not approved, holders of student visas taking up illegal employment, and so on.

() denotes the percentage increase or decrease of monthly average over that of 2001.

MR LEUNG FU-WAH (in Cantonese): *Madam President, the Secretary has stated in part (b) of her main reply that from January to October this year, the total number of illegal workers arrested is 9 554, including more than 8 000 mainland visitors on Two-way Exit Permits and illegal immigrants. Will the Secretary inform this Council whether there are figures showing the number of people among them who had been arrested in the past but have come to Hong Kong again after returning to the Mainland?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, I do not have the relevant figures at hand.

MR CHAN KWOK-KEUNG (in Cantonese): *Madam President, during the last meeting between this Council and the Yuen Long District Council, District Council (DC) members complained that many illegal workers gathered in Yuen Long. They also lodged complaints with other departments, but their complaints were not entertained. These illegal workers carried out fitting-out works in vacant village houses but nobody took notice of them. When the DC later followed up the matter, they learnt that only a team of officers was responsible for cracking down on illegal employment taken up by illegal workers and nobody would follow up their complaints. Will the Secretary inform this Council whether there is only a team of government officers responsible for cracking down on illegal workers and they will therefore pay no attention to other complaints lodged by the DC?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, my answer is that it is definitely not the case. In fact, the ImmD has a hotline and the number is 2824 1551, and people can also report such cases by e-mail. I can provide Mr CHAN Kwok-keung with the relevant information after the meeting. (Appendix I) The ImmD is prepared to receive reports made by the public.

The ImmD has a Task Force of around 100 officers responsible for cracking down on illegal workers. Moreover, the ImmD will also conduct joint operations with the Labour Department and the police. Certainly, the Labour Department will frequently carry out inspections and raids. If Mr CHAN

Kwok-keung receives complaints from the Yuen Long DC or other DCs, he is welcome to pass the cases to us for follow-up.

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

MR CHAN KWOK-KEUNG (in Cantonese): *Madam President, the Secretary has not yet answered whether the complaints made by the Yuen Long DC have been followed up.*

SECRETARY FOR SECURITY (in Cantonese): Madam President, I am sure that follow-up action has been taken, and I can check it again.

MR LEE CHEUK-YAN (in Cantonese): *Madam President, I think that it is most important to start with the source if we wish to eradicate illegal employment. We can eliminate the problem of illegal employment provided that employers do not employ illegal workers.*

We can see from the Annex to the main reply that from January to October 2002, leaving aside prostitution, 2 814 illegal workers were arrested. Will the Secretary inform this Council of the number of employers involved? Are there figures on employers prosecuted? Does the result reflect that the Government has seriously punished employers employing illegal workers against the law?

SECRETARY FOR SECURITY (in Cantonese): Madam President, I would like to thank Mr LEE Cheuk-yan for his supplementary question. We certainly have laws and policies for prosecuting employers who have breached the law, but I believe the reply given by me earlier indicates that the majority of illegal workers engage in prostitution. Nevertheless, I have the figures of employers prosecuted at hand. For instance, 758 employers were arrested and 393 prosecuted in 1999; 743 employers were arrested and 306 prosecuted in 2000; 976 employers were arrested and 312 prosecuted in 2001; and 766 employers were arrested and 294 prosecuted up to October this year.

PRESIDENT (in Cantonese): Mr LEE Cheuk-yan, has your supplementary question not been answered?

MR LEE CHEUK-YAN (in Cantonese): *Madam President, the Secretary has not given an answer to the severity of the punishment for these employers.*

SECRETARY FOR SECURITY (in Cantonese): Madam President, we will actually prosecute workers and employers. In 1999, employers were sentenced to fines ranging from \$300 to \$10,000 and imprisonment for 14 days to nine months, and suspended sentences were given in some cases while suspended sentences and fines were imposed in some other cases. During the first 10 months of this year, the punishments for employers include fines of \$1,000 to \$10,000 and imprisonment for one to 12 months, and some employers were sentenced to imprisonment for two to six months suspended for 18 months to two years. I can give Mr LEE Cheuk-yan a written reply on the relevant information in detail after the meeting. (Appendix II)

MR TAM YIU-CHUNG (in Cantonese): *Madam President, the enforcement agencies will mostly inspect factories, construction sites, restaurants, food stalls, markets, and so on, but I find that some illegal workers actually work in households and it is very difficult to inspect such cases. Will the Secretary agree that there are loopholes?*

PRESIDENT (in Cantonese): Mr TAM, I have not caught your question clearly, please explain it.

MR TAM YIU-CHUNG (in Cantonese): *Madam President, I have asked if there are loopholes because the enforcement agencies do not inspect households.*

PRESIDENT (in Cantonese): Thank you, Mr TAM.

SECRETARY FOR SECURITY (in Cantonese): Madam President, there are not loopholes because we do also inspect households. Of course, we cannot enter premises arbitrarily. In most cases, we have gathered intelligence before entering premises for inspection. It is because it is more difficult to find out if the workers are only illegal domestic helpers — be they foreign domestic helpers or visitors on Two-way Exit Permits — doing household chores, and we will learn about such cases only when reports are made. We have also entered premises for a search and initiated prosecutions. For example, we have prosecuted foreign domestic workers taking up illegal employment and mainland visitors taking up illegal domestic employment.

MR CHAN KAM-LAM (in Cantonese): *Madam President, the Secretary has stated that 968 employers were prosecuted last year. I wish to find out whether there were building contractors or contractors doing outsourced work for the Government among these 968 employers. If so, will the Government impose additional penalties?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, I do not have the relevant information at hand and I have to check if additional penalties have been imposed. I am not sure if Mr CHAN Kam-lam is asking if the Government will bar those prosecuted from bidding for government projects again. In that case, I have to make inquiries with the relevant departments. (Appendix III)

MR NG LEUNG-SING (in Cantonese): *Madam President, the Government has stated in part (c) of the main reply that "specific measures in this regard include the establishment of liaison mechanism between the law enforcement departments of the two sides". I wish to ask the Secretary the details of the liaison mechanism. Is there specification, for instance, on the suitable time for liaison to be conducted and the level of officials involved, and how effective has it been so far?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, there is an unobstructed channel for liaison between the two places. Generally speaking,

every two weeks, the ImmD passes to public security authorities in the Mainland information on the successful prosecution of mainland visitors or illegal immigrants who have violated criminal laws in Hong Kong. If major cases are cracked, for instance, many people are arrested in a special operation, the ImmD will immediately pass the information to the public security authorities in the Mainland.

MR ALBERT CHAN (in Cantonese): *Madam President, having read the information in Annex to the main reply of the Secretary, I find that there is a rather interesting phenomenon, that is, the total number of people suspected of prostitution is more than two times the number of illegal workers. I do not believe that there is a greater demand in this respect in our market than the total demand for all other industries. However, the number of people arrested for engaging in prostitution is really more than two times the number of people arrested for working illegally. Perhaps one of the reasons is that the places for prostitution are more concentrated and it is therefore easier for arrests to be made. Can the Secretary explain why the number of people arrested in this respect is particularly large? Many other illegal workers work in smaller places, for instance, they carry out fitting-out works indoors or work in small workshops and cemeteries. In this respect, has the Government taken any special measures targeted at these illegal workers whose arrests were more difficult in the past so as to alleviate the problem of illegal workers?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, Mr Albert CHAN has raised a very interesting question. However, the majority of illegal workers have actually been suspected of prostitution not only this year and even in recent years. Figures at hand show that there were 3 397 people suspected of prostitution and 2 302 illegal workers in 2000; and there were 5 158 people suspected of prostitution and 2 630 illegal workers in 2001. Over the past three years, most illegal workers arrested were engaged in prostitution. Actually, some other figures indicate that fewer women from other countries engaged in prostitution in Hong Kong. Of course, the ImmD and the Labour Department will take actions not only in districts where there are more prostitution activities. Although Mr Albert CHAN has said that some places are more dispersed, the ImmD will also conduct raids in factories, restaurants, food stalls, markets,

places frequented by scavengers, funeral parlours, monasteries, temples, and so on. Information at hand also shows that the ImmD has taken nine raid actions in funeral parlours, monasteries and temples this year. It has launched 17 joint raids in several care and attention homes with the Social Welfare Department and arrested many people, and also conducted joint raids in two places where unauthorized structures are being removed with the Labour Department and arrested 28 people. On 5, 7 and 8 November this year, a Task Force of the ImmD took three raid operations in various places in Hung Hom, Tsim Sha Tsui and Wan Chai where ragpickers sold wastes and arrested 21 mainland visitors suspected of violating the conditions of stay and a Hong Kong resident suspected of abetting other people to violate the conditions of stay. The owner of a florist in Sheung Wan and her Thai domestic helper who was told to work as a shop assistant in the florist were given immediate two-month custodial sentence in August this year. I have plenty of similar information at hand showing that the joint raids launched by the ImmD with the Labour Department, the Social Welfare Department and the police are all pervasive.

MR WONG YUNG-KAN (in Cantonese): *Madam President, the Secretary has stated in her main reply that some 7 000 mainland visitors have taken up illegal employment. When I left my office the other day, two ladies told me that applications filed in the Mainland for entry visas to Hong Kong were approved very quickly — applications filed today would be approved tomorrow, and mainland visitors holding such visas could work in markets removing chicken feathers. They also said that they used to earn \$2,000 working in the market in the past but they had lost the \$2,000 job. Will the Secretary inform this Council what mechanisms can address the issue better than the existing arrangement facilitating mainland visitors to come to Hong Kong one or two days after they have returned to the Mainland?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, Mr WONG Yung-kan has actually nailed the crux of the problem. There has been an increase in the number of illegal workers in recent years and one of the reasons is that there are more channels for travelling between Hong Kong and the Mainland and a tremendous increase in the categories of mainland visitors. Up till October this year, there have been over 5 million passenger trips of various

categories of mainland visitors including business visitors, passport holders in transit and those who join Hong Kong tours, visit relatives and make multiple entry. Our policy targeted at people who come to Hong Kong through these channels and engage in unlawful activities is to pass to the Mainland all information at hand in the hope that attention would be paid during examination and approval at the local level. We will also exchange intelligence and crack down on groups making arrangements in a certain distribution area for mainland women to come to Hong Kong for the purpose of prostitution. Besides, the ImmD will also gather information and, at the immigration control points, it will refuse entry by people who frequently come to Hong Kong and have engaged in illegal activities more than once.

MR WONG YUNG-KAN (in Cantonese): *Madam President, can I raise a follow-up question?*

PRESIDENT (in Cantonese): Sure.

MR WONG YUNG-KAN (in Cantonese): *Madam President, actually, when they come to Hong Kong*

PRESIDENT (in Cantonese): Mr WONG Yung-kan, this is question time and you cannot add other information.

We have spent more than 18 minutes on this question, though several Members are still waiting for their turn to ask questions, I can only allow one last supplementary question from Members.

DR DAVID CHU (in Cantonese): *Madam President, the construction industry has a more serious problem of illegal workers. Does the Government have any special policies targeted at the problem of illegal workers in the construction industry?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, in fact, the problem of illegal workers in the construction industry has become not so serious in recent years because we have enacted many laws including section 17I of the Immigration Ordinance which specifies that any person who is the employer of an employee who is not lawfully employable commits an offence and is liable to a fine of \$350,000 and to imprisonment for three years, and employees who are not lawfully employable include illegal immigrants and lawful visitors. We also amended section 38A(2) of the Immigration Ordinance in 1999, specifying that where it is proved that an illegal immigrant was on a construction site or that a person who is not lawfully employable takes employment on a construction site, the construction site controller of that construction site commits an offence and is liable to a maximum fine of \$350,000. No construction site controllers were convicted in 2001. Actually, after the law with such significant deterrent effect was enacted in 1999, the problem of illegal workers on construction sites has become less serious than before and the situation has improved a lot.

PRESIDENT (in Cantonese): Second question.

Exemption of Franchised Buses from Diesel Duty

2. **MR ANDREW CHENG** (in Cantonese): *Madam President, the former Financial Secretary pointed out in his last Budget speech that the Government should take an honest look at measures which were inconsistent with the principles of environmental protection, including exempting franchised buses from the duty on diesel. He further said that if no resolute actions were taken, the whole community would have to pay a higher price for its environmental problems in the future. In this connection, will the Government inform this Council:*

- (a) *of the respective total expenditures on diesel fuel incurred by each franchised bus company in each of the past three years;*
- (b) *whether it has reviewed if exempting franchised buses from the duty on diesel should continue; if it has, of its conclusion, and whether it has considered the movements in diesel prices in the course of the*

review; if it has not undertaken such a review, the reasons for that; and

- (c) *whether it has assessed the impact of levying diesel duty on the operating costs of franchised bus companies; if so, of the results of assessment?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, the Government has exempted franchised buses from diesel fuel duty since 1992. The main objective is to help reduce the pressure on upward adjustment of bus fares. Besides, the exemption also helped combat inflation under the then economic environment.

The fuel costs of each franchised bus operator in the past three years are set out in the table distributed to Members just now (see Annex). The figures in the table show that the fuel cost of individual franchised bus companies increased in 2000 and 2001. The increase was mainly due to the rise in the average price of their fuel during the period. For example, the fuel cost of the Kowloon Motor Bus (KMB) was \$230 million in 1999 and \$412 million in 2001.

Fuel cost is one of the major recurrent expenditure of franchised bus operation. In 2001, fuel cost accounted for 8% to 10% of the total operating costs of the franchised bus operators. At present, all the franchised bus companies use ultra low sulphur diesel (ULSD). According to the Dutiable Commodities Ordinance, the current concessionary duty rate for ULSD is \$1.11 per litre, and the effective period for the concession is up to 31 March 2003. The original duty rate for ULSD is \$2.89 per litre. Imposing diesel fuel duty of this level on franchised buses would increase the operating costs of the franchised bus companies by 10% to 14%. If diesel fuel duty at the concessionary rate is imposed on franchised buses, their operating costs would increase by 4% to 5%.

Withdrawal of the exemption from diesel fuel duty for franchised buses may have impact on bus fares and therefore should be carefully handled by the Government. We will review the arrangement at an appropriate time and will take into account all relevant factors, including movements in fuel prices and impact on environmentally-friendly mass carrier in conducting such a review.

Annex

Fuel Costs of Franchised Bus Operators in each of last three years (in \$ million)

	<i>KMB</i>	<i>Long Win Bus</i>	<i>Citybus</i>	<i>New World First Bus</i>	<i>New Lantao Bus</i>
1999	230.7	12.2	64.9	44.4	4.6
2000	428.5	21.8	99.8	98.7	5.9
2001	412.0	19.8	117.0	95.3	6.2

MR ANDREW CHENG (in Cantonese): *Madam President, the Secretary has requested the KMB to reduce its fares but the bus company has not responded to her request. Mr John CHAN even indicated that the KMB would not help those who do not need assistance but I believe Mr CHAN will dare not say that the Government does not need any help in respect of its fiscal deficit. We have made some calculations and found that if the KMB has to pay the duty on fuel, it would still enjoy a net profit of \$1.5 billion to \$1.6 billion while the Government would have a revenue of \$100 million to \$200 million. Will the Government seriously review this policy and require the KMB to either reduce its fare obligingly or pay the Government a fuel duty, so that it could really become a bus company that has a sense of social responsibility?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): *Madam President, Mr CHENG suggested that franchised bus companies could help reduce our fiscal deficit by paying a fuel duty and I am very grateful for his suggestion. In this connection, every bus company certainly has many ways to deal with the issue of oil prices such as by drawing up hedging contracts on fuel, and thus do a better job than before in terms of cost control. We have roughly calculated that if we levy a fuel duty at the original duty rate, that is, \$2.89 per litre, then our revenue will be increased by nearly \$1 billion. If we levy a fuel duty at the concessionary rate, that is, \$1.11 per litre, then we would have a revenue of about \$400 million. In consideration of the overall financial position, we will certainly make a wise choice.*

DR LAW CHI-KWONG (in Cantonese): *Madam President, the Secretary mentioned in the third paragraph that fuel cost accounted for 8% to 10% of the total operating costs of the franchised bus companies. If the Government imposed a fuel duty of \$2.89 per litre, then the operating cost of franchised bus companies would be increased by 10% to 14%. However, at present, the price of diesel fuel for franchised bus companies is only \$2.3 per litre while the market price is \$5.8 per litre. Does it mean that these franchised bus companies have already benefitted from double unfair competition, that is, on the one hand, they pay a price much cheaper than the market price for diesel fuel, at less than 40% of that price, and on the other hand, they also enjoy duty concessions? Does the Government think that this is a fair competition policy?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): *Madam President, the fuel prices for franchised bus companies are determined either through business negotiations with oil companies or through tendering where contracts are awarded to the lowest bidders. I understand that some bus companies may even have several contracts on hand to balance the fuel prices. Such operation is a very fair practice in a free economy. As regards the exemption of fuel duty for franchised bus companies, the Government has actually borne part of the bus companies' operating costs. However, under the then prevailing inflation, this could relieve some of the pressure arising from inflation. This practice of the Government is based on this principle.*

MS MIRIAM LAU (in Cantonese): *Madam President, the premise of this question today is diesel duty and environmental protection. May I ask the Secretary if there is any actual connection between the abolition of exemption from diesel fuel duty for franchised buses and environmental protection? If yes, in what way are they related?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): *Madam President, there is actually no direct correlation between reduction of fuel duty and environmental protection because when ULSD was first introduced, its duty rate was reduced from \$2.89 per litre to \$1.11 per litre*

to encourage users to use ULSD. As regards the full-scale exemption of fuel duty for franchised bus companies, its main purpose is to combat inflation rather than for environmental protection reasons.

MR ALBERT HO (in Cantonese): *Madam President, when the Government introduced exemption for franchised buses from fuel duty in 1992, its objective was to reduce the pressure on upward adjustment of bus fares, so that it would not fuel inflation. May I ask the Secretary whether this reason is still valid today, in particular when the profit of some franchised bus companies, such as the KMB, has still increased in recent years despite the economic downturn? If the KMB uses the withdrawal of the exemption from fuel duty as an excuse for seeking fare increases, does the Government have any reason to allow the KMB to increase its fares?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, back then, when the Government introduced this exemption, it was intended to combat inflation. In recent years, Hong Kong has been caught in a deflation, and we hope there will be room for downward adjustment of bus fares. As I mentioned earlier, if this exemption were withdrawn, it would definitely have certain impact on the operating costs of bus companies. However, I have also mentioned earlier that the question of whether or not this would really have such a great pressure on the overall operating costs of the bus companies is still under discussion. We definitely will not allow franchised bus companies to increase their bus fares by the same amount of fuel duty it has to pay. This is definitely not justified. I also mentioned earlier that the bus companies could stabilize the impact of oil prices on their operating costs through hedging contracts on fuel or other means.

DR RAYMOND HO (in Cantonese): *Madam President, the Secretary mentioned in the fourth paragraph of the main reply that the issue of diesel fuel duty would be reviewed at an appropriate time for this might have an impact on the fares of franchised bus, and factors like movements in fuel prices and impact on environmentally-friendly mass carriers would be taken into account. Why has the Secretary focused on environmentally-friendly mass carriers? And, by*

mass carriers, was she referring to the Mass Transit Railway (MTR)? Is the Government trying to strike a balance between the fares of the two modes of transport, that is, buses and the MTR, so as to protect the operation of the MTR?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, Dr HO's question has actually pointed out certain relatively complicated direct and indirect subsidies in relation to the operations of the MTR and buses. Of course, environmental protection is an important factor in this equation. Recently, in particular, after I have assumed office as the Secretary, many people have asked me whether we are adhering to the government policy of considering the railway as a more environmentally-friendly mass carrier, therefore, we should encourage the public to use the MTR instead of the other modes of transport, such as buses, which would cause pollution. Secondly, should we over subsidize a certain mode of transport and give people an impression that we are being partial?

From an environmental point of view, we have to conduct an overall analysis. At present, buses are continuously being upgraded, and in fact, the degree of pollution caused by Euro III buses has already been reduced to a minimum. Of course, we still have a large number of old model buses, in particular, those in the KMB fleet. We are now making great efforts to deal with this matter, so as to reduce emission from buses. As regards whether the pollution level caused by the MTR will definitely be lower than that caused by buses, a life cycle analysis has to be conducted. This involves a lot of questions. For example, is electricity in Hong Kong produced by the most environmentally-friendly method? Coal is still used in generating electricity and oil is used in some generators. Therefore, from the overall analysis, the MTR may not necessarily be permanently using an absolutely cleaner fuel. As for buses, in renewing the franchise of franchised bus companies, we would require the bus companies to use vehicles that adopt the latest environmental protection technology so as to reduce as much emission as possible and actually, less and less particulates are emitted. Tests on hydro fuel have even been conducted in Vancouver and hydro fuel is an absolutely clean fuel. Therefore, on the issue of striking a balance, a detailed analysis will be conducted in tandem with developments in technology and we certainly will not be partial to any particular party.

MR LAU KONG-WAH (in Cantonese): *Madam President, I would like to follow up the issue of the \$1 billion revenue and making wise choices. May I know how the revenue of \$1 billion is calculated? Does this figure include the total revenue of all franchised bus companies? And, how wise is the so-called wise choice mentioned by the Secretary? Can the Secretary give us a clear explanation?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, according to our rough calculation, the \$1 billion is revenue generated from fuel duty, that is, if franchised bus companies do not enjoy exemption from fuel duty, then the Government may be able to receive a duty revenue of approximately this amount. However, this involves a sum of \$900-odd million, not exactly \$1 billion.

As regards the issue of making wise choices, I also pointed out earlier that on striking a balance between the interests of all parties, (we would have to consider such questions as) how much pressure will actually be exerted on bus fares under the prevailing deflation. As for the operation of franchised buses, how much profit margin do listed companies have? On the issue of fuel, we also have to consider that the use of ULSD is our choice and we have to encourage bus companies to continue to use this kind of fuel to ensure that air pollution could be minimized. We hope to make as wise a choice as possible. We have to continue to study this issue before we can arrive at a final decision.

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

MR CHAN KAM-LAM (in Cantonese): *Madam President, the Democratic Party indicated that if it is impossible to cut the profits of franchised bus companies, then the Secretary should require the bus companies to either cut their fares or pay duties. We oppose this proposal and even hope that the Government will continue to retain this concession after March 2003. May I ask the Secretary, in conducting negotiations with the bus companies over fare adjustments, if the Government will consider adopting the practice of power companies by increasing or reducing fuel surcharges?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, I am sorry, I do not quite understand what fuel surcharges are.

PRESIDENT (in Cantonese): Secretary, please be seated. Mr CHAN, could you please explain.

MR CHAN KAM-LAM (in Cantonese): *Madam President, at present, when fuel prices fall, power companies will offer rebates to its customers. In conducting negotiations over fare adjustments with franchised bus companies, will the Secretary consider this factor, that is, when oil prices fall, they will offer more fare concessions to their passengers?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, I believe this is a concession. We could consider this factor in discussing fare adjustments with the franchised bus companies.

PRESIDENT (in Cantonese): Third question.

Investment Strategy for Quality Education Fund

3. **MS AUDREY EU** (in Cantonese): *Madam President, it has been reported that the Quality Education Fund (QEF) recorded investment losses in the past two years. In this connection, will the Government inform this Council:*

- (a) *of the weighting of each type of investments, such as cash deposits in banks, stocks and bonds, and so on, by the QEF in the past three years, and the respective rates of return of each type of investments and of the Fund as a whole;*
- (b) *whether the relevant authority will review the investment performance of the QEF and adjust its investment strategy in the*

light of the findings, in order to lower the Fund's risk exposures; and

- (c) *whether the relevant authority has formulated guidelines on the QEF's investment strategy, particularly on the acceptable risk exposure level; if so, of the details; if not, the reasons for that?*

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

- (a) The investment strategy of the QEF is to generate steady income over the long term with reasonable growth and acceptable risk. This is achieved by a global balanced portfolio with diversified investment into different types of securities and markets following the advice of an investment consultant. The QEF has been adopting a strategy of investing 55% of its fund in equities, 40% in bonds and 5% in cash. The actual allocation has been fluctuating around this benchmark and the details for the past three years are included in Appendix 1.

As at end August 2002, having funded projects totalling over \$2.6 billion, the balance of the original \$5 billion Fund stood at \$3.8 billion. The cumulative investment return is \$1.4 billion or 27% since the launch of the QEF in 1998. The detailed rates of return for the past three years are at Appendix 2.

- (b) The Government has set up a Quality Education Fund Investment Committee (Investment Committee) which, *inter alia*, will review the investment strategy and performance of the Fund. The Investment Committee consists of officials including the Director of Accounting Services as well as non-official members. The Investment Committee meets on a quarterly basis. A comprehensive review of the investment strategy is expected to take place next year while an interim review had been conducted by the Investment Committee last year.
- (c) The Investment Committee sets investment strategy and guidelines for the QEF which may be revised as necessary after considering the

recommendations of its investment consultant(s). The guidelines, in line with general government investment guidelines, are set with a view to limiting investment risks to an acceptable level. These include that:

- bonds have to be rated at Moody's rating of A3 or above;
- investment must be in freely convertible currencies;
- equities must be listed in recognized stock of exchange and with capitalization of over HK\$10 billion; and
- total exposure to foreign currency risk should not be more than 35% of the portfolio, and so on.

Appendix 1

Asset Allocation of the QEF

(%)	<i>Investment Strategy</i>	<i>Actual allocation as at 31 August</i>		
		<i>2000</i>	<i>2001</i>	<i>2002</i>
Equities	55	59	51	52
Bonds	40	37	44	44
Cash	5	4	5	4
Total	100	100	100	100

Appendix 2

Investment Returns of the QEF

(%)	<i>2000</i>	<i>2001</i>	<i>2002</i>
Overall return	+13	-10	-2
Return on equities	+16	-28	-14
Return on bonds	+6	+12	+11

MS AUDREY EU (in Cantonese): *Madam President, according to the main reply, it has all along been the strategy of the QEF to invest a major portion of its fund in equities. However, it is noted from the return rate of the past two years*

that investment in equities has suffered loss, while the return on bonds has gained positive growth. Moreover, part (b) of the main reply states that the Investment Committee meets on a quarterly basis to review the investment strategy of the Fund. May I ask the Secretary, given the drop in return rate on equities in the past two years, why a major portion of the Fund is still invested in equities? Does the Government have any effective measures to turn around the investment loss in the past two years?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, actually a major portion of the Fund has not been invested in equities and 55% is only a benchmark. If we study in detail the investment in equities in the past two years, we will note that the weighting was 51% in 2001 and 52% in 2002. As to the investment in bonds, the benchmark is 40%, while the actual weightings in 2001 and 2002 were both 44%. A meeting is held quarterly, that is, every three months, at which investment consultants are requested to explain to us the investment performance in the past three months.

PRESIDENT (in Cantonese): Ms Audrey EU, has your supplementary question not been answered?

MS AUDREY EU (in Cantonese): *Madam President, the Secretary has not answered the second part of my supplementary, that is, the measures the Government has in place to effectively turn around the investment loss in the past two years? Regarding investment weightings of the Fund, a major portion, at the ratio of 52:44, is actually put on equities.*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, return on government investments should be evaluated over the long term instead of limiting to just a year or two. If we examine the investment position during the four years between 1998 and now, the rate of return is 27%.

MR SIN CHUNG-KAI (in Cantonese): *Madam President, I know that some government organizations or statutory bodies, such as the Hong Kong Housing*

Authority, may have surplus cash, and placing more fund on bonds is the investment strategy generally adopted by them. In comparing the Government's investment strategy for the QEF with that of other government organizations or statutory bodies in general, is the equities to bonds ratio of the QEF on the high side? Will the Secretary provide some more concrete examples for our reference? I personally find that the ratio seems to be unusual, as a heavier weighting is placed on equities. Will the Secretary provide some objective examples for comparison?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, the investment guidelines on the QEF are consistent with those applied to other government funds.

PRESIDENT (in Cantonese): Mr SIN Chung-kai, has your supplementary question not been answered?

MR SIN CHUNG-KAI (in Cantonese): *Madam President, I would like to clarify that the bonds to equities ratio has not been set out in the relevant guidelines. The guidelines just stipulate the types of equities and bonds in which the Fund is allowed to invest, but not the ratio between them. May I ask if such a ratio is set out in investment guidelines in general, and whether a similar ratio has been set for other funds?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, in brief, the weightings of equities and bonds are 55% and 40% respectively. In respect of equities, they are divided into overseas equities and Hong Kong equities, while bonds are again divided into overseas and local bonds.

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, the original objective of setting up the QEF is to support, as far as possible, the annual provision for education with its investment return. However, to date, investment loss has been recorded in two of the past three years. The principal*

has dropped from \$5 billion to \$2.8 billion, should this be regarded as an investment strategy failure? Does the Government worry that the Fund will be dried up eventually if loss sustains?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, firstly, according to the initial investment strategy, the provision for the Fund is \$5 billion. The current balance is \$3.8 billion, not \$2.8 billion. Secondly, adding the \$2.6 billion allotted by the Fund to its \$3.8 billion current balance, the fund has accumulated a total of \$6.4 billion. In other words, the fund has increased from \$5 billion to \$6.4 billion, generating a return of \$1.4 billion.

PRESIDENT (in Cantonese): Mr CHEUNG Man-kwong, has your supplementary question not been answered?

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, the Secretary has not answered part of my supplementary, that is, if this trend persists, will the Fund be dried up eventually?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): We hope that the Fund will not be dried up, and hope that it will develop into a sustainable long-term investment plan.

MR HENRY WU (in Cantonese): *Madam President, in fact, my views are different from that of other Members. I consider it quite well to be able to achieve a 27% return within four years. We can also check the recent investment performance of the Fund. In 2002, the Fund only incurred a loss of 2%, which performance is in fact far better than other investment funds. Since the performance of the Fund has been so satisfactory, may I ask the Secretary if it is the Investment Committee which decides the investment strategy or it relies on the external fund managers employed? If it is the latter case, how many investment companies are involved, and what are the investment items and individual return rate of each company?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, we have employed three fund management firms to manage our investment. First, Dresdner RCM Global Investors (Asia) Limited. Second, Wellington Management Company, LLP. Third, Credit Agricole Asset Management Hong Kong Limited. We always keep track of their performance, and the appointment of one of these firms has been terminated owing to its poor performance.

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

MR HENRY WU (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. As three fund management firms have been employed, will the Secretary provide the investment performance of each of them?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I will provide a written reply to Mr Henry WU's supplementary question. (Appendix IV)

DR PHILIP WONG (in Cantonese): *Madam President, I would like to follow up the supplementary question raised by Mr Henry WU. Will the Secretary explain the mechanism for selecting investment consultants?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, first of all, our consultant will compile a fund manager list. We will then conduct brief meetings to allow each fund manager to present their investment strategy report. After that, we will decide on the fund manager to be employed and the amount of fund to be put under their charge for investment and management.

MR SIN CHUNG-KAI (in Cantonese): *Madam President, in fact, the Secretary did not answer my question just now. My supplementary question was whether the investment ratio of the QEF in equities to bonds represents a great difference*

from the investment ratio of other funds? My focus is not on the 55% or 45% weighting adopted by the Fund. At present, 55% of the Fund is invested in equities and over 40% in bonds. What is the investment ratio of other funds? That is the investment ratio of equities to bonds for other government funds that have made similar investments. Will the Secretary provide some examples for comparison?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, as far as I know, the ratio of QEF in this respect is consistent with those of other funds.

DR TANG SIU-TONG (in Cantonese): *Madam President, it is stated in part (b) of the main reply that the Investment Committee also consists of non-official members. I would like to know who they are. Are they appointed by the Government or are they nominated by commercial corporations?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, the Investment Committee is chaired by the Secretary for Education and Manpower. Its membership includes the Director of Education, the Director of Accounting Services and two other non-official members, namely, Mr CHAN Kwok-wai from the Hang Seng Bank Limited and Mr Irving KOO Yee-yin, Chairman of the Quality Education Fund Steering Committee.

MR HENRY WU (in Cantonese): *Madam President, may I ask the Secretary if the Government has given any investment direction to the fund managers, for example, setting the target rate of return for a certain period of time, say 5% plus inflation rate? Has the Government made such proposals to the fund managers?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, we have given such direction to them and the target is set at Consumer Price Index (B) plus 4%.

PRESIDENT (in Cantonese): Fourth question.

Building and Operation of Infrastructural and Community Facilities

4. **MR LAU PING-CHEUNG** (in Cantonese): *Madam President, in view of the Government's huge fiscal deficit, will the Government inform this Council whether private consortia will be allowed to take part in the building and operation of infrastructural and community facilities; if so, of the facilities to be built and operated by the Government and private consortia respectively, the various options for private consortia to build and operate such facilities (such as a build, operate and transfer franchise), as well as the merits and demerits of the various options; if not, the reasons for that?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, the question seeks clarification on whether the Government will allow private consortia to take part in the building and operation of infrastructural and community facilities. The answer to this part of the question is affirmative. In fact, the Government has accumulated considerable experience in encouraging the private sector to take part in the provision of public services. The financial position of the Government has no relevance to this. Allowing the private sector to take part in the building or operation of public facilities enables the Government to better utilize its limited resources and leverage on the flexibility and efficiency of the private sector, thus creating more development opportunities for the market.

The question also asks about the options under which private consortia can participate. The design and construction of government-funded public works projects are generally outsourced to private consultants and contractors respectively. In addition to this, there are two common modalities for the private sector to undertake works projects:

The first one is the "Design-Build-Operate" (DBO) modality. The concept in this modality is for the Government to bear the construction cost while the private sector designs and constructs the facility in accordance with the Government's predetermined requirements. The private sector corporation concerned will, upon completion of the facility, be responsible for operating it under a management contract. We have been adopting this modality for projects including development and restoration of landfills, chemical waste treatment facilities and refuse transfer stations.

Another common modality of private sector involvement is "Build-Operate-Transfer" (BOT). The concept in this modality is for the private sector to finance the project whilst the Government grants the corporation concerned a franchise to design, build, operate and maintain the facility according to the Government's specifications and service requirements. The private sector corporation will charge facility users during the franchise period and pay a royalty to the Government. When the specified franchise period expires, the private sector corporation will transfer the ownership of the facility to the Government. The several cross-harbour tunnels that we all know so well were all developed by the private sector under the BOT option.

The private sector can take part in the development of infrastructural and community facilities through various other modalities. When arranging for the provision of new facilities or services, government Policy Bureaux and departments will adopt the most appropriate modality having regard to their policy objectives as well as the nature and requirements of the facilities. From the strict perspective of controlling government expenditure, the BOT modality is apparently more attractive than the other modalities just mentioned, which involved government financing the project construction. However, whether an infrastructural project offers adequate returns to attract investment from the market depends on the nature of the individual project concerned.

All in all, it is an established government policy for bureaux to encourage the private sector to take part in the building and operation of infrastructural and community facilities. Yet, the specific option of participation depends on factors such as whether the project can attract investment from the market, whether it is in line with the Government's policies and whether it is cost-effective, and so on.

MR LAU PING-CHEUNG (in Cantonese): *Madam President, the Secretary mentioned two modalities in his main reply, the first being the DBO modality and the other being BOT. In the DBO modality, the Government bears the construction cost but in the BOT modality, the Government does not bear the construction cost. In respect of these two modalities, if the Government does not want to bear the construction cost but wants to build community facilities (there are many examples of this overseas, such as the construction of facilities like law courts and libraries), will the Government consider making use of*

private market forces more often and invite participation in this type of projects on community facilities in which the Government does not charge any fee or bear the construction cost either?

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, the modality mentioned by Mr LAU is in fact known as "PPP", that is, the public and private partnership modality. As regards the BOT modality mentioned by me, it is precisely a type of PPP. Therefore, any modality involving private sector participation has its own characteristics. We welcome any modality that meets the Government's policy objectives, allows maximum development opportunities for the market and reduces as far as possible the resources that the Government has to inject. The concept mentioned by Mr LAU is to let the private sector raise capital for the construction of the relevant facilities and to provide services during its period of operation, and in order to use these facilities and services, the Government has to pay charges to the private company regularly. In this way, the Government's non-recurrent expenditure, that is, the construction cost, will be turned into recurrent expenditure. Therefore, when the Government considers adopting such a modality, it must consider the cost-effectiveness and make a decision in the light of individual circumstances.

MR ABRAHAM SHEK (in Cantonese): *Madam President, I would like to follow up Mr LAU Ping-cheung's supplementary. The modality just mentioned by the Secretary is commonly known as the private funded initiative. In this regard, may I know if the Government has considered which projects it will allow bidding by the private sector in the coming year and what it would do to arouse the interest of the private sector, so as to attract it to play a greater role in this type of projects?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, in fact the Efficiency Unit and all Policy Bureaux have striven to do their best in this area. Although I cannot provide specific details on projects in the pipeline, I can say that we are very active in our work in this area.

MR TAM YIU-CHUNG (in Cantonese): *Madam President, although the BOT modality seems to be highly advantageous to the Government, but in the examples of the Western Harbour Crossing, Route 3 and the Tate's Cairn Tunnel, the Government failed to achieve its goal of traffic diversion because the operators refused to reduce their charges. Consequently, in order to divert traffic, the Government had to examine the construction of new roads. In this connection, has the Government learned from such experience and come to the conclusion that the BOT modality may not necessarily be advantageous to the Government?*

PRESIDENT (in Cantonese): Will the Secretary for Financial Services and the Treasury or some other Secretaries give a reply? Secretary for the Environment, Transport and Works.

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, concerning the case of the Tate's Cairn Tunnel and Route 3, we have received a lot of views from many parties, in particular views concerning a mismatch in overall transport management and the unsatisfactory traffic flow. We are now conducting a review of the overall operation of the BOT modality. Of course, Hong Kong has still little experience in this area. The management contract lasts 30 years and this project is only in its early years of operation. In fact, generally speaking, after a construction period of four years and an operation period of five years, these projects should begin to yield returns. Whether the operators can make profits that meet their original targets is certainly a matter of great concern to them. However, from the viewpoint of the Government, we are very much concerned about the overall control and management of the transport system and it is also very important that these projects will give greater convenience to the public and facilitate the smooth flow of goods. Therefore, the Government is reviewing several existing BOT projects with a view to effecting improvements.

DR LUI MING-WAH (in Cantonese): *Madam President, as far as I know, no matter whether the projects are in the DBO or BOT modality, they are all undertaken by a few consortia. In this connection, may I ask the Government what measures it has put in place to allow more extensive participation of large consortia in Hong Kong when carrying out these types of projects in future?*

PRESIDENT (in Cantonese): Which Secretary will answer this? Secretary for Financial Services and the Treasury.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, as pointed out by Dr LUI, past BOT projects were all large-scale projects. I have also said that the Government will actively examine whether it is possible to identify some projects on which co-operation in the PPP modality with the private sector is possible. If there can be more projects of this type and a lesser amount of capital is involved in these projects, I believe there will be more opportunities for other consortia to take part in these projects.

DR RAYMOND HO (in Cantonese): *Madam President, I would like to follow up the PFI, that is, the private funded initiative modality mentioned just now. The Secretary does not seem to have a good understanding of this modality which has been adopted in Europe for some time. He said that the Government has to propose projects carrying business opportunities in order to arouse interest in the market. In fact, this is not how this modality works. The correct approach is for the Government to consider allowing a private company which has carried out a study or put in resources to conduct a study and made a proposal to the Government to undertake the project. The Government should not invite open tenders for proposals it considers desirable so that companies with good proposals are discouraged from putting forth any in the future. Will the Government consider encouraging more private companies to put forth good proposals and when they do, as in the projects to construct the Hung Hom Harbour Crossing and the Tsing Ma Bridge, to allow these companies to undertake the projects rather than putting the relevant projects to open tender? Will the Government adopt such a flexible approach?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, we welcome any proposal.

DR RAYMOND HO (in Cantonese): *Madam President, it seems the Secretary has not really answered my supplementary because he has not responded to my*

question on adopting a flexible approach. My supplementary is on whether the Government will consider the approach of actively giving priority consideration to companies that have made the perceivably good proposals in implementing the projects rather than invariably putting these proposals to open tender. The Secretary did not answer this part of my supplementary.

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

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): Madam President, I have nothing to add.

MS MIRIAM LAU (in Cantonese): *Madam President, in granting franchises under the BOT modality, are the Government's aims simply to save some public funds by obviating the need to finance the infrastructural projects out of its own pockets and to give the business sector more business opportunities? Or does the Government have the responsibility to ensure that the relevant BOT projects are consistent with the Governments' overall policy in a certain area, for example, to require that the construction of tunnels meets the authorities' policies on transport and in other areas?*

PRESIDENT (in Cantonese): Which Secretary will answer this?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, Ms LAU's supplementary precisely spells out the issues that I have been considering. Financially, the Government will of course consider the issue of cost-effectiveness. For example, in terms of transport management, we must follow the Government's overall policy on transport and consider how we can make the management more effective, as well as ensuring that there are measures to exercise control on the operation in various areas.

PRESIDENT (in Cantonese): Fifth question.

Default on Rental Payments by PRH Tenants

5. **MR FREDERICK FUNG** (in Cantonese): *Madam President, regarding default on rental payments by tenants of public rental housing (PRH) estates, will the Government inform this Council:*

- (a) *of the percentage of PRH tenants defaulting on rental payments and the number of those tenants who defaulted on such payments for more than three times, in each of the past five years; and*
- (b) *whether it will consider waiving the rents of PRH tenants who have low incomes but do not receive Comprehensive Social Security Assistance (CSSA) payments?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese):

Madam President, first of all, I would like to outline the procedures followed by the Housing Department (HD) in dealing with non-payment of rents by public housing tenants:

- (i) On the 14th day of each month, the HD will issue reminders to tenants who have not paid their rents for that month, alerting them to the relevant provisions in the Tenancy Agreement.
- (ii) On the 7th day of the following month, if tenants who default on rents in the previous month still fail to pay their rents, the HD will issue written warnings to remind them that their tenancies may be terminated if they do not settle the rent arrears in honour of the Tenancy Agreement.
- (iii) On the 21st day of that month, tenants who have not yet settled the arrears will be issued final warnings, which urge them to clear up all arrears within four days.
- (iv) At the end of that month, the HD will issue notices-to-quit to tenants who still default on rental payments, informing them that their tenancies will be terminated after one month.

The annual rent default rates in the past five years as calculated from the number of notices-to-quit issued are set out at the Annex. Since rent default records are kept on separate case files, we have no computer or statistical records for calculating the number of public housing tenants who had defaulted on rent thrice or more.

As to the second part of the question, I would like to reiterate that the PRH programme is aimed to provide low-income families with affordable accommodation. Hence, in determining public housing rents, tenants' affordability is always our paramount consideration. The current level of public housing rents is very low. About 65% of public housing tenants pay less than \$1,500 per month for rent, which should be affordable to the majority of our tenants. Moreover, in the process of flat allocation, tenants can choose flats within their affordability range. If their financial situation subsequently changes, they can also apply for transfer to a flat with a lower rent to reduce their rental expenditure.

Tenants who encounter economic hardship but are not receiving CSSA can apply for Rent Assistance and obtain a 50% rent reduction if they have difficulties in paying rent, for example, when rent takes up more than 25% of their income, or their income is below 50% of the Waiting List limit.

The current three-tier arrangements through rent determination, flat allocation and Rent Assistance, and with the CSSA Scheme providing the final protection, should be sufficient in assisting low-income public housing tenants. Additional assistance in the form of rental waiver is unnecessary at the present stage.

Annex

Rent default rate (calculated on the basis of notices-to-quit issued)
of public rental tenants in the past five years

	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i> <i>(up to 30 June)</i>
Rent default Cases	1 491	1 873	1 923	2 083	1 508
% of total households	0.25%	0.31%	0.33%	0.36%	-

MR FREDERICK FUNG (in Cantonese): *Madam President, from the Annex, we notice that if the (half-yearly) average is taken, the number of rent default cases as at 30 June this year, that is, 2002, shows an increase of nearly 50% when compared with the figure of last year, that is, 2001. Besides, the rent-to-income ratio recently announced by the HD has also climbed to the record high of 12.4%. Last year, in view of the rising rent-to-income ratio and the economic downturn, the HD announced that it would waive public housing rents for the first month of the coming year (that is, this year). In view of the two figures mentioned above, that is, a 50% increase in the number of rent default cases and the record high rent-to-income ratio, will the Secretary again consider what it did early this year, that is, to waive public housing rents for one to three months?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): *Madam President, we do not have such intention.*

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, at present, when a public housing tenant defaults on rents, the Government will issue written notices to him. In the end, if the tenant still fails to pay the rents, the Government will terminate the Tenancy Agreement. I have dealt with many such cases. But in all these, no one ever told the tenants concerned that if the rents they had to pay took up 25% or more of their income, or if their income was less than 50% of the Waiting List limit, they might apply for rent assistance. No one ever informed the tenants of all this, and the tenants were simply urged to pay their rents. They were just told that if they failed to do so, their Tenancy Agreements would be terminated. Very often, we had to deal with these cases all over again. May I therefore ask the Secretary one question: Given the continuous decline in workers' wages these days, will the Government do something more when any tenants fail to pay their rents, such as informing them of the measures which can help them if the rents they have to pay take up 25% or more of their income, or if their income is less than 50% of the Waiting List limit? Is the Government going to do anything like this?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): *Madam President, we might not have done enough in this respect in the past.*

One such case has recently been widely reported by the media, and it reminds us that we must, as suggested by Miss CHAN, provide more information to tenants as we proceed with the various procedures. Regarding the various junctures I have mentioned, after issuing the first rent default notice, visits by our staff should be conducted to inform the tenant concerned of what measures are available to help him, now that he has rent arrears. We have also printed booklets on the Rent Assistance Scheme for distribution to tenants. Our staff may remind the tenant that if he really has any difficulty in meeting his rent payments, he can request assistance from the authorities. At other junctures, such as when a rent default warning is issued for the second time, we may attach the booklet again. When the final warning is issued, we should remind the tenant that he may lodge an appeal, because the law provides that a tenant may lodge an appeal with the Appeal Panel when he receives a notice-to-quit from the authorities.

Generally speaking, with the mediation of our staff or the assistance from elsewhere, most tenants can manage to pay their rents during the appeal period. This explains why there may be a huge discrepancy between the number of notices-to-quit issued and that of eventual repossession. This also illustrates that our arrangements are helpful to tenants. But I still wish to thank Miss CHAN for reminding us once again that the authorities should do something more in the early procedures. We will certainly do so.

MS LI FUNG-YING (in Cantonese): *Madam President, according to the main reply of the Secretary, more than 65% of public housing tenants can afford the rents, and specific measures have been put in place to assist low-income tenants. That being the case, why is there a rising trend, evident in the Annex, for the number of tenants forced to quit because of the failure to meet rent payments? Have the authorities conducted any evaluation or statistical analysis on the major reasons for the removal of these tenants?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, it is true that notices-to-quit were issued in connection with the cases listed in the Annex. But as I explained a moment ago, after receiving a notice-to-quit, the tenant concerned may lodge an appeal, and we also have to follow quite a number of procedures in the meantime. That is why although the

yearly average of cases involving notices-to-quit numbered about 2 000 in the past few years, the actual number of tenants having to quit eventually was less than that, just about 600 a year. After mediation, or because of the substantiation of appeals, the actual number of tenants having to quit in the end was far smaller than that presented in the Annex. Regarding the major reasons for the removal of tenants, I do not have any statistics to hand, and I do not think that we have such statistics any way, because the authorities have never asked the tenants concerned why they have to move or whether they have any difficulties. I believe the tenants concerned may encounter various kinds of difficulties, and financial hardship may not be the only reason.

MR IP KWOK-HIM (in Cantonese): *Madam President, it is mentioned in the fourth paragraph of the Secretary's main reply that the HD has put in place a Rent Assistance Scheme for tenants who are not receiving CSSA. May I ask the Secretary whether a tenant having financial difficulties must meet any prerequisite before he can apply for Rent Assistance? For example, must he, as mentioned in the third paragraph of the main reply, first move to another flat within his affordability range before the Government offers him Rent Assistance?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, as far as I know, this is not the case. As long as a tenant meets the relevant requirements, he can apply for a 50% reduction in rent. After a certain number of years, if he still wishes to receive Rent Assistance, we will consider his case again to ascertain whether he needs to move to another flat with a lower rent. We certainly hope that the tenant's financial conditions can improve in the meantime, or that he can eventually afford the original rent again, but if his conditions do not improve, we will have to ascertain whether his flat is too big for him and whether any alternative arrangements are necessary. To sum up, we must first carefully consider the conditions of the tenant concerned.

MR ALBERT HO (in Cantonese): *Madam President, I do not know if the Secretary is aware of the following situation. Very often, after the HD has issued a notice-to-quit, even if the tenant concerned can pay all the rents in arrears before the deadline for removal, HD staff will still enforce the notice-to-quit. Or, even if the tenant can pay all the rents in arrears after the failure of*

his appeal, the HD will still refuse to accept his payment and order him to move out. This is even harsher than what happens when a private property owner tries to repossess his premises through litigation, because in such cases, as long as the tenant concerned can pay all the rent arrears and court fees before the deadline for removal, very often, the Court will grant him grace and let him continue to live in the premises. But this is not the case with the HD. May I ask the Secretary whether he will undertake to rectify such a practice if what I said just now is true?

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, if this is indeed true, I would certainly be shocked. I do not think that the HD should be so harsh, and we do have a certain degree of discretionary authority. As far as I am aware, nothing of that sort has happened before. But since Mr HO has mentioned such a case, I may perhaps ask the Honourable Member for the relevant case particulars later. I will definitely take follow-up actions.

DR LUI MING-WAH (in Cantonese): *Madam President, may I ask the Secretary what percentage the rents paid by public housing tenants account for their total household income? Have the authorities conducted any survey on this?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, under the law, the median rent must not account for more than 10% of the median wage. As pointed out by Mr Frederick FUNG, the rate is now over 10%, or about 12%, to be precise. However, first, we must note that the income statistics concerned have not been verified so far; what we have done is just to conduct some surveys, asking residents how much they earn and then use their answers as the basis of computation. The statistics have not been verified. Second, we must also note that there are still very divergent views on the definition of rents. Outside the public housing sector, rents do not include rates and management fees. But the rents collected by the HD are all-inclusive, meaning that both rates and management fees are included. Therefore, the HD's definition of rents is different from that of the outside world. Generally speaking, the percentage is about 12% now.

MR ABRAHAM SHEK (in Cantonese): *Madam President, according to the rent default statistics given by the Secretary in the main reply, there were 2 083 rent default cases in 2001. May I ask the Secretary how much the total sum of rent default was? And, how much does the Government have to spend on recovering these rent arrears?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, at the moment, I do not have any statistics on the sum of money involved. But last year, the rents which could not be recovered in the end after the issuing of rent default warnings amounted to \$ 2.3 million. In some cases, the Government managed to recover the rents after some twists and turns. The rents which could not be recovered in the end and which must thus be written-off amounted to \$ 2.3 million.

MR ABRAHAM SHEK (in Cantonese): *Madam President, my question is about how much the Government has to spend on recovering the rent arrears.*

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

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, I am sorry that I do not have the information required now. Nor do I know whether I can find any such information later. We must go through many different books before we can find the statistics requested. That is why I cannot promise Mr SHEK that I will definitely be able to give him a reply.

PRESIDENT (in Cantonese): Sixth question.

Population Policy

6. **MR ABRAHAM SHEK**: *Madam President, regarding the comprehensive study on Hong Kong's population policy being conducted by the Government, will the Government inform this Council:*

- (a) *whether it intends to bring in "higher quality" migrants; if so, of the definition of such migrants;*
- (b) *of the progress made in drawing up the proposal to attract investors to invest and settle in Hong Kong; and*
- (c) *of the numbers of entry applications for employment received since the implementation of the Admission of Mainland Professionals Scheme in June this year, broken down by the information technology (IT) sector and the financial services sector and, among them, the numbers of approved applications, as well as the average monthly salaries of those who have been admitted to Hong Kong?*

SECRETARY FOR SECURITY (in Cantonese): Madam President,

- (a) In July this year, the Chief Executive announced that the Government of the Hong Kong Special Administrative Region (SAR) would formulate a comprehensive population policy that would tie in with Hong Kong's long-term social and economic development and, at the same time, address the need for family reunion. The Chief Secretary for Administration has been assigned to co-ordinate the formulation of the population policy, which encompasses a number of policy areas and complex issues. The admission of persons who have the potential to contribute to Hong Kong's socio-economic and other development for employment and settlement is only one of the many facets of the population policy. The Chief Secretary for Administration has earlier met with Members of this Council, academics, the business sector and other organizations to listen to their views on the population policy. Under the leadership of the Chief Secretary for Administration, the bureaux and departments concerned are now actively examining relevant policy areas with a view to finalizing proposals by the end of this year. As to what constitutes "higher quality" migrants, this will vary from person to person, as arriving at such a definition involves subjective assessment. Moreover, the types of the so-called "higher quality immigrants" in shortage may change over time due to the evolving needs at different stages of Hong Kong's development. At this stage, we do not intend to lay down a definition for "higher quality"

migrants. The Government will consider suitable arrangements for admitting the talents we need in the context of the study on the population policy, and upon its completion, we will make an announcement and report to this Council.

- (b) The existing immigration policy only allows the entry of foreign investors who are establishing or joining in a business operation in Hong Kong. It does not cater for those who have the financial means to make investment in Hong Kong but do not wish to be involved in running the businesses themselves (capital investment entrants). Many countries in the world, such as the United Kingdom, Canada and Singapore, have introduced policies to admit capital investment entrants. The new capital brought in by these persons for making investment helps to facilitate the financial and economic development of the countries concerned. The SAR Government is examining the relaxation of the existing immigration policy in the context of the population policy so as to attract capital investment entrants to invest and settle in Hong Kong. We will announce our thinking on proposals to admit this type of investors upon completion of the study on the population policy.
- (c) The Admission of Mainland Professionals Scheme was introduced in June 2001 to admit mainland professionals who possess skills or experience not readily available locally for employment so as to meet the daily operational needs of local enterprises. At present, the Scheme is only open to the IT and financial services sectors.

As at 31 October this year, the Immigration Department has received a total of 445 applications under the Scheme. The IT sector accounted for 268 applications, amongst which 151 have been approved, 38 rejected, 74 withdrawn and five are being processed. There were 173 applications from the financial services sector, amongst which 91 have been approved, 28 rejected, 37 withdrawn and 17 are being processed. Excluding those cases which have been withdrawn or under processing, the approval rate is 80% and 76% respectively for the IT sector and the financial services sector.

Of the approved cases, 142 IT professionals and 89 financial services professionals from the Mainland have already entered Hong

Kong and started working. The average monthly salary of admitted professionals in the IT and financial services sectors is about \$28,900 and \$52,200 respectively. The average monthly salary of admitted professionals from both sectors is about \$38,000.

MR ABRAHAM SHEK (in Cantonese): *Madam President, the Secretary mentioned in part (b) of the main reply that the Government would consider admitting capital investment entrants in the future. It was mentioned in the main reply that, besides Hong Kong, many places like Canada to the north, and Singapore to the south, hoped to admit capital investment entrants too. Such opportunities are hard to come by. How much time will the Government take to consider the plan before announcing its implementation?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, we have spent quite sometime discussing the technical details with the relevant departments, including the Government Economist, the Hong Kong Monetary Authority and the Securities and Futures Commission. This policy is now being dealt with by the Chief Secretary for Administration in conjunction with the study on the population policy. The Chief Secretary for Administration has indicated that the review of the population policy will hopefully be completed by the end of this year, after which he will decide the date of announcing the results of the review.

MR HUI CHEUNG-CHING (in Cantonese): *Madam President, the Secretary indicated in part (b) of the main reply that the SAR Government was examining the relaxation of the immigration policy. May I ask the Secretary whether the Government will consider granting the right of abode to mainlanders who have purchased properties of a certain value in Hong Kong?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, under the existing immigration policy, people from all parts of the world, with the exception of mainlanders, are allowed to enter Hong Kong for the purpose of operating businesses or making investments. However, all the existing investment categories must involve business operation, that is, the applicant must

operate a certain business. In fact, more than 200 such applications were approved annually in past years. Under the Basic Law, it is not permissible for a person to obtain the right of abode simply through making investments. The Basic Law provides that, in order to obtain the right of abode, a person must meet the requirement of residing in Hong Kong for a continuous period of seven years. He will not be granted the right of abode simply by virtue of bringing into the territory a certain sum of money. Nevertheless, the Government may now consider the option of, first, introducing the category of capital investment entrants. Applicants under this category will not be required to operate a certain business. They will be allowed to settle in Hong Kong as long as they bring with them a certain sum of money to invest in a specified instrument, such as properties or other specified instruments. Investors who are willing to reside in Hong Kong for at least seven years will be eligible for the right of abode. Of course, it will depend on whether the policy for admitting capital investment entrants is really implemented by the Government, albeit more than 200 such applications have been approved annually. Second, consideration should be made as to how the scheme would be implemented in all parts of the world, including the Mainland, that is, simultaneously in phases. A conclusion will be drawn following the completion of the study on the overall population policy by the Chief Secretary for Administration.

MS EMILY LAU (in Cantonese): *Madam President, I believe the scope of the population policy is very extensive, and possibly extremely complicated and controversial. The Secretary stated in part (a) of the main reply that the Chief Secretary for Administration had met with Members of this Council, academics and people from various sectors of the community. Madam President, five or six Members, including me, once had a meal with the Chief Secretary for Administration for about an hour, and every one of us expressed some opinions. The conversation was certainly not intended as an orderly or in-depth consultation. I told the Chief Secretary for Administration then that I considered it necessary for the Government to publish a consultation paper to enable members of the community to discuss the matter in an orderly manner. The Secretary mentioned repeatedly earlier that we had to wait until the Chief Secretary for Administration completed his work. May I ask the Secretary in what manner the Chief Secretary for Administration will publish his findings upon the completion of his work before carrying out the consultation, and will the results to be announced by him come as a document based on a policy decision already made?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, I cannot answer this supplementary question on behalf of the Chief Secretary for Administration because the population policy covers more than the immigration policy. The population policy also depends on the local population profile and the problems facing the local population, such as factors leading to the low fertility rate of local women. I know that the Chief Secretary for Administration has to study these issues. I am therefore unable to give a reply on his behalf to the question as to in what manner he will, upon the completion of the relevant study, report to this Council or consult the public.

MR MICHAEL MAK (in Cantonese): *Madam President, I hope the media will not describe me as being jealous again. The Secretary stated that the Chief Secretary for Administration had consulted Members of this Council. He had at least not consulted me. I have to make this very clear.*

I am not sure whether the Secretary will really adopt the "higher quality" standard she mentioned in part (a) of the main reply. I feel very concerned about this because many of us who were born and brought up locally have made outstanding achievements. Secretary Stephen LAM, for instance, remarked last week that there were numerous brilliant people among us

PRESIDENT (in Cantonese): Mr MAK, please come to your supplementary question direct.

MR MICHAEL MAK (in Cantonese): *Madam President, I think the expression "higher quality" is somewhat discriminatory. Will the Secretary really adopt this expression and what strategy will the Government introduce to enable people born and brought up locally to achieve not only the "higher quality", but also the "best quality"?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, firstly, I will convey Mr Michael MAK's interest in this matter to the Chief Secretary for Administration and remind him to consult Mr MAK. Secondly, it was Mr Abraham SHEK, not me, who first used the expression "higher quality". I believe the expression was not intended to be discriminatory. I have pointed

out in the main reply that it is extremely difficult to define what constitutes "higher quality" persons because it is very subjective and will vary from person to person. To some people, the expression may refer to those having tertiary qualifications or having handsome savings in the banks. Some may even hold that the expression refers to outstanding sports performers or people with a high level of educational attainment. It really varies from person to person. Although persons meeting all these requirements may not be available at the moment, it does not mean that there will be none in the future. I therefore trust that the team led by the Chief Secretary for Administration to deal with the formulation of the population policy will not give a definition for "higher quality" population. Neither will it be possible to do so. If we refer to such overseas countries as the United States, Canada and Australia, we will find that these countries have not given a definition to "higher quality" too. Instead, they will only classify migrants into different categories, that is, categories of people considered to be lacking, such as professionals, technicians, outstanding scientists, artists, athletics, and so on. As I mentioned before, in order to enhance ethnic diversity, quotas are allocated to regions with less migrants to the United States by way of drawing lots every year, in order to achieve a better balanced population profile. I note that many advanced countries do not give a definition to such expressions as "higher quality" and "second-rate quality". Instead, they will only introduce different categories of immigrants. Should the Government intend to revise its immigration policy, it would follow this direction.

MR BERNARD CHAN (in Cantonese): *Madam President, the Secretary mentioned in the last paragraph of the main reply that 89 financial services professionals had been given approval to enter Hong Kong. The scope of financial services is indeed very wide, and it includes, for instance, banking, insurance and investment services. May I ask the Secretary to what areas these 89 professionals belong? Can the Secretary provide figures on their positions? If such information is not available on hand, can the Secretary provide it in writing?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, I am afraid I do not have such information on hand. I will furnish the relevant information to Mr Bernard CHAN in writing. (Appendix V)

MR MA FUNG-KWOK (in Cantonese): *Madam President, since the implementation of the Admission of Mainland Professionals Scheme, a substantial number of applications have been received. May I ask the Secretary whether or not the response to the Scheme is within or without the estimation of the Government? What is the Government's evaluation of the effectiveness of the Scheme?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, the response to the Scheme is within our estimation. We reckoned that the demand would be influenced by economic activities. If the economy is prospering, we will require more IT and financial services professionals. Over 400 applications have been received since the Scheme was launched a year ago. In our opinion, these applications can serve to reflect the economic situation in the territory. The salaries of these professionals are very high. As I mentioned earlier, the mean salary of the financial services sector is over \$52,200, and nearly \$30,000 for the IT sector. This shows that people who genuinely wish to introduce these professionals have not treated them as cheap labour. Instead, they are prepared to offer higher salaries to attract professionals not readily available in Hong Kong.

MR LEE CHEUK-YAN (in Cantonese): *Madam President, although the findings of the review of the population policy will not be announced by the Chief Secretary for Administration until the end of this year, investment migrants and professional migrants have been mentioned repeatedly. It seems that they are almost certain to be introduced. May I ask the Secretary, from the angle of the Security Bureau, whether the Government has adopted a certain principle to examine the possible impact on the existing quota of 150 arrivals for family reunion, regardless of whether investment or professional migrants will be accepted?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, professional migrants are being accepted in different parts of the world under specific categories. Nonetheless, there are restrictions on the Mainland for only two categories, namely talents and professionals. A conclusion has yet been made as to the admission of capital investment entrants. In my opinion, even if

these two policies are further relaxed, the applications will be dealt with on the merits of individual cases. The daily quota for the admission of migrants for resettlement in Hong Kong will not be affected.

PRESIDENT (in Cantonese): This Council has spent more than 15 minutes on this question. Although a number of Members are still waiting to raise their questions, I shall allow one last supplementary.

MR NG LEUNG-SING (In Cantonese): *Madam President, it was mentioned in part (b) of the main reply that the United Kingdom, Canada and Singapore have introduced initiatives to admit capital investment entrants. Has the Government examined whether these regions or countries have encountered any negative feedback when admitting these entrants? Can the Government provide information on the positive and negative impacts such investments will have on the territory in its study on the population policy to be published in the future?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, as far as I understand it, these capital investment entrants do not have any negative impact on the host territory. It is because, firstly, in addition to meeting certain capital investment requirements, the investors must be persons of good character. Furthermore, they have to ensure that their capitals come from legitimate sources, that is, the security of their capitals is safeguarded before they will be allowed to enter Hong Kong. As regards the economic benefits, we do not have detailed information on the situation in different countries. There are bound to be diverse views on the implementation of this measure in Hong Kong. As far as I understand it, some people are of the view that there is no lack of capital in Hong Kong. I believe Mr NG Leung-sing knows it better than I do with regard to the question of whether the banking sector is short of capital. On the other hand, there are some who believe that more a case of a lack of investment desire in Hong Kong. Some have questioned to what extent the territory will be benefitted from the mere influx of capital. These are the issues that the team led by the Chief Secretary for Administration has to examine.

PRESIDENT (in Cantonese): Question time ends here.

WRITTEN ANSWERS TO QUESTIONS**Usage of Northern Link by Cross-Boundary Passengers**

7. **DR TANG SIU-TONG** (in Chinese): *Madam President, in a supplementary information paper submitted to the Panel on Transport of this Council in June this year, the Government forecast that after the opening of the Northern Link (NOL) in 2016, the daily passenger flow through the rail boundary crossings on normal weekdays would be 540 000 on average, of which 130 000 would cross the boundary using the NOL. However, when speaking in the motion debate on "Expediting the implementation of the Northern Link" at the Council meeting on 9 October this year, the Secretary for the Environment, Transport and Works pointed out that, according to the Administration's "estimate, with the opening of the NOL in 2016, the daily cross-boundary rail passenger traffic would increase by 10% to 500 000. Based on the preliminary assessment, a daily cross-boundary passenger flow of 40 000 would not be sufficient to make the construction and operation of the NOL financially viable". In this connection, will the Government inform this Council:*

- (a) *of the reasons for the discrepancy in the two sets of figures in respect of the average daily passenger flow through the rail boundary crossings on normal weekdays after the opening of the NOL, and how the above four passenger traffic flows are worked out;*
- (b) *whether, in forecasting the cross-boundary passenger flow to be accommodated by the NOL, it has taken into account factors such as the commissioning of the Shenzhen Metro in 2004 and the shift in the focus of Shenzhen's urban development planning towards the western part of the city; if not, the reasons for that; and*
- (c) *whether the Kowloon-Canton Railway Corporation (KCRC) has liaised with the relevant government departments on the proposal to expedite the implementation of the NOL; if so, of the contents of the Corporation's proposal?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): Madam President,

- (a) The forecast figures given in the supplementary information note submitted to the Legislative Council in June 2002 referred to the projected usage of each of the three cross-boundary rail lines (that is, 130 000 for the NOL, 110 000 for the Sheung Shui to Lok Ma Chau Spur Line and 300 000 for the East Rail from Sheung Shui to Lo Wu) in 2016. The projected total usage was therefore 540 000 passenger-trips per day. Of these, we projected that about 20 000 passengers might make use of all three rail lines in crossing the boundary. In details, they might choose to travel from Kam Tin to Kwu Tung using the NOL, from Kwu Tung to Sheung Shui using the Spur Line and then from Sheung Shui to Lo Wu using the East Rail. The trips made by these 20 000 passengers were included in the projected usage of each of the three cross-boundary lines. Hence, the total usage figure was greater than the 500 000 cross-boundary rail passengers figure given by me during the motion debate on the NOL in October 2002. The latter figure of 500 000 was the total number of daily cross-boundary rail passengers in 2016 with the implementation of the NOL. Without the NOL, the daily passengers would be about 460 000. Therefore, the net increase in the total number of rail passengers as a result of the NOL would be about 40 000. This additional increase in passengers would not be sufficient to make the construction and operation of the NOL financially viable. The figures given in the supplementary information note and my reply were all based on the latest forecasts using the Planning Department's Cross Boundary Model and Railway Development Strategy-2 Model.
- (b) The opening of the Shenzhen Metro and the shift in the development focus to the western part of Shenzhen have been taken into account in arriving at the above cross-boundary passenger forecasts.
- (c) We maintain regular dialogue with the KCRC. The KCRC is now proceeding with the financial and technical analyses on the NOL and will submit their findings to us.

Measures in Air Pollution Management

8. **MR JAMES TIEN** (in Chinese): *Madam President, in reply to a question raised by a Member at the Legislative Council meeting on 16 October this year, the Secretary for the Environment, Transport and Works pointed out that the Hong Kong Special Administrative Region (SAR) Government and the Guangdong Provincial Government had set up an expert group under the Hong Kong-Guangdong Joint Working Group on Sustainable Development and Environmental Protection to take forward various measures in air pollution management, with the objective of achieving the agreed emission reduction targets by 2010. In response to my supplementary question, the Secretary cited examples to illustrate these measures. In this connection, will the Government inform this Council of the details of the various measures in air pollution management and the implementation timetable?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Chinese): Madam President, in accordance with their agreement reached in April this year, the SAR Government and the Guangdong Provincial Government are considering in detail the recommendations in the report of the Study of Air Quality in the Pearl River Delta Region having regard to their feasibility. Both governments will implement a series of additional control measures with the objective of reducing, on a best endeavour basis, by 2010 the emissions of sulphur dioxide (SO₂), nitrogen oxides (NO_x), respirable suspended particulates (RSP) and volatile organic compounds (VOC) in the region by 40%, 20%, 55% and 55% respectively, using 1997 as a base.

To achieve the agreed emission reduction targets, the study report recommends that the SAR Government should take the following actions:

- (i) reduce VOC emissions from sources such as printing operations and consumer products including paints and aerosol sprays of various kinds; and
- (ii) reduce SO₂, NO_x and RSP emissions from power plants in Hong Kong.

For Guangdong Province, the study report recommends that the Guangdong Provincial Government should:

- (i) reduce emissions from power plants through transmission of hydro-electricity from the west, using cleaner fuels and upgrading existing plants;
- (ii) reduce motor vehicle emissions through speeding up the tightening of motor fuel and vehicle emission standards; and
- (iii) reduce industrial emissions through targeting the most polluting industrial processes and requiring their upgrading or the installation of control equipment.

The two governments have set up an expert group under the Hong Kong-Guangdong Joint Working Group on Sustainable Development and Environmental Protection to take forward the recommendations in the study report. The work of the expert group includes assessment of changes to regional air quality and the effectiveness of the additional improvement measures to be implemented. In this connection, the expert group is currently planning to set up an enhanced regional air quality monitoring network. The enhanced network is expected to become operational around 2004. The expert group is also studying the feasibility of introducing a pilot emissions trading scheme for power plants in the two places.

We will consult the Legislative Council on the details of the proposed additional control measures to be carried out in Hong Kong and the proposed timing of implementation once they have been drawn up.

Complaints Against Extra-mural Courses of UGC-funded Institutions

9. **MR CHEUNG MAN-KWONG** (in Chinese): *Madam President, it has been reported that complaints have been lodged about courses operated by the extra-mural departments or affiliated schools of some University Grants Committee-funded institutions (UGC-funded institutions) and about courses jointly operated by these institutions and non-local institutions not meeting the advertised descriptions and charging excessive school fees. In this connection, will the Government inform this Council:*

- (a) *whether there are any restrictions on the claimed academic standard (such as diploma, degree or postgraduate level) of these courses; if so, of the details; whether the academic standards of courses at associate degree level or above are self-accredited by the institutions operating the courses; if so, of the reasons;*
- (b) *of the mechanism for monitoring the quality, academic standard and vetting applications for admission to such courses; how the monitoring agency assures the quality of these courses; whether the courses have to be registered; if so, of the ordinance under which they are registered; if not, the reasons for that;*
- (c) *whether it knows if any channels have been set up by UGC-funded institutions to handle complaints about courses not meeting the advertised descriptions; if there are such channels, of the number of such complaints received by each institution in each of the past five years and the percentage of such complaints among all complaints received by the relevant institution for the year; if not, of the agency for handling the complaints; and*
- (d) *whether it knows if UGC-funded institutions and their extra-mural departments or affiliated schools share the teaching and financial resources between themselves; if they do, of the items of the resources concerned and the amount of money received for such items by each party in each of the past three years, as well as the percentage of such amount in the fund allocated to the institution, or in its surplus, for that year?*

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

- (a) The respective governing ordinances of the UGC-funded institutions empower them to confer degrees and other academic awards. There is no restriction on the claimed academic standard of courses offered by them and their continuing and professional education (CPE) arms. For the universities, their award-bearing programmes (usually at certificate level or above) are accredited and conferred by the institutions, and are subject to their internal quality

assurance mechanisms. For the Hong Kong Institute of Education (HKIED) which is not yet a self-accrediting institution, any award-bearing programmes offered by its CPE arm must be validated by the Hong Kong Council for Academic Accreditation (HKCAA).

Non-award-bearing programmes are also subject to the institutions' own internal quality assurance control before they are offered to students.

In a "Consultation Paper on the Proposal to Set up a Qualifications Framework and the Associated Quality Assurance Framework in Hong Kong" published this month by the Education and Manpower Bureau, it is proposed, among other recommendations, that the existing mandate of the HKCAA be expanded to take responsibility for ensuring the quality of all qualifications below degree level in the proposed qualifications framework, including those of the CPE arms of UGC-funded institutions. The Government will carefully consider all the views of the public before taking a decision on the recommendation.

For courses jointly operated by CPE arms and non-local institutions leading to non-local awards, they are regulated under the Non-Local Higher and Professional Education (Regulation) Ordinance (Cap. 493).

- (b) The universities all have their own internal mechanism to validate and monitor the admission standards, content and quality of courses. Usually, the mechanism involves bodies like the Senate, academic boards, internal validation panels, management committees, and so on. Membership of these bodies includes academics, professional experts from the relevant industries or external professional bodies, teaching staff and student representatives.

The UGC also attaches great importance to programme quality. Programmes offered by the CPE arms are now included in the Teaching and Learning Quality Process Reviews conducted by a panel under the UGC.

For the HKIEd, award-bearing courses offered by its CPE arm must be revalidated by the HKCAA every three years. Internally, the Institute has also set up quality assurance committees to monitor and supervise the daily operation and quality of its CPE programmes.

Since all the eight UGC-funded institutions are statutory bodies regulated under their governing ordinances, they are not required to separately register their courses. CPE arms offering non-local courses in collaboration with their non-local partners are required to apply for exemption under Cap. 493 and a register of these courses is kept and available for public inspection.

- (c) The CPE arms of all UGC-funded institutions have established channels for handling complaints about their courses. According to the information provided by the institutions, there are one, three, six, five and zero complaints in the past five academic years from 1997-98 to 2001-02 respectively about courses not meeting the advertised descriptions. They represented between 0% to 9% of the total number of complaints received.
- (d) All CPE arms are currently operated on a self-financing mode. Their financial transactions are recorded separately from those of the institutions proper. In cases where CPE arms use the resources of the institutions proper, these are paid for by the CPE arms.

Nevertheless, the senior management of institutions do share responsibility for the strategic development of the CPE arms. There is no separate accounting or charging in such cases.

Opening Hours of Toilets in Victoria Park

10. **MISS CHOY SO-YUK** (in Chinese): *Madam President, Victoria Park in Causeway Bay is open to the public round the clock, but the public toilets there are not, thereby causing inconvenience to the users of the Park. In this connection, will the Government inform this Council whether it will extend the opening hours of such toilets; if so, of the new opening hours and when they will be implemented; if not, the reasons for that?*

SECRETARY FOR HOME AFFAIRS (in Chinese): Madam President, there are three public toilets in Victoria Park, which are located to the west of the Park near the Sugar Street entrance, the north of the Park at Hill Knoll and the east of the Park near the Hing Fat Street entrance respectively. The one near Hing Fat Street entrance is managed by the Food and Environmental Hygiene Department, while the other two are managed by the Leisure and Cultural Services Department (LCSD). All three toilets are generally open to the public round the clock. However, since the path leading to the toilet at Hill Knoll has recently been made circuitous because of the improvement works in progress, the usage rate of that toilet has become very low, particularly at nighttime. For the better use of resources, the LCSD has rescheduled the opening hours of the toilet from 7.00 am to 11.00 pm during the construction period. Upon completion of the improvement works by November, the toilet will be open to the public round the clock again.

Public Order at A&E Departments of Hospitals

11. **MR MICHAEL MAK** (in Chinese): *Madam President, it has been reported that, at the end of last month, more than 10 people yelled noisily inside the Accident and Emergency (A&E) Department of the Prince of Wales Hospital because they were disgruntled about the failure of the doctors on duty to provide immediate treatment to their friends. Insults were hurled at the police officers who were on duty at the scene when they called a halt to such yelling. It was only after a dozen or so police officers had arrived that the situation was under control. Regarding the public order at A&E departments of public and private hospitals, will the Government inform this Council:*

- (a) *whether there are police officers on duty round the clock in each A&E Department at present; if so, of the average number of police officers on duty per shift in each A&E Department and the duties of these police officers;*
- (b) *whether it has assessed the adequacy of the existing police manpower in A&E Departments for maintaining public order and ensuring that health care personnel are free from harassment; and*

- (c) *of the number and details of cases in which health care personnel at A&E Departments were assaulted and injured whilst on duty in the past five years?*

SECRETARY FOR SECURITY (in Chinese): Madam President:

- (a) A police post is set up in each of the A&E Departments of the 14 public hospitals in Hong Kong. Except for Alice Ho Miu Ling Nethersole Hospital (AHMLNH) and North District Hospital (NDH), all police posts are manned 24 hours a day. The police posts at AHMLNH and NDH are operative between 8 am to 10 pm. This has taken into account the conditions of the relevant A&E Departments and local policing consideration which necessitates a more flexible and balanced deployment of front-line manpower. Besides, we understand that there is no A&E department in private hospitals.

The police post is manned by one police constable on each shift and his/her responsibility is to liaise between the health care personnel of the A&E Department and the police formation. He/she will conduct initial enquiry and report any case of interest referred by the health care personnel (for example, the injuries are suspected to be caused in incidents of criminal nature) to the police formation for further action.

- (b) The role of the police constable at the police post is mainly to liaise between the health care personnel and the police formation. They are not specifically deployed to enforce public order or to safeguard health care personnel at the A&E Departments. However, they will execute constabulary duties where necessary and they can request backup reinforcement through the Command and Control Centre. Available reinforcement includes resources from the police formation of the district which covers the hospital, Regional Emergency Unit or Police Tactical Unit duties deployed on the ground.
- (c) Police and the Hospital Authority have not kept specific figures in this respect. Incidents of troublemakers causing disturbance and seriously injuring health care personnel are rare. There were,

however, individual incidents in which discontented, intoxicated or mentally unstable patients caused some nuisance.

Programme of Early Assessment Service for Young People with Psychosis

12. **MISS CHAN YUEN-HAN** (in Chinese): *Madam President, regarding the Early Assessment Service for Young People with Psychosis (EASY) Programme implemented by the Hospital Authority (HA), will the Government inform this Council whether it knows:*

- (a) *the staffing arrangement and service regions of the above programme;*
- (b) *the respective annual numbers of cases handled by the four EASY regional service centres specially set up under the above programme since their establishment, and the numbers of new cases received each year; whether the numbers of such cases are on the rise in recent years; if so, of the reasons for that; and how the HA copes with the increasing service demand;*
- (c) *the respective numbers of cases in which the patients under the programme are receiving treatment, fully rehabilitated or are deteriorating; if any support services have been provided to those receiving treatment; if so, of the organizations providing such support services;*
- (d) *given that the target clientele of the above programme are young persons aged 15 to 25, if the HA has provided support or treatment services to persons with psychosis who are in other age groups; if it has, of the organizations providing such services; and*
- (e) *if the HA has assessed the number of persons with psychosis who have not received any diagnosis or treatment; and why they refuse to do so?*

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

- (a) The EASY Programme was commissioned in July 2001 to assess 1 400 young persons annually with a view to identifying those suffering from psychotic problems for early treatment. A total of eight doctors, one clinical psychologist and 13 nurses are currently deployed to operate the Programme. Four teams have been set up to serve the needs of the entire Hong Kong. The main service areas covered by the four EASY teams are as follows:

<i>Team</i>	<i>Main Service Areas</i>
Team based at Queen Mary Hospital (QMH)	Hong Kong Island, Kowloon East and Islands
Team based at Kwai Chung Hospital (KCH)	Kowloon Central, Kowloon West, Tsuen Wan, Kwai Tsing and Tung Chung
Team based at Castle Peak Hospital (CPH)	Tuen Mun and Yuen Long
Team based at Shatin Hospital (SH)	Sha Tin, Tai Po, Sai Kung, Fan Ling and Sheung Shui

- (b) The number of cases assessed by each of the four teams in the 2001-02 financial year and the current financial year are set out below:

<i>Team based at</i>	<i>Number of cases assessed</i>	
	<i>2001-02 (from July 2001 to March 2002*)</i>	<i>2002-03 (up to October 2002)</i>
QMH	320	207
KCH	558	383
CPH	493	326
SH	356	490
Total	1 727	1 406

* As the programme was launched in July 2001, the statistics in question covered the period from July 2001 to March 2002.

It is premature to comment on caseload trend as the EASY Programme has only been launched for slightly more than one year.

To cope with service demand for psychiatric services, the HA has consolidated its psychiatric services through cluster-based service rationalization, rightsizing its psychiatric hospitals, enhancing community psychiatric services, and effective triage of outpatients.

- (c) The number of cases treated by each of the four EASY teams are set out below:

<i>Team based at</i>	<i>Number of cases treated</i>	
	<i>2001-02</i>	<i>2002-03</i>
QMH	143	119
KCH	246	154
CPH	123	135
SH	162	69
Total	674	477

The objective of the EASY Programme is to reduce the lag time between the onset of severe mental illness and treatment. Severe mental illness such as schizophrenia often runs a chronic course (often in terms of years) and patients suffering from such illness are prone to relapses. In general, psychiatric patients need to be followed up for an extended period of time. As the Programme has only been launched for slightly more than one year, it is too early to conduct an assessment on how far the objective of the Programme has been achieved as well as its outcome. The HA will closely monitor the progress of patients treated under the Programme.

The EASY programme provides comprehensive service for early detection and treatment of young people with psychotic illness, ranging from research and education programmes to preventive services, clinical assessment and medical treatment. The EASY teams also work with non-governmental organizations such as the Baptist Oi Kwan Social Service to provide vocational rehabilitation programmes, including vocational training and training in social and

communication skills, to facilitate patients' re-integration with the community.

- (d) As psychosis typically begins in late adolescence or early adulthood, the EASY Programme targets at patients within the age range of 15 to 25. If the HA's clinicians detect symptoms of psychosis in patients belonging to other age groups in the course of treating patients, such patients will be referred to the HA's psychiatric service for assessment and if necessary, treatment.
- (e) To ascertain the incidence of psychosis in the age cohort of 15 to 25 as well as the number of persons with psychosis who do not present themselves for diagnosis or treatment requires detailed research studies. No such studies have been undertaken in Hong Kong.

The reasons for patients refraining from seeking treatment include lack of self-awareness of their problems, fear of stigmatization or lack of knowledge of the existence of a full range of specialized psychiatric services provided by the HA. In this respect, the HA has stepped up its educational and publicity activities to encourage patients to seek early treatment, and enhance public awareness of the availability of a comprehensive range of mental health services and programmes run by the HA.

Over-proliferation of Wild Monkeys in Country Parks

13. **MR LAU KONG-WAH** (in Chinese): *Madam President, in view of the large number of wild monkeys settling in the areas of the Lion Rock, Kam Shan and Shing Mun Country Parks, will the Government inform this Council:*

- (a) *whether it monitors the changes in the number of monkeys and of the estimated number of monkeys currently settling in each of the above areas;*
- (b) *whether it has reviewed the impact of a large number of monkeys on the ecology of the country parks; if so, of the findings and remedial actions it will take;*

- (c) *of the measures to prevent over-proliferation of monkeys;*
- (d) *of the respective numbers of complaints lodged by picnickers about nuisances and attacks by monkeys in the past three years; and whether it has assessed the severity of the problem of monkeys causing nuisances to picnickers; if it has, of the details of the assessment;*
- (e) *of the diseases that can be transmitted to human beings through contacts with monkeys; and*
- (f) *whether the health conditions of monkeys are monitored on a regular basis; if so, of the details; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): Madam President,

- (a) The Agriculture, Fisheries and Conservation Department (AFCD) monitors changes in the number of wild monkeys in country parks including the Lion Rock, Kam Shan and Shing Mun Country Parks. According to its estimates, there are currently about 500, 700 and 130 wild monkeys in the three country parks respectively.
- (b) The AFCD's assessment is that the wild monkeys have not caused any significant adverse impact on the ecology of the country parks. The woodland habitats within the three country parks are large enough to support the fauna in the areas including the wild monkey population. The only damage the wild monkeys are causing is to some of the trees in an area within the Kam Shan Country Park where a relatively larger group of monkeys frequent. The Department's country park tree planting programme more than compensate for the trees so damaged.
- (c) The fundamental cause of the rapid growth of the wild monkey population in the three country parks is human feeding. To deal with this problem, the AFCD has since 1999 prohibited the feeding of wild monkeys in the three country parks. They have issued

about 16 000 warnings and advice, and prosecuted 11 persons for illegal feeding so far.

Moreover, the AFCD is studying the feasibility of introducing contraception as a long-term and humane measure to contain the growth of the wild monkey population. The Department has just completed a trial programme of sterilizing some 30 monkeys, and is now studying the effects on the monkeys' reproductive behaviour including the impact on their family groups.

- (d) According to the AFCD's record, the number of complaints received from visitors about monkey nuisances and attacks in the three country parks in 2000, 2001 and 2002 (up to October) were 52, 12 and 71 respectively. The majority of the cases involved monkeys displaying threatening gestures or attempting to snatch food from visitors, and did not cause any injury to the visitors. The figures were much lower when compared with the period between 1996 and 1998 when over 120 complaints were filed each year. We believe that the improvement is to a certain extent due to the effectiveness of the feeding ban introduced since 1999. The AFCD will continue to strictly enforce the feeding ban and explore other suitable measures to contain the growth of the wild monkey population.
- (e) In theory, a number of diseases such as Herpes B, rabies, tuberculosis and parasitic diseases could be transmitted to human beings through contacts with monkeys. Until now, there are no known cases of transmission of diseases from wild monkeys to human beings in Hong Kong.
- (f) The AFCD monitors the health conditions of the wild monkeys in country parks and carries out disease surveillance as necessary. So far there have been no signs of infectious disease among them. Checks that have been conducted on the wild monkeys have not revealed any evidence of infection with Herpes B, a virus present in wild monkey populations in other places that can cause serious disease in human beings. However, to ensure safety, members of the public wounded by monkeys are advised to seek medical attention.

"Thin Client" Network System

14. **MR SIN CHUNG-KAI** (in Chinese): *Madam President, regarding the "Thin Client" network system (that is, a network system formed by linking a central computer which can process multi-operations and abundant arithmetic calculations with several network computers (NCs) which are normally not installed with storage devices such as hard disks; users of NCs can simply retrieve the required programmes or data from the server when booting their computers whilst the major arithmetic calculations and processing operations are performed solely by the central computer), will the Government inform this Council:*

- (a) *whether it has assessed if the above network system is suitable for the operation of various government departments, particularly during the current financial hard time of the Government; if it has, of the results; if not, the reasons for that; and*
- (b) *if the above assessment results show that the network system is suitable for the operation of various government departments, of the departments which will first adopt the system; the savings in expenditures and the impact of adopting such system on the service standard of the departments concerned?*

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

- (a) The Government has not conducted a comprehensive and systematic assessment over the applicability of the "Thin Client" technology for government departments' operations. In principle, it is the Government's policy to allow departments to adopt the appropriate technologies based on the needs of individual information or processing systems. At the same time, the functionality, support, compatibility, security and overall cost-effectiveness of these technologies will also be considered in assessing the feasibility of their adoption. Apart from these general considerations, whether "Thin Client" technology can be adopted depends largely on what

and how many functions the connected user workstations require, as well as how many different system designs the user workstations have to support. Hence, we will not make any general policy on the applicability of the "Thin Client" technology for across-the-board adoption in the departments.

- (b) In view of the considerations above, the Government does not have a timetable nor the cost estimate for implementing the "Thin Client" technology in government departments.

Road Opening Works in Tin Shui Wai

15. **MR ALBERT CHAN** (in Chinese): *Madam President, I have received complaints from residents in Tin Shui Wai that the road opening works at a section of Tin Shui Road between Tin Chung Court and Tin Wah Estate, which started more than two years ago, have not yet been completed. Since there are some 10 bus routes with bus stops at that section of the road, with buses queuing up to pull in at the stops during rush hours and illegal parking in the vicinity, the area often experiences severe traffic jams. Moreover, as the pedestrian traffic lights there are still not in service, pedestrians have to cross the road with no crossing facilities. In this connection, will the Government inform this Council:*

- (a) *of the reasons for the slow progress of the above works despite my request two years ago to the Administration for their completion as soon as possible, and the measures the Administration will take to solve the problem once and for all;*
- (b) *as there have been reports from residents that very often no workers are working at the site, whether the relevant departments have monitored the progress of the works closely; if they have, of the details; if not, the reasons for that;*
- (c) *of the number of prosecutions instituted last year in respect of illegal parking on that section of Tin Shui Road, and the measures the Administration will take to solve the problem of illegal parking there; and*

- (d) *given that Tin Chung Court and Tin Wah Estate have been occupied for more than two years, whether it has assessed the impact of the delay in completion of the works, the traffic jam at the relevant section of the road and the lack of road-crossing facilities on the residents in the area; if it has, whether there are specific improvement plans; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): Madam President,

- (a) The works at the junction of Tin Tan Street and Tin Shui Road involve laying of water pipes, drainage repairs, road resurfacing and installation of traffic signal system, and so on. Since there is limited space around the junction, the works have to be carried out in stages.

In early 2000, the Government carried out laying of the major water pipes near the junction. As the contractor performed poorly and failed to complete the contract, the outstanding works were assigned to another contractor. When the waterworks were substantially completed in mid-2001, the Government started the drainage repair works.

The drainage repair works were also beset with difficulties. Due to the busy traffic and the limited working space at the junction, the contractor had to excavate the road in stages in order to repair the drains. In the course of the works, the contractor found that part of the drain which needed to be replaced was located under the valve of another fresh water pipe and therefore could not replace the drain by direct excavation. As such, the Government considered diverting the drain. However, the information obtained from the trial pit revealed that as there were too many utilities serviced at the junction, it was not feasible to replace the drain by diversion.

The Government therefore arranged for the contractor to carry out a CCTV drainage survey to ascertain the extent and the location of damage to the drain. In the light of the survey result, the

Government decided to repair the damaged drain by using internal lining method. The contractor has now completed the repairs of all the drains.

- (b) During the period, the consulting engineer of the Government sent resident site staff to monitor the works and their progress. In order to complete the works as soon as possible and to minimize their impact on the busy traffic, the Government and the consulting engineer met with the contractor regularly to discuss the progress of works and the difficulties involved and to explore ways of solving the problems. The Government had also interviewed the senior staff of the contractor and issued warning letters to them on account of the unsatisfactory progress of works.
- (c) According to the development plan of Tin Shui Wai New Town, all the public and private estates are required to provide adequate parking spaces in compliance with the town planning standards. Multi-storey car parks are therefore provided at Tin Chung Court and Tin Wah Estate, which are situated along Tin Shui Road, and a temporary open car park is also available at Tin Tan Street to meet the parking demand. But many motorists often park their cars, trucks and heavy vehicles at places around Tin Shui Road overnight just for the sake of convenience. Such illegal parking not only threatens the safety of road users but also seriously disrupts the public transport services. In view of this, the police have stepped up enforcement actions and issued 852 fixed penalty tickets against illegal parking at Tin Shui Road and the roads nearby over the past six months. Upon stepping-up the enforcement actions, illegal parking in the area has now been reduced significantly.
- (d) In view of the constraints and for the reasons mentioned above, the works has taken a longer time to complete. During the course of the works, the departments concerned have, in the light of the actual situation, taken measures such as installing temporary traffic lights as road-crossing facilities and resurfacing the uneven places at the above road junction to minimize the nuisances caused to the residents. The works have now been substantially completed. The remaining road-resurfacing works and installation of the traffic signal system are scheduled for completion in December.

Proposed Establishment of Human Rights Commission

16. **MS EMILY LAU:** *Madam President, regarding the provision of an accessible, affordable, expeditious and effective mechanism for individuals to seek redress and reparation for alleged violations of human rights, will the executive authorities inform this Council whether they have plans to establish an independent Human Rights Commission, with powers to investigate complaints about violation of human rights and to advise the Administration on whether a particular piece of proposed legislation is in compliance with international human rights standards; if so, of the details of such plans; if not, the reasons for that?*

SECRETARY FOR HOME AFFAIRS: Madam President, human rights in Hong Kong are founded on the rule of law, an independent judiciary, the Hong Kong Bill of Rights Ordinance (Cap. 383) which incorporated provisions of the International Covenant on Civil and Political Rights (ICCPR) as applied to Hong Kong in our domestic law and empowered the Court to grant remedies for contravention of the Ordinance and a sound and comprehensive legal aid system that assures the individuals of access to the Courts to seek redress and reparation for alleged violations of human rights. These foundations have been strengthened by the constitutional entrenchment of the ICCPR and the International Covenant on Economic, Social and Cultural Rights under Article 39 of the Basic Law. Additionally, comprehensive safeguards are provided by the Ombudsman's Office, the Equal Opportunities Commission, the Privacy Commissioner's Office and, of course, the Legislative Council. The Government continues to operate in the full view of a free and active press and local and international non-governmental organizations.

This system has served Hong Kong well and has provided a sound framework for the protection and development of human rights in the territory. We do not see the obvious need for a new institution such as a Human Rights Commission. Nevertheless, our minds are open and we will keep the matter seriously in view.

Under-utilization of Car Parks Managed by Transport Department

17. **DR RAYMOND HO** (in Chinese): *Madam President, it was reported that five out of the 13 public car parks under the management of the Transport Department (TD) were grossly under-utilized last year. In this connection, will the Government inform this Council:*

- (a) of the details of the reasons for the under-utilization of the five car parks concerned;*
- (b) whether it has assessed the amount of parking fees foregone in the past three years due to the 13 car parks not being utilized to their optimum; if so, of the total amount of parking fees foregone; and*
- (c) of the measures to improve the utilization rates of these car parks?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): Madam President, it is the Government's policy to encourage the private sector, through land sale programmes, to develop and operate public car parks in areas of demand and where surrounding roads are capable of handling the additional traffic generated. Where the private sector is not able to meet the parking demand, the Government steps in to provide additional parking facilities for motorists. At present, the TD manages 13 multi-storey car parks in various districts, providing about 7 000 parking spaces. To enhance efficiency, the management and operation of these car parks have been contracted out to private sector management companies since May 1984.

Due to the economic downturn in the past few years, there has been a continuous decline in the demand for parking. The TD's car parks are no exceptions. Taking into account the number of vehicles parked in the car parks and the duration of parking, the five car parks with the lowest utilization rates in 2001 were Tsuen Wan Transport Complex, Middle Road, Rumsey Street, City Hall and Murray Road. Their average utilization rate was around 31%.

Apart from the economic downturn, one major reason for decline in demand of the TD's car parks is changes in developments in the vicinity of such car parks. The cessation of ferry services at Tsuen Wan Ferry Pier and the closure of a large department store in the vicinity have resulted in a substantial

reduction in the number of users of the Tsuen Wan Transport Complex Car Park. The number of users of Middle Road Car Park has dropped because of road works in the area. As for the car parks in Central, their usage has decreased as new office blocks with their own parking facilities are developed.

Government car parks are provided to meet anticipated parking needs rather than to raise revenue. Since parking demand fluctuates with the economic situation, the question of parking fees foregone does not arise. Despite the drop in utilization, the government car parks still serve a useful function, with peak utilization reaching 70% to 100% in some cases.

To improve utilization, promotions such as concessionary monthly passes for taxis and concessionary day passes and night passes for motorcycles have been launched. The TD is also working with the car park management contractors on additional measures, including the introduction of Octopus operated access control equipment to facilitate motorists and the provision of more motorcycle parking spaces to meet growing demand.

In view of the declining demand for parking spaces, the TD has already started to convert part of those less popular car parks to alternative use. Examples include the conversion of two floors at Tsuen Wan Transport Complex Car Park into an indoor driving school since December 1999 and the conversion of one additional floor (in addition to the existing five floors) at Murray Road Car Park and 100 parking spaces at Middle Road Car Park into government office accommodation. Similar conversion proposals are being considered for Rumsey Street Car Park.

The TD will continue to monitor the situation and review the provision and operation of the car parks in the light of the changing needs of the community.

Threats of Terrorist Attacks in Southeast Asian Countries

18. **MR LAU KONG-WAH** (in Chinese): *Madam President, as a number of bomb explosions in connection with suspected terrorist attacks have occurred in Indonesia and the Philippines recently, and the Australian Government has also specified certain Southeast Asian countries as places where the threats of terrorist attacks are high, will the Government inform this Council whether*

communications and contacts with governments in other territories have been strengthened so as to ascertain the threats of terrorist attacks in neighbouring territories, so that out-bound travellers can be alerted accordingly?

SECRETARY FOR SECURITY (in Chinese): Madam President, since the recent incidents of bomb explosions in connection with suspected terrorist attacks in Indonesia and the Philippines, the Hong Kong Special Administrative Region (SAR) Government has continued to strengthen communications and contacts with governments in other territories and to exchange intelligence to better assess the threats of terrorist attacks in neighbouring territories.

The SAR Government has been, on an ongoing basis, reviewing the latest circumstances and making risk assessments. During the process, we have also been making reference to the assessments of other governments on the risk of certain cities or places being made possible targets of terrorist attacks. Depending on the assessment, the Government would, when necessary, issue appropriate travel advice to Hong Kong residents. For example, the advice may remind SAR residents to exercise extra caution when choosing travel destinations, and provide information about areas to which they should pay particular attention when traveling abroad. Since the Bali explosions on 12 October, the SAR Government has issued travel advice or related press releases on five occasions.

Moreover, the SAR Government has taken the initiative to establish direct liaison points with some local airlines and foreign Consulates to closely monitor the developments and ensure prompt and appropriate responses.

Fares of Green Minibuses

19. **MR LEUNG FU-WAH** (in Chinese): *Madam President, regarding the fares of green minibuses, will the Government inform this Council:*

- (a) *of the criteria adopted by the Transport Department (TD) for approving the fares of green minibus (GMB) routes, and the respective weights of "journey distance" and "service area" in the criteria;*

- (b) *of the existing mechanism for adjusting the fares of green minibuses, and whether it has assessed if the mechanism is comprehensive and if there are areas for improvement;*
- (c) *whether it has assessed if the existing levels of fares of various GMB routes are reasonable; if it has, of the results as well as the routes in respect of which fares are too high; if not, whether it will consider conducting such an assessment; and*
- (d) *of the number of complaints the authority received from the public about excessively high fares of green minibuses in the past three years, and how it followed up these complaints?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): Madam President, fares for GMB services are determined in accordance with a distance-based fare scale which applies to all GMB services. GMB operators may set their fares at a level below that in the fare scale, subject to approval by the TD as the GMB fare level is stipulated as a condition in the operating licence for the service concerned.

The GMB fare scale is reviewed annually by the TD having regard to the general economic situation, the overall financial position of the GMB trade and public acceptance. GMB operators may submit applications for fare adjustments at any time. Such applications are examined by the TD carefully on a case-by-case basis, taking into account relevant factors including the passenger demand pattern and operating condition of the service, the financial performance of the operator and acceptability to passengers, and so on. The existing fare adjustment mechanism has been working well.

The existing levels of GMB fare were determined by the TD after considering carefully all the relevant factors as mentioned in the second paragraph. In the process, the TD also examined in detail the operating and financial performance data submitted by GMB operators on a regular basis.

There are at present 341 GMB routes operating in Hong Kong. Over the past three years, a total of 39 complaints about GMB fares involving 19 GMB routes were received. Among these 19 routes, the financial performance of 13 routes has not been satisfactory. Of the remaining six routes, section fares have

been introduced on two of them after discussion between the TD and the relevant operators. The other four are routes operating in Tseung Kwan O. The relevant operators have introduced fare concession schemes or GMB-rail interchange fare discounts respectively on these four routes recently.

Land Reserved for Constructing Primary and Secondary Schools

20. **MR CHEUNG MAN-KWONG** (in Chinese): *Madam President, will the Government inform this Council:*

- (a) *of a breakdown, by school districts, of the location and size of the sites reserved for constructing primary and secondary schools in the current year and the next two years, the number and type of schools to be constructed, and the projected year of completion;*
- (b) *as only 33 school premises are left for the conversion of bi-sessional primary schools into whole-day schools, which fall short of the school premises required to meet the need to convert all bi-sessional primary schools into whole-day schools before the 2007-08 school year, whether the Government will allocate more land for constructing schools; if it will, of the details; if not, the reasons for that; and*
- (c) *of the criteria for reserving school sites, whether a limit has been set on the amount of land to be allocated each year for the construction of schools and whether modifications will be made to the use of reserved school sites; if so, of the details?*

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

- (a) Detailed breakdown, by school districts, of the location and size of the sites reserved for constructing primary and secondary schools (including special schools) in the current year and the next two years, the number and type of schools to be constructed, and the projected year of completion is provided at Annex.

- (b) According to the latest population projection, the population of primary pupils in Hong Kong will continue to decrease from the present to 2007. The 33 school premises to be allocated would be adequate for meeting the overall demand for school places for full implementation of whole-day primary schooling by 2007. For those bi-sessional schools which are still not allocated with school premises owing to district and population factors, the Education Department (ED) will continue to assist them to turn whole-day through other different measures (such as merging of the AM and PM sessions, use of suitable vacant premises or building of additional classrooms for the schools). We will adopt a flexible and pragmatic approach in making arrangements for conversion of bi-sessional primary schools, with a view to achieving the target of quality whole-day primary education.
- (c) Under the present mechanism, the ED makes projections on the supply and demand of different types of school places having regard to the forecast growth and movement of population provided by relevant government departments (including the Census and Statistics Department, Planning Department and Housing Department), relevant provisions in the Hong Kong Planning Standards and Guidelines, and prevailing education policies. The supply and demand of school places in secondary schools and special schools are assessed and planned on a territory-wide basis. We will make suitable adjustments in reserving sites for construction of schools for districts with persistent shortfall or surplus of school places. The supply and demand of primary school places are assessed and planned on a district basis. This is to, as far as possible, obviate the need for primary students to travel long distances to attend schools.

On the above basis, the ED reserves sites for constructing schools following the principle of demand. There is no pre-set quota.

If a site reserved for education purpose is eventually not required for school construction (for example, the provision of additional school places is confirmed to be unnecessary for meeting demand in the district concerned according to latest projections or for implementing an education policy) or, during the investigation stage,

a site reserved for education purpose is assessed to be technically non-feasible (for example, the site is found unsuitable for constructing school owing to geological problems), we will return the site to the Planning Department for re-planning purpose.

Annex

Location and Size of Sites Reserved for Secondary and Primary Schools (Including Special Schools) as at Mid-November 2002,
with School Under Construction or School
Construction Works to Commence Shortly

Type of Schools : Primary Schools

Total: 49 sites (Each site for construction of one school)

<i>District</i>	<i>Location</i>	<i>Site Area sq m</i>	<i>Expected Completion Year</i>
Eastern	1. San Ha Street, Chai Wan	4 700	2004
Southern	2. Redevelopment of Shek Pai Wan Estate, Phase II	5 300	2005
	3. J/O Victoria Road and Pokfulam Road	6 200	2007
	4. Nam Fung Path, Wong Chuk Hang	8 050	2007
Islands	5. Area 31, Tung Chung Phase V (School 3)	5 800	2003
	6. Area 20, Tung Chung	6 200	2003
	7. Area 89, Tung Chung	6 200	2006
Sai Kung	8. Area 73A, Tseung Kwan O Phase I	6 065	2002
	9. Area 73A, Tseung Kwan O	6 200	2003
	10. Area 13, Tseung Kwan O	6 100	2004
	11. Area 65, Tseung Kwan O	6 212	2004
	12. Area 86, Tseung Kwan O	6 200	2007
North	13. Area 36, Fan Ling (School 1)	6 200	2003
	14. Area 36, Fan Ling (School 2)	6 200	2003
	15. Area 31, Sheung Shui	5 450	2005

<i>District</i>		<i>Location</i>	<i>Site Area</i> <i>sq m</i>	<i>Expected</i> <i>Completion Year</i>
Yuen Long	16.	Area 111, Tin Shui Wai (School 1)	6 200	2003
	17.	Area 111, Tin Shui Wai (School 2)	6 200	2003
	18.	Area 101, Tin Shui Wai Phase II (School 2)	5 400	2004
	19.	Area 104, Tin Shui Wai (School 1)	6 200	2005
	20.	Area 16, Kau Hui	5 950	2006
	21.	Area 104, Tin Shui Wai (School 2)	6 200	2006
	22.	J/O Tin Shing Road and Tin Pak Road, Area 13, Tin Shui Wai	4 600	2006
	23.	Area 12 (School 1)	6 800	2006
	24.	Area 13 (School 1)	6 200	2007
	25.	Area 13 (School 2)	6 200	2007
	26.	Area 13 (School 3)	6 200	2007
Tuen Mun	27.	Area 56, So Kwun Wat	6 200	2003
	28.	Hing Ping Road	4 900	2004
	29.	Area 55A, So Kwun Wat (School 1)	6 200	2007
	30.	Area 55A, So Kwun Wat (School 2)	6 200	2007
Tsuen Wan	31.	Ma Wan	6 200	2003
	32.	J/O Texaco Road and Castle Peak Road	6 500	2007
	33.	Sham Tseng	6 200	2007
Kwai Tsing	34.	Redevelopment of Shek Lei Estate, Phase XI	7 780	2005
	35.	Tai Pak Tin Street	2 500	2007
	36.	Tsing Yi Heung Sze Wui Road	3 730	2007
Sham Shui Po	37.	Fat Tseung Street	6 200	2003
	38.	Hing Wah Street	7 480	2005
	39.	Site 10, West Kowloon Reclamation (School 1)	6 200	2006
Kowloon City	40.	Homantin Estate Redevelopment, Phase IV	6 200	2005
	41.	Site 1A, South East Kowloon Development (School 1)	6 178	2006

<i>District</i>	<i>Location</i>	<i>Site Area sq m</i>	<i>Expected Completion Year</i>
	42. Site 1A, South East Kowloon Development (School 2)	6 267	2006
	43. Site 1C, South East Kowloon Development (School 1)	5 927	2007
Kwun Tong	44. Kai Wo Temporary Housing Area	7 300	2003
	45. Kai Lok Temporary Housing Area	6 900	2003
	46. Lam Tin Estate Redevelopment	6 200	2003
	47. Site near Eastern Harbour Crossing, Yau Tong (School 1)	7 850	2005
	48. Site near Eastern Harbour Crossing, Yau Tong (School 2)	7 850	2005
Wong Tai Sin	49. Sze Mei Street	6 000	2003

Type of Schools : Secondary Schools

Total : 33 sites (Each site for construction of one school)

<i>District</i>	<i>Location</i>	<i>Site Area sq m</i>	<i>Expected Completion Year</i>
Eastern	1. Braemar Hill Road (near St. Joan of Arc Secondary School)	5 800	2006
Southern	2. Northcote Close, Pok Fu Lam	5 870	2003
	3. Nam Fung Road, Wong Chuk Hang	8 000	2005
Islands	4. Area 20, Tung Chung	6 950	2003
	5. Area 40, Tung Chung (School 1)	6 950	2003
	6. Area 40, Tung Chung (School 2)	6 950	2003
	7. Area 89, Tung Chung	6 950	2006

<i>District</i>		<i>Location</i>	<i>Site Area sq m</i>	<i>Expected Completion Year</i>
Sai Kung	8.	Area 73A, Tseung Kwan O Phase III	6 930	2003
	9.	Area 73A, Tseung Kwan O Phase IV	6 950	2003
	10.	Area 73A, Tseung Kwan O (School 1)	7 040	2003
	11.	Area 73A, Tseung Kwan O (School 2)	7 040	2003
	12.	Area 13, Tseung Kwan O (School 1)	6 850	2004
	13.	Area 13, Tseung Kwan O (School 2)	6 850	2004
	14.	Area 50, Tseung Kwan O	8 170	2006
	15.	Area 86, Tseung Kwan O	6 950	2008
North	16.	Area 36, Fan Ling	6 950	2003
	17.	Area 31, Sheung Shui	6 200	2005
Sha Tin	18.	Area 14B, Sha Tin	6 206	2004
	19.	Area 36C, Sha Tin	5 915	2004
Yuen Long	20.	Area 16, Kau Hui	5 950	2005
	21.	Area 104, Tin Shui Wai (School 1)	6 950	2005
	22.	Area 104, Tin Shui Wai (School 2)	6 950	2006
Sham Shui Po	23.	Fat Tseung Street	6 950	2003
	24.	Lai Hong Street	6 950	2004
	25.	Hing Wah Street	7 125	2004
	26.	Site 10, West Kowloon Reclamation	6 950	2006
Kowloon City	27.	To Kwa Wan Reclamation (School 1)	6 950	2003
	28.	To Kwa Wan Reclamation (School 2)	6 950	2003
	29.	Inverness Road	4 950	2004
	30.	J/O To Fuk Road and Norfolk Road	7 100	2005
	31.	Site 1A, South East Kowloon Development	6 950	2006
Kwun Tong	32.	Lee On Road (School 1)	6 900	2003
	33.	Lee On Road (School 2)	6 200	2003

Type of Schools : Secondary cum Primary Schools

Total : 14 sites (Each site for construction of one school)

<i>District</i>		<i>Location</i>	<i>Site Area sq m</i>	<i>Expected Completion Year</i>
Eastern	1.	Harmony Road, Siu Sai Wan	5 850	2005
Southern	2.	Kong Sin Wan Tsuen, Pok Fu Lam	14 600	2005
	3.	Shum Wan Road, Aberdeen	11 900	2006
Islands	4.	Area N4b, Discovery Bay	6 900	2005
	5.	Area N4a, Discovery Bay	6 200	2005
Sai Kung	6.	Area 65, Tseung Kwan O	13 680	2005
Sha Tin	7.	Area 90B, Ma On Shan	12 476	2004
	8.	Area 4C/38A, Sha Tin	13 923	2005
	9.	Area 11, Sha Tin	6 200	2006
Yuen Long	10.	Ex-premises of Tat Tak School	7 000	2005
Sham Shui Po	11.	Fat Tseung Street	7 340	2003
	12.	Caldecott Road	13 000	2008
Kowloon City	13.	Hereford Road	5 032	2007
Wong Tai Sin	14.	Po Kong Village Road	7 000	2004

Type of Schools : Special Schools

Total : 4 sites (Each site for construction of one school)

<i>District</i>		<i>Location</i>	<i>Site Area sq m</i>	<i>Expected Completion Year</i>
Yuen Long	1.	Ma Tin Road	4 900	2004
Sham Shui Po	2.	Cornwall Street	4 800	2006
Kwun Tong	3.	Shun Lee Estate	5 420	2005
Wong Tai Sin	4.	Ngau Chi Wan	4 500	2003

BILL**First Reading of Bill**

PRESIDENT (in Cantonese): Bill: First Reading.

**EDUCATION REORGANIZATION (MISCELLANEOUS AMENDMENTS)
BILL 2002**

CLERK (in Cantonese): Education Reorganization (Miscellaneous Amendments) Bill 2002.

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

Second Reading of Bill

PRESIDENT (in Cantonese): Bill: Second Reading.

**EDUCATION REORGANIZATION (MISCELLANEOUS AMENDMENTS)
BILL 2002**

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I move that the Education Reorganization (Miscellaneous Amendments) Bill 2002 be read the Second time.

Following the introduction of the accountability system for principal officials from 1 July 2002, having reviewed the scope of responsibilities and the staffing establishment of both the Education and Manpower Bureau and the Education Department (ED), we consider it necessary to strengthen the link between the formulation and implementation of education policies by merging the Education and Manpower Bureau and the ED. Likewise, there is a need to streamline the advisory structure by merging the Education Commission (EC) and the Board of Education (BE). These changes require legislative amendments.

The merger of the Education and Manpower Bureau and the ED will ensure better synergy between policy formulation and implementation and will reduce duplication of efforts. The new organization will retain the title of Education and Manpower Bureau. Its hierarchy will be flattened to enable better integration of efforts and to minimize double-handling of work. The Permanent Secretary for Education and Manpower will assume the existing function of the Director of Education. This morning, we presented to the Establishment Subcommittee the proposal to delete the post of the Director of Education.

To implement the merger on 1 January 2003, there is a need to amend the Education Ordinance and some other ordinances for references to the Director of Education to be replaced by the Permanent Secretary for Education and Manpower, and for the ED to be replaced by the Education and Manpower Bureau. We also propose that the EC should assume the functions of the BE. This will streamline the consultation process on education. The EC currently focuses more on policy issues and co-ordination of the work of various sectors of education, while the BE focuses on school education and operational matters. There is cross membership between the two committees. Since the launch of the education reform in 2000, the EC has considered it necessary to monitor closely the implementation of its recommendations. As a result, there is considerable overlap in the work of the two bodies. After the merger, the EC will play a more active role in advising on the implementation of education policies. This is a more efficient and effective arrangement than having two separate advisory bodies.

With a view to enhancing the representativeness of the EC to facilitate a balanced and holistic discussion of education issues, we intend to broaden its membership to encompass a wide cross-section of different stakeholders. With the functions of the BE subsumed under the EC, we propose that the sections on the BE in the Education Ordinance should be repealed.

Madam President, I hope that Members will support the Education Reorganization (Miscellaneous Amendments) Bill 2002. Thank you.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Education Reorganization (Miscellaneous Amendments) Bill 2002 be read the Second time.

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

MEMBERS' MOTIONS

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

First motion: Extension of the period for amending the Karaoke Establishments (Licensing) Regulation and Karaoke Establishments (Fees) Regulation.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MS AUDREY EU (in Cantonese): Madam President, I move that the motion, as set out under my name on the Agenda, be passed. The House Committee has established a Subcommittee to study the Karaoke Establishments (Licensing) Regulation and Karaoke Establishments (Fees) Regulation.

The motion seeks to extend the scrutiny period of these two items of subsidiary legislation.

The Subcommittee held its first meetings on 15 November 2002 to discuss the provisions with the Administration. The Subcommittee agreed that I should move a motion to extend the scrutiny period to the Legislative Council meeting on 18 December 2002, so that the Subcommittee can have more time to complete its work and then report the results of deliberations to the House Committee.

With these remarks, I urge Members to support the motion. Thank you, Madam President.

Ms Audrey EU moved the following motion:

"That in relation to the:

- (a) Karaoke Establishments (Licensing) Regulation, published in the Gazette as Legal Notice No. 153 of 2002; and
- (b) Karaoke Establishments (Fees) Regulation, published in the Gazette as Legal Notice No. 154 of 2002,

and laid on the table of the Legislative Council on 30 October 2002, 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 18 December 2002."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Ms Audrey EU be passed.

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

(No Member responded)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Ms Audrey EU be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Second motion: Extension of the period for amending the Patents (General) (Amendment) (No. 2) Rules 2002.

Honourable Members, as the Member who should move this motion is not in the Chamber, I now declare the meeting suspended. We shall try our best to ask this Member to return to the Chamber as soon as possible.

4.22 pm

Meeting suspended.

4.26 pm

Council then resumed.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MRS SELINA CHOW (in Cantonese): Madam President, before I deliver my speech, I would like to extend my sincere apologies to you and Honourable Members for my failure to turn up at the Chamber in time as I have stayed outside a moment ago.

I move that the motion under my name, as set out on the Agenda, be passed.

At the meeting of the House Committee on 8 November 2002, Members decided to establish a Subcommittee to study the Patents (General) (Amendment) (No. 2) Rules 2002, which was tabled at this Council on 30 October 2002.

I move in my capacity as the Chairman of the House Committee a motion to extend the scrutiny period of the subsidiary legislation to 18 December 2002, so that the Subcommittee can have sufficient time to proceed with its deliberations and then report the results of its deliberations to the House Committee.

Madam President, I urge Members to support the motion.

Mrs Selina CHOW moved the following motion:

"That in relation to the Patents (General) (Amendment) (No. 2) Rules 2002, published in the Gazette as Legal Notice No. 157 of 2002 and laid on the table of the Legislative Council on 30 October 2002, 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 18 December 2002."

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

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

(No Member responded)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mrs Selina CHOW be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Third motion: Extension of the period for amending the Chinese Medicine (Fees) Regulation, Chinese Medicines Regulation and Chinese Medicines Traders (Regulatory) Regulation.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

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

At the meeting of the House Committee on 8 November 2002, Members decided to establish a Subcommittee to study the Chinese Medicine (Fees) Regulation, Chinese Medicines Regulation and Chinese Medicines Traders (Regulatory) Regulation.

I move in my capacity as the Chairman of the House Committee a motion to extend the scrutiny period of the three items of subsidiary legislation to 8 January 2003, so that the Subcommittee can have sufficient time to proceed with its deliberations and then report the results of its deliberations to the House Committee.

Madam President, I urge Members to support the motion.

Mrs Selina CHOW moved the following motion:

"That in relation to the:

- (a) Chinese Medicine (Fees) Regulation, published in the Gazette as Legal Notice No. 159 of 2002;
- (b) Chinese Medicines Regulation, published in the Gazette as Legal Notice No. 160 of 2002; and
- (c) Chinese Medicines Traders (Regulatory) Regulation, published in the Gazette as Legal Notice No. 161 of 2002,

and laid on the table of the Legislative Council on 6 November 2002, 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 8 January 2003."

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

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

(No Member responded)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mrs Selina CHOW be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Motion with no legislative effect. I have accepted the recommendations of the House Committee as to the time limits on speeches for motion debates. As Honourable Members are already very familiar with the relevant time limits, I do not think I have to repeat them here. I just wish to remind Members that I am obliged to direct any Member speaking in excess of the specified time to discontinue.

Motion: Developing elevated pedestrian walkway systems.

DEVELOPING ELEVATED PEDESTRIAN WALKWAY SYSTEMS

DR LAW CHI-KWONG (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed.

Members may have had this picture in their minds: a lot of people are cupping their noses with their hands while crossing the road. This is a common sight we always see in Central and Causeway Bay of Hong Kong Island. This is especially so in certain streets in Wan Chai like Fleming Road and Fenwick Street. Many a time, pedestrians have to cup their noses because the exhaust air emitted by vehicles running along the roads causes great disturbances to them.

We all know that the majority of adult city dwellers lack exercise. Walking should be a very healthy exercise. However, in Hong Kong, the situation is so bad that the Government may really be issuing this warning to the people: Walking down some of the roads is hazardous to health. The high population density of Hong Kong is well known. The density of the flow of people in the streets must be one of the highest in the world. In the past, whenever I drove past Gloucester Road, I always thought that a lot of people were queuing up on the footbridge between Hennessy Road and the Immigration

Tower in Wan Chai. Later I found that I had mistaken — it was just heavy pedestrian flow on the footbridge. During peak hours, the number of people passing through the footbridge could exceed 10 000 per hour. Watching from a distance, onlookers are easily misled into thinking that a lot of people are queuing up there.

In Central, Wan Chai or Causeway Bay, we will always find that the pavements are crowded with pedestrians. Sometimes, the pedestrians are forced into walking out of the pavements. So the phenomenon of what we called "vehicle-pedestrian scrambles" often occur. It is really quite dangerous. Apart from the Hong Kong side, such overcrowding also occurs frequently in Mong Kok of Kowloon.

There are more than 500 footbridges in Hong Kong presently. In terms of density, this number must be the highest in the world. However, according to the transport policy in the past, most footbridges were constructed for the purpose of preventing the pedestrians from obstructing the traffic. So the pedestrians are made to walk a longer distance, go up a higher bridge, or go down a subway, but their needs are seldom considered. People living on the Hong Kong side would find that many of the roads are built without any pavements. For example, Park Road and Seymour Road in the Western Mid-Levels are basically without any pavements. Sometimes, we find it quite hairy when some elderly people walk along such roads which are not built with any pavements. Therefore, the motion I move today urges the Government to adopt the "pedestrians priority" principle and conduct a territory-wide review of elevated pedestrian walkway systems. With the present advantage of having over 500 footbridges, Hong Kong can be developed into the first City of Elevated Corridors in the world.

Earlier on, the Democratic Party had commissioned a consultancy study on a concept. The findings of the report entitled "City of Elevated Corridors" have been presented to the Secretary for consideration. We propose that the Government can link up, from the west to the east or from the east to the west, footbridge systems from Sai Ying Pun to Causeway Bay. From the perspective of a basic planning strategy, this approach will have the benefit of enhancing the walking environment for pedestrians on the one hand, and it also has the advantage of complementing the shopping arcades and the transportation facilities on the other. We can make use of the existing accesses to the shopping

arcades to join up the various sections of footbridges. For example, we may consider building a footbridge from the Sun Yat Sen Memorial Park at Sai Ying Pun to join up with the second floor of the shopping arcade of Shun Tak Centre, and then via the shopping arcade, the walkway can be further connected to the whole footbridge system in Central. Another example, we may start from the footbridge of the General Post Office in Central to join up with the footbridge adjacent to the Low Block of the City Hall, which could then be connected to the second floor of the shopping arcade of Hutchison House from which one could proceed direct to the footbridge network in the neighbourhood of Queensway Plaza.

In my motion, I also mention the sight-seeing value and special features of the footbridges. I have looked at it from the perspective of promoting tourism. We may consider conducting some theme walking which is endowed with special features. For example, the walk could start from the Sun Yat Sen Memorial Park, then proceeds to the Shun Tak Centre via the "Poor People's Night Club" and the Western Market. Along this route, we may make use of the designs of the footbridges to display some wall paintings or exhibits depicting the history of Hong Kong. I propose to name it as the "Heritage Gallery". Besides, the footbridge between Shun Tak Centre and the International Financial Centre is very broad and spacious. Given some small improvement works, it can be developed into an elevated shopping mall, that is, some booths can be built to cater to the shopping needs of the pedestrians. In this way, pedestrians can do some shopping while they are walking along the route.

We have incorporated many different aspects into our proposal such as environmental protection, health, greening, history, culture, even shopping, and we shall make use of the elevated pedestrian systems from Sai Ying Pun to Causeway Bay. When I was a little boy, I studied in a school in Tai Hang in Causeway Bay during my first two years of primary school education. At that time, my family lived in Kennedy Town. Very often, I would walk all the way from Tai Hang, Causeway to Kennedy Town in order to save the bus fare of 10 cents. I liked the walk from Tai Hang to Kennedy Town after school because I could see a lot of things on the way, from which I learned a lot about how this community operated. Walking is a healthy activity which also enables us to absorb and understand the information from our surrounding environment. I believe it is good for Hong Kong as a whole from the viewpoints of both tourism and business.

By moving the motion today, I have the purpose of exploring how we can improve the environment for walking by making use of the elevated pedestrian walkway systems. The basic consideration is to exploit the advantage of the existing 500-plus footbridges we have to provide an improved system for pedestrians in Hong Kong. I wish to hear the views from Members before making any responses. Thank you, Madam President.

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

"That this Council urges the Government to adopt the "pedestrian priority" principle and conduct a territory-wide review of elevated pedestrian walkway systems, with a view to developing, at suitable locations, elevated pedestrian walkway systems that have sight-seeing value, are well-connected and have special features, and to improving the environment for pedestrians as well as facilities to complement shopping arcades and transport services; to co-ordinate the development of elevated pedestrian walkway systems, the Government should also formulate policies, design codes and specific measures to achieve the goals of improving street-side air quality, minimizing vehicle-pedestrian scrambles and providing barrier-free facilities, thereby enhancing pedestrian safety and the quality of the environment for walking."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Dr LAW Chi-kwong be passed.

PRESIDENT (in Cantonese): Mr IP Kwok-him will move an amendment to this motion. Dr YEUNG Sum will move an amendment to Mr IP Kwok-him'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 Mr IP Kwok-him to speak and move his amendment to the motion. Then, I will call upon Dr YEUNG Sum to speak and move his amendment to Mr IP Kwok-him's amendment. Members may then debate the motion and the amendments.

I now call upon Mr IP Kwok-him to speak and move his amendment.

MR IP KWOK-HIM (in Cantonese): Madam President, I move that Dr LAW Chi-kwong's motion be amended as printed on the Agenda.

After the unification of China in the Qin Dynasty, in order to guard against invasion by Xiongnu (匈奴) in the North, the city walls of three states, namely, Qin, Zhao, and Yan, were linked up to form the world famous Great Wall. While people in the Qin Dynasty had suffered badly from the hard labour imposed on them, China had been free from invasion by foreign tribes for the next 500 years or so. So, it is difficult to say whether it was an achievement or a fault. No one would ever imagine that 2 000 years later, a miniature Great Wall linking up half of the Hong Kong Island is likely to appear before our eyes. Given a serious fiscal deficit in Hong Kong, we absolutely cannot hastily decide on the propriety of spending \$1.4 billion out of public coffers to develop elevated pedestrian walkway systems. Therefore, the Democratic Alliance for Betterment of Hong Kong (DAB) considers that the pros and cons must be evaluated first, particularly the impact on the business operators concerned, which is a very important factor for consideration.

A reason for developing a Hong Kong version of the Great Wall is that it could provide a great many shop spaces at prime locations. But the question of whether this would be conducive to the recovery of the retail market must be handled carefully. Any increase in the supply of shop spaces must take account of the present and future supply, and shop rental is an indicator reflecting the law of supply and demand. The latest statistics of the Census and Statistics Department show that in July this year, rental for private retail premises has fallen by almost 10% compared with the corresponding period last year. A decline in shop rental is a direct reflection of market outlook on the future of the retail trade. If a large number of new shops spring up in the market when the retail trade remains in the doldrums, the DAB is concerned that this would exacerbate the plights of the existing business operators.

Under Dr LAW Chi-kwong's proposal of a City of Elevated Corridors, elevated walkways would be built between Hennessy Road, Wan Chai and Sugar Street. On both sides of this area are shops of different kinds. While a new shopping spot can certainly attract tourists to go up to the walkway for a stroll, it is doubtful as to whether they would also shop around at shops on the street. The DAB is concerned that this would lead to a phenomenon where the people would gather upwards and both sides of the street would be left high and dry. This would immediately deal a blow to the existing shops.

Of course, some may argue that a new walkway would enliven the area and attract more tourists there for shopping and so, there is no question of vicious competition. Last year, of the total spending by in-bound visitors, half or close to \$30 billion was spent on shopping. So, if Hong Kong does not create more shopping highlights, how could it maintain its fine reputation as a Shopper's Paradise?

What impact would be brought about by elevated pedestrian walkways? The DAB thinks that there is no crystal ball to give an accurate prediction of the future. However, it is hoped that any proposal would be implemented on the premise that the business environment of the existing operators would not be compromised, and this is also the reason why I have proposed an amendment to the original motion today. Otherwise, we would be killing the hen to get the eggs and could not enjoy the best of both worlds.

The theme of today's motion lies in pedestrians. To put it simply, it is hoped that separation of pedestrian and vehicular traffic can be achieved so as to minimize vehicle-pedestrian scrambles and provide a safe and fine walking environment to pedestrians. The DAB considers that there is still room for improvement in the existing pedestrian walkway systems and there is also a need for improvements to be made. So, we agree that a comprehensive review be conducted, but such a review should not be confined to elevated systems only.

Speaking of solving problems relating to pedestrian facilities, the most commonly known everyday features include zebra crossings, traffic lights and pedestrian refuges. For those that go upwards, we call them footbridges; for those that go underground, we call them subways. At present, there is no specific rule setting out how or what facilities should be built. But I can assert that the construction of elevated pedestrian walkways is not suitable everywhere. For example, if a pedestrian walkway is built at the Tamar Site which commands a panoramic view of the Victoria Harbour, that would simply spoil the scenery. And once a walkway is built in a residential area, residents living on both sides of the walkway would be like being put into an aquarium, with their daily life being exhibited in front of other people's eyes, which may constitute privacy intrusion. Certainly, we believe the designers would be aware of this and would definitely take steps to avoid this, so as to provide reasonable and lawful protection for the residents. That said, I am still a bit worried about whether this could be achieved.

Moreover, air pollution is very serious in Causeway Bay. Today, for instance, the air pollution index reads 54 which is on the high side. But under this proposal of a City of Elevated Corridors, the pedestrian walkways are located exactly at the centre of Causeway Bay, extremely close to buildings on both sides. We are concerned about whether this design would further impede air circulation and hence cause air quality in the district to deteriorate further. So, if the Government should really consider building pedestrian walkways there, we hope that assessments must be conducted in this regard.

The DAB has reservations about the proposal to build a pedestrian walkway between Hennessy Road and Sugar Street. Given that on the two sides of this area are old tenement buildings, this proposal, if implemented, would very likely cause nuisances to the people.

As I said earlier, the construction of elevated pedestrian walkways may not be suitable everywhere. So, the DAB hopes that the Government will seriously study the feasibility of utilizing not only space on the street level, but also space underground. For example, the feasibility of linking up the existing and future Mass Transit Railway (MTR) underground walkways with those of the Kowloon-Canton Railway (KCR). At present, the Central-Sha Tin rail line has been approved, but the detail design of the stations has yet been finalized. So, we very much hope that the Government can look into the possibility of a link-up of MTR stations in Central, Admiralty and Wan Chai to reduce the pedestrian load on pavements. With regard to the West Rail currently under construction, we can also think about ways to put the existing resources to good use, say, by linking up Nam Cheong Station with the existing MTR exits, in order to map out an underground city in Hong Kong.

Madam President, the DAB appreciates the importance of the environment for pedestrians in town planning and holds that the Government should consider linking up different types of pedestrian systems to allow flexibility in their uses. Good town planning can perfect our society. But as one cannot make bricks without straw, given a serious fiscal deficit, public money ought to be used more appropriately and no action should be taken hastily.

The DAB cannot accept Dr YEUNG Sum's amendment to the amendment, because in proposing the amendment, the DAB hopes that no development will affect the business of the shop operators concerned; this is a necessary and essential factor, not something dispensable. Dr YEUNG Sum proposes that the

operators should not be affected "as far as possible", but it is indeed possible that they may be affected in the course of the works. The concern of the DAB lies not in the works. We accept that the works may bring about certain impact. But our focus is whether the overall planning will, in the long term, affect the business of the operators concerned. If we include the words "as far as possible", that would not be a definite assurance to the operators and we, therefore, find it difficult to support his amendment.

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

Mr IP Kwok-him moved the following amendment: (Translation)

"To delete "elevated" after "That this Council urges the Government to adopt the 'pedestrian priority' principle and conduct a territory-wide review of"; and to add "and without affecting the business environment of the operators concerned" after "with a view to developing, at suitable locations"."

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

PRESIDENT (in Cantonese): I now call upon Dr YEUNG Sum to speak and move his amendment to Mr IP Kwok-him's amendment.

DR YEUNG SUM (in Cantonese): Madam President, I move that Mr IP Kwok-him's amendment be amended, as printed on the Agenda.

Madam President, earlier on I had listened very carefully to the amendment moved by Mr IP Kwok-him to Dr LAW Chi-kwong's motion. He was arguing mainly against spending \$1.4 billion on the development of elevated pedestrian walkway systems when a fiscal deficit prevails. The Democratic Party has commissioned a consultancy study to come up with this figure, and we did not snatch this figure out of thin air. This pedestrian walkway system, which can link Causeway Bay all the way with the Western District, may cost \$1.4 billion. But the system would not block all the landscapes. At the Tamar

Site, for instance, the view there would not in the least be blocked. Perhaps Mr IP Kwok-him has not read this study. He questioned whether spending some \$1.4 billion despite a fiscal deficit would add to the burden? I think it all depends on the cost-effectiveness of the design. If it is cost-effective, then it can become a new tourist attraction, in which case the economic benefits so generated might far exceed this capital expenditure of \$1.4 billion.

If a project could bring certain job opportunities, stimulate tourism, provide shopping and travelling convenience for local pedestrians, and be conducive to environmental protection, then we should not only set our eyes on the deficit, saying that spending this \$1.4 billion would add to the burden, for this would be very short-sighted. If this does not stand, we would not be spending such a huge amount of money on building the Disneyland. We should attach greater importance to the associated economic benefits instead.

Madam President, many community projects may actually create adverse impact on individual shop operators. So, it really beats me as to why the DAB would be so rigid by insisting that the works must not in any way affect the development of the district concerned. Development works in any district may produce effects, and the question lies in the extent of these effects and in most instances, more benefits rather than effects would be generated. Examples abound, and there are the underground shopping arcade in Peking Road, Tsim Sha Tsui; general retrofitting works at parks; construction of covers above roadside bus stops; construction of pedestrian footbridges. Another example is the pedestrian precinct in Central. Some doctors have complained to me that parking is not allowed there. At the pedestrian precinct in the Western District where many performances are conducted, some shop owners have also told me that they cannot do business because vehicles are not allowed to park there. All these show that there are bound to be effects, though in varying degrees, and it is utterly difficult to ensure that the operators are totally unaffected. Focus should be put on the overall cost-effectiveness. Do Members think that we are oblivious of the significance of spending this \$1.4 billion when we are still being haunted by such a huge deficit? However, we reckoned that economic benefits thus generated would be greater and so, this motion was proposed through Dr LAW Chi-kwong. If it is said that the operators concerned must not in any way be affected irrespective of the cost-effectiveness, then I think the DAB is overly adamant in its position. We must, most importantly, look at the long-term bearing on the economy, environment and society.

Certainly, I must stress that to reduce the impact on individual shops and residents, the Government must conduct consultation as early as possible as a matter of procedure, so that the residents and shops affected can make arrangements and plans. I think the development of elevated pedestrian walkway systems can accommodate innovative ideas, stimulate tourism, enhance environmental measures and improve the health of pedestrians, and it can also have regard for the shops concerned. If the Government accepts this proposal, early consultation is warranted when carrying out the relevant works, in order to address their concern as far as possible in respect of the design and layout. I think this would be more beneficial to all sides. So, I add the words "as far as possible" in my amendment. We do appreciate the concern of Mr IP Kwok-him, but if we must guarantee that the shops must not in the least be affected, then the many existing pedestrian precincts could not have been implemented, because there must be shops that do not like the idea. But if they agree that this will be cost-effective in general, they will have to give their support, though reluctantly, in the end.

Some Members are concerned that the construction of elevated pedestrian walkway systems would divert the flow of pedestrian and hence affect the business of street level shops; and this is the thrust of Mr IP Kwok-him's concern. The areas covered by the proposed elevated pedestrian walkway systems, such as Causeway Bay, have extremely heavy pedestrian flow, causing serious congestion on the road surface. Members will know the situation if they have been there on holidays. So, we consider it necessary to develop multi-tiered pedestrian walkway systems to divert the pedestrian flow. Furthermore, people who are interested in shopping at a particular place will go there anyway, disregarding whether the shops are located at street level or on elevated pedestrian walkways. As long as clear shop signs and sufficient access points are provided at the elevated pedestrian walkways, we believe this system could achieve diversion of pedestrian flow and help lessen the severity of the impact on shops on street level.

Moreover, after the environment for pedestrians has been improved, it will, in fact, attract more citizens and tourists to the system. We remember that when we held the exhibition, the President of the Hong Kong Institute of Architects, Prof LAU, also considered this design innovative and desirable. I hope Members can support Dr LAW Chi-kwong's motion.

Let me cite an example for elaboration. The Mid-levels elevators are the most successful example of elevated pedestrian walkway systems. At present, the daily number of users of the Mid-levels elevator is well above 20 000 as estimated at the time, and there are now many shops and restaurants on the two sides of the elevators. Mr IP Kwok-him said earlier that after the completion of the pedestrian walkways, the shops on the two sides would be left high and dry, but the case of the Mid-levels elevators is just the opposite. After the commissioning of the elevator system, many restaurants have opened on both sides of the elevators, turning the area into a bustling place quite unexpectedly, and this has struck everyone as strange. The Mid-levels elevators can attract tourists and also increase the revenue of the operators.

In fact, the development of a walkway system has all along been brushed aside by the transport authorities. I hope the new Bureau Director can pay more attention to this. Over the years, the transport authorities have only focused on planning and constructing roads and railway systems. Pedestrian walkway systems have been given weight only at a very late stage, and they have never been included in the Comprehensive Transport Studies. The northern Hong Kong Island is developed on a hilly terrain, and some 10 years ago there was already a study recommending the construction of seven elevator systems at Mid-levels to encourage people to walk. But in the end, only one elevator system has been built, but it is a proven success. So, I urge the Government to take an attitude same as that which gives weight to railway and road systems in developing the pedestrian walkway systems, and embark on the development of Mid-levels elevators and elevated pedestrian walkway systems on Hong Kong Island. I also hope Members can support the motion and my amendment. Thank you, Madam President.

Dr YEUNG Sum moved the following amendment to Mr IP Kwok-him's amendment: (Translation)

"To add ", as far as possible," after "with a view to developing, at suitable locations and"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr YEUNG Sum to Mr IP Kwok-him's amendment, be passed.

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

MRS SELINA CHOW (in Cantonese): Madam President, the Liberal Party supports the "pedestrian priority" principle. However, this principle should absolutely not form the only base for elevated pedestrian walkway systems. The Liberal Party is of the view that, in addition to elevated footbridges, a wide range of options should be adopted. At the same time, the impact of the policy on the cityscape, pedestrian flow and business environment should be taken into account.

To start with, I have to convey the strong opposition of the industry represented by me. It is opined that, in the course of carrying out major works such as elevated pedestrian walkway systems, the pedestrian flow, traffic and shop businesses will definitely be affected. The catering industry, represented by Mr Tommy CHEUNG, has raised strong opposition too. Now Mongkok Road has to be sealed to make way for the construction of elevated pedestrian walkways. The Liberal Party has interviewed more than 50 shops situated near Sai Yee Street, Mong Kok and the footbridge linking New Century Plaza. The pedestrian flow outside these shops, engaging mainly in such retail businesses as catering, fashion and stationery, is the chief source of shop customers.

Among the shop operators interviewed, 90% opined that, after the commencement of construction of the footbridges, the pedestrian flow outside their shops had shrunk obviously, and their turnover had dropped between 10% to 50%. This explains why 75% of the operators opposed the construction of pedestrian footbridges for their practical experience proved that footbridges would divert the pedestrian flow and impact seriously on their business. The impact on food premises is even more severe for the construction works will cause air and noise pollution. The chaotic layout of streets and roads subsequent to the construction of footbridges will not only affect the cityscape, some shop entrances and signboards will be hidden from sight too. According to some property agents in the district, a number of shops in the vicinity have unusually been left vacant since August. They estimated that the retailers had decided to relocate their shops for fear that the pedestrian flow would disappear after the completion of the footbridges.

If the proposal of the original motion is to build the "elevated corridors" as conceived in the report compiled by the Democratic Party where shops and cafes will be provided, pedestrians will possibly stay away from the ground and use footbridges instead. By then, the business of ground floor shops will definitely shrink drastically. Although Hong Kong people have always liked going out and shopping, the mode of Hong Kong as a Shoppers' Paradise will definitely change radically as a result of this. On the other hand, ground floor shops will divert some of the pedestrian flow and, at the same time, affect the business of shops operating on the footbridges. This will eventually result in a "lose-lose" situation.

The proposal raised by the Democratic Party to construct a footbridge stretching from Western District to Causeway Bay has met with strong opposition from shop owners operating in Hennessy Road for fear that the construction works will seriously affect traffic and the pedestrian flow. Consequently, they will suffer the disadvantages before they can get the benefits. Recent examples are the expansion project being carried out at the Tsim Sha Tsui MTR Station and the road blocking measures taken in connection with the construction works carried out by the Kowloon-Canton Railway Corporation. As a result of these works, the shops nearby are seriously affected. The blow to be dealt to shop operators by the construction of elevated pedestrian walkway systems of such a scale is indeed conceivable.

The Retail Management Association has specially requested me to make it clear that the Association and its members are firmly against Dr LAW Chi-kwong's proposal. It has also been pointed out by the construction and engineering sectors that there are a number of technical problems with the construction of elevated pedestrian walkway systems. As the systems will straddle a number of district administration regions and involve a large number of buildings, the construction and maintenance fees will be exorbitant, so who is going to be responsible? Elevated footbridges are suitable for short-distance walk only. They can by no means replace public transport. What is more, shops operating on the footbridges are likely to affect the property value of the districts in which they are built.

Dr YEUNG Sum stated earlier that tourism will be benefitted by the elevated pedestrian walkway systems. However, I have never heard of any requests by tourists or the industry to build elevated pedestrian walkway systems. I have only heard the strong opposition raised by the services industry, which

relies heavily on tourist shopping in an indirect manner. Therefore, Dr YEUNG Sum's remark appears to be just his wishful thinking.

To enable Hong Kong to become a "pedestrian priority" city, many other options can be considered, in addition to the construction of elevated footbridges. Ms Miriam LAU will discuss this in detailed later.

In the hope of separating pedestrians and vehicles, the proposal of the original motion is actually targeted at air pollution. It was pointed out in a well-known travel guide, *Lonely Planet*, that air pollution in the territory in recent years is bound to have an impact on tourists who like to tour Hong Kong on foot. We support the Government's various initiatives to improve air quality. At the same time, additional pedestrian precincts, promenades, and so on, should be set up in districts with clean air, such as Tsim Sha Tsui and Stanley, to make the seaside even more attractive. In doing so, it will not be necessary for elevated pedestrian walkway systems to be built. While the construction of footbridges might impede sightseeing, tourists will feel more relaxing if they can talk a stroll along the seaside.

At present, there are more than 500 footbridges in Hong Kong. If Honourable Members could take a closer look at them, they will find that most of the footbridges are dull and unattractive. The Government should really pay attention to the presentation and design of these footbridges to enable Hong Kong to better match its identity as a modernized international city in Asia.

The Liberal Party supports Mr IP Kwok-him's amendment. As Dr YEUNG Sum merely requests the Government not to affect the business environment as far as possible, the Liberal Party finds it impossible to support his amendment. We can definitely not compromise because we have to protect the business environment, particularly nowadays when ground floor shops are struggling hard to survive. We firmly oppose Dr LAW Chi-kwong's original motion. I am not going to repeat our reasons for I have already cited them in my speech.

MR TAM YIU-CHUNG (in Cantonese): Madam President, let me just tell one story. The protagonist of the story is a drug dispenser, aged 50 or so. He has been thrifty for the whole of his life, and a few years ago, after finding a shop in Dr YEUNG Sum's constituency, that is, Chai Wan, he put down all his savings

as down payment and purchased the shop, intending to let it and repay the mortgage instalments with the monthly rental, in the hope of accruing the income for his retirement. Such was his plan, all well thought out.

It all happened in October 1998, when the Government decided to construct a pedestrian footbridge in the district and chose a site off his shop. Very serious problems already emerged right at the commencement of the construction works, because hoardings were erected just about 1 ft away from the front of his shop. The shop was at that time let to a laundry operator, but since there was practically no business following the start of construction works, the operator eventually had to wind up operation. The shop then had to be left vacant, failing to generate any more rental income, so our protagonist had to service the mortgage instalments with his monthly salaries.

When the works were completed, he was relieved to see the removal of the hoardings, only to find that a huge pillar had been erected off his shop. That made it even more difficult for him to let his shop. So, he suffered and grumbled, hoping that the Government would offer him some kind of compensation, and in the end, he came to me for help. Having overcome numerous difficulties, I finally got in touch with the relevant bureau and its Secretary to enquire about the incident. But he has so far failed to get any compensation. He no longer comes to me for help now. He spent some money on hiring the service of a surveyor, one like Mr LAU Ping-cheung. The surveyor assisted him in collecting the information required for submission to the Lands Tribunal. The Tribunal was sympathetic, deeming that the Government was obligated to pay him compensation. Unfortunately, however, the officials of the Tribunal overlooked one thing — they did not specify the amount of compensation, simply saying that he should negotiate with the Government to reach an agreement. Since there was no ruling on the amount of compensation, he had to negotiate with the Government, and the matter is therefore still unresolved now.

My friend has been suffering immensely throughout the whole process, for his plan has been ruined completely. He originally thought that his investment would give him a secured old age, but, in the end, on the contrary, he has suffered great losses. In order to save his living expenses, he now rents a flat in Shenzhen and lives there. He has to commute between Hong Kong and Shenzhen every day, living an extremely tiring life. But he has no choice at all. Every day, he has to return to Shenzhen after work and then come back to Hong

Kong for work in the morning, knapsack on his back, so as to cut down his living expenses. His ordeal is still going on today.

When I first saw the motion of Dr LAW, this very story immediately came to my mind. Therefore, I very much support Mr IP Kwok-him's amendment. Dr YEUNG Sum's amendment proposes to add the words of "as far as possible", and I think this makes the amendment unacceptable, because if we aim only not to affect shops as far as possible, there will be many stories like that of my friend. My friend has been suffering since 1998.

The adverse effects of construction works are not the only question involved; there is also the question of planning. Hong Kong is a tiny place with very few roads, so the construction of footbridges is sometimes inevitable. But this has caused losses to some people. For this reason, we feel that during the process of planning, consideration must be paid to the business of shop operators, lest anyone may thus have to suffer losses. This is most unfair to all those affected. I will therefore support Mr IP Kwok-him's amendment.

MS MIRIAM LAU (in Cantonese): Madam President, Hong Kong is a tiny but densely populated place where roads are narrow. In some areas with a high pedestrian flow, such as Mong Kok, Causeway Bay and Central, pedestrian-vehicle scrambles are common. This not only endangers pedestrian safety, but also causes traffic congestion and affects the smooth flow of traffic.

In order to provide pedestrians with safe, convenient and comfortable passages, it is necessary to construct elevated pedestrian walkways at some busy crossroads or streets to separate pedestrians from the traffic. Besides, in cases where the movement from one area to another involves only a very short walking distance, and where the taking of public transport may thus prove even more inconvenient instead, there is also a need to construct elevated walkways for people's convenience.

If the various footbridges of one area or several areas can be linked up to form a long elevated pedestrian walkway system, the two needs mentioned above can be met, and if we may also add some tourist facilities to such system, then people and tourists, while walking leisurely along this "elevated corridor" to their destinations, may even enjoy tea, do some shopping, and have sightseeing. This looks just perfect.

But ideals are one thing, and the realities are quite another. To construct an "elevated corridor", a Laputa of some kind, in this fully developed city, this concrete jungle, of ours will definitely produce very significant effects. The elevated pedestrian walkway system in Mong Kok is an obvious example. My office is in Mong Kok, so I know the situation there more clearly. The scale of the works project was not very large, but even though the authorities just closed a very small number of vehicle lanes during the course of works, the traffic in Mong Kok already became very congested. The scaffoldings and hoardings erected at the works sites also caused immense nuisance to shop operators. The works project is now basically completed, and at the works sites, it can be seen that some sections of the completed pedestrian footbridges are very close to residential flats. While the views from the flats are blocked, their occupants will also have to put up with the heavy pedestrian flow right before their windows all day long. Mr IP Kwok-him also mentioned this concern in his speech earlier. As for shop operators, they will have to face a drastic decline in business turnover. Mrs Selina CHOW has discussed this point in detail, so I shall not repeat it here.

Actually, besides elevated pedestrian walkways, Hong Kong may consider many other alternatives in order to make itself a "pedestrian priority" city, some examples being pedestrian precincts, automatic escalator systems and pedestrian subways. Of all these, pedestrian precincts are very popular because they provide a safe and comfortable environment in which people can walk and shop leisurely, and also because they offer a good business environment to shop operators. The Mid-levels escalator system is also very popular. It not only provides travelling convenience to pedestrians but has also induced shop operators to bring into existence the Soho of Hong Kong. We can see from all this that we need not always focus only on "elevated" pedestrian circulation systems, but should instead take account of the actual circumstances and devise some systems which can suit local or even inter-area conditions.

However, although we attach importance to "pedestrian priority" and thus see the need for more pedestrian facilities, I must still point out that any transport policy formulated by the Government must help promote the sustainable development of Hong Kong. A transport policy that can serve such a purpose is one which can maintain the smooth flow of people and goods as well as inject vitality into our economy and society without spoiling the environment at the

same time. What is more, besides pedestrians, we must also look after the needs of other categories of road users, so as to ensure that these pedestrian-friendly facilities will not cause any traffic congestion or produce any significant impact on the loading/unloading activities of nearby commercial buildings.

Actual experience shows that some pedestrian facilities such as pedestrian precincts and the Mid-levels escalator system are able to balance the needs of different road users and people. As long as we can pay heed to the concept of sustainable development while upholding the "pedestrian priority" principle, we will surely succeed in catering for the needs of different road users and people.

Since the original motion focuses only on "elevated" pedestrian walkway systems and fails to consider the needs of different road users and people, the Liberal Party cannot support it. But the Liberal Party will support the amendment of Mr IP Kwok-him. Madam President, I so submit.

MR LAU PING-CHEUNG (in Cantonese): Madam President, last Session, when I moved the motion debate on a landscaping policy, I remarked that the streets in the urban areas were very low in "walkability", meaning that there were not only pedestrian-vehicle scrambles, but also the maintenance excavations carried out by public utility operators, which enveloped the streets in dust and mud. I also pointed out that the road space actually available for pedestrian movement was extremely limited. That is why I support the idea of a territory-wide review and the development of pedestrian systems at appropriate sites under the principle of "pedestrian priority" advocated in the motion today. But I also think that the development of pedestrian systems should not be limited to elevated systems, and pedestrian precincts, subways, sidewalks, promenades, parks and piazzas should also be included.

The Government has actually put in place a set of policies governing the planning standards of major roads and trunk routes in newly developed areas. Some standards for landscaping are also included in these policies. I believe the Secretary will give a detailed account of them later on. Therefore, the core of the problem should be how best to eliminate or ease the various pollution problems on busy roads, and how best to upgrade pedestrian safety and improve the environment for walking, with a view to promoting the business of retail shops.

Dr LAW Chi-kwong has submitted a set of information to Members, in which he advances the idea of a "City of Elevated Corridors". With numerous illustrations and detailed explanations, he introduces the idea of an air corridor spanning from Western District to Causeway Bay (some sections of which simply cannot be linked up as imagined). Dr LAW makes some wonderful proposals for many sites. For example, he proposes a heritage corridor stretching from the Sun Yat Sen Memorial Park to Shun Tak Centre, linking up the Memorial Park with the Poor People's Night Club and the Western Market. Another example is the construction of landscaping features along the 300-ft pedestrian walkway from the General Post Office to the Outlying Islands Ferry Pier, with a view to increasing the character and appeal of the walkway.

Madam President, there is a classic commercial in the advertising industry. In this commercial, a lady hiding a present at her back asks her boyfriend to guess what the gift is. Her boyfriend gives a most unexpected answer: "Airplanes and Cannons". Members may still remember that this commercial was shot at the present location of the International Financial Centre, that is, the superstructure of the former Outlying Islands Pier. This place used to be the rendezvous of lovers. Besides walking from Tai Hang to Western District, did Dr LAW ever meet his date at that place when he was young? Did he frequent the place? Is that why he has proposed to reconstruct a garden cafeteria there?

As for his proposal on constructing an elevated pedestrian walkway stretching from Queensway Plaza through Hennessy Road to Yee Wo Street in Causeway Bay, the underlying idea is actually very good. But is it really feasible? Will there be any adverse impact? To begin with, the proposed elevated pedestrian walkway goes through downtown Wan Chai and Causeway Bay, where the physical environment is both cramped and complicated. So, is the works project technically feasible? Will the costs be very high? Will the business of shop operators along the route be affected? We have to study all these in detail before making any judgement. What is more, given the physical environment along the way, an elevated walkway may not necessarily be the only option. For instance, the appearance and walking environment at appropriate locations along the route can in fact be improved with the help of pedestrian subways, escalators or lifts, or simply the beautification of existing sidewalks. An elevated pedestrian walkway can no doubt segregate pedestrians and vehicles, but the buildings along Hennessy Road and Johnston Road were mostly built in the '60s or '70s, about 10 storeys in height, and with very little room among them. So, vehicle emissions will easily accumulate. If the roads are further loaded with an elevated pedestrian walkway, will the air pollution along them

worsen? Or, will the privacy of residents in the buildings along the route be affected? We need to consider all this in detail.

Besides technical and costs problems, I still wish to say a few words on the related economic issues. There are two points in Mr IP Kwok-him's amendment. The first one is the deletion of the word "elevated", which allows more choices of pedestrian systems. I support this point. The second point is the addition of "and without affecting the business environment of the operators concerned", and Dr YEUNG Sum's amendment adds "as far as possible" to this.

As Members know, areas around Causeway Bay and Wan Chai are the prime sites for shops, and elevated pedestrian walkways will divert the flow of pedestrians, so once an elevated pedestrian walkway is constructed, the business of some shops will inevitably be affected. Madam President, the purpose of the proposed pedestrian system is to segregate pedestrians and vehicles, so as to provide a comfortable environment to pedestrians. The proposal is definitely not meant to divert pedestrian flows away and reduce the business of shops at the ground level. Particularly, when the elevated walkway hangs above the entire stretch of roads, polluted air will accumulate at the ground level, and shoppers will no longer linger around there. Nor will they window-shop at the ground level any more. Besides, if a pier of the walkway is constructed on a pavement, as in the case mentioned by Mr TAM Yiu-chung a moment ago, the room of the pavement will be narrowed. This will further reduce people's interest in walking at the ground level, affecting the business environment of shops on the ground and in turn dealing a blow to them. In the end, shop operators may well stage strong opposition even at the consultation stage of the elevated pedestrian walkway. Mrs Selina CHOW has raised this point, saying that shop operators may even sue the Government for compensation.

Another point is that no matter how many footbridges and pedestrian subways are found in the proposed pedestrian system, we must note that it will measure as long as long as 3 km. So, more room for various activities and the display of interesting works of arts should be provided along the way. Walls for graffiti may even be provided, so that public places can truly be used by the public.

To sum up, it is certainly a good idea to build an elevated pedestrian walkway system through busy urban areas, but we must take account of the actual physical environment and supplement it with pedestrian precincts, subways and beautified comfortable sidewalks. While seeking to improve

pedestrian safety and increase scenic attractions, we must ensure that the air quality in downtown areas will not worsen as a result. What is more, we must also not divert pedestrians away, for this will seriously affect the business of shop operators.

With these remarks, Madam President, I support the amendment of Mr IP Kwok-him.

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

(No Member responded)

PRESIDENT (in Cantonese): Dr LAW Chi-kwong, you may now speak on the two amendments.

DR LAW CHI-KWONG (in Cantonese): Madam President, Dr YEUNG Sum has already responded to Mr IP Kwok-him's amendment. I would like to emphasize that the concept proposed by Democratic Party is we do understand all measures taken to improve the community environment are bound to have certain impact on certain people. The crux of the problem is: What can be done to avoid or minimize as far as possible the negative impact? We are particularly concerned about shop operators.

Hennessy Road was repeatedly cited by Honourable Members earlier in the debate. Members who have actually walk on this particular road will find that it is very wide. Our concept is to have a footbridge built above the tram track in the middle of Hennessy Road, rather than on either side of the road. The problem facing us is that air pollution is very serious in Hennessy Road, mainly because the nearby Fleming Road and Steward Road are relatively narrow. Emission from its surrounding area is thus trapped along Hennessy Road. What can be done to improve the air quality there? There are indeed not many feasible solutions. Of course, Members should realize that reducing vehicle emission is of the most effective solutions. Sometimes I felt it particularly bad when passing by Hennessy Road, particularly in the evening, because of the downward shift of exhaust gas. It is therefore very important for pedestrians and emission to be segregated. Members can also see that

pedestrians often tend to avoid shops on certain sections of the road because they are too congested. It is even impossible for pedestrians to do window shopping because many people will be blocking the road. If effective measures can be taken to segregate pedestrian flows to keep pedestrians from being forced to walk on the carriageway, it will attract more window shoppers to hang around in front of shops.

I definitely understand the concerns raised by Members. We are merely suggesting the Government to conduct a feasibility study, which is in my opinion very important. The amendment has proposed to delete the word "elevated". Actually, the Mid-Levels footbridge mentioned by Members is more than a footbridge. It is actually an elevated system. The difference only lies in the fact that no pedestrian elevators are built on the sides of the road. I think Members should understand that this is because of the constraints posed by the road surface available.

I will definitely not oppose the use of other methods, such as the provision of pedestrian precincts, to improve the situation. However, as pointed out by Dr YEUNG Sum earlier, even pedestrian precincts will affect certain people. For instance, some doctors may feel that the erection of pedestrian precincts will affect their patients, who will then be unable to gain direct access to their clinics for consultation. It is therefore necessary for more of such issues to be raised for public discussion, so that we can examine if there are any ways to achieve the goal of "pedestrian priority" and, at the same time, prevent people from different walks of life from being affected.

I would also like to draw Members' attention to the fact that the footbridge network under discussion now is not going to be built in a couple of years. If we consider the development plans from the angle of town planning, it will probably take five or six years before the proposals can be implemented. Therefore, consideration can be made to have some of the proposals implemented immediately. Let me cite the linkage of the Sun Yat Sen Memorial Park and Queensway Plaza mentioned by me earlier as an example. Little addition will actually be required for a network can be formed by merely joining the sections of footbridge which are currently disconnected. I believe the cost incurred will be limited too. However, Members must note that much improvement is required to be made to the existing footbridges, and this is worth doing. I will respond to issues in relation to other areas later in the debate. Thank you, Madam President.

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, Dr LAW Chi-kwong has proposed a most imaginative motion debate. The animated movie "Laputa", mentioned by him, is one of my favourites. He talked about a City of Sky Walk. But I am talking about "City of Sky Walkers", another interesting movie — we have been dreaming today. *(Laughter)* To Hong Kong as a world-class city, elevated pedestrian walkway systems are an innovative and imaginative proposal. Of course, I have heard a lot of Members suggesting that demands in various areas had to be balanced. We will certainly consider this.

Being a world-class city, Hong Kong must, first of all, provide its citizens with a clean and cosy living environment. Without a good living environment, we will not be able to attract more commercial investments and talents from other parts of the world to settle in Hong Kong or spend their vacation here.

It is therefore imperative for us to provide a comfortable environment for walking. The Government has, in recent years, made much effort and formulated a series of measures to improve the pedestrian environment. These measures include the designation of pedestrian precincts, the construction of footbridges and subways, the provision of barrier-free accesses to these facilities, and the efforts to minimize as far as possible the impact of pollution caused by traffic to roadside air quality.

Let me give a brief introduction of the results achieved under the pedestrian scheme. Starting from March 2000, certain areas-wide full-time, part-time pedestrian streets and traffic calming streets are implemented. In full-time pedestrian streets, vehicular access is restricted to emergency services only. In part-time pedestrian streets, vehicular access is only allowed in specific periods.

As for traffic calming streets, footpaths are widened and parking spaces minimized as far as possible. Though vehicular access is generally not restricted on traffic calming streets, traffic control measures may be taken in the light of the local situation in a bid to reduce traffic flow.

So far, a total of 21 full-time/part-time pedestrian schemes and 14 traffic calming street schemes have been implemented in various districts. In addition to traffic control measures, street beautification works are also undertaken in the hope of making the walking environment more comfortable.

The environment for pedestrians has been improved through such measures as widening pavements, minimizing vehicular access or completely blocking carriageways for use by pedestrians. As a result, districts where the schemes are carried out have seen a marked increase in pedestrian flow. This also shows that these schemes are, to a certain extent, approved of by members of the public.

Based on the success of these initial efforts, we will continue with our efforts to plan more comprehensive pedestrian schemes, particularly for districts that are more congested and polluted. Such districts as Causeway Bay, Wan Chai, Central, Tsim Sha Tsui, and so on, are under consideration.

When it comes to pedestrian walkway systems, I would like to make it clear that we will, where circumstances permit, adhere to the principle of segregating pedestrian and vehicular flows as far as possible. While it is very important for sufficient accesses to be provided to connect popular spots, these accesses do not necessarily take the form of elevated pedestrian walkway systems. It is possible for pedestrian walkway systems to be broadly defined as a combination of footbridges, pedestrian subways and quality pavements. The Government is in full support of the idea of developing well-connected pedestrian systems at suitable locations, so as to enhance the sight-seeing value, improve the pedestrian environment, and to enable shopping centres and such facilities as transport interchanges to complement one another.

A study on the planning of pedestrian environment, scheduled to be completed by mid-2003, is now being conducted by the Planning Department. Its main objectives are to formulate planning briefs, set out the principle, concept, standards and guidelines with respect to the planning of pedestrian environment, and identify certain districts, including some of the busy districts mentioned by me earlier, for conceptual planning. Should these planning proposals be supported by the Government, we will consider implementing the relevant plans in suitable districts. The primary principle employed is to provide more quality pedestrian links to connect land of different uses in order to upgrade the value of the land, improve pedestrian flow and the quality of the environment for walking, minimize vehicle-pedestrian scrambles, and reduce the possibility of traffic accidents. At the same time, the reduction of public reliance on vehicles can improve the traffic condition and air quality.

As regards barrier-free facilities installed on footbridges, we will in principle provide facilities for the disabled in all new footbridges and pedestrian subways. The Government also supports the proposal of retrofitting all the existing footbridges with additional facilities for the disabled, providing it is technically practicable. Where circumstances permit, we will opt mainly for elevators. An evaluation on the feasibility of retrofitting all footbridges with additional facilities for the disabled and the priority of carrying out these retrofitting works has been concluded. If resources permit, the Government will retrofit footbridges with additional elevators for the disabled step by step.

When it comes to minimizing the impact of transport activities on air quality, much effort has indeed been made by the Government to alleviate air pollution as far as possible. The Government has taken a series of measures to reform vehicle fuels. An example I would like to cite is the scheme whereby taxis and minibuses switch to liquefied petroleum gas (LPG). At present, some 90% of taxis have basically switched to LPG, whereas the scheme for minibuses has just been implemented. For the purpose of bus emission control, all pre-Euro buses have to be retrofitted with diesel catalytic converters, and all Euro I buses with diesel catalytic converters or continuous regeneration traps before 2004. The full use of ultra-low sulphur diesel has also been implemented.

Certainly, much can still be done with respect to traffic control. For instance, more bus interchange schemes and bus and railway interchange schemes can be launched. Bus routes and bus stops can also be rationalized to minimize as far as possible the traffic flow on busy roads. At the same time, facilities for segregation of pedestrian and vehicular flows, such as elevated footbridges, can also be introduced at busy roads to at least minimize the contact between pedestrians and air pollution.

In conclusion, the Government will march towards the goal of providing a better environment for pedestrians through implementing the pedestrian precinct scheme, re-engineering public transport services, and providing pedestrian facilities such as pedestrian subways at suitable locations.

In formulating these measures, we must balance the demands in various areas and safeguard the overall public interest. Matters of public concern, be

they related to pedestrians, consumers or shop operators, will be taken into consideration. The views of members of the District Councils and Legislative Council Members will also be considered in detail in the hope of arriving at a more client-based proposal. Thank you, Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr YEUNG Sum to Mr IP Kwok-him's amendment, 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 IP Kwok-him rose to claim a division.

PRESIDENT (in Cantonese): Mr IP Kwok-him has claimed a division. The division bell will ring for three minutes.

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

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

Functional Constituencies:

Mr CHEUNG Man-kwong, Mr HUI Cheung-ching, Mr SIN Chung-kai, Dr LAW Chi-kwong, Ms LI Fung-ying, Mr Henry WU and Mr Michael MAK voted for the amendment.

Dr Raymond HO, Mr Eric LI, Mrs Selina CHOW, Mr CHAN Kwok-keung, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Ms Miriam LAU, Mr Abraham SHEK, Mr LEUNG Fu-wah, Dr LO Wing-lok and Mr IP Kwok-him voted against the amendment.

Mr LAU Ping-cheung abstained.

Geographical Constituencies and Election Committee:

Ms Cyd HO, Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr Andrew WONG, Dr YEUNG Sum, Ms Emily LAU, Mr SZETO Wah, Dr TANG Siu-tong, Mr Albert CHAN, Mr WONG Sing-chi, Mr Frederick FUNG, Ms Audrey EU, Dr David CHU and Mr Ambrose LAU voted for the amendment.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr NG Leung-sing, Mr YEUNG Yiu-chung and Mr MA Fung-kwok voted against the amendment.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 20 were present, seven were in favour of the amendment, 12 against it and one abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 22 were present, 15 were in favour of the amendment and six against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): I now put the question to you and that is: That Mr IP Kwok-him's amendment to Dr LAW Chi-kwong'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)

Mr Fred LI rose to claim a division.

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

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

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

Functional Constituencies:

Mr James TIEN, Dr Raymond HO, Mr Eric LI, Mrs Selina CHOW, Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG, Ms Miriam LAU, Mr Abraham SHEK, Ms LI Fung-ying, Mr Henry WU, Mr Tommy CHEUNG, Mr LEUNG Fu-wah, Dr LO Wing-lok, Mr IP Kwok-him and Mr LAU Ping-cheung voted for the amendment.

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

Geographical Constituencies and Election Committee:

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Dr TANG Siu-tong, Ms Audrey EU, Dr David CHU, Mr NG Leung-sing, Mr YEUNG Yiu-chung, Mr Ambrose LAU and Mr MA Fung-kwok voted for the amendment.

Mr Andrew WONG and Mr Frederick FUNG voted against the amendment.

Ms Cyd HO, Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr Albert CHAN and Mr WONG Sing-chi abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 23 were present, 19 were in favour of the amendment and four abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 23 were present, 10 were in favour of the amendment, two against it and 10 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

PRESIDENT (In Cantonese): Dr LAW Chi-kwong, you may now reply and you still have eight minutes 35 seconds.

DR LAW CHI-KWONG (in Cantonese): Madam President, I think we all wish to break the record by finishing today's meeting early. I just wish to make some brief responses. The Democratic Party has proposed this motion for debate with the aim of proposing a concept for Members' discussion. Today, Members have expressed so much concern and even opposition; and the Democratic Party is willing to hear them.

Before proposing the motion, I did consider whether it should discuss pedestrian walkway systems or elevated pedestrian walkway systems. I was thinking at the time that if I proposed that services for the elderly be improved, would Members oppose my proposal because I did not mention services for the disabled, single parents, and so on? By the same token, although my motion puts emphasis only on elevated pedestrian walkways, it does not mean that no

pedestrian subways or pedestrian precincts are allowed to be built. Earlier on, Mr IP Kwok-him of the DAB mentioned pedestrian subways. A Member then passed me a note on which it was written "The DAB likes to do underground work". (*Laughter*) The Democratic Party, however, likes clear sky and open air. But that does not matter. We can work together. The DAB can suggest building more pedestrian subways, whereas the Democratic Party can suggest building more footbridges. They are not mutually exclusive at all. Whether the facilities will be developed skyward or beneath the ground, these are all good proposals. So, I hope Members will not adopt an exclusive way of thinking in this matter. In proposing this motion for debate, I do not mean that we want nothing but elevated pedestrian walkways.

Secondly, although I have shown a report to Members, Members will note from the contents of the motion that it does not ask Members to endorse the idea of a City of Sky Walkers proposed by the Democratic Party. Nor does it ask Members to endorse the construction of an elevated pedestrian walkway in Hennessy Road. Members please pay attention to the contents of the motion, which only suggests ways to improve the quality of pedestrian walkway systems. Please do not misunderstand this point. Sometimes, during motion debates, Members may say that apart from looking at the wording of the motion, they also have to consider the time, the environment, and what remarks have been made. Today, some Members have expressly stated their disagreement to the construction of a pedestrian footbridge in Hennessy Road and they will, for this reason, eventually oppose the motion. I hope Members will pay attention to the contents of the motion. There is no mention of these matters at all. Members should agree that all that has been mentioned in the motion is how to improve the pedestrian walkway systems and how we can provide more shopping spots or places with sight-seeing value in the systems.

In fact, this motion today does not aim to endorse a concept. It only calls for some feasibility studies. The question of where such footbridges should land, over which many Honourable colleagues have raised concern today, is one example. For footbridges, they must have abutments. Where should these abutments be placed and is it possible for them to be placed there? Feasibility studies must be conducted in these areas. So, if, after these studies, it is found that Hennessy Road is indeed incompatible with such pedestrian walkway system, then let us just drop the idea. Today, I just wish to share my view with

Members and arouse discussion, so that Members can examine its feasibility and examine whether or not this idea is going to work. Today's motion is entirely not related to a City of Sky Walkers. It only proposes ways to improve the quality of pedestrian systems, so that they can complement cultural and shopping activities and even many other activities that we very much need in a better way.

I hope Members can also think about this. Although the two amendments have been negated and Members know only too well what the final result will be, I still urge Members to read clearly the contents of the motion and see clearly in what areas we ask for improvement in the motion. I understand Members' concern that the business community considers that the pedestrian walkway systems may have impact on the business environment. In this connection, the feasibility studies obviously should cover the possible impact on the interest of business operators, and public opinion must be taken into account in the course of consultation. Do not say that the Democratic Party has put forward this proposal without considering the interest of operators. Do not say that we are not going to conduct any feasibility study. As Members may know, the Democratic Party has very limited resources and it is impossible for us to conduct a very comprehensive feasibility study. That is why we can only propose a concept to arouse in-depth discussion by Members. Finally, I still have to make an appeal to Members. While this meeting is somewhat record-breaking, I still hope that Members will support this motion. Thank you, Madam President.

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

(Members raised their hands)

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

(Members raised their hands)

Mr CHAN Kam-lam rose to claim a division.

PRESIDENT (in Cantonese): Mr CHAN Kam-lam has claimed a division. The division bell will ring for three minutes.

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

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

Functional Constituencies:

Mr CHEUNG Man-kwong, Mr HUI Cheung-ching, Mr SIN Chung-kai, Dr LAW Chi-kwong and Mr Michael MAK voted for the motion.

Mr James TIEN, Dr Raymond HO, Mr Eric LI, Mrs Selina CHOW, Mr CHAN Kwok-keung, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG, Ms Miriam LAU, Mr Abraham SHEK, Mr Henry WU, Mr Tommy CHEUNG, Mr LEUNG Fu-wah, Dr LO Wing-lok, Mr IP Kwok-him and Mr LAU Ping-cheung voted against the motion.

Ms LI Fung-ying abstained.

Geographical Constituencies and Election Committee:

Ms Cyd HO, Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr Andrew WONG, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Dr TANG Siu-tong, Mr Albert CHAN, Mr WONG Sing-chi, Mr Frederick FUNG, Ms Audrey EU, Dr David CHU, Mr Ambrose LAU and Mr MA Fung-kwok voted for the motion.

Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr NG Leung-sing and Mr YEUNG Yiu-chung voted against the motion.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 23 were present, five were in favour of the motion, 17 against it and one abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 24 were present, 17 were in favour of the motion and six against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was negatived.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 27 November 2002.

Adjourned accordingly at eleven minutes to Six o'clock.

Appendix I**WRITTEN ANSWER****Written answer by the Secretary for Security to Mr CHAN Kwok-keung's supplementary question to Question 1**

The Immigration Department (ImmD) has all along taken reports on illegal employment seriously. Its Task Force, with a strength of 92 officers, is responsible for conducting enforcement operations against immigration offenders, including taking follow-up actions on the reports received on illegal employment. Regarding enforcement actions in Yuen Long, the Task Force, in conjunction with other law enforcement department, has carried out a number of special operations to combat illegal employment. For instance, in July 2002, the police received reports that illegal workers were found gathering in Kuk Ting Street, seeking jobs as decoration workers. Upon receipt of the information, the ImmD mounted a large-scale joint operation with the police on 19 July 2002 and arrested 51 people. In addition, on 30 July and 23 September 2002, the Task Force staged anti-illegal employment operations at Hop Yick Road market and Lau Fau Shan fish market respectively. A total of 46 people were arrested.

Reports made by the public provide important leads for the crackdown on illegal employment. Members of the public are thus encouraged to report to the ImmD any information on illegal employment in writing, by calling its hotline (telephone no.: 2824 1551), by fax (fax no.: 2824 1166) or e-mail (e-mail address: <enquiry@immd.gov.hk>). The ImmD will actively follow up all the reports received and will promptly conduct thorough investigation into cases with sufficient information.

Appendix II

WRITTEN ANSWER

Written answer by the Secretary for Security to Mr LEE Cheuk-yan's supplementary question to Question 1

In response to the question on the prosecution of employers found employing illegal workers, I provided information on the outcome of prosecution for 1999 and the period between January and October 2002. Relevant information for the past few years is now set out at Annex for Members' reference.

Annex

Outcome of prosecution against employers found employing illegal workers

	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i> <i>(January to October)</i>
Imposition of a fine	\$300 to \$10,000	\$10,000 to \$20,000	\$3,000 to \$10,000	\$1,000 to \$10,000
Imposition of a custodial sentence	14 days to nine months	42 days to six months	14 days to 15 months	one month to 12 months
Imposition of a suspended sentence	one to four months' imprisonment, suspended for one to two years	two to six months' imprisonment, suspended for 18 months to three years	one to six months' imprisonment, suspended for one to two years	two to six months' imprisonment, suspended for 18 months to two years
Imposition of a suspended sentence and a fine	one to nine months' imprisonment, suspended for one to two years; and a fine of \$500 to \$10,000	28 days to one year's imprisonment, suspended for one to three years; and a fine of \$500 to \$7,000	14 days to one year's imprisonment, suspended for 18 months to three years; and a fine of \$1,000 to \$25,000	one month to one year's imprisonment, suspended for 18 months to three years and a fine of \$500 to \$12,000

Appendix III**WRITTEN ANSWER****Written answer by the Secretary for Security to Mr CHAN Kam-lam's supplementary question to Question 1**

In 2001, the law enforcement departments arrested a total of 968 employers for employing illegal workers. No government contracts were involved.

The government departments concerned have put in place measures to prevent their contractors from employing persons not lawfully employable. According to the rules laid down in the Contractor Management Handbook issued by the Environment, Transport and Works Bureau, any contractors convicted of three or more offences under the Immigration Ordinance for employing illegal workers or for having illegal immigrants on sites under their control in a rolling 12-month period shall be mandatorily and automatically suspended from tendering for public works for six months, irrespective of whether they are convicted in the capacity of a main contractor or sub-contractor (that is, nominated sub-contractor, specialist sub-contractor or domestic sub-contractor) or construction site controller (as an individual or a company). Convictions in respect of all public and private contracts shall be counted. In addition, under the rules for various approved lists (such as List of Building Contractors, List of Cleansing Contractors for Housing Authority Estates and List of Security Service Contractors) laid down by the Housing Department (HD), any contractors found employing illegal workers when undertaking the HD contract(s) shall be subject to disciplinary actions, including suspension from tendering the HD's building contracts or management contracts for a period of time, non-extension of the contract(s) involved or other similar contract(s), or even removal of their names from the HD's approved list(s).

Appendix IV

WRITTEN ANSWER

Written answer by the Secretary for Education and Manpower to Mr Henry WU's supplementary question to Question 3

The Quality Education Fund (QEF) is managed by the Treasury of the Government of the Hong Kong Special Administrative Region and three external managers, namely, Credit Agricole Asset Management Hong Kong Limited, Allianz Dresdner Asset Management Hong Kong Limited and Wellington Management Company LLP. Credit Agricole took over from the Treasury as the QEF's Hong Kong equity manager on 2 October 2002. Dresdner replaced Fiduciary Trust International Limited as portfolio manager with effect from 3 August 2001. Dresdner and Wellington are responsible for managing all the non-Hong Kong equities and a portion of non-Hong Kong bonds. The Treasury now manages the Hong Kong dollar bonds and a major portion of non-Hong Kong bonds.

The performance of the Treasury, Dresdner and Wellington in the past three years is set out below. As Credit Agricole joined only in October 2002, its performance has yet to be assessed.

<i>Investment Return (%)</i>	<i>Year ended 31 August</i>		
	<i>2002</i>	<i>2001</i>	<i>2000</i>
The Treasury	+4%	-3%	+13%
Benchmark return	+2%	-8%	+17%
Dresdner/Fiduciary	-15%	-26%	+18%
Wellington	-13%	-16%	+11%
Benchmark for external managers	-13%	-20%	+13%