

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 22 January 1997

The Council met at half-past Two o'clock

MEMBERS PRESENT

THE PRESIDENT

THE HONOURABLE ANDREW WONG WANG-FAT, O.B.E., J.P.

THE HONOURABLE ALLEN LEE PENG-FEI, C.B.E., J.P.

THE HONOURABLE MRS SELINA CHOW LIANG SHUK-YEE, O.B.E., J.P.

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

THE HONOURABLE NGAI SHIU-KIT, O.B.E., J.P.

THE HONOURABLE SZETO WAH

THE HONOURABLE LAU WONG-FAT, O.B.E., J.P.

THE HONOURABLE EDWARD HO SING-TIN, O.B.E., J.P.

THE HONOURABLE RONALD JOSEPH ARCULLI, O.B.E., J.P.

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

DR THE HONOURABLE EDWARD LEONG CHE-HUNG, O.B.E., J.P.

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHIM PUI-CHUNG

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE MICHAEL HO MUN-KA

DR THE HONOURABLE HUANG CHEN-YA, M.B.E.

THE HONOURABLE EMILY LAU WAI-HING

THE HONOURABLE LEE WING-TAT

THE HONOURABLE ERIC LI KA-CHEUNG, O.B.E., J.P.

THE HONOURABLE FRED LI WAH-MING

THE HONOURABLE HENRY TANG YING-YEN, J.P.

THE HONOURABLE JAMES TO KUN-SUN

DR THE HONOURABLE SAMUEL WONG PING-WAI, O.B.E., F.Eng., J.P.

DR THE HONOURABLE PHILIP WONG YU-HONG

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE HOWARD YOUNG, J.P.

THE HONOURABLE ZACHARY WONG WAI-YIN

THE HONOURABLE CHRISTINE LOH KUNG-WAI

THE HONOURABLE JAMES TIEN PEI-CHUN, O.B.E., J.P.

THE HONOURABLE CHAN KAM-LAM

THE HONOURABLE CHAN WING-CHAN

THE HONOURABLE CHAN YUEN-HAN

THE HONOURABLE ANDREW CHENG KAR-FOO

THE HONOURABLE PAUL CHENG MING-FUN

THE HONOURABLE CHENG YIU-TONG

DR THE HONOURABLE ANTHONY CHEUNG BING-LEUNG

THE HONOURABLE CHEUNG HON-CHUNG

THE HONOURABLE CHOY KAN-PUI, J.P.

THE HONOURABLE DAVID CHU YU-LIN

THE HONOURABLE ALBERT HO CHUN-YAN

THE HONOURABLE IP KWOK-HIM

THE HONOURABLE LAU CHIN-SHEK

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

DR THE HONOURABLE LAW CHEUNG-KWOK

THE HONOURABLE LAW CHI-KWONG

THE HONOURABLE LEE KAI-MING

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE BRUCE LIU SING-LEE

THE HONOURABLE LO SUK-CHING

THE HONOURABLE MOK YING-FAN

THE HONOURABLE MARGARET NG

THE HONOURABLE NGAN KAM-CHUEN

THE HONOURABLE SIN CHUNG-KAI

THE HONOURABLE TSANG KIN-SHING

DR THE HONOURABLE JOHN TSE WING-LING

THE HONOURABLE MRS ELIZABETH WONG CHIEN CHI-LIEN, C.B.E.,
I.S.O., J.P.

THE HONOURABLE LAWRENCE YUM SIN-LING

MEMBERS ABSENT

DR THE HONOURABLE DAVID LI KWOK-PO, O.B.E., LL.D. (CANTAB),
J.P.

THE HONOURABLE LEE CHEUK-YAN

PUBLIC OFFICERS ATTENDING

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

THE HONOURABLE JEREMY FELL MATHEWS, C.M.G., J.P.
ATTORNEY GENERAL

MR DOMINIC WONG SHING-WAH, O.B.E., J.P.
SECRETARY FOR HOUSING

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

MR PETER LAI HING-LING, J.P.
SECRETARY FOR SECURITY

MR BOWEN LEUNG PO-WING, J.P.
SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS

MR PAUL LEUNG SAI-WAH, JP
SECRETARY FOR TRANSPORT

MRS DORIS HO KO SUET-YIU, JP
SECRETARY FOR HEALTH AND WELFARE

CLERKS IN ATTENDANCE

MR RICKY FUNG CHOI-CHEUNG, SECRETARY GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

PAPERS

The following papers were laid on the table pursuant to Standing Order 14(2):

Subject

Subsidiary Legislation	<i>L.N. No.</i>
Dentists (Registration and Disciplinary Procedure) (Amendment) Regulation 1997	10/97
Ancillary Dental Workers (Dental Hygienists) (Amendment) Regulation 1997	11/97
Midwives (Registration and Disciplinary Procedure) (Amendment) Regulation 1997	12/97
Nurses (Registration and Disciplinary Procedure) (Amendment) Regulation 1997.....	13/97
Enrolled Nurses (Enrolment and Disciplinary Procedure) (Amendment) Regulation 1997	14/97
Road Traffic (Traffic Control) (Amendment) Regulation 1997	15/97
Hong Kong Airport (Control of Obstructions) Order 1997	16/97
Official Languages (Alteration of Text) (Pneumoconiosis (Compensation) Ordinance) Order 1997	17/97
Official Languages (Alteration of Text Under Section 4D) Order 1997	18/97
Pilotage (Dues) (Amendment) Order 1997	19/97
Accountant's Report (Amendment) Rules 1997	20/97

Overseas Lawyers (Qualification for Admission) (Amendment) Rules 1997	21/97
Overseas Lawyers (Qualification for Admission) (Fees) (Amendment) Rules 1997	22/97
Kowloon-Canton Railway (Restricted Area) Notice 1997	23/97
Official Languages (Amendment) Ordinance 1995 (51 of 1995) (Commencement) Notice 1997	24/97
Costs in Criminal Cases Ordinance (39 of 1996) (Commencement) Notice 1997	25/97
The Hong Kong Institute of Education (Amendment) Ordinance 1996 (65 of 1996) (Commencement) Notice 1997	26/97
Official Languages (Authentic Chinese Text) (Pilotage Ordinance) Order	(C) 1/97
Official Languages (Authentic Chinese Text) (Pneumoconiosis (Compensation) Ordinance) Order	(C) 2/97

Sessional Papers 1996-97

- No. 60 - Lingnan College President's Report 1995-1996 and Lingnan College Financial Report for the year ended 30 June 1996
- No. 61 - Audited Financial Statements and Programme of Activities of the Hong Kong Examinations Authority for the year ended 31 August 1996

ANNOUNCEMENT

PRESIDENT (in Cantonese): During question time at the sitting on 20 November 1996, I undertook to examine whether the Government should at sittings of this Council reply to Members' questions relating to matters that are clearly within the jurisdiction of the two Municipal Councils.

I have discussed the matter with the Administration and come to the view that while the Government has overall responsibility for the governance of Hong Kong, there are matters for which the Government cannot be said to have responsibility. Such matters include matters which by law are the sole responsibility of the two Municipal Councils, and other matters which concern operation or implementation details although the Government may have overall policy responsibility for them. For example, although the Government may be responsible for drawing up the broad policy on recreation and sports for the entire territory, it is clearly not responsible for determining when and where public swimming pools should be built and how they should be run. Therefore, although I may allow questions relating to such matters that are preceded by the preamble "Does the Government know ...", and although the Government may have obtained the required information sought in such questions from the relevant authorities and then answer them, it may not be in the best position to answer supplementaries to such questions. In such circumstances, I will regard a reply from a public officer saying that the Government has no responsibility for the matter raised in a supplementary as having fully answered the supplementary concerned.

PRESIDENT (in Cantonese): Mr LEE Wing-tat, do you have a point of order?

MR LEE WING-TAT (in Cantonese): Mr President, is the foregoing ruling applicable to questions put by Members of the Legislative Council pertaining to statutory bodies? According to law, statutory bodies such as the Housing Authority and the three Railway corporations have the power to make policies. Under these circumstances, is the aforesaid ruling applicable to these bodies?

PRESIDENT (in Cantonese): The question put at the sitting on 20 November was pertinent to the scope of discussions between the Municipal Councils and the Director of Administration, and that was all. If Members deem it necessary to further discuss the relationship between the statutory bodies and the government officials concerned in terms of their respective responsibility, I will be perfectly willing to do so.

ORAL ANSWERS TO QUESTIONS

Placement Assistance for CSSA Recipients

1. **MR CHENG YIU-TONG** asked (in Cantonese): *In view of the continuing increase in the number of Comprehensive Social Security Assistance (CSSA) cases in the unemployed and low-income categories in recent years, will the Government inform this Council:*

- (a) *of the measures in place to assist CSSA recipients in the unemployed and low-income categories to regain employment and to increase their income;*
- (b) *whether it will strengthen the liaison between the Labour Department and the Employees Retraining Board (ERB) so as to promote the Employees Retraining Scheme ("ERS") actively among CSSA recipients and encourage them to enrol in the ERS courses;*
- (c) *how many of the 90 000-plus workers who have undergone retraining under the ERS:*
 - (i) *are CSSA recipients, or*
 - (ii) *have now regained employment and are no longer receiving assistance under the CSSA Scheme, together with a breakdown of the trades in which they are engaged and the types of jobs in which they are employed; and*

- (d) *whether consideration will be given to requiring all CSSA recipients eligible for receiving the ERS retraining to enrol in the ERS courses, so as to increase their chances of regaining employment; if not, why not?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, first of all, I would like to thank the Honourable CHENG Yiu-tong for this timely question on retraining for the unemployed, as the ERS is currently under review. My answer is as follows:

- (a) It is Government policy to help CSSA recipients who have the ability to work to join the workforce so that they can support themselves rather than rely on social welfare. Under the CSSA Scheme, able-bodied adults aged between 15 and 59 are required to register with the Labour Department for employment assistance. The Local Employment Service (LES) of the Labour Department provides job seekers with a full range of employment services. Priority to such services is given to CSSA recipients. They can either choose to use the self-help mode of employment service or join the Job Matching Programme which provides in-depth interviews and counselling as well as job matching and placement services. For disabled CSSA recipients who wish to seek open employment, the Selective Placement Division of the Labour Department provides specialized placement services for them.

In addition, the ERB offers a wide range of courses to help displaced workers acquire new or enhanced vocational skills which will facilitate them to find alternative employment. Many training bodies also provide placement services for retrainees. As an added incentive to CSSA recipients who are unemployed to receive retraining and actively look for work afterwards, any retraining allowance they receive is disregarded when determining their CSSA entitlements.

- (b) The Labour Department and the ERB maintain close liaison at both policy making and working levels. The Commissioner for Labour is a member of the ERB. She actively participates in formulating the retraining policy and monitoring the effectiveness of the ERS. At the working level, the LES and ERB maintain close ties in the referrals of job seekers for retraining. Leaflets introducing the ERS and monthly prospectus of retraining programmes are distributed at all the nine LES centres and the Job Matching Centre of the Labour Department. For those CSSA recipients who are actively looking for jobs but require retraining to improve their job search skills and those who wish to acquire new vocational skills, they will be referred to the ERB and accorded priority in enrolling in suitable courses to enhance their employability.
- (c) The ERS is primarily designed to help the unemployed to re-enter the labour market through retraining, irrespective of whether they are CSSA recipients or not. Hence, retrainees are not required to provide information as to whether or not they are CSSA recipients.
- (d) The Administration will consider the possibility of requiring CSSA recipients eligible for receiving ERS retraining to enrol for the ERB courses.

MR CHENG YIU-TONG (in Cantonese): *Mr President, according to the Government's reply, the ERS provides opportunities for the unemployed to enrol in retraining courses so that they can re-enter the labour market. However, the operating fund of the ERS is dependent on a one-off grant from the Government. Will the Government consider making fixed capital injection into this Scheme on a long-term basis?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, we are currently reviewing the ERS. We will make recommendations on this in the course of the review. As a matter of fact, the Government will apply to the Legislative Council Finance Committee next month for an additional injection of \$500 million into the ERB so that the latter will have sufficient funds to continue its commitments to the ERS and its development.

As to the funding of the ERB in the long run, I think the Government has no definite plans in mind yet. Nevertheless, I would like to emphasize that, given its annual recurrent expenditure at present level, the ERB will have sufficient funds to cover its recurrent expenses for the next three years or so, if our funding application this time is approved.

MR HENRY TANG (in Cantonese): *Mr President, the Secretary for Education and Manpower has just said that the ERB will have sufficient funds for the next three years. Is that based on the new rate of retraining allowance or the current rate? A total of 25 000 workers have been imported into Hong Kong, and employers have to pay a levy of \$400 per month, i.e. \$4,800 a year, to the Government for each of them. Total income from the levy amounts to over \$100 million every year. Will a similar surcharge be imposed under the new scheme?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, if our application for funding is approved, we estimate that the ERB should have sufficient funds for the next three years. As to whether we need to explore ways to keep implementing the ERS three years later, as I have just said, the Government has no specific proposals in mind up to this moment. Members are welcome to put forward their suggestions, if any, to the Government.

Regarding the second part of the question, under the previous General Labour Importation Scheme, the Government imposed a levy of \$400 on the employer for each imported employee to provide funding for the ERB. In fact, the \$400 levy is still applicable under the present Supplementary Labour Importation Scheme.

PRESIDENT (in Cantonese): Mr TANG, are you claiming that your question has not been answered? If not, which part?

MR HENRY TANG (in Cantonese): *Mr President, the first part of my question has not been answered. I would like to ask whether the Education and Manpower Branch has adopted the old method or the new one for its calculation, since under the old method, an allowance of \$1,000 a week was payable to each trainee while no such payment is available under the new proposal.*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, the retraining allowance of \$1,000 a week represents only a very small part of the total expenditure of the ERB. Its budget stands at more than \$200 million a year while the payment for retraining allowance amounts to just a few dozen million dollars. That is why I have just said that with the injection of funds to be made next time, the ERB is expected to be able to meet its operational expenses for the next three years. In practice, this will not be affected by adjustments made to the rate of retraining allowance.

MR LAU CHIN-SHEK (in Cantonese): *Mr President, according to the reply given by the Secretary for Education and Manpower, the Government will help CSSA recipients who have the ability to work to find jobs while at the same time, the ERB will offer a wide range of courses to help them change their occupations or learn new skills. However, there are admission criteria for enrolling in courses under the ERS. For example, the education level of the applicant has to be Form 3 or below, or else his or her age must be 30 or above. For CSSA applicants whose education level is above Form 3 or who are under 30 years of age, if they are out of work and fail to find a job, how will the Government help them in terms of retraining ?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, firstly, CSSA recipients who are also unemployed, in fact, fall in the target group on which the ERB hopes to focus in future under the current review, in terms of their age and educational level. According to the Labour Department, more than 86% of the unemployed CSSA recipients who registered with the Department in April and May last year were over 30, and more than 90% of them had received no more than Form 3 education. In other words, in terms of educational and age backgrounds, they fall into the target group which the current review of the ERB considers requiring special attention. However, I

would like to clarify one point. Although we hope the ERB will focus on people who are aged 30 or above with no more than Form 3 education, the report of the review also mentions that the ERB is expected to exercise flexibility in providing retraining to other people who do not meet the admission criteria but really need help in changing their occupations.

PRESIDENT (in Cantonese): Mr LAU, are you claiming that your question has not been answered? If not, which part?

MR LAU CHIN-SHEK (in Cantonese): *Regarding the part concerning people under 30 years of age, the Secretary for Education and Manpower said that he would be flexible in handling those cases. What I want to follow up is that if flexibility is to be applied*

PRESIDENT (in Cantonese): Mr LAU, it is not time for supplementary questions now. Each Member may only raise one supplementary question at a time.

MR LAU CHIN-SHEK (in Cantonese): *I will raise a question again.*

PRESIDENT (in Cantonese): Six Members are waiting to raise supplementary questions, including Mr LAU. I will draw a line there.

MR CHAN WING-CHAN (in Cantonese): *Mr President, in part (b) of his main reply, the Secretary for Education and Manpower pointed out that the Local Employment Service (the "LES") of the Labour Department and the ERB maintain close ties in referring job seekers for retraining. Has the LES succeeded in finding jobs for those retrainees who have completed retraining courses offered by the ERB? If so, what are the numbers of such successful cases in each of the past three years?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, as I mentioned in part (c) of my main reply, the primary objective of the ERS is to provide retraining to the unemployed (irrespective of whether or not they are CSSA recipients). Hence, retrainees of the present ERS are not required to provide information as to whether or not they are CSSA recipients. Therefore, the ERB does not have any information about CSSA recipients receiving retraining; nor does it have any information about the number of CSSA recipients who have succeeded in changing their occupations after undergoing retraining.

PRESIDENT (in Cantonese): Are you claiming that your question has not been answered?

MR CHAN WING-CHAN (in Cantonese): *Yes, Mr. President. I would like to ask what were the successful rates with regard to the LES in helping those retrainees who have completed courses offered by the ERB in each of the past three years.*

PRESIDENT (in Cantonese): I believe that this question has gone beyond the scope of the original question, unless the Secretary for Education and Manpower is willing to answer or give a written reply to the Member.

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, I am willing to answer Mr CHAN Wing-chan's question so that he will understand the situation. Firstly, the objective of the ERS is to provide retraining for the unemployed. Besides, under this Scheme, the ERB is required to help them find jobs again. On the other hand, any unemployed person (regardless of whether or not he has undergone retraining) can seek help from the LES to find a job.

MR FRED LI (in Cantonese): *Mr President, I absolutely agree with the Government's reply, but I would like to raise a supplementary question. The Secretary for Education and Manpower has said that it is Government policy to help CSSA recipients who have the ability to work to find jobs. There are about 15 000 CSSA recipients who are in the low-income categories or who are unemployed, and their numbers have doubled when compared with the figures of the past years. Has the Secretary for Education and Manpower discussed with the Secretary for Health and Welfare on how these two policy branches can co-operate in helping the unemployed find jobs?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, as I have mentioned in my main reply, the Labour Department is helping the unemployed, including CSSA recipients, find jobs. At the same time, I have also mentioned in Part (d) of my main reply that we will consider the possibility of requiring CSSA recipients eligible for receiving ERS retraining to enrol in courses offered by the ERB. Our study will certainly touch on how to further enhance the ability of CSSA recipients to change to other occupations. I believe that the Health and Welfare Branch and the Education and Manpower Branch will further study this issue.

MR LEUNG YIU-CHUNG (in Cantonese): *Mr President, in his main question, Mr CHENG Yiu-tong clearly pointed out that the number of CSSA cases in the unemployed and low-income categories had been increasing steadily. Will the Secretary for Education and Manpower tell us whether a thorough investigation has been conducted into the genuine causes for their unemployment so that it can be considered during the review whether the ERS can provide appropriate assistance for them to get employment again? And whether assistance in other areas can be provided to help them join the workforce again?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, statistics on unemployment released regularly by the Government show unemployment rates in various trades and the general causes. Generally speaking, there are a number of reasons for unemployment, including the decline of many trades arising from economic restructuring, personal reasons such as age and educational background, and unemployment due to redundancy. Basically, all cases of unemployment have been caused by economic factors. When

offering help to job-seekers, the LES under the Labour Department will surely take into account a number of factors, including their employment records, educational level and skills, as well as market demands. If it is found during the counselling process that their skills are no longer needed in the market, the LES will, through counselling, advise them to enrol in retraining courses to learn some new skills, so that they will find jobs more easily. In fact, these are part of the daily work of the Labour Department and the ERB.

MR LEUNG YIU-CHUNG (in Cantonese): *Mr President, my question is, apart from the retraining scheme, are there other means to help them? After all, having them learn new skills may not be the only way to help them.*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, in my opinion, helping the unemployed, including unemployed CSSA recipients, to find jobs involves nothing more than a process whereby, after identifying their skills, the Labour Department will, based on the information they provide, see whether there are any suitable vacancies for them. If such vacancies are available, they will be referred to attend job interviews; if their skills are not needed in the market, the Labour Department will offer counselling services to them to see whether they need retraining. I think these are the means generally adopted. If Mr LEUNG has better ideas, the Government will be more than happy to consider.

MISS CHAN YUEN-HAN (in Cantonese): *Mr President, in parts (a) and (b) of his main reply, the Secretary for Education and Manpower has stressed that when some unemployed persons apply for CSSA payments, they are required to register with the Labour Department for employment assistance. He has also said that the Labour Department and the ERB maintain close liaison in formulating policies. But in reality, have these two bodies maintained close liaison? What is the ultimate employment situation of the CSSA recipients who have received retraining? I would like the Government to provide some specific information. If such information is not available, will the Government consider requiring CSSA recipients to provide it when they enrol in retraining courses so as to enable them to have a better grasp of the situation about their re-entry into the labour market?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, firstly, regarding Part (a) of my main reply, I have mentioned that CSSA recipients must register with the Labour Department as they are required to do so under the CSSA Scheme. Apart from this, I have also mentioned that as the ERB does not require the unemployed to provide information as to whether or not they are CSSA recipients, we do not have such information. However, I agree that this matter should be dealt with by the ERB so that consideration can be given to whether such information should be gathered for the effectiveness of the retraining given to CSSA recipients to be better monitored in future.

MISS CHAN YUEN-HAN (in Cantonese): *Mr President, the Secretary for Education and Manpower has answered my question. However, I would like him to provide some information. I hope that he can provide us with such information in consultation with the relevant bodies. Would that be possible?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Yes, certainly!

MR LAU CHIN-SHEK (in Cantonese): *Mr President, when he answered my question just now, the Secretary for Education and Manpower said that applicants who do not meet the admission criteria on educational level and age will be treated with flexibility. However, people who do not meet these requirements and criteria will not seek help from the relevant bodies even if they are unemployed, rendering the flexibility approach nothing more than inaction. Will the Secretary for Education and Manpower tell us specifically in what way can these people be helped; or will the admission criteria on educational level and age be abolished?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, the admission criteria on age and educational level as I mentioned just now were the results of the review of the ERB. Of course, we will continue to

listen to other views during the review. In my opinion, however, the most important spirit of the review should be setting a more specific role for the ERB so that it can target at those who are most affected by the economic restructuring, such as those who have a lower educational level and have reached a certain age. Under this pre-condition, we are of the view that the ERB may consider adopting a flexible approach in handling the small number of people who fall outside the scope of the retraining scheme. As for specific measures, we think this should be left to members of the ERB, who will study them and look for proper solutions.

Supplementary Labour Scheme

2. **MR JAMES TIEN** asked (in Cantonese): *As the number of imported labour approved under the Supplementary Labour Scheme (SLS) has exceeded the quota of 2 000, will the Government inform this Council whether:*

- (a) *the Labour Advisory Board (LAB) will stop vetting applications for import labour quota, thus putting the SLS to a halt; and whether the industrial and commercial organizations in the territory should continue to apply for imported labour to fill those job vacancies where local employees are not available; and*
- (b) *there is an upper limit on the quota under the SLS; if so, what the exact number is?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, the two inter-related objectives of the SLS are:

- (a) to ensure that local workers have priority in employment; and
- (b) to allow those employers who have proven difficulties in recruiting suitable local workers to import foreign workers to fill the necessary vacancies.

The objectives and main features of the SLS have been drawn up following extensive public consultations and the Scheme is broadly accepted by employer and employee representatives and the community at large.

The LAB is a tripartite body made up of an equal number of representatives from employers and employees, as well as representatives from the Labour Department. Under the SLS, before vetting all eligible applications, we have to consult the LAB. As the Secretary for Education and Manpower, I am grateful to the LAB for its thorough examination of these applications. Since the implementation of the SLS on 1 February 1996, I have accepted in full the advice from the LAB on whether an application should be approved or rejected.

So far, we have approved in principle importation of 2 458 workers under the SLS. As at 18 January this year, out of the 1 289 visa applications received, the Immigration Department has issued 485 visas for importation of labour.

Regarding part (a) of the question, the LAB has been most responsible in its monitoring role, and it will continue to examine eligible applications and render advice to the Government. It is therefore open to industrial and commercial organizations to apply for imported workers under the SLS if they believe they have genuine difficulties in recruiting suitable local workers. In this respect, all eligible applications must undergo a local recruitment exercise, which includes advertising the vacancies in local newspapers and joining the Job Matching Programme (JMP) of the Labour Department, before they can be further considered by the LAB.

As regards part (b) of the question, unlike the previous General Labour Importation Scheme, the SLS considers applications for imported workers on a case by case basis. There is therefore no quota ceiling under the SLS.

When the SLS was launched, the Government undertook to conduct a review of the scheme in consultation with the LAB to ensure that the SLS would achieve its policy objective when a total of 2 000 visa applications had been approved, that is to say, when 2 000 imported workers had arrived or would soon arrive in Hong Kong. This was explained clearly in the Legislative Council Brief — "Importation of Labour: The Way Forward", issued to Members on 9 January 1996. Since then, I have reiterated the Government's position on various occasions.

MR JAMES TIEN (in Cantonese): *Mr President, under the General Labour Importation Scheme (the General Scheme), 25 000 imported workers were approved within 2 years. However, under the present Supplementary Labour Scheme (SLS), only 2 000 imported workers can be approved each year. The business sector considers the existing procedure very complicated. I would like to ask the Government how many months it takes to approve an eligible application at present, and how much of the time is taken up by the Labour Advisory Board (LAB). Has the LAB ever rejected any application; if so, what is the number of such applications?*

PRESIDENT (in Cantonese): Mr TIEN, please raise your supplementaries one by one. Just now, the first question already took up half an hour and there are still 7 Members on the list waiting to ask questions on labour issues. Given the present pace, I am afraid we may have to spend over 2 hours on questions alone. I would like to remind Members that their supplementaries should be precise, the preamble should be brief and one question should be raised at a time. Mr TIEN, which question would you like to ask?

MR JAMES TIEN (in Cantonese): *What is the time lag at present under the SLS and how much of the time is taken up by the LAB?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, first of all, I would like to clarify that it definitely does not take more time to approve an application under SLS than to approve an application under the former General Scheme. Under the General Scheme, around 6 months lapsed from submission to approval of an application. Under the SLS, it generally takes more than 4 months to approve an application after its submission. The process includes the 2 months when applicants have to participate in the local recruitment programme, including the JMP. It usually takes the LAB 10 days to decide whether an application should be approved or rejected before making a recommendation to me.

MRS SELINA CHOW (in Cantonese): *The retail sector which I represent has conveyed their views to me time and again that the sector is excluded from participating in the present SLS although the sector is in fact short of labour too. Will the Secretary for Education and Manpower consider these repeated views and make improvement in this respect in his review?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, as a matter of fact, applications falling within the defined 26 job categories are normally rejected. However, provisions on the SLS stipulate clearly that applications for vacancies in the 26 normally-excluded job categories can be made in deserving cases. In fact, since the inception of the SLS, 68 applications covering vacancies in these 26 job categories have been approved. As for the second part of the question, as I have said, a comprehensive review will be conducted when a total of 2 000 visa applications have been approved. Of course, the review will cover the need to retain the 26 so-called normally-excluded job categories.

MR MICHAEL HO (in Cantonese): *Mr President, according to paragraph 3 of the reply, the Secretary for Education and Manpower has accepted in full the advice of the LAB. Regarding the advice given by the LAB, I would like to ask the Government whether there are cases where decisions were merely made by the Labour Department when the respective representatives of employers and employees on the LAB held different views, or when the vote was a tie; if so, what is the number of such cases?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, in the process of vetting applications, the representatives of employers and employees on the LAB were of the same view for many cases. In some cases, although the representatives did hold different views, they could iron out their differences through discussion and ultimately reach a consensus. On the whole, I can clearly say that advice given by the LAB to me represents a consensus of opinions reached by the representatives of employers and employees on the LAB.

MR MICHAEL HO (in Cantonese): *Mr President, my question was very clear. I was asking whether there were cases of equal votes in which the Labour Department had to make a decision.*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): The answer is simply "no".

MISS CHAN YUEN-HAN (in Cantonese): *Mr President, I am speaking for the grass roots. The Government figure for unemployment is 2.7% but the figure obtained by Hong Kong Federation of Trade Unions through its surveys is 10% higher than that. Will the Secretary for Education and Manpower scrape the quota of 2 000 imported workers in view of the serious unemployment at present?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): First of all, I would like to clarify that there is no quota ceiling under the SLS whatsoever. This is a scheme that makes no reference to any quota. Each application will be examined on its own merits. What we have undertaken to do is that when a total of 2 000 visa applications have been approved under the SLS, a review will be conducted. We have made it clear that one of the aims of the review is to ensure that the SLS will achieve its policy objective. In other words, while ensuring the priority of local workers in employment, the SLS allows employers with proven difficulties in recruiting suitable local workers to apply for imported workers to fill the necessary vacancies.

MR HOWARD YOUNG (in Cantonese): *Mr President, aircraft engineering is an industry concerned with aviation safety, which also experiences difficulties in recruiting local staff. I was disheartened to see the figures in paragraph 4, wondering why out of the 2 400-odd applications, only half of them proceeded to visa application and only 400-odd visas, that is 40% of the total number of visas applied for, were approved. Does it mean that there are operational bottlenecks which have not been completely addressed?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, I would like to take this opportunity to clarify the figures. There are

several stages under the SLS. The first stage involves the approval-in-principle for the importation of labour. So far, we have approved 2 458 workers to be imported. Upon our approval, the employers can look for suitable foreign workers and apply to the Immigration Department for visas. Therefore, although we have approved in principle the importation of over 2 000 workers, it is the responsibility on the part of the employers to submit visa applications to the Immigration Department and they have three months to look for suitable workers before they apply for visas. Of course, there is a lead time between the application and issuance of visas. We understand that it usually takes the Immigration Department about one week to complete the relevant process, from accepting a visa application to issuing the visa.

MR LO SUK-CHING (in Cantonese): *Mr President, some abattoir owners have told me that abattoir workers are included in the food processing trade. As a result, these employers cannot apply for imported workers under the SLS, although they fail to find people to work in abattoirs. Will the Secretary for Education and Manpower review the situation and exclude abattoir workers from the category of food processing workers?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, as stated in my reply to Mrs Selina CHOW's question, we actually have, under exceptional circumstances, approved some applications covering vacancies in those job categories which are not normally approved. As for the food processing trade Mr LO mentioned just now, 31 workers have been approved, according to latest statistics. If there are any individual cases which Mr LO Suk-ching would like to discuss with me, he is welcome to approach me after the meeting.

MR HENRY TANG (in Cantonese): *Mr President, the Secretary for Education and Manpower just now advised that the Government is conducting a review and is seeking the advice of the LAB. I would like to ask him when the review is expected to complete and whether the Legislative Council will also be consulted in the consultation exercise?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, as stated in my original reply, the government has undertaken to

conduct a review when the total of 2 000 visas are issued. So in fact the review has not started yet. When we conduct the review, we will consult the LAB. Moreover, the Legislative Council Brief I referred to in my original reply also mentions that we will discuss the outcome of the review with the Legislative Council Panel on Manpower.

MR LEUNG YIU-CHUNG (in Cantonese): *Mr President, according to paragraph (a) of the Secretary for Education and Manpower's reply, one of the objective of the SLS is to ensure that local workers have priority in employment. But from the first supplementary question, we learn that the number of the unemployed is in fact increasing. I would like to ask the Secretary for Education and Manpower whether he considers the term "ensure" too vague to give actual protection to local workers regarding their employment.*

PRESIDENT (in Cantonese): This is a motion in the form of a question. Secretary for Education and Manpower, would you please comment on the meaning of that particular term only, instead of giving a debate-like reply?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, I think that the term "ensure" has been applied very appropriately here because under our SLS, if employers would like their applications to be considered by the LAB, they have to participate in the Labour Department's JMP. In other words, there are sufficient opportunities for local workers to be considered for those posts. Therefore, the SLS in fact provides a mechanism to ensure that local workers have priority in employment.

MR LAU CHIN-SHEK (in Cantonese): *In his reply to Mr Henry TANG's question, the Secretary for Education and Manpower have mentioned that when the review is conducted, the LAB will be consulted and the outcome of the review will also be presented to the Manpower Panel for discussion. What other*

organizations and bodies, apart from the LAB, will be consulted? Moreover, will the Manpower Panel be approached for consultation or for determining the way forward, having regard to the fact that workers are actually imported despite the claim that there is no quota ceiling whatsoever?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, the review will be conducted by the Government. In the process, the Government will consult the LAB as it in fact assumes a monitoring role under the SLS. Moreover, as I said just now, the outcome of the review will be presented to the Manpower Panel for discussion. I am not going to speculate on the outcome of the review here. However, I have to reiterate that the SLS should continue, if findings of the review show that the Schmem is achieving its policy objective, that is, to ensure that local workers have priority in employment on the one hand and to allow employers with genuine difficulties in finding suitable local staff to import workers on the other, as the objectives of the SLS have been accepted by employers, employees as well as the community at large, and if the outcome of the review suggests that the operation of the SLS has been following this principle.

MR CHAN WING-CHAN (in Cantonese): *Mr President, before the implementation of the SLS, the unemployment rate was as high as 3.2%. Since its inception, there has been a mild decrease in the unemployment rate although it still remains at a high level. In reviewing the SLS, will the Government take the above-mentioned experience into account, so as to avoid repeating the same mistake of relaxing the policy of labour importation and hence making a lot of workers jobless?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr President, the reason for us to design the SLS at the beginning was that we felt a need to give local workers priority in employment. That is why the SLS has been implemented so strictly. Unless there are proven difficulties in recruiting workers locally, employers are not allowed to import any workers. As the mechanism involves an equal number of employer and employee representatives in

monitoring and vetting, even if it is proved that some vacancies cannot be filled locally and import workers are allowed, neither the employment of the local workers nor the overall employment rate will be affected.

MR JAMES TIEN (in Cantonese): *Mr President, in paragraph 4 of his reply to my original question, the Secretary for Education and Manpower advised that as at 18 January this year, approval-in-principle for the importation of 2 458 workers has been granted under the SLS. I would like to ask him the number of rejected cases as at the 18th of this month.*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): The number is 4 291.

Facilitating the Disabled to Use Public Transport

3. **MR LEUNG YIU-CHUNG** asked (in Cantonese): *In view of the great difficulties encountered by the disabled in using public transport and the fact that taxis have become the major means of transport for wheelchair users, will the Government inform this Council:*

- (a) *of the measures adopted to facilitate the disabled to use public transport;*
- (b) *in cases where taxi drivers refuse to assist passengers with a disability in getting on and off the car, whether such acts are in breach of the provisions in the Disability Discrimination Ordinance; if so, of the measures in place to protect the rights of the disabled, and of the departments or institutions with which they can lodge complaints; and*
- (c) *whether specific measures will be introduced requiring taxi drivers to assist passengers with a disability in getting on and off the car; if not, why not?*

SECRETARY FOR TRANSPORT (in Cantonese): Mr President, the Government has all along been committed to improving public transport facilities for people with a disability.

In the past few years, many improvement projects were carried out in our railway systems to make them accessible by people with a disability. Disabled passengers including wheelchair users can gain access to nearly all the MTR and KCR stations from street to platform level by means of ramps, wheelchair aids and lifts. For the visually impaired, tactile guide paths and audible devices at escalators are being installed at all stations. For those with hearing problems, induction loops at ticket offices and electronic information display boards at station entrances are being installed. The Airport Railway will have purpose-built facilities to facilitate access by persons with a disability. The Light Rail Transit system is fully accessible to disabled passengers.

As regards franchised bus services, all new buses acquired since 1993 have special features for disabled passengers, such as easy-to-grip handrails, more visible destination and route number displays, line bells, push bells and non-slippery floors and gangways, and many vehicles in the existing fleet are retrofitted with these features. In 1996, KMB and Citybus each acquired two low-floor single-deck buses with ramps to facilitate access by wheelchair users; these vehicles are being operated on trial routes. More of this type of vehicles have been ordered. Furthermore, prototype low-floor double-deck buses with ramps will be put on trial later this year.

Ferries are accessible to wheelchair users and wheelchair bays are provided on board ferries. Staff assistance is available at pier entrances for disabled passengers.

Detailed information regarding these and other facilities is given in the booklet "A Guide to Public Transport for People with a Disability" published by the Transport Department. Copies have been distributed to people with a disability through relevant organizations. They are also available free of charge at district offices, public transport company offices and the Transport Department.

It is government policy to encourage taxi drivers to do their best to assist disabled passengers in the use of taxis. A disabled passenger who feels aggrieved may lodge a complaint with the Equal Opportunities Commission

(EOC) under the Disability Discrimination Ordinance. If a prima facie case of discriminatory act can be established, the EOC will investigate the complaint and endeavour, by conciliation, to effect a settlement of the matter. I understand that a complaint has recently been made by a disabled passenger against a taxi driver for not assisting him to get on and off the taxi. As the matter is under investigation, it would not be appropriate for me to discuss it in this Council. On our part, we have been making and will continue to make every effort to encourage taxi drivers to assist disabled passengers in the use of taxis.

Since 1993, we have, in conjunction with the Hong Kong Council of Social Service, implemented a scheme whereby taxi drivers are permitted to pick up or set down disabled passengers in restricted zones. Under the scheme, a disabled person is authorized to issue a certificate to a taxi driver as a record of the date, time and pick-up or set down point of a taxi journey.

Last year, the Transport Department updated and distributed to taxi drivers a booklet entitled *A Guide to Taxi Services in Hong Kong*, which outlines, *inter alia*, the obligations and conduct of taxi drivers. The publication urges that taxi drivers to pay due attention to passenger safety and assist disabled and aged passengers as far as possible. Through regular meetings between the Transport Department and representatives of taxi operators, taxi drivers are also reminded of the importance of providing a good service to the travelling public, including wheelchair users.

To improve customer relations, a number of taxi operators' associations have jointly prepared a poster promoting good conduct among taxi drivers and encouraging them to give assistance to passengers in need. The poster is displayed in some taxis and taxi stands and will be displayed in more taxis in the next few months.

We believe most taxi drivers are co-operative and helpful towards the passengers, including people with a disability. The Transport Department is considering a promotion campaign in conjunction with the taxi trade and voluntary agencies to give recognition to taxi drivers who have been helpful towards passengers with a disability and those who need assistance.

MR LEUNG YIU-CHUNG (in Cantonese): Mr President, at present, neither ordinances related to transport nor the Disability Discrimination Ordinance

provides that taxi drivers or public transport drivers shall help anyone who is disabled or not disabled. So there is a lot of difficulties in implementing the Disability Discrimination Ordinance. Would the Secretary for Transport re-consider strengthening the legal effect of those ordinances related to transport or the Disability Discrimination Ordinance to ensure that drivers will help disabled passengers get on and off vehicles?

SECRETARY FOR TRANSPORT (in Cantonese): Mr President, as I said in my main reply, it is government policy to "encourage" taxi drivers to do their best to serve the passengers. This practice has proved to work well. Of course I will consider Members' views. But at this stage it is too early to consider legislation. I hope I can discuss this matter with the taxi trade in due course. However, I would like to remind Members that the legal responsibility of drivers has been defined in detail under the Road Traffic (Public Service Vehicles) Regulations. If they are in breach of the regulations, they will be subject to fine or imprisonment.

PRESIDENT (in Cantonese): Four Members are still waiting on my list. I will draw a line there.

MRS MIRIAM LAU (in Cantonese): Mr President, can the Secretary for Transport inform this Council of the number of complaints received by the Transport Complaints Unit about taxi drivers refusing to help disabled passengers over the past three years? Is there any other information showing that taxi drivers refusing to help disabled people is a serious and common phenomenon, and not restricted to individual cases?

SECRETARY FOR TRANSPORT (in Cantonese): Our record shows that 689 complaints against taxis were received by the Transport Complaints Unit of the Transport Advisory Committee in 1996. Among these cases, 10 were related to disabled people, seven of whom were wheelchair users. All these 10 cases involved refusing to hire rather than refusing to provide service to the disabled.

MR LAW CHI-KWONG (in Cantonese): Mr President, in paragraph 3 of his main reply, the Secretary of Transport mentions that KMB and Citybus each has acquired two low-floor single-deck buses with ramps. But why no mention has been made about the China Motor Bus Company (CMB) ?

SECRETARY FOR TRANSPORT (in Cantonese): As far as I know, CMB has not acquired such buses.

MR WONG WAI-YIN (in Cantonese): Mr President, other than the CMB, another bus operator — the New Lantau Bus Company (NLBC)— has not purchased this type of buses, either. Will the Secretary for Transport inform us why the CMB and the NLBC do not purchase vehicles that are more easily accessible to people with a disability? How will the Government encourage the bus operators to improve their facilities in this respect?

SECRETARY FOR TRANSPORT (in Cantonese): Mr President, in fact the bus operators have adopted a number of measures to make buses more accessible to disabled people. Examples include easy-to-grip handrails and non-slippery floors, which I mentioned just now. Indeed, such buses are very expensive. Single-deck buses for such purpose are each \$300 000 more expensive than an ordinary one. Nevertheless, the Government will continue to encourage the bus companies to make more improvements.

PRESIDENT (in Cantonese): Mr Wong, are you claiming that your question has not been completely answered? If not, which part?

MR WONG WAI-YIN (in Cantonese): Mr President, I asked whether the Government was aware that the other two franchised bus operators had not purchased the type of buses. The Secretary for Transport has mentioned that

they are expensive. Is that the main reason for not purchasing? He has not answered the question directly.

SECRETARY FOR TRANSPORT (in Cantonese): Mr President, I do not believe that the two bus operators are reluctant to purchase the type of buses for use by people with a disability. But as I have mentioned, price is one of the considerations, and demand is another. Is there such a demand? Or will passenger convenience be optimized if the resources are used on other area?

DR JOHN TSE (in Cantonese): *Mr President, will the Government inform this Council whether it has considered demanding that bus-stops be equipped with braille indicators and that all MTR stations be installed with tactile guide paths to help the visually-impaired?*

SECRETARY FOR TRANSPORT (in Cantonese): Mr President, the Government will be glad to consider the Member's suggestion for braille indicators to be installed at bus-stops. Indeed the Government already has drawn up plans to install tactile guide paths at MTR stations to help the visually-impaired, and the MTRC has made preparations for such installations at all its 38 stations. In fact works are already underway and some projects are expected to be completed at the end of this year. As regards the KCRC, such paths have been installed at its Fo Tan Station, and will be installed at 12 others by stages.

Illegal Alteration or Redevelopment of Small Houses

4. **MR WONG WAI-YIN** asked (in Cantonese): *Will the Government inform this Council:*

- (a) *of the number of cases involving illegal alteration or redevelopment of small houses on private rural building lots in the New Territories over the past three years;*

- (b) *whether there are any laws prohibiting the carrying out of such works; and*
- (c) *if the answer to (b) is in the affirmative, whether any prosecutions have been instituted over the past three years against the property owners in the cases mentioned in (a) above; if so, of the total number of prosecutions instituted and the highest and lowest penalties imposed amongst the successful prosecutions; if not, why not?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Mr President,

- (a) The Government does not have records on illegal alteration or redevelopment of small houses on private rural building lots in the New Territories. However, over the past three years, the Buildings Department has received a total of 784 complaints about unauthorized building works relating to New Territories Exempted Houses (NTEHs), including small houses, either from the public or government departments.

These complaints concern three main areas, namely NTEHs built without obtaining certificates of exemption under the Buildings Ordinance (Application to the New Territories) (Cap. 121), NTEHs built larger than the specifications stipulated under the Ordinance, and additional structures to NTEHs in the form of roof-top structures, additional storeys, or enclosed balconies;

- (b) the Buildings Department may take enforcement action against any building works relating to an NTEH which are in breach of the specifications laid down in the Buildings Ordinance (Application to the New Territories) Ordinance (Cap. 121) and are in contravention of the Buildings Ordinance (Cap. 123). However, building works relating to an NTEH can be exempted from the Buildings Ordinance (Cap. 123) if certificates of exemption are obtained from the Director of Lands under Cap. 121. In non-compliance cases, the Director of Lands may consider retrospective approval if the NTEH

does not breach the specifications under Cap. 121 or the lease conditions. If necessary, he may take lease enforcement action (including re-entry of the land) under the Crown Rights (Re-entry and Vesting Remedies) Ordinance (Cap. 126); and

- (c) the Buildings Department's current practice, in both the urban area and the New Territories, is to take enforcement action against unauthorized building works if they pose a danger to life and property. The Department has examined each of the complaints in (a) above, and confirmed that the cases did not pose a danger to life and property. On the other hand, the Lands Department may take lease enforcement action on breaches of lease conditions leading to re-entry/vesting of the property concerned. The Department also intends to register, in the Land Registry, a notice of a breach of lease conditions against the titles of properties with unauthorized building works. The notice would warn of the breach and the intended formal lease enforcement action. Such a registration is likely to put pressure on the offender to rectify the breach if he intends to sell his property.

It is our wish to tackle the problem more actively in the future. To this end, the Lands Department intends to conduct a sampling survey to quantify the extent of the present problem. On the basis of such information, we will consider how the current policy and procedures should be amended and whether additional resources are required.

Furthermore, one of the conditions for rates exemption for village houses inhabited by indigenous villagers is that the house is free from illegal structures. If illegal structures are found in subsequent random checks, the rates exemption will be withdrawn.

MR WONG WAI-YIN (in Cantonese): *Mr President, in respect of part (c) of the main reply of the Secretary for Planning, Environment and Lands, I hope he can confirm later that the Government has not taken any prosecution actions in the past three years. Mr President, so long as it is a building lot, and that building or redevelopment does not pose a danger of life and property, it is not*

necessary for an application to be filed with the relevant government department and building works can be carried out of one's own accord. Am I right in saying so?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Mr President, I have already mentioned in my main reply that this is a matter of priority in work arrangement. At present, the Buildings Department mainly takes enforcement actions against illegal structures which pose danger of life and property. After having investigated into these complaints, the Buildings Department has confirmed that these building works would not pose danger to life, and therefore, it has not taken enforcement actions. However, two of the more serious cases in breach of the specifications have to be prosecuted.

As regards the second question asked by Mr WONG, application is now required, even for NTEHs built on rural building lots in the New Territories, if they are to be redeveloped.

PRESIDENT (in Cantonese): Mr WONG Wai-yin, are you claiming that part of your question has not been answered?

MR WONG WAI-YIN (in Cantonese): *Yes, Mr President. The Secretary for Planning, Environment and Works has said that application is required. However, even if no application has been filed, the Government will not take enforcement actions. In that case, what is the point in filing applications?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Mr President, in this case, I think the owner has to abide by two restrictions. First, the Buildings Ordinance (Application to the New Territories) has specified the areas, roof coverage and heights of buildings. Moreover, some leases have also posed restrictions on the sizes of roof-top structures when the leases were granted. Our current practice is to take the smaller of the two as

the basis. Therefore, if a building is to be redeveloped, it is necessary to prove that construction works will be carried out in the part stipulated on the land lease and exempted under the Ordinance.

MR ALBERT HO (in Cantonese): *Mr President, the Secretary for Planning, Environment and Lands has mentioned in part (a) of his main reply that there are 784 complaints, but in parts (b) and (c) of his answer, he has only mentioned the powers of the Government in stopping these illegal buildings or alterations, but he has not given any data, such as the number of prosecutions initiated and notices issued, to prove the Government's efforts. This shows that the Government is not taking any positive actions now. Are there procedural or technical problems? Is the Government aware that, as a result of its failure to take positive actions, many innocent consumers have been cheated and have bought some illegal structures or part of such structures?*

PRESIDENT (in Cantonese): I would like to remind Members again that question time is for asking question, not for making comments. A comment, although made in the form of a question, invites discussion, and the reply given by the Secretary concerned will probably become a discussion. While it is possible for some parts of a question raised to include implicitly some comments, if the entire question is turned into a lengthy speech, it will indeed be very difficult to answer and the reply will take a long time to make.

MR ALBERT HO (in Cantonese): *Mr President, the problem is obviously related to the fact that the Government has not taken positive actions to stop these illegal construction works. Part (c) of the main reply mentions that a survey will be carried out before a review on the need to revise the procedures in future is conducted. Would the Secretary inform this Council whether the Government is unable to adopt positive measures to combat these illegal buildings at present due to procedural difficulties?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): If the Member is referring to the work of the Lands Department on

the recovery of property and land ownership, the existing legislation and practice indeed give rise to many difficulties and are very complex, and therefore we have to consider carefully how the matter should be handled. As I explained a moment ago, enforcement actions taken under the Buildings Ordinance are a matter of priority. If the illegal structures do not pose danger to life and property, they would be handled later and enforcement actions against them would also be taken later. However, I would like to raise two points. First, when rates exemption is applied in respect of a house, the staff of the Lands Department will make an inspection tour to decide whether the house is eligible for exemption. Therefore, we have actually carried out inspections. Second, concerning enforcement actions against buildings in breach of the law, more than three hundred executions of the provisions on lease conditions in respect of small houses have been effected by the Lands Department over the past three years.

PRESIDENT (in Cantonese): Three Members are still waiting to ask questions and I will draw a line here.

MR CHOY KAN-PUI (in Cantonese): *Mr President, will the Government inform this Council how it prevents or avoids illegal alteration or redevelopment of small village houses and whether any areas in examining and approving applications filed by New Territories villagers for building of small houses should be improved or reviewed?*

PRESIDENT (in Cantonese): This has gone beyond the scope of the original question and reply. Mr CHOY can consider raising this question again in any of the subsequent sittings.

MR ALBERT CHAN (in Cantonese): *Mr President, part (a) of the main reply given by the Secretary for Environment, Planning and Lands points out that there are a total of 784 complaint cases, of which some may be really in breach of the law but the Government may not have taken actions. However, some formal transactions may take place after the complaints have been lodged; yet the new buyers may have bought those properties without knowing that the buildings are in breach of the law, rendering their interests unprotected in future. Can the Government inform this Council how it is going to prevent the title interests of the new buyers from being impaired in future?*

PRESIDENT (in Cantonese): I am very sorry that this has also gone beyond the scope of the original question and reply.

MR WONG WAI-YIN (in Cantonese): *As far as I know, the Planning, Environment and Lands Branch is now reviewing the relationship between the Lands Department and the Buildings Department with regard to law enforcement. At present, many people in the New Territories know that the Government is not enforcing the law so they are building small houses without filing applications. Can the Government inform this Council of the present situation of this review and its completion date?*

PRESIDENT (in Cantonese): If I allow this question, I would have to allow Mr CHOY Kan-pui's question as well. It is because someone can also build houses on private land before approvals are granted. Your original question basically involves the number of cases of alteration or redevelopment of small houses on private land. Now you mention newly built houses, and so the scope is extended so much that it has already gone beyond the scope of the original question.

MR ALBERT CHAN (in Cantonese): *I do not understand why you rule that my question has gone beyond the scope of the original question.*

PRESIDENT (in Cantonese): Mr Albert CHAN, item (a) is about the number of cases of illegal alteration or redevelopment; item (b) asks if there are regulations to prohibit such works; and item (c) is about the number of prosecution cases and the amounts fined, if any. They have nothing to do with the protection of consumers at all.

MR ALBERT CHAN (in Cantonese): *Mr President, my question has logically followed up the line of thought of the said issues. Now that some people have complained to the Government, and unauthorized incidents are involved, it is the responsibility of the Government to have the cases rectified. Therefore, if the Government has not handled these*

PRESIDENT (in Cantonese): Mr Albert CHAN, I have already ruled that this has gone beyond the scope of the question. If, according to your logic, everything can be related; anything about housing will be related to this question concerning housing and all such questions have to be answered. This is just impossible. Mr WONG Wai-yin, a point of order?

MR WONG WAI-YIN (in Cantonese): *Can I narrow down the scope of my question to the review on alteration or redevelopment of houses?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Mr President, can I ask Mr WONG to raise his question again?

PRESIDENT (in Cantonese): Mr WONG Wai-yin, I have also forgotten your question.

MR WONG WAI-YIN (in Cantonese): *Mr President, as the Planning, Environment and Lands Branch is now conducting a review, I would like to ask the stage which this review has reached and its date of completion.*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Mr President, in fact we are now working in many areas. Firstly, we find it very important to give villagers in the New Territories sufficient information and education. We have, therefore, studied the situation with the Heung Yee Kuk and explained to them the Government's stand in respect of the illegal structures of small houses, and that the Lands Department will consider taking actions. We are now asking the Heung Yee Kuk to explain to the relevant villagers the Government's stand, hoping to reduce problems brought about by misunderstanding in future.

Moreover, the procedures of our review will also involve two issues. First, we will conduct a survey to find out the severity of the situation, and then

we will apply for the required resources in accordance with the normal procedure. Second, in respect of administrative arrangement, I have actually pointed out in my main reply that we intend to enter these types of illegal structures into the Land Registry, hoping to warn the relevant parties in respect of transactions of such cases that once an illegal structure is entered into the Registry, future transactions of the relevant properties will be affected.

Issue of Medical Certificates by Public Hospital Medical Officers

5. **MISS CHAN YUEN-HAN** asked (in Cantonese): *Regarding the issue of medical certificates by medical officers in public hospitals, does the Government know:*

- (a) of the criteria adopted by the public hospitals under the management of the Hospital Authority for determining the level of the fee charged on medical certificates issued to patients, and the proportion of the fee charged to the cost involved in issuing such a certificate;*
- (b) the respective figures on the number of medical certificates issued by medical officers in public hospitals and the income therefrom in each of the years since the establishment of the Hospital Authority; and*
- (c) the reasons usually put forward by patients in requesting medical officers in public hospitals to issue them with medical certificates; and the average time taken by the medical officers concerned in issuing medical certificates to patients?*

SECRETARY FOR HEALTH AND WELFARE: Mr President,

- (a) I would like to start by explaining the different types of documents pertaining to a patient's conditions issued by the Hospital Authority (HA) in order to avoid any misunderstanding.

The HA issues certificates to patients at their requests, which are usually in a standard form, or in a memo or letter format. A

certificate contains very little clinical information on the patient and is usually for the purpose of certifying sick leave or fitness or unfitness of a patient to perform duty.

On the other hand, medical reports issued by the HA contain detailed information on the medical history and conditions of individual patients.

Not all certificates and medical reports are issued at a charge. For example, certificates issued for sick leave purposes or for certifying fitness or unfitness to perform duty are issued free of charge. Medical reports requested by a non-HA medical practitioner for the sole purpose of continued care by that medical practitioner are also issued free of charge. For certificates and medical reports issued for other purposes, a fee varying from \$555 to \$2,200 per certificate or medical report is charged.

The underlying principle for charging or not charging for this service is that where the certificate or medical report has a direct bearing on the immediate care of the patient, no charge is levied. Where the certificates or medical reports requested have no direct bearing on medical care or treatment of the patient, such as in the case of medical reports issued for legal proceedings, a fee is charged which covers the cost involved in the production of these documents, and is non-profit making.

- (b) The total number of medical certificates and reports requiring a fee issued to patients was 25 000 in 1994-95 and 28 000 in 1995-96, with a corresponding income of \$11 million and \$14 million respectively. The figures in 1991-92, 1992-93 and 1993-94 are not available as they were not collected in those years by the hospitals.
- (c) Some of the most common reasons for requesting certificates and medical reports include legal proceedings; immigration applications; insurance or employee compensation claims; and sick leave. The time required to produce such documents is influenced by the level of complexity involved. Simple certificates certifying sick leave are issued on the spot while the compilation of a medical report could take four to six weeks.

MISS CHAN YUEN-HAN (in Cantonese): *Mr President, I find the reply of the Administration incompatible with the facts. I recently came across some cases where patients were found to be unfit to work because of their health conditions, but they were charged over \$500 by the public hospital concerned. Why is there such a big gap between the picture depicted in the reply and the reality?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, I am afraid I am not aware of such cases. It is the practice that if it is a medical certificate to certify that the patient is unfit for work, it will not be charged. It is issued free. But if the Honourable Member has cases at hand, perhaps she can pass them to me directly and I will look at them.

MISS CHAN YUEN-HAN (in Cantonese): *Mr President, I wish to ask a follow-up question.*

PRESIDENT (in Cantonese): Your question will be placed at the bottom of the list.

DR LEONG CHE-HUNG (in Cantonese): *Mr President, it is reported that since the enactment of the Personal Data (Privacy) Ordinance, there have been many more requests for medical reports, which means an increase in Government revenues and a heavier workload in respect of clerical duties for the staff concerned. I would like to know whether the extra revenue thus generated will be used to employ more people in the Hospital Authority to take up the clerical duties. If not, how can the Government guarantee that the quality of medical services will not be compromised as a result?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, it is not government policy, not fiscal policy, to direct revenue collected for such purposes to specific medical services. As to how the HA deals with any increase in the work, at the moment I am not aware of any significant increase in the number of requests. I am sure the HA will deal with them because the main

object is that such services should not have implications for direct medical services, hence medical reports and certificates will be handled secondary to direct services.

MR CHAN WING-CHAN (in Cantonese): *Mr President, part (b) of the main reply concerning the number of medical certificates issued by the Hospital Authority requiring a fee has provided us with the figures for 1995 and 1996, but why not the figures and statistics for the three years between 1992 to 1994?*

SECRETARY FOR HEALTH AND WELFARE: These figures and statistics were not collected or collated in those years.

MR BRUCE LIU (in Cantonese): *Mr President, I would like to know whether the Hospital Authority has included the timeframe of four to six weeks for issuing medical reports in their performance pledge. Could it be further improved to say, three to four weeks? If members of the public need to get medical reports faster, will there be any special arrangements like those for getting passports faster by paying a higher fee as the present timeframe of four to six weeks is really too long?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, The HA would do its best to ensure that the reports requested are processed as quickly as possible. But, as I said before, we must not allow these to impact on direct services to patients. That must be our first and foremost concern.

MR MICHAEL HO (in Cantonese): *I would like to follow up on the reasons for requesting medical reports. I understand that when patients request to be discharged from the hospital or transferred to private hospitals, some doctors of the Hospital Authority may not understand or may be reluctant to issue certificates or reports to facilitate their transfer. Can the Administration discuss with the Hospital Authority so that the doctors concerned will understand the situation better and facilitate members of the public to get the information needed for their transfer to private medical institutions?*

SECRETARY FOR HEALTH AND WELFARE: In fact, as I said in my main reply, private doctors seeking medical reports from the HA, provided they have the consent of the patient, will have the service provided free. I do not see that there is a problem, within the HA, of doctors not providing the reports as requested. I am not sure that I understand the Honourable Member's question.

MR MICHAEL HO (in Cantonese): *Mr President, when a patient leaves the hospital, he can in fact ask the doctor to issue a referral letter. It has no need to ask for a medical report through a private doctor alternatively. However, the fact is that some doctors are often reluctant to issue referral letters. Can the Government discuss this issue with the HA?*

PRESIDENT (in Cantonese): Mr Michael HO, has it gone beyond the scope of this question if you are talking about the doctors of HA referring patients to private hospitals or private practitioners, instead of talking about the medical certificates? Initially, I thought you were saying the inclusion of the medical certificates which describes the patient's conditions during the transfer.

MR MICHAEL HO (in Cantonese): *Mr President, the situation is that it will be faster to issue these referral letters, and this may reduce the number of applications for medical reports, so it is related to the number of medical reports and the timeframe of four to six weeks.*

SECRETARY FOR HEALTH AND WELFARE: If it is possible for the HA doctors to facilitate the process, and shorten the process, I am sure they will do it so long as it does not affect their normal course of work.

DR JOHN TSE (in Cantonese): *Mr President, I wish to follow up part (c) of the original question. At present, many people apply for medical reports due to a number of reasons, but I believe that medical letters and medical reports are different. Can the Government educate the public on related arrangements, for*

example through publishing leaflets, so that more people will make use of medical letters rather than medical reports?

PRESIDENT (in Cantonese): Secretary for Health and Welfare, can you reply what "medical letters" are?

SECRETARY FOR HEALTH AND WELFARE: Mr President, both the Government and the HA place important emphasis on ensuring that patients know what is available, what they can obtain and how to do it. So, all efforts are made by the HA to get the information to patients. If in this particular aspect more is required, I will certainly pass this on to the HA for their consideration.

MISS CHAN YUEN-HAN (in Cantonese): *Mr President, I wish to ask a follow-up question on the issue of medical certificates. As far as I know, before the HA was set up, medical certificates issued to all public hospitals were free of charge. Why has the situation turned out as it is? Is this the real situation?*

PRESIDENT (in Cantonese): The Secretary for Health and Welfare said that she was not aware of the case. She is willing to take up the cases referred by you, if any, and then she will look at them.

MISS CHAN YUEN-HAN (in Cantonese): *Mr President, you have given me a chance to ask one more question, and I wish to follow up with this question. Those who complained to me said that before the HA was set up, they were not charged when they asked the doctors to issue some certificates. But why are they charged now? Is it true or not?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, the imposition of a fee for medical certificate or reports is historical and dates back to the time

before the setting-up of the HA. It is not something that has just come about because of the setting-up of the HA.

PRESIDENT (in Cantonese): I believe the best way to handle this issue is to pass the case to the Secretary for Health and Welfare.

Supply of Residential Flats

6. **MR ALBERT CHAN** asked (in Cantonese): *Will the Government inform this Council of:*

- (a) *the actual supply of residential flats in 1996 and how it differs from the expected supply of flats for that year;*
- (b) *the expected annual supply of residential flats in the next three years; and*
- (c) *the steps which will be taken to ensure that the actual supply of residential flats will reach the targets mentioned in the answer to (b) above?*

SECRETARY FOR HOUSING (in Cantonese): Mr President, in 1996, about 19 500 residential flats were completed in the private sector. Last year, the Rating and Valuation Department estimated that some 19 100 residential flats would be produced by the private sector in 1996. The two figures are about the same.

In the production of public housing, about 18 400 rental flats and 12 800 flats for sale were completed in 1996. The actual production figures are about the same as the forecast figures.

Regarding part (b) of the question, the Government estimates that some 22 500 private residential flats will be produced in 1997 and some 36 000 flats in

1998. A forecast production for 1999 is not available yet. However, on the basis of land that has been or will be disposed of for residential purpose, it is estimated that the production in 1999 will exceed the level in 1998.

Regarding public housing, the expected supply of flats in the next three years is as shown in the Annex.

With regard to part (c), as property developers may adjust the progress of their housing developments in the light of market situation and other factors, the Government does not have direct control over the actual production of private residential flats each year. However, on the basis of building plans submitted by developers and approved by the Government, and the amount of land disposed of for residential use in the past few years, we envisage that the above production target for private residential flats will be achieved.

On public housing, the corresponding sites have already been granted or earmarked for public housing development. According to present indication, the above-mentioned production target will be met.

Thank you, Mr President.

Annex

<i>Financial Year</i>	<i>Rental flats</i>	<i>Flats for sale</i>
1997-98	21 700	20 800
1998-99	19 100	24 600
1999-2000	23 800	33 600

MR ALBERT CHAN (in Cantonese): *Mr President, the reply of the Secretary for Housing is a bit misleading because he is using the estimates of the Rating and Valuation Department. Concerning the supply and demand of housing, the Government estimated at that time that a total of 195 000 private residential flats would be produced in the 6-year period, i.e. about 23 000 flats a year. However, based on the Government's calculations, there would be a shortfall of 30 000 flats in the 3-year period of 1995, 1996 and 1997 in the total supply of private residential flats. This shortfall has triggered the recent soaring property prices. Will the Government inform us what plan it has in hand to*

make up for the shortfall of 30 000 units in the actual supply of private residential flats for the 3-year period mentioned above?

SECRETARY FOR HOUSING (in Cantonese): Mr President, in the past, the Government did not make specific estimates on the number of completed private residential flats on a yearly basis. What we published was based on the estimates made by the Rating and Valuation Department. Generally speaking, each time we only published the estimated figures for a 2-year period. Nevertheless, Mr CHAN is also correct in saying that the Government has set a series of targets for the 6-year planning period. The production target, if spread out in 6 years, should average 32 500 flats a year. If only the figures were compared, we knew from the onset that the number of flats to be produced in each of the 3-year period of 1995, 1996 and 1997 would be smaller than the average figure, which was the quotient of the production target divided by 6, because of the small amount of land disposed of by the Government in the past few years. However, we also know that the supply of residential flats should gradually increase in the next few years starting from 1998, as more land for private residential development were disposed of in the past two years. My original reply indicates a figure of 36 000 flats in 1998, which is already higher than the 32 500 flats in average production in each year as mentioned by Mr CHAN. We will continue to do our best to dispose of more land. Judging from the amount of land already made available, the estimated figure for the 6-year planning period can be reached.

DR LAW CHEUNG-KWOK (in Cantonese): *Mr President, for many years, there has always been a considerable discrepancy between the Rating and Valuation Department's estimated supply of private residential flats and the actual figure. Will the Secretary for Housing inform us whether he and officials in that department have held detailed discussions and conducted studies with a view to making their estimates more reliable?*

SECRETARY FOR HOUSING (in Cantonese): Mr President, we have contacted the Rating and Valuation Department in this regard. I also agree that there have been discrepancies in some of the figures for the past one or two years. We have, therefore, held a few meetings with that department concerning the estimates for the next one or two years. Our branch has also collected some general information on our own and based our calculations on the figures

obtained from each site in order to make the estimated figures more reliable. Of course, we hope that the actual number of completed flats will be more than our estimates.

PRESIDENT (in Cantonese): I have four more names on my list and I will draw a line there.

MR LEE WING-TAT (in Cantonese): *Mr President, the Secretary for Housing sounds a bit like a "fortune teller". He relies on guesswork to tell the distant future while nearly all his predictions about the near future have been proved wrong. All of his estimated figures of completed flats for this 3-year period are erroneous. According to past records, on average half of the newly completed private residential flats were built on new land while the remaining half came from redevelopment or change of land use. However, the Government has no control over the number of flats produced through redevelopment or change of land use. Will the Secretary for Housing consider increasing the amount of land to be disposed of in the year ahead to make up for any shortfall found in the year-end review of the supply of private residential flats?*

SECRETARY FOR HOUSING (in Cantonese): Mr President, as the Secretary for Housing, I do notice this phenomenon and have related it to the Secretary for Planning, Environment and Lands to keep him informed of the developments. At the same time, I have also held discussions with him, hoping that he will increase the supply of land. He has told me that he will keep a close watch on the number of flats produced every year to see whether there is a need to increase the amount of land to be disposed of. However, I believe we all know that the disposal of land was subject to approval by the Sino-British Land Commission in the past, and therefore it was not easy to increase the supply of land. Yet the Sino-British Land Commission will cease operation after June this year and the future Government of the Hong Kong Special Administrative Region will take charge of this matter. I believe greater flexibility can be exercised by then. I will continue to study this issue with the Secretary for Planning, Environment and Lands, hoping that something more positive for the development of land can be done in future.

MR FREDERICK FUNG (in Cantonese): *Mr President, according to the second paragraph of the original reply made by the Secretary for Housing, only 18 400 public housing units were produced in 1996, while the number of Home Ownership Scheme units was 12 800, giving a total of some 30 000 units. However, the average supply was 35 000 flats each year in the 1990's, and, as indicated in the Annex, the annual production target for 1997 and beyond is 40 000 units or more. Has the Housing Branch conducted any review to see why the supply of residential flats was exceptionally low in 1996? What are the reasons and are there any solutions?*

SECRETARY FOR HOUSING (in Cantonese): Mr President, regarding the production of public housing, it is somewhat similar to what I have answered on the production of private residential flats. The amount of land granted to both the Housing Authority and the Housing Society for housing development was relatively small in the past few years. As a result, the number of flats produced was smaller than the average figure of the 6-year planning period. Therefore, the flat production at present corresponds with what we have envisaged. However, at the end of the year before last, we disposed of all the land needed for the 6-year planning period, particularly the land needed by the Housing Authority, while a small amount of land has been reserved for housing purposes. Therefore, we are confident that the Housing Authority will have sufficient land to speed up its building programme.

PRESIDENT (in Cantonese): Mr FUNG, are you claiming that your question has not been fully answered? Which part?

MR FREDERICK FUNG (in Cantonese): *Mr President, the part regarding the reasons. We sometimes read from the newspaper that the Housing Department has always complained about labour shortage in the construction industry. Will the Secretary for Housing also tackle this problem when conducting the review?*

SECRETARY FOR HOUSING (in Cantonese): Mr President, the Housing Branch will of course carefully study the labour shortage problem. If the construction industry has labour shortage problem in future, we will of course

inform the Secretary for Education and Manpower so that he can contact the relevant organizations, such as the Hong Kong Construction Association and the Construction Industry Training Authority, in order to join forces in dealing with the problem. Generally speaking, the Housing Department has adequate manpower to proceed with the construction of public housing.

DR YEUNG SUM (in Cantonese): *Mr President, in his reply, the Secretary for Housing said that the shortfall of housing supply in the past had something to do with the Government's slow progress in the disposal of land. Will the Government inform us whether it has any specific measures, such as those on the disposal of land, to increase the supply of land?*

SECRETARY FOR HOUSING (in Cantonese): Mr President, I think this question has gone beyond the scope of the original question, which is about the situation in the next three years. But I am still willing to inform all Members that, after the recent consultancy study, the Secretary for Planning, Environment and Lands has made improvements to a number of procedures and those measures have already been made public. As a result, the time needed for vetting and approval processes concerning land development, changes in land use and exchange of land has been expedited. As far as I know, the processes have generally been sped up by 10% or 15%, i.e. shortened by 30 days or more. We think the overall situation has improved. However, the Secretary for Planning, Environment and Lands will continue to monitor the developments, not just in the formation, but also in the use and exchange of land. I will continue to hold discussions with him with a view to further expediting the processes.

MR ALBERT HO (in Cantonese): *Mr President, the Secretary for Housing has mentioned in the fifth paragraph of his original reply that property developers may adjust the progress of their housing developments in the light of market situation and other factors, and so the Government does not have any control over the number of completed private residential housing units. Mr President, my question is whether the Government has considered implementing some policies aimed at preventing property developers from maintaining a tight*

market in the supply of private housing by hoarding land or slowing down the construction process and thus keeping property price at a high level?

SECRETARY FOR HOUSING (in Cantonese): Mr President, generally speaking, we all know that when the property market is booming, property developers will naturally tend to speed up the construction process of their residential developments. There has been no evidence at large to indicate hoarding by property developers. As far as we know, although the construction process in some sites may be slower than normal, they are mostly caused by engineering problems rather than a deliberate move on the part of the property developers to slow down the progress of land development and the construction process.

Hoarding is in fact not in the interests of property developers. After acquiring land from the Government, property developers are required to complete the development within a certain period under the Building Covenant, otherwise the Government will impose additional government rent as a penalty and thus increasing their development costs. Moreover, if property developers delay the development of the land or slow down the construction process, they will incur additional costs in the form of interests payments on bank loans and their financial flexibility will also be affected, and listed companies will be affected to a greater extent as they have to be accountable to their shareholders. Mr President, all of these are strong arguments against hoarding or slowing down the construction process on the part of property developers. Of course, the Government will continue to carry out monitoring work in that respect.

WRITTEN ANSWERS TO QUESTIONS

Sale of Redeveloped Kwun Lung Lau and Tanner Hill Estate Units

7. **MR IP KWOK-HIM** asked (in Chinese): *It is learnt that upon the completion of the redevelopment projects at Kwun Lung Lau and Tanner Hill Estate, the Hong Kong Housing Society ("the Housing Society") will put the units of the two housing estates up for sale, as opposed to the existing units in these two housing estates being put to rental use. In this connection, will the*

Government inform this Council of the criteria adopted in permitting the Housing Society to sell the units of the redeveloped Kwun Lung Lau and Tanner Hill Estate?

SECRETARY FOR HOUSING (in Chinese): Mr President, in deciding whether a redevelopment site will be used for building flats for sale or rental flats, the Housing Society takes into account the general demand for subsidized home ownership flats, especially by Housing Society tenants.

The decision to redevelop a particular estate lies solely with the Executive Committee of the Housing Society. Such a decision does not require policy approval of the Government. If the use of its site is to be changed from rental purposes to flats for sale, the Housing Society is required to apply to the Lands Department for lease modification.

Flag Days

8. **MR FRED LI** asked (in Chinese): *Regarding fund-raising activities on "flag days", will the Government inform this Council:*

- (a) *of the following in each of the past three years -*
 - (i) *the number of charitable organizations which applied for permission to sell flags to raise funds;*
 - (ii) *the organizations whose applications were approved and the dates of the "flag days" allocated to these organizations;*
 - (iii) *the organizations whose applications were rejected and the reasons for rejection;*
- (b) *of the criteria adopted for granting approval to such applications and for determining the allocation of the "flag days"; and*

- (c) *whether an organization permitted to raise funds on a "flag day" in a year is required to raise a specified amount of money in order to gain permission to sell flags to raise funds in the following year; if so, what the reasons are?*

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

- (a) (i) The Social Welfare Department received applications from 68, 70 and 91 organizations to hold "flag days" in 1995, 1996 and 1997 respectively.
- (ii) A total of 50, 52 and 52 organizations were approved to hold "flag days" in, respectively, 1995, 1996 and 1997. The names of the approved organizations and the dates of the "flag days" allocated to them are set out in Appendices I to III.
- (iii) The main reasons for rejection were as follows:
- (1) the purpose of flag day is outside the ambit of welfare/medical/community services;
 - (2) the amount of donation required is relatively small and can be met by other forms of fundraising;
 - (3) the amount of funds raised by the applicant in a previous flag day is well below average when compared with the net proceeds raised in flag days in that year;
 - (4) the applicant's expenses ratio in a previous flag day exceeded 10% of its gross proceeds.

Where the number of organizations that meet the assessment criteria exceeds the number of "flag days" available in a year, the Social Welfare Department will allocate the "flag days" by ballot.

- (b) The Director of Social Welfare has developed a set of general criteria for assessing applications in consultation with the Subventions and Lotteries Fund Advisory Committee. They include the following -
- the applicant must demonstrate to be of good integrity, and have good management capability and performance record of its services;
 - funds raised must be used to support charitable activities. Priority will be given to those applications relating to the provision of essential social welfare, medical and health services to meet local needs;
 - the applicant must demonstrate a genuine need for fundraising. The Department would assess the applicant's financial status based on the annual statement of account, taking into consideration its operating deficit or surplus, amount of usable reserve and the availability of other sources of funding; and
 - the applicant must have the ability to organize a flag day effectively.

The Community Chest and six specified organizations, namely the Tung Wah Group of Hospitals, the Po Leung Kuk, the Pok Oi Hospital, the Yan Chai Hospital, the Yan Oi Tong and the Lok Sin Tong Benevolent Society Kowloon are automatically allocated a flag day every year in recognition of their long standing contributions to help the disadvantaged and vulnerable groups in our community.

- (c) As explained in paragraph (a)(iii)(3) above, one of the reasons based on which an application for fundraising is rejected is that the amount of funds raised by the applicant in a previous flag day is well below average when compared with the net proceeds raised in flag days in that year. However, the Director of Social Welfare would take into account justified causes such as inclement weather before making a decision on whether to reject the application on such ground. This requirement is to ensure that organizers will make the best use of the limited number of "flag days" to maximize proceeds.

Appendix I

Approvals Granted in 1994 for "Flag Days" 1995

<i>No.</i>	<i>Date</i>		<i>Organization</i>
1.	January	7	Hong Kong Playground Asscoiation
2.		14	The Maryknoll Medical and Welfare Association (Our Lady of Maryknoll Hospital)
3.		21	Chai Wan Baptist Church
4.		28	KELY Support Group
5.	February	4	Pok Oi Hospital
6.		11	Methodist Church Hong Kong (Methodist Epworth Village Community Centre)
7.		18	Hong Kong Kidney Patient Trust Fund
8.		25	Yan Oi Tong Limited
9.	March	4	Hong Kong PHAB Association
10.		11	Hong Kong Association of the Blind
11.		18	Hong Kong Society for the Protection of Children
12.		25	Hong Kong Kidney Foundation Limited
<i>No.</i>	<i>Date</i>		<i>Organization</i>
13.	April	1	Alice Ho Miu Ling Nethersole Hospital
14.		8	Baptist Oi Kwan Social Service
15.		15	Green Power
16.		22	Christian Family Service Centre
17.		29	Kwun Tong Methodist Centre
18.	May	6	Breakthrough Limited
19.		13	Neighbourhood Advice-Action Council
20.		20	Society for the Relief of Disabled Children (Duchess of Kent Hospital)
21.		27	The Salvation Army

22.	June	3	Steward's Company, (HK) Limited
23.		10	Mong Kok Kaifong Association Limited
24.		17	Wu Oi Christian Centre Limited
25.		24	Arts with the Disabled Association Hong Kong
26.	July	1	The Outward Bound Trust of Hong Kong Limited (Hong Kong Outward Bound School)
27.		8	Yang Memorial Methodist Social Service
28.		15	Tuen Mun Hospital
29.		22	The Cheshire Home Hong Kong
30.		29	Birthright Society Limited
31.	August	5	The Lok Sin Tong Benevolent Society Kowloon
32.		12	Hong Kong Child Health Foundation
33.	September	2	Yan Chai Hospital
34.		9	New Life Psychiatric Rehabilitation Association
35.		16	The Hong Kong Tuberculosis, Chest and Heart Diseases Association
36.		23	Tung Wah Group of Hospitals
37.		30	Boys' and Girls' Clubs Association of Hong Kong

<i>No.</i>	<i>Date</i>		<i>Organization</i>
38.	October	7	Po Leung Kuk
39.		14	Hong Kong Sports Association for the Mentally Handicapped
40.		21	The Society of Homes for the Handicapped
41.		28	Chinese Rhenish Church - Hong Kong Synod
42.	November	4	Hong Kong Aids Foundation Limited
43.		11	The Royal British Legion (Hong Kong and China Branch)
44.		18	Haven of Hope Hospital
45.		25	Community Chest of Hong Kong

46.	December	2	Hong Kong Federation of Handicapped Youth
47.		9	Hong Kong Association for the Mentally Handicapped
48.		16	Society for the Promotion of Hospice Care Limited
49.		23	The Road Safety Association Limited
50.		30	Hong Kong Council of Early Childhood Education and Services Limited

Appendix II

Approvals Granted in 1995 for "Flag Days" 1996

<i>No.</i>	<i>Date</i>		<i>Organization</i>
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1.	January	6	Oxfam Hong Kong
2.		13	Hong Kong Playground Association
3.		20	The Mong Kok Kai-fong Association Limited
4.		27	Chai Wan Baptist Church
5.	February	3	Yan Oi Tong
6.		10	KELY Support Group
7.		17	Pok Oi Hospital
8.		24	Project Orbis

<i>No.</i>	<i>Date</i>		<i>Organization</i>
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9.	March	2	Fung Kai Public School
10.		9	The Lok Sin Tong Benevolent Society, Kowloon
11.		16	Hong Kong Association of the Blind
12.		23	The Salvation Army
13.		30	Hong Kong PHAB Association
14.	April	6	Hong Kong Down Syndrome Association
15.		13	Hong Kong Red Cross
16.		20	The Society for the Relief of Disabled Children (The Duchess of Kent Children's Hospital)
17.		27	Hong Kong Society for the Protection of

Children

18.	May	4	Breakthrough Limited
19.		11	Christian Family Service Centre
20.		18	United Christian Medical Service
21.		25	Wu Oi Christian Centre Limited
22.	June	1	The Society of Homes for the Handicapped
23.		8	The Methodist Church, Hong Kong (Methodist Epworth Village Community Centre)
24.		15	The Neighbourhood Advice-action Council
25.		22	Maryknoll Medical and Welfare Association (Our Lady of Maryknoll Hospital)
26.		29	The Hong Kong Cheshire Home Foundation
27.	July	6	The Hong Kong Adventure Corps
28.		13	Pentecostal Church of Hong Kong
29.		20	Arts with the Disabled Association Hong Kong
30.		27	Sheng Kung Hui Lady MacLehose Centre
31.	August	3	Yan Chai Hospital
32.		10	The Lutheran Church - Hong Kong Synod
33.		17	The Road Safety Association Limited
34.		24	ReHabAid Society
35.		31	World Wide Fund for Nature Hong Kong
<i>No</i>	<i>Date</i>		<i>Organization</i>
36.	September	7	The Hong Kong Society for Child Health and Development
37.		14	Hong Kong Federation of Handicapped Youth
38.		21	Tung Wah Group of Hospitals
39.		28	Hong Kong Sports Association for the Mentally Handicapped
40.	October	5	The Boys' and Girls' Clubs Association of Hong Kong
41.		12	New Life Psychiatric Rehabilitation Association
42.		19	Po Leung Kuk

43.		26	The Chinese Rhenish Church Hong Kong Synod
44.	November	2	The Hong Kong Tuberculosis, Chest and Heart Diseases Association
45.		9	The Royal British Legion (Hong Kong and China Branch)
46.		16	Haven of Hope Hospital
47.		23	The Community Chest of Hong Kong
48.		30	Hong Kong AIDS Foundation Limited
49.	December	7	The Hong Kong Association for the Mentally Handicapped
50.		14	Hong Kong Kidney Foundation Limited
51.		21	Tsuen Wan Ecumenical Social Service Centre
52.		28	Hong Kong Childhealth Foundation

Appendix III

Approvals Granted in 1996 for "Flag Days" 1997

<i>No</i>	<i>Date</i>		<i>Organization</i>
1.	January	4	World Wide Fund for Nature Hong Kong
2.		11	Oxfam Hong Kong
<i>No.</i>	<i>Date</i>		<i>Organization</i>
3.		18	Hong Kong Renal Centre Limited
4.		25	Chai Wan Baptist Church
5.	February	1	Pok Oi Hospital
6.		8	Tuen Mun Hospital
7.		15	The Methodist Church, Hong Kong (Methodist Epworth Village Community Centre)
8.		22	Yan Chai Hospital
9.	March	1	Wu Oi Christian Centre Limited
10.		8	Hong Kong PHAB Association

11.		15	Hong Kong Blind Union
12.		22	Breakthrough Limited
13.		29	The Lutheran Church - Hong Kong Synod
14.	April	5	The Road Safety Association Limited
15.		12	Hong Kong AIDS Foundation
16.		19	The Lok Sin Tong Benevolent Society, Kowloon
17.		26	Christian Family Service Centre
18.	May	3	Parents Association of the Mentally Handicapped Limited
19.		10	Society for the Promotion of Hospice Care Limited
20.		17	Baptist Oi Kwan Social Service
21.		24	The Mong Kok Kai-fong Association Limited
22.		31	The Chinese Rhenish Church Hong Kong Synod
23.	June	7	Hong Kong and Macau Lutheran Church
24.		14	Pentecostal Church of Hong Kong
25.		21	The Neighbourhood Advice-Action Council
26.		28	New Life Psychiatric Rehabilitation Association
27.	July	5	Mental Health Association of Hong Kong
28.		12	The Boys' and Girls' Clubs Association of Hong Kong
<i>No.</i>	<i>Date</i>		<i>Organization</i>
29.		19	Hong Kong Workers' Health Centre
30.		26	Tsuen Wan Ecumenical Social Service Centre
31.	August	2	The Salvation Army
32.		9	The Hong Kong Tuberculosis, Chest and Heart Diseases Association
33.		16	The Matilda Child Development Centre
34.		23	Po Leung Kuk
35.		30	The St. John Council for Hong Kong
36.	September	6	Christian Concern for the Homeless Association

37.		13	The Warehouse Teenage Club Limited
38.		20	Hong Kong Playground Association
39.		27	Steward's Company (Hong Kong) Limited
40.	October	4	Tung Wah Group of Hospitals
41.		11	The Society of Homes for the Handicapped
42.		18	Evangel Hospital
43.		25	Yang Memorial Methodist Social Service
44.	November	1	Hong Kong Federation of Handicapped Youth
45.		8	The Royal British Legion (Hong Kong and China Branch)
46.		15	Haven of Hope Christian Service
47.		22	The Community Chest of Hong Kong
48.		29	The Society for the Relief of Disabled Children (The Duchess of Kent Children's Hospital)
49.	December	6	The Hong Kong Association for the Mentally Handicapped
50.		13	Hong Kong Kidney Foundation Limited
51.		20	Hong Kong Childhealth Foundation
52.		27	Yan Oi Tong

Appendix IV

Unsuccessful Applications Submitted in 1994
for Allocation of Flag Days 1995

I. Ineligible based on the assessment criteria

Name of Applicant

1. Association for the Advancement of Feminism
2. Buddha Light Association of Hong Kong Limited
3. Challenge Ventures Limited
4. Chung Sing Church Limited

5. Friends of the Earth (Charity) Limited
6. Hong Kong Air Cadet Corps
7. Hong Kong Arts Centre Limited
8. Hong Kong Islamic Youth Association
9. Hong Kong Young Women's Christian Association
10. Industrial Relations Institute
11. Lutheran Church - Hong Kong Synod
12. Pentecostal Church of Hong Kong Limited
13. Pneumoconiosis Mutual Aid Association
14. ReHabAid Society Limited
15. Rehabilitation Alliance Hong Kong
16. Royal Society for the Prevention of Cruelty to Animals
17. World Wide Fund for Nature Hong Kong
18. Youth Outreach

Appendix V

Unsuccessful Applications Submitted in 1995
for Allocation of Flag Days 1996

I. Ineligible based on the assessment criteria

Name of Applicant

1. Action on Smoking on Health Limited.

Name of Applicant

2. Amnesty International Hong Kong Section Limited Human Rights Education Charitable Trust
3. Direction Association for the Handicapped
4. Evangel Hospital
5. Peninsula Jaycees Limited
6. Pneumoconiosis Mutual Aid Association
7. The Queen Mary Hospital Charitable Trust

II. Unsuccessful in the ballot

Name of Applicant

1. Baptist Oi Kwan Social Service
2. Castle Peak Hospital
3. Christian Concern for the Homeless Association
4. Evangelical Lutheran Church Social Service - Hong Kong
5. Friends of the Earth (Charity) Limited
6. Green Power Limited
7. Hong Kong Air Cadet Corps
8. Hong Kong Marrow Match Foundation
9. Hong Kong Outward Bound School
10. The St. John Council for Hong Kong
11. Tuen Mun Hospital

Appendix VI

Unsuccessful Applications Submitted in 1996 for Allocation of Flag Days 1997

I. Ineligible based on the assessment criteria

Name of Applicant

1. Action on Smoking on Health Limited
2. Amnesty International (Hong Kong Section) Human Rights Education Charitable Trust
3. Befrienders International
4. Direction Association for the Handicapped
5. Friends of the Earth (Charity) Limited

Name of Applicant

6. Fung Kai Public School
7. Hong Kong Air Cadet Corps
8. Hong Kong Cat Society
9. Hong Kong Council of Early Childhood Education and Services
10. Hong Kong Lutheran Church Bradbury for the Deaf Children School Caring Centre
11. Hong Kong Rehabilitation Power Limited
12. Hong Kong Sea Cadet Corps
13. Hong Kong Society for the Protection of Children
14. Hong Kong United Youth Exchange Foundation Limited
15. Kely Support Group

16. Maryknoll Convent School Educational Trust
17. Project Orbis, Incorporated
18. Regeneration Society Limited
19. ReHabAid Society Limited
20. Rehabilitation Alliance Hong Kong
21. Taishan Charitable Association Limited
22. The Birthright Society Limited
23. The Children's Thalassaemia Foundation
24. The Hong Kong Asthma Society
25. The Hong Kong Cheshire Home Foundation
26. The Hong Kong Outward Bound School
27. The Hong Kong Society for Child Health and Development
28. Wai Ji Christian Service
29. Xianggang Putonghua Yanxishe Limited

II. Unsuccessful in the ballot

Name of Applicant

1. Arts with the Disabled Association Hong Kong
2. Castle Peak Hospital
3. Evangelical Lutheran Church Social Service-Hong Kong
4. Green Power Limited
5. Hong Kong Movie Star Sports Association Charities Limited
6. Hong Kong Sports Association for the Mentally Handicapped

Name of Applicant

7. Hope Worldwide Limited
8. Maryknoll Medical and Welfare Association (Our Lady of Maryknoll Hospital)
9. Ocean Park Conservation Foundation
10. The Executive Committee of the Alice Ho Miu Ling Nethersole Hospital

Private Buildings of Potential Fire and Safety Hazards

9. **MISS CHRISTINE LOH** asked: *At the meeting of the Home Affairs Panel of the Legislative Council held on 20 December last year, the Government informed the Panel that about 1 000 private buildings in the territory with potential fire and safety hazards had been put on a "watchlist". It is learnt that a total of 331 of these buildings are located on Hong Kong Island. In this connection, will the Government provide this Council with a list of the names and addresses of the 331 buildings located on Hong Kong Island?*

SECRETARY FOR HOME AFFAIRS: Mr President, the Home Affairs Department's District Offices in Eastern, Wan Chai and Central and Western, like their counterparts in other districts, co-ordinate government efforts in assisting the owners concerned in enhancing the management of private buildings. This is done through Building Management Co-ordination Teams (BMCT) which include professional officers seconded from the Housing Department. The BMCTs identify buildings with building management problems and select them as the target for comprehensive building management improvement. Buildings so targetted may not necessarily be those with potential fire and safety hazards. Moreover, the Home Affairs Department does not use the term "watchlist" but simply regards such buildings as those which can benefit from additional co-ordination efforts to improve their management.

A list of buildings so identified on Hong Kong Island is appended.

*"Target" Buildings on Hong Kong Island
for Building Management Improvement*

<i>Serial No.</i>	<i>Name of Building</i>	<i>Address</i>
<i>Eastern</i>		
1.	-	2-16 Lower Kai Yuen Lane
2.	King's Tower	478B-480C, King's Road
3.	King's View Court	901-907 King's Road
4.	Wah Yuen Building	17-27 Tong Cheong Street
5.	State Theatre Building	279-291 King's Road
6.	Tai Lung House	123 Quarry Bay Street

<i>Serial No.</i>	<i>Name of Building</i>	<i>Address</i>
7.	-	72-78 Pan Hoi Street
8.	Yen Lok Building	4-12 Lin Shing Road
9.	Maylun Apartments	442-456 King's Road
10.	Jones Mansion	20-22 Cheung Hong Street
11.	-	27-29 Factory Street and 4-8 Church Street and 1-3 Church Lane
12.	Kam Shan Building	1015-1021 King's Road
13.	Tai Hing House	124 Quarry Bay Street
14.	Art Land Court	392 Chai Wan Road
15.	-	135 and 7 Lower Kai Yuen Lane
16.	-	15 and 17 Lower Kai Yuen Lane
17.	-	19 and 21 Lower Kai Yuen Lane
18.	Tai Shing House	122 Quarry Bay Street
19.	On Lok Building	15 Shaukeiwan Main Street East
20.	Eastway Tower	55-59 Shaukeiwan Main Street East
21.	Chung Hing Mansion	5 Pan Hoi Street
22.	Hang Lung Bank Eastern Branch Building	391-393 King's Road
23.	Lido Apartments	860-878 King's Road
24.	Ho King Building	134 Shaukeiwan Main Street East
25.	Golden Castle Mansion	5-13 Fortress Hill Road
26.	Cannon Building	2-4 Gordon Road
27.	Sun Sing Building	290 Shaukeiwan Road
28.	Westlands Gardens	14 Westlands Road
29.	Chung Nam Mansion	163 King's Road
<i>Eastern</i>		
30.	Wah Hong Mansion	6-8 Fort Street
31.	North Point Manson	692-702 King's Road
32.	Wah Po Building	334-346 Shaukeiwan Road
33.	-	19-25 Hoi Hong Street and 18-24 Hoi Kwong Street
34.	Yee On Mansion	55-77 Chun Yeung Street and 8A-8D North Point Road
35.	Wah Yu Court	8 Hong Ping Street, Chai Wan
36.	Capital Mansion	195-201 Shaukeiwan Road

<i>Serial No.</i>	<i>Name of Building</i>	<i>Address</i>
37.	Tung Po Mansion	4, 8 and 10 Shaukeiwan Main Street East
38.	Yalford Building	44-58 Tanner Road
39.	Winner Centre	333 Chai Wan Road
40.	Ming Court	19-23 MingYuen Western Street
41.	Tai Chow House	121 Quarry Bay Street
42.	Sun Lee Building	6-50 Oi Man Street
43.	Hung Lee Building	30-50 Oi Man Street
44.	-	51-53 King's Road
45.	Mong Lung Building	10-12 Mong Lung Street
46.	Shaukeiwan Centre	407-409 Shaukeiwan Road
47.	Lai King Mansion	883 King's Road
48.	Golden Horse Mansion	21-39 Mansion Street
49.	Yen Dack Building	93-113 Chun Yeung Street
50.	Tai Foo House	6 Hong Cheung Street, Sai Wan Ho
51.	Cheung Shing Mansion	33-39 Wing Hing Street
52.	Yip Ning Building	92-102 Shaukeiwan Road
53.	-	943-945 King's Road
54.	-	947-949 King's Road
55.	King Fai Building	94-112 Shaukeiwan Main Street East
56.	Lai Wan Building	55 Shaukeiwan Road
57.	Kai Yuen Mansion (Block A)	2-12 Upper Kai Yuen Lane
58.	Kai Yuen Mansion (Blocks B and C)	1-19 and 14-22 Upper Kai Yuen Lane
59.	Tung On Building	428-432 Shaukeiwan Road

Eastern

60.	Ming Hing Building	9-11 Gordon Road
61.	Yik Hon Building	72-78 Java Road
62.	Yick Fat Building	1048 King's Road
63.	Man Wah Building	7 Sui Man Road, Chaiwan
64.	Shing Kung Building	80-86 Electric Road
65.	Aldrich House	369-373 Shaukeiwan Road and 1-3 Aldrich Street
66.	Fok Cheong Building	1044 King's Road
67.	Yick Cheong Building	1046 King's Road

<i>Serial No.</i>	<i>Name of Building</i>	<i>Address</i>
68.	Fu King Building	416-426 Shaukeiwan Road
69.	-	55-57 King's Road
70.	-	187-193 Tsat Tsz Mui Road
71.	Ying Wah Court	486-488 King's Road
72.	Kam Wai Building	12-18 Kam Wa Street
73.	Oceanic Mansion	1026 King's Road
74.	Montane Mansion	1028 King's Road
75.	Kava Mansion	29-31 Fort Street, North Point
76.	Garland House	21-21A Java Road and 14A-C North Point Road
77.	Tai Ning Mansion	88-90 Shaukeiwan Road
78.	Hoi Ching Building	5 Hoi Ching Street
79.	Millan House	2-4 North Point Road
80.	Kam Shing Mansion	230-232 Shaukeiwan Road
81.	Kin Ming Court	2A and 2B Kam Hong Street
82.	-	484 King's Road
83.	North Point Mansion	Block CDGH, 692-702 King's Road
84.	Wah Hing Building	449-455 King's Road
85.	Hoi Ning Building	82-90 Sai Wan Ho Street
86.	Kam Wa Building Blocks E and F	128 Shaukeiwan Main Street East
87.	King's House	969-971 King's Road
88.	Tai Chung Building	116-120 Shaukeiwan Road
89.	Wah Sing Building	9-5 Hoi An Street, Shaukeiwan

<i>Serial No.</i>	<i>Name of Building</i>	<i>Address</i>
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Wan Chai

1.	Po Ming Building	2 Foo Ming Street
2.	Wing Hing Building	6-12 Spring Garden Lane
3.	Lok Ku House	118-124 Jaffe Road
4.	Chung Wui Apartments	110 Wan Chai Road
5.	Cheung Hong Building	25-33 Johnston Road
6.	Hong Kong Mansion	1, Yee Wo Street
7.	King Tao Building	100, Lockhart Road

8.	Leig Yinn Building	62-62A, 64-64A Leighton Road
9.	Cheong Ming Mansion	53-59A, Sing Woo Road
10.	-	229-231, Lockhart Road
11.	Siu Fung Building	9-17, Tin Lok Lane
12.	Wai Lun Building	78-84A Hennessy Road
13.	-	221-221A Wan Chai Road
14.	Bayview Mansion	21 Moreton Terrace
15.	Thai Kong Building	4870-482 Hennessy Road
16.	Hin Wah Building	446-450, Hennessy Road
17.	Spring Garden Mansion	29-41, Spring Garden Lane
18.	Shiu Cheung Building	223-229, Queen's Road East
19.	Kwong Ah Building	195-197, Johnston Road
20.	Sing Yee Mansion	191-193, Johnston Road
21.	Diamond Building	462-468, Lockhart Road
22.	Chak Tong House	4, Kwong Ming Street
23.	Kwong On Building	8-14, Yee Wo Street
24.	-	60-66 Tung Lo Wan Road
25.	Shing Woo Building	10 Shing Woo Road
26.	-	454-456 Hennessy Road
27.	Fu Yuen Building	39-49 Wan Cahi Road
28.	Sun Hey Building	68-76 Hennessy Road
29.	Lai Chi Mansion	42-48 Leighton Road
30.	Rita House	123-125 Leighton Road
31.	Hang Tan House	7-19 Tang Lung Street
32.	Salson Building	3-3B O'Brien Road
33.	Friendship Mansion	345-351 Hennessy Road
34.	-	1-3 Sing Woo Road
35.	Po Wing Building	108-120 Percival Street
<i>Serial No.</i>	<i>Name of Building</i>	<i>Address</i>

Wan Chai

36.	Fleming Building	35-39B Fleming Road
37.	-	36-38 Amoy Street
38.	Comfort Mansion	59-61 Wong Nai Chung Road and 36-38 Ventris Road
39.	Percival House	83 Percival Street
40.	Hop Yee Building	474-476 Lockhart Road
41.	Sun Dao House	12-18 Morrison Hill Road

42.	-	32-38 Wan Chai Road
43.	Oversea Building	417-421 Hennessy Road
44.	Malahon Apartment	509 Jaffe Road
45.	Tung Shing Building	272A-272B, Lockhart Road
46.	Kam Tak Building	88-90 Queen's Road East
47.	-	13-17 Warren Street
48.	-	3-5 Yuen Yuen Street
49.	Nin Fung Mansion	410-412 Lockhart Road
50.	Tai Wah Building	262-268 Lockhart Road
51.	-	75-79 Lockhart Road
52.	Lei Kwa Court	17,17A, 19A Caroline Hill Road
53.	Ming Yin Building	390-396 Lockhart Road
54.	Tung Shing Building	118-120 Queen's Road East
55.	On On Building	123-125 Lockhart Road
56.	Lei Shun Court	106-126 Leighton Road
57.	South East Building	475-481 Hennessy Road
58.	Go Wah Mansion	285-295 Lockhart Road
59.	Hong Hoi Building	121-123 Jaffe Road
60.	City Mansion	491 Jaffe Road
61.	-	171-173 Hennessy Road
62.	Ming Yan Building	146-152 Queen's Road East
63.	-	6A-6B O'Brien Road
64.	-	518-520 Jaffe Road
65.	Tak Wah Mansion	290-296 Hennessy Road
66.	Pak Ling Mansion	368-374 Lockhart Road
67.	Johnston Building	7 Lee Tung Street and 86-90 Johnston Road

Serial No. Name of Building Address

Wan Chai

68.	Tak Fung House	251 Wan Chai Road
69.	David House	37-39 Lockhart Road
70.	Hung Yip Building	234-236 Wan Chai Road
71.	Yuk Chuen Lau	220 Johnston Road
72.	Tai Kwun Mansion	442-452 Lockhart Road
73.	Wai Tak Building	414-430 Lockhart Road
74.	-	169-170 Gloucester Road

75.	King Cheung Mansion	5 King Kwong Street
76.	Po Wah Building	46-56 Queen's Road East
77.	Yue King Building	1-7 Leighton Road
78.	Tai Fat Building	25-27 Morrison Hill Road
79.	Ming Ho Building	51-55 Wan Chai Road
80.	Hennessy Road Building	213-219 Hennessy Road
81.	Tung Wan Building	50-58 Tung Lo Wan Road
82.	Fu Yuen Building	1-7 Cross Street
83.	Lee Shun Building	157-159 Lockhart Road
84.	Island Building	439-445 Hennessy Road
85.	Yue Do Mansion	29 Wong Nai Chung Road
86.	Lei Hay Court	13-15, 13-15A Haven Street
87.	Luen Lee Building	4-10 Luen Fat Street
88.	Ying Lee Mansion	323-331 Hennessy Road
89.	Tang Fai Mansion	40 Tang Lung Street
90.	Central Mansion	527-531 Jaffe Road
91.	Lai Chi Building	50-56 Leighton Road
92.	Lee Tung Apartment	63 Lee Tung Street
93.	Hang Tat Mansion	161-165 Lockhart Road
94.	Four Sea Mansion	254-260 Lockhart Road
95.	Lai Shan Building	19-21 Morrison Hill Road and 1 Sharp Street
96.	Lok Yau Building	336-342 Lockhart Road
97.	Man Hing Mansion	193-195 Wan Chai Road
98.	Po Foo Building	1-5 Foo Ming Street
99.	Yuet Wah Court	19-21 Shelter Street

Serial No. Name of Building Address

Wan Chai

100.	Wai Man Building	133-133A Queen's Road East
101.	Linfond Mansion	187-193 Hennessy Road
102.	Sze Lai Building	241-243 Hennessy Road
103.	Hennessy Apartment	488-490 Hennessy Road
104.	Kai Ming Building	364-366 Hennessy Road
105.	Fook Gay Mansion	357-379 Lockhart Road
106.	Chong Hing Building	265-267, Hennessy Road

107.	Chin Hung Building	1-15 Heard Street
108.	Lap Hing Building	275-285 Hennessy Road
109.	Lee Wing Building	156-162 Hennessy Road
110.	Glory House	172-174A Hennessy Road
111.	Cheung Lok House	222-228 Wan Chai Road
112.	Kwok Tai Building	3-17 Tung Lo Wan Road
113.	-	1-3 Cannon Street
114.	Kiu Hong Mansion	3-5 Tin Lok Lane
115.	Nam Shing Building	47-49 Johnston Road
116.	Grand View House	41-51 Tung Lo Wan Road
117.	Evone Court	24-28 Yik Yam Street
118.	Po Hon Building	24-30 Percival Street
119.	Hang Tak Building	1-15 Electric Street
120.	-	46-48 Tung Lo Wan Road
121.	Shing Ping Mansion	67-67A, 67B Sing Woo Road
122.	Lockhart Building	451-453 Lockhart Road
123.	Chuen Fung House	188-192 Johnston Road
124.	City Mansion	144-149 Gloucester Road
125.	Sun Kai Mansion	38-46 Hennessy Road
126.	Yue King Mansion	35-39 Tung Lo Wan Road
127.	Hoi Deen Court	276 Gloucester Road
128.	Jade House	210-214 Hennessy Road
129.	Diamond Building	6-18 Tin Lok Lane
130.	East Asia Mansion	23-29 Hennessy Road
131.	-	42-43 Sun Chun Street
132.	Wing On Building	7-9 Bowrington Road

Serial No. Name of Building Address

Wan Chai

133.	Yen Ying Building	215-225 Jaffe Road
134.	Paul Yee Mansion	346 Jaffe Road
135.	Lei Wan Court	27-29A Haven Street
136.	Sey Si Building	20-22 Wun Sha Street
137.	Ming Sun Building	94-96 Tung Lo Wan Road
138.	Main Pole House	149 Hennessy Road
139.	Yen Lai Building	14-18 Yik Yam Street

140.	Johnston Court	14-16 Johnston Road
141.	-	458-460 Lockhart Road
142.	Chun Fai Building	1-11 Spring Garden Lane
143.	Sik King House	9 Moreton Terrace
144.	Wai Hay Mansion	201-203 Wan Chai Road
145.	Sun On Mansion	20-28 Cannon Street
146.	Fortune Building	150-158 Lockhart Road
147.	Golden Jubilee Building	389-399 Lockhart Road
148.	Po Tak Mansion	3 Wang Tak Street
149.	Se Wan Mansion	43 Happy View Terrace
150.	Pao Woo Mansion	177-179 Wan Chai Road
151.	Lai Yee Building	44A-D Leighton Road
152.	Mountain View Mansion	2-10 Swatow Street
153.	-	4A-4D Wang Fung Terrace
154.	Antung Building	6-16 Tai Wong Street West
155.	Hong Kong Mansion	1 Yee Wo Street
156.	King's Court	14-16 Village Road
157.	Tsui Man Court	76 Village Road
158.	Johnston Court	32-34 Johnston Road
159.	Waldorf Mansion	2-6 Causeway Road
160.	Ming Fung Building	136 Wanchai Road
161.	Fine Mansion	32-40 Village Road
162.	New Spring Garden Mansion	47-65 Spring Garden Lane
163.	Great George Building	27 Paterson Street
164.	Morrison Building	30 Morrison Hill Road
165.	Paterson Building	47 Paterson Street
	Blocks A and B	

Serial No. Name of Building Address

Wan Chai

166.	Henning House	385-391 Hennessy Road
167.	Paterson Building	37 Paterson Street
	Blocks C and D	
168.	Tung Sing Building	138 Queen's Road East

Central and Western

1.	Sunrise House	21-31 Old Bailey Street
2.	Garble Garden	2-3 Seymour Terrace
3.	Grand Court	18 Caine Road
4.	-	247-249 Des Voeux Road W
5.	Lai On Building	2-2C Water Street
6.	Lee Wah Mansion	111-117 Des Voeux Road W
7.	New Central Building	39-49 Gage Street
8.	Tak Tung House	155-161 Des Voeux Road W
9.	Sang Fung Mansion	52-60 Lyndhurst Terrace
10.	Ming Hing Mansion	268-270 Des Voeux Road W
11.	Yue On Building	78-86 Catchick Street
12.	-	100 Caine Road
13.	-	102 Caine Road
14.	Winly Building	1-5 Elgin Street
15.	Kwong Fook Building	85 Caine Road
16.	Pit Fat Building	58 Belcher's Street
17.	Tse Land Mansion	39-43 Sands Street
18.	Man Fung Building	102 Connaught Road West
19.	Central House	270-276 Queen's Road C
20.	Bo Yuen Mansion	39-41 Caine Road
21.	-	39-41 Cadogan Street
22.	Sing Fai Building	8-12 Wilmer Street
23.	Fulam House	45-47 Pokfulam Road
24.	Avon Court	21-23 Caine Road

Serial No. Name of Building Address

Central and Western

25.	-	94, 94A and 96 Robinson Road
26.	-	23-25 Sands Street
27.	Tai Ping Mansion	208-214 Hollywood Road
28.	Kam Ho Mansion	159-163 Hollywood Road
29.	Nam Cheong Building	48-52 Hill Road
30.	Po Hing Mansion	20 Rutter Street
31.	Kin Yu Mansion	46 Belcher's Street

32.	Kin Yuen Mansion	139 Caine Road
33.	Kam Tong Building	139-153 Belcher's Street
34.	-	230-232 Des Voeux Road W
35.	Tai Shing House	203-209 Queen's Road West
36.	Silver Jubilee Mansion	62-72 Po Hing Fong
37.	Solon House	86-88 Robinson Road
38.	Hang Fai Building	67-83 Belcher's Street
39.	Siu Yee Building	590-596 Queen's Road West
40.	-	27-29 Seymour Road
41.	Kam Fai Building	125-129 Belcher's Street
42.	-	16-20 Pokfulam Road
43.	Po Shu Mansion	35-37 Sands Street
44.	-	62-64 Centre Street
45.	Johnson Mansion	428-440 Queen's Road West
46.	Shing Kai Mansion	13-15A Babington Path
47.	-	501-511 Queen's Road West
48.	Sing Po Building	16-20 Ko Shing Street
49.	Yuen Ming Building	13 Caine Road
50.	Fook On Mansion	23-25 North Street
51.	Felicity Building	38-44 Peel Street
52.	Cordial Mansion	15 Caine Road
53.	Nam Wah Mansion	5-9 South Lane
54.	Hung Lee Lau	29-31 North Street
55.	Tung Tat Building	390-392 Des Voeux Road, West
56.	-	49 Elgin Street

<i>Serial No.</i>	<i>Name of Building</i>	<i>Address</i>
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Central and Western

57.	Ko Leung Mansion	572-574 Queen's Road West
58.	-	276-278 Des Voeux Road W
59.	-	11-13 South Lane
60.	Wing Tai Mansion	7-9 Sands Street
61.	Fook Chi Building	22-24 Gage Street
62.	Tai Fat Building	31-43 Ko Shing Street

63.	Kelly Court	9-15 Catchick Street
64.	Hing Wah Mansion Block M	1 Babington Path
65.	Rockson Mansion	371-379 Queen's Road West
66.	Luen Wah Mansion	518-520 Queen's Road West
67.	Sea View Mansion	82-87 Connaught Road West
68.	Kam Chuen Building	59-61 Dex Voeux Road West
69.	King Yue Mansion	82-84 Belcher's Street
70.	Tai Hing Building	132-134 Hollywood Road
71.	Tin Hing Mansion	295-305 Des Voeux Road West
72.	Tai Tak Mansion	1-5 Hau Wo Street
73.	-	408-408B Des Voeux Road West
74.	-	408C-D Des Voeux Road West
75.	Shing Tai Building	70-76 Catchick Street
76.	Tung Hing Mansion	41-55 Belcher's Street
77.	-	406 D-E Des Voeux Road West
78.	-	406 B-C Des Voeux Road West
79.	-	406-406A Des Voeux Road West
80.	Tai Hing Building	119-127 Des Voeux Road West
81.	Des Voeux Building	25 Des Voeux Road West
82	On Lok Mansion	586-588 Queen's Road West

Housing Society Rental Flats

10. **MR LAU WONG-FAT** asked (in Chinese): *Regarding rental flats under the management of the Housing Society (HS), does the Government know:*

- (a) *of the total number of rental flats managed by the HS;*
- (b) *of the proportion of vacant rental flats to the total number of rental flats, together with the number of such flats being left vacant for over a year, in each of the past five years; and*

- (c) *whether the HS has considered lowering the rent of the flats being left vacant for over a year so as to attract potential tenants?*

SECRETARY FOR HOUSING (in Chinese): Mr President, the HS manages 33 271 rental flats. In the past five years, the average occupancy rate is about 99%. Details are given at Annex.

In the past five years, only about 30 rental flats in Kwun Lung Lau have been left vacant for over a year, in order to facilitate slope repair following the slope failure in 1994.

As the rental flats are popular and the vacancy rate is minimal, there is no need to lower rents.

Annex

Average occupancy rate

1991-92	99.3%
1992-93	99.1%
1993-94	99.2%
1994-95	99.6%
1995-96	99.1%

Psychiatric Service in Public Hospitals

11. **DR HUANG CHEN-YA** asked (in Chinese): *Is the Government aware of the following data in public hospitals in 1995-96:*

- (a) *the respective numbers of psychiatric patients and non-psychiatric patients who were hospitalized and the respective numbers of psychiatric patients and non-psychiatric patients who attended the out-patient departments;*

- (b) *the respective numbers of psychiatric and non-psychiatric patients who were hospitalized for more than 28 days; and*
- (c) *the establishment and strength of medical doctors and nurses in psychiatric service and non-psychiatric service respectively?*

SECRETARY FOR HEALTH AND WELFARE (in Chinese): Mr President, activity statistics are captured by the Hospital Authority based on the number of in-patient discharges rather than individual patients. In 1995-96, there were 8 709 discharges from psychiatric hospitals and units compared with 644 779 discharges from non-psychiatric hospitals and units. Among these cases, a total of 5 199 (59.7%) were involved with psychiatric patients and 27 820 (4.3%) with non-psychiatric patients whose length of hospital stay exceeded 28 days. The number of out-patient attendance for psychiatric and non-psychiatric patients during this period were 320 369 and 3 832 335 respectively.

The planned staffing positions and actual strength of medical and nursing staff providing psychiatric and non-psychiatric services as at March 1996 are as follows:

		<i>Planned Staffing Positions</i>	<i>Actual Strength</i>
Medical staff	Psychiatric	167	161
	Non-psychiatric	2 814	2 808
Nursing staff	Psychiatric	1 893	1 866
	Non-psychiatric	16 872	16 772

Appointment of Judges

12. **MR CHIM PUI-CHUNG** asked (in Chinese): *Will the Government inform this Council of the criteria adopted for appointing judges to the different levels of the court?*

CHIEF SECRETARY(in Chinese): Mr President, judges and judicial officers are selected on the basis of their judicial and professional qualifications. They

are appointed by the Governor on the advice of the Judicial Service Commission. Their qualifications are stipulated in the legislation relevant to their respective tiers of the courts.

Medical Registration Ordinance

13. **MISS EMILY LAU** asked (in Chinese): *Under the Medical Registration (Amendment) Ordinance 1995 which came into effect on 1 September last year, all medical graduates other than those of the local universities have to pass the Universal Licensing Examination before they can practise medicine in the territory. In this connection, will the Government inform this Council:*

- (a) *of the number of local residents who, before the commencement of the above Ordinance, had already enrolled in courses at recognized overseas medical institutions and are therefore exempted from the former Licentiate Examination; whether there are any of these students who are not eligible for taking the Universal Licensing Examination and if so, what the details are; and whether such students will, in consequence, become ineligible for registration as medical practitioners in the territory;*
- (b) *whether the Government has advised the overseas medical institutions concerned of the amendments to the Medical Registration Ordinance; if not, when such institutions will be advised; and*
- (c) *whether the students mentioned in (a) above will be given a grace period so that they can be exempted from taking the Universal Licensing Examination; if not, what other kinds of assistance will be provided to these students?*

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

- (a) We have no information on the number of Hong Kong residents who were enrolled in courses at recognized overseas medical institutions

exempted from the former Licentiate Examination requirement prior to the commencement of the Medical Registration (Amendment) Ordinance 1995.

Some individual students, studying medicine in Australia and Ireland, have informed the Hong Kong Medical Council that they feared they might have difficulty in securing internship training overseas which is a requirement for candidates of the Licensing Examination under the Medical Registration (Amendment) Ordinance 1995. To date, the Hong Kong Medical Council has been able to resolve satisfactorily all cases seeking the Council's help by approaching the overseas Medical Councils. At present, we are not aware of any student studying medicine abroad who cannot fulfil the requirements to sit the Licensing Examination.

- (b) Upon enactment of the Medical Registration (Amendment) Ordinance in 1995, the Hong Kong Medical Council wrote to the Medical Councils of the United Kingdom, Ireland, Australia and New Zealand to set out the details of the amendments to the Medical Registration Ordinance and to explain the new requirements. In mid-1996, the Hong Kong Medical Council issued a press release through the Hong Kong Government Office in London to inform the Hong Kong medical students in the United Kingdom the details of the amendments and the implementation date.
- (c) The Ordinance does not provide a grace period for the Hong Kong medical students under (a) above. Other than assisting these medical students in satisfying the requirement for internship in order to qualify for the Licensing Examination, the Hong Kong Medical Council announced in November 1996 that it would adopt administrative measures to facilitate them to register in Hong Kong.

For example:

- (i) the Hong Kong Medical Council will try to minimize the time gap between the holding of different parts of the Licensing Examination so that the medical graduates may complete the entire examination within the shortest time span;

- (ii) the medical graduates may be exempted from taking Part II (Use of Professional English) of the Licensing Examination provided that English is used as the medium of instruction in the course of their medical training; and
- (iii) the Hong Kong Medical Council will recommend to the Council's Licentiate Committee to consider adjusting the 12 months' period of internship training following the Licensing Examination, on the basis of individual performance and upon application by the medical graduates concerned.

These medical graduates may also be able to serve the community under limited registration if they obtain employment in those institutions specified under the Medical Council's Promulgation (No. 2), that is the University of Hong Kong, the Chinese University of Hong Kong, the Department of Health and the public hospitals administered by the Hospital Authority. While serving under limited registration, they can apply for and complete the Licensing Examination.

Public Housing Estate Door-phone Systems

14. **MISS CHAN YUEN-HAN** asked (in Chinese): *At present, all new public housing blocks are equipped with door-phone systems ("the old systems"). In this connection, does the Government know:*

- (a) *of the names of the housing estates, and the total number of public housing flats involved, which are equipped with the old systems, together with the total costs of the installation of the old systems in these estates;*
- (b) *whether those public housing flats already equipped with the old systems will switch to the entry phone control systems ("the new systems"); if so, what the reasons are and how the authority concerned will dispose of the old systems;*

- (c) *of the names of the housing estates, and the total number of public housing flats involved, which will be equipped with the new systems, together with the total costs of the installation of the new systems in these estates; and*
- (d) *of the number of public housing blocks under construction which will not be equipped with the new systems because the tendering procedures for the installation of the old system in these housing blocks have been completed?*

SECRETARY FOR HOUSING (in Chinese): Mr President, details of public housing estates, involving 24 937 rental flats, which are equipped with conventional door-phone systems, are given at Annex A. The total installation cost is about \$26 million.

The conventional door-phone systems have generally been well received by residents. There is no plan to replace these systems by the telephone-entry door-phone systems. However, in 11 blocks within four estates, involving 7 335 flats, where a large amount of door-phone circuit wiring has become faulty as a result of tenants changing the location of their handsets without permission, the conventional door-phone systems are being replaced by telephone-entry door-phone systems. Details of the housing estates concerned are at Annex B.

Details of public housing estates, involving 198 449 rental flats, which are equipped or will be equipped in the near future with telephone-entry door-phone systems, are given at Annex C. The total installation cost is about \$4.7 million.

The conventional door-phone system will be installed in all the 73 new public housing blocks now under construction. The Housing Department will conduct an overall review later this year of the effectiveness of the different types of security systems used in public housing estates.

Annex A

Public rental housing blocks
equipped with conventional door-phone systems

<i>Estate</i>	<i>Number of blocks</i>	<i>House</i>	<i>Number of flats</i>
Shek Lei I	1	Shek On	681
Ko Yee	2	Ko Chi	420
		Ko Yuen	491
Lok Fu	4	Lok Him	360
		Lok Tsui	360
		Lok Man	340
		Lok Tai	460
Yiu Tung	2	Yiu On	360
		Yiu Fung	375
Choi Fai	2	Choi Wah	681
		Choi Yip	681
Ka Fuk	3	Fuk Tai	454
		Fuk Lok	723
		Fuk On	681
		Block 5A**	145
Wah Sum (Phase 1)	2	Wah Koon	671
		Wah Min	665
		Block 6A**	145
Shek Yam East (Phase 1)	3	Yam Yue	754
		Yam Hing	757
Shek Yam East (Phase 1)		Yam Heng	759
		Block AX**	145

** Annex block to the existing block

<i>Estate</i>	<i>Number of blocks</i>	<i>House</i>	<i>Number of flats</i>
Sau Mau Ping (Phase 3)	2	Block 3 Block 4	749 830
Tsui Ping	4	Tsui Wing Tsui Heng Tsui Hon Tsui Lok	827 827 749 749
Tsz Oi (Phase 2)	2	Block B Block BX	390 145
Hing Tung (Phase 2)	3	Hing Cho Hing Fung Hing Hong	681 681 681
Ming Tak (Phase 1)	2	Ming Kok Ming Toa	788 775
Kam Peng	1	Kam Peng	255
Kwai Fong (Phase 4)	2	Kwai Ching Kwai Ming	795 798
MOS Area 90 (Phase 1)	1	Chung Tak	787
Lam Tin (Phase 1)	3	Block 4 Block 2 Block 3	759 750 813

<i>Estate</i>	<i>Number of blocks</i>	<i>House</i>	<i>Number of flats</i>
Total	39		24 937

Annex B

Blocks requiring replacement of
conventional door-phone systems by telephone-entry door-phone systems

<i>Estate</i>	<i>Number of blocks</i>	<i>House</i>	<i>Number of flats</i>
On Yam	5	Tak Yam	681
		Yiu Yam	681
		Chak Yam	608
		Fung Yam	658
		Shing Yam	592
Tsz Ching	2	Ching Hong	742
		Ching On	681
Shek Lei (II)	2	Shek Wah	665
		Shek Kai	665
Tsz Lok	2	Lok Tin	681
		Lok Cheung	681
Total	11		7 335

Annex C

Existing Harmony and Trident Blocks
equipped/will be equipped with telephone-entry door-phone systems

<i>Estate</i>	<i>Number of blocks</i>	<i>House</i>	<i>Number of flats</i>
Cheung Fat	1	King Fat	1024
Cheung Hang	6	Hang Chun	749
		Hang Yee	642
		Hang Lai	893
		Hang Chi	659
		Hang Chui	567
		Hang Yip	659
Cheung Hong	4	Hong Cheung	1166
		Hong Fung	800
		Hong Mei	800
		Hong Shun	1264
Cheung On	6	On Chiu	800
		On Hoi	816
		On Kong	814
		On Mei	792
		On Pak	1088
		On Yeung	816
Cheung Wah	2	Cheung Chi	816
		Cheung Tak	792
Choi Ha	3	Choi Sing	864
		Choi Yat	594
		Choi Yuet	693
Chuk Yuen North	8	Cheung Yuen	816
		Chung Yuen	768
		Mui Yuen	808
		Pak Yuen	808

<i>Estate</i>	<i>Number of blocks</i>	<i>House</i>	<i>Number of flats</i>
		Toa Yuen	816
		Tung Yuen	816
		Wai Yuen	1088
		Yung Yuen	816
Fu Heng	6	Heng Cheong	712
		Heng Lung	714
		Heng Tai	714
		Heng Tsui	816
		Heng Wing	792
		Heng Yiu	1054
Fu Shin	6	Shin King	792
		Shin Kwan	1134
		Shin Lun	1134
		Shin Mei	816
		Shin Tsui	816
		Shin Nga	816
Fung Tak	5	Chu Fung	748
		Suet Fung	612
		Toi Fung	816
		Tsz Fung	1054
		Pik Fung	816
Fung Wah	2	Hiu Fung	611
		Sau Fung	607
Hau Tak	6	Tak Chak	681
		Tak Chi	665
		Tak Fu	681
		Tak Hong	665

<i>Estate</i>	<i>Number of blocks</i>	<i>House</i>	<i>Number of flats</i>
		Tak On	672
		Tak Yue	681
Heng On	6	Heng Fung	908
		Heng Hoi	816
		Heng Shan	816
		Heng Sing	816
		Heng Yat	816
		Heng Yuet	816
Hin Keng	8	Hin Fu	612
		Hin Pui	808
		Hin Tak	816
		Hin Wan	612
		Hin Yau	808
		Hin Yeung	792
		Hin Hing	816
		Hin Kwai	612
Hing Tin	3	Choi Tin	816
		Mei Tin	816
		Yan Tin	816
Kin Sang	4	Hong Sang	714
		Lok Sang	612
		Tai Sang	714
		Yue Sang	612
King Lam	5	King Min	891
		King Nam	714
		King Tao	1054
		King Yu	816
		King Yung	707
Kwong Tin	4	Kwong Hin	665
		Kwong Nga	665
		Kwong Yat	681
		Kwong Ching	442

<i>Estate</i>	<i>Number of blocks</i>	<i>House</i>	<i>Number of flats</i>
Kwai Fong	1	Kwai Kin	442
Kwai Shing East	2	Shing Hing	681
		Shing On	390
Kwong Fuk	2	Kwong Chi	816
		Kwong Shung	808
Kwong Yuen	6	Alder	1056
		Banyan	612
		Crypress	612
		Kapok	896
		Oak	612
		Pine	612
Lai On	5	Lai Ching	420
		Lai Lim	260
		Lai Ping	280
		Lai Tak	280
		Lai Wing	260
Lee On	5	Lee Fung	749
		Lee Hing	749
		Lee Shing	636
		Lee Wah	749
		Lee Wing	749
Lei Tung	8	Tung Cheong	816
		Tung Hing	1460
		Tung Mau	1218
		Tung On	800

<i>Estate</i>	<i>Number of blocks</i>	<i>House</i>	<i>Number of flats</i>
		Tung Ping	816
		Tung Sing	808
		Tung Yat	824
		Tung Yip	792
Leung King	7	Leung Chun	952
		Leung Kit	612
		Leung Shui	1088
		Leung Wah	792
		Leung Wai	1088
		Leung Yin	816
		Leung Ying	612
Li Cheng Uk	2	Hau Chi	408
		Hau Lim	414
Lok Wah South	4	Hei Wah	1226
		Man Wah	1224
		On Wah	1224
		Wun Wah	1224
Long Ping	3	Hay Ping	816
		Wah Ping	792
		Yuk Ping	812
Lower Wong Tai Sin (I)	4	Lung Fung	714
		Lung Tat	714
		Lung Yat	612
		Lung Yue	612
Lower Wong Tai Sin (II)	7	Lung Hei	442
		Lung Moon	442
		Lung Wo	442
		Lung Cheong	442

<i>Estate</i>	<i>Number of blocks</i>	<i>House</i>	<i>Number of flats</i>
		Lung Tai	442
		Lung Chi	442
		Lung Wai	442
Ma Hang	4	Chun Ma	176
		Leung Ma	176
		Kin Ma	176
		Koon Ma	132
Mei Lam	1	Mei Wai	1224
On Yam	3	Cheung Yam	681
		Hong Yam	681
		Kar Yam	681
Pak Tin	2	Tsui Tin	204
		Yue Tin	204
Po Lam	4	Po Chi	768
		Po Tai	816
		Po Tak	816
		Po Yan	816
Pok Hong	3	Pok Chi	792
		Pok Tai	816
		Pok Yat	808
Sau Mau Ping 1	2	Sau Fu	390
		Sau On	442
Shan King	6	King Lai	1224
		King Lok	814
		King Mei	1224
		King On	816

<i>Estate</i>	<i>Number of blocks</i>	<i>House</i>	<i>Number of flats</i>
		King Wah	1176
		King Yip	816
Siu Sai Wan	7	Sui Fu	558
		Sui Hei	594
		Sui Keung	558
		Sui Lok	594
		Sui Lung	681
		Sui Ming	665
		Sui Tai	662
Tai Wo	6	Fook Wo	792
		Hei Wo	1077
		Kui Wo	906
		Lai Wo	816
		Sun Wo	816
		Tsui Wo	952
Tai Wo Hau	3	Fu Tai	681
		Fu Tak	681
		Fu Yin	681
Tak Tin	5	Tak Lok	612
		Tak Lung	816
		Tak Shing	1088
		Tak Shui	816
		Tak Yee	612
Tin King	3	Tin Tsui	612
		Tin Tun	792
		Tin Yue	816
Tin Ping	6	Tin Cheung	816
		Tin Hee	816
		Tin Hor	816
		Tin Long	714

<i>Estate</i>	<i>Number of blocks</i>	<i>House</i>	<i>Number of flats</i>
		Tin Mei	816
		Tin Yee	816
Tin Shui	12	Shui Choi	630
		Shui Chuen	681
		Shui Fai	642
		Shui Fung	642
		Shui Kwok	610
		Shui Lam	608
		Shui Lung	681
		Shui Moon	679
		Shui Shing	681
		Shui Sum	681
		Shui Yee	681
		Shui Yip	608
Tin Yiu	12	Yiu Chak	642
		Yiu Cheong	642
		Yiu Foo	884
		Yiu Fung	642
		Yiu Hing	714
		Yiu Hong	612
		Yiu Lung	642
		Yiu Man	1020
		Yiu Shing	642
		Yiu Tai	642
		Yiu Wah	642
		Yiu Yat	816
Tsz Man	3	Man Kin	681
		Man Tai	681
		Man Yue	681

<i>Estate</i>	<i>Number of blocks</i>	<i>House</i>	<i>Number of flats</i>
Tsz Ching	1	Ching Tak	454
Tsing Yi	4	Yee Kui	812
		Yee Wai	606
		Yee Yat	516
		Yee Yip	808
Tsui Lam	4	Choi Lam	816
		Fai Lam	816
		Nga Lam	816
		Yan Lam	816
Tsui Ping	3	Tsui Chung	714
		Tsui Tung	693
		Tsui Yung	816
Tsui Wan	4	Tsui Fuk	540
		Tsui Hong	630
		Tsui Ning	630
		Tsui Shou	540
Tung Tau	2	Chun Tung	576
		Kwai Tung	576
Wah Kwai	5	Wah Hau	612
		Wah Lai	612
		Wah Lim	612
		Wah Sin	714
		Wah Yin	714
Wah Ming	7	Chung Ming	612
		Fu Ming	612
		Hong Ming	612
		Lai Ming	816

<i>Estate</i>	<i>Number of blocks</i>	<i>House</i>	<i>Number of flats</i>
		Shun Ming	1056
		Tim Ming	816
		Yiu Ming	816
Wan Tau Tong	3	Wan Hang	816
		Wan Lam	918
		Wan Loi	952
Wang Tau Hom	4	Wang Cho	442
		Wang Lai	442
		Wang Wai	442
		Wang Yiu	442
Yiu On	6	Yiu Chung	612
		Yiu Him	792
		Yiu Ping	612
		Yiu Shun	800
		Yiu Wing	612
		Yiu Yan	612
Yiu Tung	9	Yiu Fook	675
		Yiu Fu	681
		Yiu Lok	681
		Yiu Wah	677
		Yiu Cheong	300
		Yiu Fai	279
		Yiu Hing	390
		Yiu Kwai	204
		Yiu Ming	230
Total	275		198 449

Elderly Singletons in Public Housing Units

15. **MR FRED LI** asked (in Chinese): *Regarding elderly singletons residing in public housing units, will the Government inform this Council:*

- (a) *of the number of elderly singletons presently residing in public housing units which are planned to be redeveloped in three years' time or thereafter, and the number among this group of elderly singletons who are residing in Mark IV public housing units;*
- (b) *how many of the elderly singletons referred in the answer to (a) above are Comprehensive Social Security Assistance (CSSA) recipients; and*
- (c) *in the light of the incident which took place at the end of last year in which an elderly singleton living in a public housing unit, which was not equipped with an emergency alarm system, was killed in a fire caused by the short circuit of a mosquito extinguisher, whether the authority concerned has:*
 - (i) *conducted any review for the purpose of preventing the occurrence of similar incidents; and*
 - (ii) *any plan in the near future to assign staff to visit elderly singletons living in public housing units who are not CSSA recipients, so as to assist them in applying for the installation of an emergency alarm system; if so, when the plan will be implemented; if not, why not?*

SECRETARY FOR HOUSING (in Chinese): Mr President, there are about 42 700 elderly singletons living in public rental housing estates managed by the Housing Authority. About 11 700 of them are living in flats planned for redevelopment in three years' time or thereafter; of these, about 4 000 are living in Mark IV blocks. The numbers of elderly singletons who are CSSA recipients are given at the Annex.

The incident of the elderly singleton in Sau Mau Ping Estate killed in a fire caused by the short circuit of a mosquito extinguisher last year was an isolated one. The victim was a CSSA recipient who refused the offer to install an emergency alarm system for personal reasons.

The Housing Department has written to all elderly singleton tenants informing them of the procedures involved in applying for the installation of emergency alarm systems. Department staff make regular contacts with these elderly tenants by telephone or through home visits to encourage and help them to apply.

Annex

Elderly singletons who are CSSA recipients

	<i>Number of elderly singletons</i>	<i>CSSA recipients</i>
Elderly singletons living in public rental housing estates	42 700	32 000
Elderly singletons residing in estates which are due for redevelopment in three years' time or thereafter	11 700	8 700
Elderly singletons residing in Mark IV blocks which are due for redevelopment in three year's time or thereafter	4 000	3 000

Assignment of Judges in Civil Proceedings

16. **MR CHIM PUI-CHUNG** asked (in Chinese): *Will the Government inform this Council whether the plaintiff in civil proceedings has the right to make requests to the court regarding the assignment of judges; if not, of the reasons why cases involving certain organizations are always adjudicated by the same judges?*

CHIEF SECRETARY (in Chinese): Mr President, in any trial, litigants have no right to choose judges or to make requests to the court regarding the assignment of judges.

The Judiciary maintains several specialist lists of cases, and assign judges with expertise in these particular areas to hear these cases. Cases falling within the specialist list are therefore usually heard by judges assigned to those lists.

Interest on Paid Excess Tax

17. **MR ALBERT CHAN** asked (in Chinese): *At present, the Inland Revenue Department (IRD) imposes a surcharge not exceeding 5% of the tax in default on a taxpayer who has not paid the tax by the specified date. However, in the event of overpayment of tax by a taxpayer due to the IRD's incorrect assessment, no interest is paid to the taxpayer when the excess tax is refunded. In view of this, will the Government inform this Council whether the IRD has any plan to pay interest to taxpayers who have paid excess tax; if so, when such a plan will be implemented; if not, why not?*

SECRETARY FOR THE TREASURY (in Chinese): Mr President, the surcharge imposed by the IRD on tax overdue is a penalty and a deterrent against default or late payment in tax.

Overpayment of tax by taxpayers would normally arise in the following circumstances:

- (a) the amount of provisional tax paid by a taxpayer exceeds his final tax liability for the same year of assessment due to reduced income, increase in tax allowances or other reasons; or
- (b) correction of an error or omission in the taxpayer's tax return.

In respect of (a) above, a taxpayer may apply to have the whole or part of his provisional tax held over if his net chargeable income for the year concerned is likely to be less than 90% of that assessed provisionally, or if he has become entitled to additional tax allowances in the year in question. In respect of (b) above, the need for revision of assessment and refund of tax paid can be much reduced if taxpayers exercise care in completing their tax returns and file them in

good time. There is no provision under existing law for payment of interest on tax refunded under the above circumstances.

Separately, however, interest is payable in respect of certain tax reserve certificates (TRCs) purchased by taxpayers in connection with their objection to the tax assessment made by the IRD. Under the existing law, if the taxpayer is aggrieved by IRD's assessment, he may lodge an objection. The Commissioner of Inland Revenue will consider his claim and may hold over the whole or part of the tax in dispute on the condition that the taxpayer purchases an equal amount of TRCs. If upon determination of the objection, the whole or part of the tax held over has to be discharged, the taxpayer can redeem the corresponding amount of TRCs purchased and will receive interest on them.

There are thus adequate means under the existing system for taxpayers to avoid overpayment of tax and we do not consider that there is a need for payment of interest on tax refunded.

Comprehensive Social Security Assistance

18. **MR CHENG YIU-TONG** asked (in Chinese): *Will the Government inform this Council of the number of Comprehensive Social Security Assistance (CSSA) recipients who were among the unemployed and low-income categories of CSSA cases in the past three years but who are no longer receiving assistance under the CSSA Scheme, and the respective numbers of these former CSSA recipients who have not applied for CSSA either because their current income exceeds the stipulated income requirement or because of other reasons?*

SECRETARY FOR HEALTH AND WELFARE (in Chinese): Mr President, the Social Welfare Department does not have information on the number of CSSA cases classified under the categories of "unemployment" and "low-income" who are no longer receiving assistance under the Comprehensive Social Security Assistance Scheme. According to the records of the Department, about 1 500 "unemployment" cases under the Scheme were closed in 1994, 2 300 in 1995 and 4 000 in 1996, but no statistics are available on the specific reasons for closing these cases.

Mandatory Provident Fund

19. **MISS CHRISTINE LOH** asked: *It is learnt that the Administration has proposed that a specified proportion of the Mandatory Provident Fund (MPF) is to be denominated in Hong Kong dollar. In this connection, will the Administration inform this Council:*

- (a) of the percentage of the MPF which it has proposed to be held in Hong Kong dollar;*
- (b) of the objective of imposing the above restriction, and whether such a restriction in effect imposes a ceiling on the MPF's exposure to foreign currency; and*
- (c) whether such a restriction contravenes Article 112 of the Basic Law which stipulates that the Hong Kong Special Administrative Region will not adopt foreign exchange controls?*

SECRETARY FOR FINANCIAL SERVICES: Mr President,

- (a) It has been proposed that the percentage of the MPF assets to be held in Hong Kong dollar should be 30%. Nevertheless, hedging of foreign currency assets into Hong Kong dollars is allowed for the purpose of determining compliance with the limit.
- (b) The objective of imposing such a requirement is to protect the contributors and pensioners against excessive currency risk. It is also a prudential measure designed to ensure that MPF funds are so managed that they will have adequate Hong Kong dollar assets on their balance sheet to meet their predictable Hong Kong dollar obligations, given that most MPF beneficiaries will retire in Hong Kong.

While such a requirement effectively imposes a ceiling on the MPF's exposure to foreign currency, through hedging of the foreign currency assets into Hong Kong dollars, a scheme could have all its assets invested in foreign currency assets, provided that there is appropriate currency forward contracts in place to convert foreign currency into Hong Kong dollars.

As a matter of fact, this requirement is similar to the prudential measures imposed by other regulatory regimes. Many countries, including Germany, Canada, and Japan, which have no exchange control policy, also set maximum foreign currency exposure limits on pension funds on prudential grounds.

- (c) Such a requirement is not foreign exchange control and, therefore, it is not in conflict with Article 112 of the Basic Law. First of all, foreign exchange control policies would be those which impose controls on the ability of holders of Hong Kong dollars to exchange them for a currency of another country. The proposed MPF regulation would not have such an effect. It would not prohibit the exchange of Hong Kong dollars for their equivalent in money in either Hong Kong dollars or currency of another country.

Secondly, the proposed regulation does not contain a specific requirement that MPF assets denominated in Hong Kong dollars have to be maintained in Hong Kong. There would be no restriction on the freedom of movement of capital in and out of Hong Kong. This is a feature that is inconsistent with the notion of exchange control.

Exchange control regulations are usually imposed for reasons of conserving gold and foreign currency reserves, protecting the currency itself and/or helping to maintain the balance of payments. The proposed MPF regulation relating to the maximum limit on foreign currency exposure is not devised for any of these reasons. It is, instead, a prudential measure designed to protect the interests of MPF beneficiaries.

Traffic Accidents Caused by Tail-gating

20. **DR JOHN TSE** (in Chinese): *As the occurrence of some traffic accidents is due to tail-gating, will the Government inform this Council:*

- (a) of the number of traffic accidents caused by tail-gating, as well as the number of casualties arising from such accidents, in each of the past five years; and*
- (b) whether it will consider introducing legislation to prohibit tail-gating by motorists so as to prevent the occurrence of such accidents?*

SECRETARY FOR TRANSPORT (in Chinese): Mr President,

- (a) Statistics on traffic accidents caused by driving too close to the vehicle in front and the associated number of casualties in the last five years are summarized at Annex.
- (b) In a rear-end collision, the driver of the second vehicle may be charged with careless driving. It is impractical to introduce legislation to prohibit driving too close to the vehicle in front because keeping a safe distance cannot be easily defined. A safe distance varies with the prevailing speed of the vehicles and other factors such as road conditions.

However, as a general guideline, the Road Users' Code suggests the use of a two-second gap under normal conditions in judging whether or not a sufficient distance is kept from the vehicle in front.

In July last year, we introduced, as a trial, chevron markings on a section of Tolo Highway near Hong Lok Yuen Interchange to assist motorists in keeping a safe distance. These markings give a two-second gap on the basis of the maximum speed allowed on that stretch of the road.

We believe continuous vigilance on enforcement and publicity is needed to reduce the hazards of driving too close to the vehicle in front. Government publicity is made through various channels, including the Road Safety Quarterly, Government announcements on radio and pamphlets issued by the Transport Department.

Annex

Table 1 : Traffic accident caused by driving too close to vehicles in front

Severity of Accident

<i>Year</i>	<i>Fatal</i>	<i>Serious</i>	<i>Slight</i>	<i>Total</i>
1992	7	169	1 280	1 456
1993	11	159	1 323	1 493
1994	14	173	1 499	1 686
1995	7	207	1 452	1 666
1996	14	181	1 396	1 591

Note : These accidents constitute about 10% of the annual accident totals.

Table 2 : Casualties associated with accidents in Table 1

Degree of Injury

<i>Year</i>	<i>Fatal</i>	<i>Serious</i>	<i>Slight</i>	<i>Total</i>
1992	8	190	2 290	2 488
1993	11	181	2 325	2 517
1994	17	200	2 518	2 735
1995	7	244	2 620	2 871
1996	17	215	2 427	2 659

GOVERNMENT BILLS

First Reading of Bills**ADMINISTRATION OF JUSTICE (MISCELLANEOUS PROVISIONS)
BILL 1997****AUXILIARY FORCES PENSIONS (MISCELLANEOUS AMENDMENTS)
BILL 1997**

Bills read the First time and ordered to be set down for Second Reading pursuant to Standing Order 41(3).

Second Reading of Bills**ADMINISTRATION OF JUSTICE (MISCELLANEOUS PROVISIONS)
BILL 1997**

THE ATTORNEY GENERAL to move the Second Reading of: "A Bill to amend the law relating to the respective judicial qualifications for appointment as a judge of the Supreme Court, District Judge, an adjudicator of the Small Claims Tribunal and a coroner, to amend the Defamation Ordinance to provide for the functions of the judge and jury on the trial of an indictment for libel, to repeal certain obsolete Ordinances and to amend the Magistrates Ordinance in relation to proof of service of summons."

ATTORNEY GENERAL: Mr President, I move that the Administration of Justice (Miscellaneous Provisions) Bill 1997 be read the Second time. The Bill aims to amend seven Ordinances which relate to the administration of justice and which need revision or improvement, and to repeal eight Ordinances which are no longer needed or do not suit Hong Kong's present circumstances. The main elements of the Bill are as follows.

Part II of the Bill amends the Supreme Court Ordinance, the District Court Ordinance, the Small Claims Tribunal Ordinance and the Coroners Ordinance to modernize the qualifications for judicial appointment under those Ordinances.

At present, some of the professional qualifications and post-qualification experience required for judicial appointment contain colonial connotations. For example, under section 5(1) of the District Court Ordinance, no person shall be appointed to be a District Judge unless, among other matters, "he is qualified to practise as an advocate or as a solicitor in a court in England, Scotland, Northern Ireland or some other part of the Commonwealth or the Republic of Ireland having unlimited civil or criminal jurisdiction in that country". There are similar provisions in the Small Claims Tribunal Ordinance and the Coroners Ordinance. Furthermore, under section 9 subsection (2) of the Supreme Court Ordinance, service as a member of the Colonial Legal Service, the Legal Branch of Her Majesty's Overseas Civil Service, or Her Majesty's Overseas Judiciary is recognized as relevant experience in the consideration of a person's qualification for appointment as a judge of the Supreme Court. It is necessary to modernize these outdated provisions.

We propose to replace those overseas qualifications by a standard requirement that, to be eligible for judicial appointment, an applicant who is not qualified to practise in Hong Kong as a barrister or solicitor must be qualified to practise as an advocate in a court in another common law jurisdiction. This is consistent with Article 92 of the Basic Law, which provides that judges and other members of the judiciary of the Hong Kong Special Administrative Region shall be chosen on the basis of their judicial and professional qualities and may be recruited from other common law jurisdictions, and will also assist Hong Kong in retaining its links with the common law world.

Although this is not the purpose of the proposal, the amendments will also have the effect of widening the pool of eligible candidates for judicial appointment. For example, an overseas advocate with no Hong Kong or colonial experience is at present eligible for appointment as a High Court Judge only if he has 10 years' experience as an advocate or solicitor in the United Kingdom or the Republic of Ireland. Under the proposed amendments, an advocate with 10 years' experience in any common law jurisdiction will be eligible. I would, however, emphasize that the Judiciary remains committed to attracting Hong Kong lawyers to become judges and magistrates.

Part III of the Bill amends the Application of English Law Ordinance and the Defamation Ordinance in order to tidy up the legislative provisions concerning the functions of the judge and jury in a trial on indictment for criminal libel. At present, the Application of English Law Ordinance provides that the English Libel Act 1792 applies in Hong Kong. That Act states that it is the members of the jury, rather than the judge, who are to decide whether the words complained of in a libel case refer to the plaintiff, and whether the words have a defamatory meaning. We propose to amend the Defamation Ordinance to include provisions similar to those in the Libel Act. Consequently, the Bill provides for the reference to that Act in the Application of English Law Ordinance to be repealed.

Part IV of the Bill repeals the General Loan and Stock Ordinance, the Hong Kong Treasury Bills (London) Ordinance, the Public Stores Ordinance, the Essential Commodities Reserves Ordinance, the Law Reform (Miscellaneous Amendments) Ordinance, the Norwegian Seamen's Mission Incorporation Ordinance, the Institute of the Soeurs des Missions Etrangeres Incorporation Ordinance and the Hong Kong General Chamber of Commerce Special Relief Fund Ordinance. These Ordinances are either redundant or no longer suitable to Hong Kong and should be repealed.

Finally, Mr President, Part V of the Bill amends the Magistrates Ordinance in respect of the proof of service of a summons. At present, under section 8(3) of the Magistrates Ordinance, a statutory declaration made by a police officer or bailiff stating that he personally delivered a summons to the person named in the summons is admissible as evidence of service without further proof. However, such a declaration only covers a situation where the summons was personally delivered to the relevant person. Where the summons was left with a third person at the recipient's last or most usual place of abode, the person serving the summons must currently appear in court to give evidence of its service. This has resulted in the inefficient deployment of the police officer's or bailiff's time. The proposed amendment to section 8(3) will recognize a statutory declaration as proof of service where the summons was left with a third person at the recipient's last or most usual place of abode.

Mr President, this Bill is a further move to modernize and tidy up outdated or redundant legislative provisions. I commend it to this Council for early passage into law. Thank you.

Question on the motion on the Second Reading of the Bill proposed.

Debate on the motion adjourned and Bill referred to the House Committee pursuant to Standing Order 42(3A).

AUXILIARY FORCES PENSIONS (MISCELLANEOUS AMENDMENTS) BILL 1997

THE SECRETARY FOR SECURITY to move the Second Reading of: "A Bill to amend various Ordinances and subsidiary legislation relating to pensions and other benefits in respect of the auxiliary forces."

SECRETARY FOR SECURITY: Mr President, I move that the Auxiliary Forces Pensions (Miscellaneous Amendments) Bill 1997 be read a Second time.

This Bill seeks to introduce a unified scheme of calculation and payment of pensions and gratuities for the auxiliary forces.

Members of the auxiliary forces, unlike civil servants, are not eligible for pension emoluments upon normal retirement. However, a pension and/or a gratuity may be awarded to a member or his dependants if he is permanently injured or killed in connection with his duties. The payment of such pension and gratuity is provided for in the respective Ordinances of individual auxiliary forces.

There are a number of deficiencies in the present legislation concerning the calculation and payment of pensions and gratuities to members of the different auxiliary forces. For instance, the widow and dependants of a deceased member would be eligible for pension benefits, but not the widower and dependants if the deceased member is a female. There are differences in the calculation and payment of pensions for different auxiliary forces, and existing legislation does not provide for the necessary medical treatment for a member of the auxiliary forces who has retired because of an injury sustained in the course of his/her duty.

The Auxiliary Forces Pensions (Miscellaneous Amendments) Bill 1997 aims to provide a common basis and benchmark for the calculation of pensions and gratuities for different auxiliary forces in order to ensure fairness and uniformity. It will also bring the system for auxiliary forces in line with that for the Civil Service.

Under the unified scheme as provided for in the Bill:

- (a) an injury pension will be granted to a member who is permanently injured while on duty and whose service has to be terminated, and such an injury pension will be exempted from salaries tax;
- (b) a death gratuity will be granted to a member who dies as a result of any injury sustained in the discharge of his duty;
- (c) in addition to a death gratuity, a dependant pension will be paid to the spouse, covering both widows and widowers, and the dependants of a member who dies as a result of any injury sustained in the discharge of his duty;
- (d) increases to pensions will be paid in line with those applicable to members of the Civil Service; and
- (e) free medical treatment in respect of injuries sustained in the course of duty will be provided to a member who has retired because of that injury.

The Legislative Council Panel on Security was briefed on 28 October 1996 on the proposed legislation, and has not raised any queries. Early enactment of this Bill will be welcomed by members of the Auxiliary Services, who have done and will continue to do so much in support of the overall Government's efforts to maintain order, security and safety of the community. I urge Honourable Members to give this Bill speedy consideration.

Thank you, Mr President.

Question on the motion on the Second Reading of the Bill proposed.

Debate on the motion adjourned and Bill referred to the House Committee pursuant to Standing Order 42(3A).

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Two motions with no legal effect. I have accepted the recommendations of the House Committee as to the time limits on speeches for the motion debates and Members were informed by circular on 20 January. The movers of the motion will each have 15 minutes for their speeches including their replies, and another five minutes to speak on the proposed amendments. Other Members, including the movers of the amendments, will each have seven minutes for their speeches. Under Standing Order 27A, I am obliged to direct any Member speaking in excess of the specified time to discontinue his speech."

RENT ASSISTANCE

MR JAMES TO to move the following motion:

"That this Council urges the Government to provide rent assistance to persons who have been waiting for allocation of public rental flats for some time, so as to relieve the hardship of low-income people caused by the need to pay exorbitant rent."

MR JAMES TO (in Cantonese): Mr President, the two livelihood issues that have aroused most heated discussions recently in the community are poverty and housing. The problems of "poverty" and "housing" are interrelated. For the low-income groups, the problem of "housing" is the main cause of "poverty". Our proposal for "rent assistance" seeks to bring relief to the poverty problem through housing.

"Working hard for a flat" is a description that befits most Hong Kong people. People with higher incomes often have to spend some \$20,000 or more on mortgage repayment, or over \$8,000 on the rent for a flat of 400 sq ft. As for the lower income groups, the problem may be less serious if they live in public housing. However, if they are yet to be allocated public rental flats and living in private housing, they will have to toil day and night for the rent. At present, people leading the most difficult life are those with income below the Waiting List Income Limit of public housing and waiting for public rental flats, yet unable to obtain or for various reasons not having applied for Comprehensive Social Security Assistance (CSSA).

Let us look at some statistics first. According to the Household Expenditure Survey in 1994, for a four-member family living in private housing, whose expenditure roughly corresponds to that of families with income on a par with the Waiting List Income Limit, rent accounted for almost 40% of their expenditure, whereas for households living in public housing, rent accounted for less than 10% of their total expenditure. Obviously, if they were allocated public housing, many problems could have been solved. If we look at income, as shown in the 1996 By-census, the average four-person family not allocated public housing had to spend 30% of its income on rent.

I am acquainted with a couple whose three teenage children are still at school. The whole family lives solely on the some \$7,000 earned by the husband from his job in a restaurant. They live in a fixed room of some 100 sq ft without a kitchen or a toilet of their own. The husband has to sleep on the floor, while his wife and the children sleep in a double-decked bed. How much is the rent? Over \$3,000! Another couple with two children live in a rented cubicle of about 80 sq ft. The father and son sleep on the floor. The rent is over \$2,000. While both families have applied for public housing, they will probably have to wait another five years before they are offered public housing, which means that they will have to pay exorbitant rent for at least two more years. We should note that people like these couples are not the minority, nor the worst off. In Tai Kok Tsui, the rent for a room of some 200 sq ft is at least \$4,000 a month, while a newer one charges well over \$5,000. Rents are even more expensive in Mong Kok and Wan Chai. I can easily find a large number of residents who live like this in the neighbourhood.

Their living standard is far lower than that secured by CSSA. The current level of CSSA provides each person with an average payment of \$2,200 a month, apart from the rental allowance granted under the scheme. In the above-mentioned two examples, each person has only some \$800 a month at his or her disposal, which is less than half of the amount secured under the CSSA scheme. If their income were on a par with the Waiting List Income Limit, they might be somewhat better off than living on CSSA after paying the rent. However, the average income of a four-member family waiting for public housing is only \$10,200. When they have to spend \$3,000 to \$4,000 on rent, there will only be \$6,000 to \$7,000 left to the disposal of the four members. The amount is even less than that of provided under CSSA.

Of course, the Government will say, "As they live such a hard life, they can apply for CSSA. The rental allowance of CSSA has already been increased. The low-income groups are already well looked after." However, at present, people with the biggest problems are not the ones eligible for receiving CSSA. If they are unemployed or unable to work, they will naturally be looked after under CSSA. But in the above two examples, since they have to spend \$3,000 out of the some \$7,000 of their income on rent, their living standard is actually lower than those who receive CSSA. Can they not apply for CSSA? They can. However, there are numerous complicated and unpleasant application procedures to go through before you can get some \$1,000 from the CSSA payment. In reality, no one would bother to apply in such cases. One of the above-mentioned families did apply for CSSA. However, when the staff of the Social Welfare Department learned that they had an income of over \$7,000, they made all sorts of difficulties for them. Finally, they decided to give up. If the Government says that the level of CSSA represents the 'minimum' living standard, these people live clearly below standard, and the existing policy has no means to help them.

This state of affairs has a great deal to do with the Government's housing policy. The Long Term Housing Strategy in 1987 envisaged that the housing problem could be solved by 1997. This projection is clearly off the mark. The Government has instead made an about-face or tried to make an about-face in its housing policy by reducing the proportion of public rental housing to be built. In the past, the Government carried out construction of public housing on a large scale. As a result, many residents such as the squatter population and boat dwellers who could not rely on the market to solve their housing problems had the chance to move into homes with a better environment at a relatively low rent.

However, due to the Government's miscalculation and change of policy, the housing problem which could have been eliminated has remained unresolved. My Colleague the Honourable LEE Wing-tat will talk about these matters in detail.

We think that the fundamental solution to this problem is to build more public rental flats. However, since the Government cannot increase the supply of public housing in the short term, we can only make a concession and demand that the Government should provide rent assistance to the people on the public housing Waiting List in some form. For instance, it can grant a certain amount of assistance to people who have been on the Waiting List for a certain number of years, so as to improve their lot. The Democratic Party has a concrete plan, which the Honourable LAW Chi-kwong will explain in greater detail. While the detailed arrangements are negotiable, on the whole, given the Government's present pace in public housing construction, I can think of no other ways which can relieve the hardship of these people in the short term, except by providing them with rent assistance.

We think that we cannot support the Honourable Frederick FUNG's proposal, who deems it necessary to assist only people in "abject poverty". Actually, people with an income at the income limit are worse off than those who receive CSSA. It is exactly this group of people that we think require assistance, and there is no existing mechanism to help them. If you just want to help people in "abject poverty", it is just like what the Government says, "Apply for CSSA if you cannot solve the problem."

The amendment proposed by the Honourable Miss CHAN Yuen-han, whether in principle or details, contains nothing controversial and can be said to be exactly the same as our motion. Of course we also hope to build more public rental flats. Since we are motivated by the same spirit of helping the low-income people, we will support the amendment.

With these remarks, I move the motion.

Question on the motion proposed.

PRESIDENT (in Cantonese): Members have been informed by circular on 20 January, that Miss CHAN Yuen-han and Mr Frederick FUNG have separately given notices to move amendments to this motion. As there are two amendments to the motion, I propose to have the motion and the amendments debate together in a joint debate.

Council shall now debate the motion and the amendments together in a joint debate. I will call upon Miss CHAN Yuen-han to speak first, to be followed by Mr Frederick FUNG; but no amendments are to be moved at this stage. Members may then express their views on the main motion as well as on the proposed amendments to the motion.

MISS CHAN YUEN-HAN (in Cantonese): Mr President, housing is a necessity of life. In Hong Kong, there is an inadequate supply of housing. Some people, especially the low-income families, are spending 40% to 50%, and even 60% of their family income on housing. They are forced to pay exorbitant rent. They scrape and save all for the sake of a roof over their head. However, in return for the exorbitant rent, they only get a cramped living environment. In some old districts such as Tokwawan and Hung Hom, with which I am familiar, there are numerous examples of the whole family sleeping and eating on the same bed. The whole family toils the better part of their lives for a place to live in. Is it really true then that "poor families are plagued by a hundred troubles"?

Faced with the large number of people who do not have a decent place to live in, how can the Government turn a blind eye and a deaf ear to the problem? Housing in Hong Kong is in such short supply that it has always been of concern. It is a problem which affects the whole society. A responsible government should put itself in the place of low-income families and provide comprehensive assistance to families eligible for the allocation of public housing and which have been on the Waiting List for some time.

At present, the criteria for public housing application are very stringent. All the eligible families are among the low-income groups. However, the Long Term Housing Strategy in 1987 did not give priority to meeting the housing needs of the low-income families. Instead, it placed the emphasis on private housing and home ownership, while the supply of public housing was to be gradually reduced. Instead of solving the problem of public housing shortage, this only made things worse. In the end, it failed to honour its promise to

satisfy the needs for public rental flats of the families on the Waiting List before 1997. Up to this moment, there are still more than 100 000 families on the queue for public housing. In the 1995/96 fiscal year, except for Tuen Mun and the Outlying Islands, where the average waiting time was about four years, the waiting time in other districts was seven to eight years. Due to the shortage of small flats, many singletons have been waiting for over 10 years.

Mr President, on the other hand, the Government's high premium policy has forced private housing tenants to pay exorbitant rent. Despite the Home Ownership Scheme and Sandwich Class Housing Scheme, which are in place to help improve the living environment of the middle-income families, the low-income families are neglected. There is no comprehensive rent assistance policy to help the low-income families which have been on the Waiting List for a long time. The Government's wrong priorities have not only forced the poor families to pay exorbitant rent and to practise strict economy, but affected their normal family life. I have dealt with quite a number of cases where couples were forced to divorce or put off their wedding since their income was too low to afford the rent of private housing, while the allocation of public housing was so remote. We also see that among these poor families, even when one gets married, life will only become harder because of the rent. They can only go around begging for help, at the doors of the Housing Department or legislators, and from the community at large. Can we not feel sorry for them?

Mr President, the current Public Housing Rent Assistance Scheme only provides temporary assistance to the public housing households in hardship. Even such a small benefit is not of reach of the private housing tenants. If they are in financial difficulty, they can only apply for Comprehensive Social Security Assistance (CSSA). Unfortunately, CSSA only benefits the really impoverished families in our society. The ineligible low-income families have to bear the enormous housing expenses on their own. We see that the Gini Coefficient rose from 0.476 in 1991 to 0.518 in 1996, which reflects the aggravating disparity of wealth in Hong Kong. The poor people have become even poorer. The number of CSSA recipients shows that the number of poor people is rising. Naturally, the Government is duty-bound to help the poor. The rent assistance scheme will have a role to play in relieving the hardship of the poor families and stabilizing society.

Mr President, in today's original motion, the Honourable James TO proposes to provide rent assistance in order to relieve the hardship of the low-income groups caused by the need to pay exorbitant rent. This is in line with the position of the Hong Kong Federation of Trade Unions (FTU). All along, the FTU advocates giving priority to relieving the hardship of the families waiting for public housing. It is only in defining who should be benefitted that our viewpoints differ somewhat from each other.

I propose the amendment because I think that although this issue was raised a long time ago, we have to arouse the concern of society by joining our efforts. It is in order to direct the attention of the whole society towards these needy people and stimulate discussion that I propose the amendment.

As for the Honourable Frederick FUNG's amendment, its spirit and principle are basically the same as ours, although its eligibility criterion is different. With the objective of helping the poor, we can adopt an open attitude towards the specific measures and reach consensus through discussion.

Mr President, despite some differences in the technicality of implementing the rent assistance scheme, I feel that the original motion, the Honourable Frederick FUNG's and my amendment are of the same in spirit. We all aim at arousing the concern of our society about the living conditions of the poor through today's debate. Therefore, the FTU supports the Honourable James TO's original motion and the Honourable Frederick FUNG's amendment.

Mr President, I must emphasize that rent assistance is only a short term, transitional measure, and it cannot really help improve the living environment of the recipient families. The fundamental solution to coping with the housing needs of the low-income families is to increase the allocation of land and speed up the pace of construction, in order to increase the supply of public rental flats and reduce the waiting time for public housing. Hence, I will look out for the Long Term Housing Strategy Review to be released the day after tomorrow and see whether it contains any corresponding measures and whether it shows any sincerity in solving the housing problems of the families in hardship.

Mr President, these are my remarks.

MR FREDERICK FUNG (in Cantonese): Mr President, the original motion is basically the same as the one proposed by the Hong Kong Associations for Democracy and People's Livelihood (ADPL) to the Government two years ago. Recently, some voluntary organizations have, in discussing the issue on abject poverty, mentioned that rent assistance was one of the solutions to the problem. Some members from individual voluntary agencies told me that they hoped the Legislative Council would discuss the issues on abject poverty and rent assistance. Since the motion raised by Mr James TO is basically similar to our proposal, I thus take this opportunity to raise my own amendment, hoping to arouse the Government's concern over the problem of abject poverty, and in particular rent assistance for the poor.

According to the Report on the Expenditure Pattern of the Low Expenditure Households in Hong Kong released by the Hong Kong Council of Social Service and Oxfam Hong Kong, there were about 141 000 non-CSSA recipient households living in "abject poverty" in 1994-95. I have to stress that they were non-CSSA recipient households, representing 9.3% of the total households in the territory with a total population of 490 000. During the same period, about 110 000 households received CSSA. All in all, there were about 250 000 households living in abject poverty, representing 15.5% of the total households across the territory.

The Report also pointed out that about 10 to 15% of the singleton and 4-person households had to cut down their expenses on food to pay for accommodation. As for households with 2,3 and 5 persons or above, about 5% to 10% of them had to cut down their expenses on food. These impoverished families in fact had to go hungry. For the lowest 5% to 10% expenditure group of single person households, their expenses on food were \$869, which was \$125 less than the \$994 spent by single elderly CSSA recipients. As for the lowest 5% expenditure group of singleton households, the outgoings on food was as low as \$525, which was less than \$6 for each meal. This reflected the sad side of a wealthy community.

According to the study, impoverished households had to go hungry because they had to spare money to meet the ever-increasing housing expenses, in particular the rent. If they had additional income, they would spend it on food, instead of other expenses, to improve their living. Thus the crux for improving the "going hungry" status of the impoverished households is to relieve their housing burden. I suggest that the Government should provide rent

assistance to poverty-stricken households in the territory, in particular those living in private housing, so as to lessen their housing burdens and relieve them from hunger. This measure should be implemented immediately and brook no delay.

ADPL proposes that the Government should adopt the international definition for poverty in drawing the poverty line. This means families with an income equal to or less than 50% of the median household income should be classified as living in abject poverty. For example, the current median household income for a singleton household is about \$9,000 and half of it means \$4,500; the median household income for a 4-person household is about \$16,000 and half of it is about \$8,000. The Government should grant rent assistance to families living in private housing on or below the poverty line. The conditions for receiving rent assistance are that those families must apply for public housing, and the areas of their flats must be below the maximum allotted area provided by the Housing Authority. These impoverished families can receive rent assistance until they are allotted with public housing flats. Under the existing requirement, new immigrants are qualified for registration on the Waiting List even though they have not met the requirements for living in public housing flats. Impoverished new immigrant households living in private housing will also benefit from my suggestion on rent assistance. As regards which departments or organizations should be responsible for rendering rent assistance, I think the Government can further consider this matter after it has agreed to the principle of rent assistance.

In calculating the ceiling of rent assistance, the maximum area allotted and the highest public housing rent for each type of household, which are adopted by the Housing Authority in setting the Waiting List Income Limit, should be used as the base and multiplied by 1.5. Taking a 4-member family as an example, the amount of rent assistance is: 43 sq m (maximum area allotted in public housing) x \$57.5 (highest rent per sq m) x 1.5 = \$3,708.

To multiplier of 1.5 is based on a proposal on housing assistance in the CSSA Scheme. Since private housing is measured in gross floor area and public housing is measured by net floor area, the 1.5 multiplier is necessary for balancing out the difference in measurement between private and public housing.

Finally, I would like to point out that people living in public housing and suffering from financial hardship are covered by the rent relief scheme;

occupants of public or private housing who want to own a flat but have financial difficulties are covered by the Government's interest free loan schemes; people living in extreme poverty can apply for CSSA to pay for their rent. However, for those 9.3% of our people, that is 141 000 impoverished families with 490 000 people, which I have just mentioned and highlighted in the report of the Hong Kong Council of Social Service and Oxfam Hong Kong, as they do not, cannot or would not apply for CSSA, or because their income is just above the limit of CSSA, they receive no housing assistance of any type.

Mr President, today we move the motion and the amendments in hope of drawing our attention to their plight and the urgency of the problem. We hope that the Government will consider the issue.

Thank you, Mr President.

MR LAU CHIN-SHEK (in Cantonese): Mr President, over the recent years, the Legislative Council has debated many times about the housing problem of Hong Kong and urged the Government to adopt effective measures to solve the housing problem of our community, especially for the low-income groups. Unfortunately, up to now the Government still turns a deaf ear to the opinion of this Council and, as a result, hundreds of thousands of people in Hong Kong have to practise strict economy for the high rent and their normal life is seriously affected.

When we see that some families have to divide a can of food for several meals in order to get enough money for the rent, can we not feel sad?

When we see that some people have to sacrifice the extracurricular activities of their children in order to save a few dollars, can we feel easy?

When we see that there are still a large number of people who live in units of poor sanitary condition and which are so small and packed that one can hardly turn inside, can we not be grieved?

When we see that bad living conditions cause families disputes or even tragedies, can we not sigh?

In any economically developed and civilized society, these conditions would not be tolerated.

Today we are demanding that rent assistance be given to those people who have been in the public housing queue for a period of time. This is not a favour or alms bestowed by the government because every person has the right to live in a safe, peaceful and decent place. This is part of basic human rights.

In 1966, the United Nations passed the International Covenant on Economic, Social and Cultural Rights, in which Article 11 states, "The States parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions."

In 1991, the United Nations Economic, Social and Cultural Rights Committee further passed the resolution on "adequate housing rights", which ensures that the public, regardless of their age, economic status, class or other factors, can obtain adequate housing through a reasonable and feasible way. Adequate housing refers to a sufficient and safe place capable of resisting the threat of external environments, including bad weather, and furnished with sanitation equipment and basic supply of water and electricity. There should also be community facilities such as employment and education. The resolution also states clearly that housing expenses should be at a level affordable by the people and they should not feel hesitant or anxious because they have to pay for their housing, nor should the expenses required for a normal and healthy life be influenced.

Although the United Kingdom is a State Party to the above-mentioned Covenant and Article 39 of the Basic Law states that the provisions of the Covenant shall remain in force in the Special Administrative Region Government, the right of adequate housing and other economic, social and cultural rights listed in the Covenant have never been taken seriously by the Government and the society at large. Some people may think that the above rights are secondary issues when compared with the civil and political rights. Many stipulations in the International Covenant on Economic, Social and Cultural Rights may not be easily implemented through legislation, and this has been used as an excuse by certain people for the Government's indifference or shirking of responsibility. However, I would like to point out that actually the two Covenants are of equal status and the rights listed in them are all parts of basic human rights which cannot be separated.

Try to think about this. If people have to spend most of their time and energy in their life in order to earn enough income to pay for housing expenses, how can they exercise their political rights or participate in the community that is so closely linked with them? To ensure that people can exercise effectively their civil rights, we should secure them with a certain living standard and doubtlessly housing is most important. Therefore, the debate today aims not only at rescuing the weak and helping the poor. The more important issue is whether we are sincerely committed to materializing the human rights concept that is so often spoken of, and whether we can tolerate the fact that people cannot exercise their civil rights because of their deplorable living standards.

Mr President, these are my remarks. Thank you!

MR LAW CHI-KWONG (in Cantonese): Mr President, many a time this Council has talked about how to eradicate poverty and bridge the gap between the rich and the poor. The Democratic Party now hopes that the Government can formulate a comprehensive policy to eradicate poverty and bridge the gap between the rich and the poor in areas of finance, revenue, manpower, housing, health services, and social welfare. Through the Honourable Mr James TO's motion, the Democratic Party proposes a rent assistance policy, which is specific and goal-orientated. First, the proposed rent assistance policy is based on the research conducted by the HKCSS and Oxfam on poverty in Hong Kong. Second, it is similar to the existing public housing policy, which offers rent concession to households in hardship, that is, households whose rent exceeds 25% of their income and whose income is less than half of the ceiling income for public housing applicants. Lastly, it corresponds with the rent allowance under the current CSSA.

The Democratic Party also emphasizes that the long term solution for exorbitant rent is to speed up the construction of public rental flats to meet the housing demand of the community and to relieve the "rent pains" of the tenants in private flats, who have to endure many cutbacks under the exorbitant burden. Rent assistance is a temporary measure only. It may be set for five years initially, and then reviewed. During the five-year period, the Government

should increase the production of public rental flats to house the people on the Waiting List, and to shorten the waiting time to a more reasonable level.

Details of the Democratic Party's proposal on rent assistance are set out in the circulars to all Honourable Members and the press, and was briefed by the Honourable Mr James TO just now. So I just go over the salient points here:

1. The Democratic Party proposes that the Government should provide rent assistance for the people on the Waiting List as a means to alleviate their rent burden and hardship to achieve its objective of helping the poor.
2. The ceiling income for public housing applicants is equivalent to, or even lower than, that for CSSA applicants. Hence, the Democratic Party suggests that rent assistance be granted to people who have been on the Waiting List for three years and are still eligible but have not yet been allocated a flat. The three-year period I have just mentioned is an initial suggestion, which is open to discussion.
3. The funds needed for this policy can be obtained through injection from the general revenue into the Housing Department for its implementation, which is similar to the practice of the Sandwich Class Housing Scheme operated by the Housing Society.
4. The rent assistance level should be the difference between the rent for private and public housing, as public housing tenants have to pay rent too. For example, if a four-person household actually pays \$3,000 for rent, and the rent for public housing is \$2,000, the amount of assistance will be \$1,000.
5. In order not to encourage applicants to live in flats at above-market rent, the Democratic Party proposes an assistance ceiling. It is the difference between the rent for the smallest public rental flat offered to the applicant household and the average market rent of a private flat similar in size. This sounds a bit complicated. Here is an example. The smallest flat offered to a four-person household at overcrowded level is 22 sq m. The average market rent for a private

flat of that size is about \$5,500. If the actual rent of the applicant household is more than \$5,500, no rent assistance will be granted for the part over that amount.

6. Besides, the Democratic Party believes that assistance given to non-CSSA recipients should not exceed that for CSSA recipients. Hence the rent allowance ceiling for CSSA should form another ceiling of rent assistance for non-CSSA recipients. Currently the maximum rent allowance for a four-member family under CSSA is \$3,676.

The above-mentioned proposal involves many details, such as sources of funds, assistance level, applicant qualification and the administering department. We make these specific suggestions in order to initiate extensive discussions among the public.

I do hope that Honourable Members of different parties will vote for the principle of our motion to support the policy to implement rent assistance and send forth a clear message to the Government, rather than bickering over the minute details.

The Honourable Mr Frederick FUNG said that he proposed an amendment to the motion to include wordings such as families in abject poverty as he wanted to arouse discussion on helping the impoverished households. In fact, the Honourable Mr Frederick FUNG cares about this issue and wants the Government to render special assistance to the families in abject poverty. We appreciate his effort very much. Nonetheless, the problems is that it will only complicate the issue if controversial wordings such as household in abject poverty are introduced into a motion as specific as a rent assistance policy. If the Honourable Mr Frederick FUNG thinks that the income of a household in abject poverty is even lower than the ceiling income for public housing, we would like him, or other ADPL members, to propose a level below which abject poverty is defined. However, this is not the core of the issue. As it has been repeatedly pointed out, those households with an income not exceeding the ceiling income for public housing but not allocated public housing flats are poor enough indeed, if they have to bear exorbitant rent. It is meaningless to argue over the definition of "abject poverty". Hence, we do not want to digress our discussion and waste time on that definition. Instead, we should focus on

discussing the rent assistance policy. We therefore cannot support the Honourable Mr Frederick FUNG's amendment.

Thank you, Mr President.

MR LO SUK-CHING (in Cantonese): Mr President, the Gini coefficient which reflects the wealth distribution in the society of Hong Kong rose from 0.476 in 1991 to 0.518 in 1996, showing that the gap between the rich and the poor has been widening. However, the Government has all along neglected the formulation of a policy to help the poor or the lower classes. On the contrary, some policies of the Government often make the lower class poorer. The high land price policy is one of the manifest examples. Although Hong Kong is a small territory with a large population, if policies had been appropriately implemented, the land resources available now and in the future would be sufficient to provide comfortable homes for its 6 million people. But the high land price policy has led to the situation in which the poor are almost deprived of accommodation. The high rent in Hong Kong has resulted in skyrocketing commodity prices and the high rent of private flats has also downgraded the living standard of the middle and lower classes.

Mr President, I urge everyone to pay particular attention to the situation of the group of low-income people who cannot afford to buy their own homes and have not been allocated public housing. Since they have to pay for the ever-increasing market rent, they are forced to practise strict economy. Even so, the abhorrent condition they are living in is really pitiable.

At present, there are 150 000 households on the public housing Waiting List and the average waiting time is six and a half years, which is half year longer than that estimated by the Government. Among them, over 8 000 households have been waiting for seven years or more. The Government alleges that, on average, 40 000 rental housing units are built each year. The numbers of units finished in the past few years, however, are lower than this target. In 1995, only some 20 000 units were finished. This figure is far below the original projection. This shows that the Authority is irresponsible in that it obviously evades its commitment to public housing and tries to change to a policy led by private housing.

Among the households on the Waiting List, over 95 000 come from private housing flats. Many others are living in temporary housing units, squatter huts, private buildings without independent facilities and rooftop structures. Surveys show that the income of more than 400 000 labourers in Hong Kong is lower than half of the median income, i.e. less than \$4,750. Other than high rent, the rates and charges of water, electricity and gas are further aggravating their poverty situation. Worst cases are found among the elderly, new immigrants, unskilled and low-income workers. The surveys also point out that the lifestyle of the low-expenditure households is marked by the high proportion of food and housing expenses, in which the expenses for housing is even higher than that for food. Under such circumstances, they can do nothing but to economize on food and clothing and be content with two meals a day and a place to sleep. Furthermore, the housing expenses of private housing tenants are 40% to 100% more than those of public housing tenants.

According to the Long Term Housing Strategy published by the Authority in 1995, the rent for an apartment of 30 sq m was \$7,320 on Hong Kong Island and in Kowloon, and \$4,545 in the New Territories, while the rent of public housing was only 16% to 23% of that of private housing. Since public housing units cannot be increased by a large margin all at once, as an expedient measure, it may be accepted as a contingency arrangement to grant rent assistance to applicants who have been queuing on the public housing Waiting List for quite a long time, such as three years or more. I do not think that rent assistance is free lunch. Had the Government not adopted the current high land price policy, which has led to skyrocketing rent, many people on the Waiting List would have been in a better position to meet the expenses on rent. Furthermore, had the Government not failed to honour its promise to build more public rental flats, many of them could have the opportunity to "get" a public housing flat, and need not be living in private buildings and paying high rents.

Mr President, to plan for the long term future, the Government should change the strategy in which private housing takes the lead and increase substantially the quantity of public rental flats for the lower-classes to have a chance to move into them. Furthermore, the Government should lay down effective policies to curb the speculation on residential properties and to prevent property developers from hoarding, so that the public can live and work in peace

and contentment. All these will contribute much to the stability of the society and the productivity of the people.

Mr President, these are my remarks.

MR LEUNG YIU-CHUNG (in Cantonese): Mr President, today we are debating the motion on the Rent Assistance Scheme — another "unattractive option" which can be described as "undesirable in accepting but regrettable in abandoning", since what the 150 000 applicants on the public housing Waiting List actually need is to be allocated with public rental flats which they can afford in the long run. What they really need is permanent accommodation. They are neither insisting on living in private buildings and refusing to move out, nor asking for little favours to be bestowed in their "bargain".

In fact, the majority of the tenants who have already found accommodation in private housing, be they bedspaces, partitioned rooms, or units of privately owned buildings, are able to find the money to pay the rent. However, some may have to settle the rent by borrowing, while others may have to live on a meagre sum after paying the rent. If they were unable to afford the basic rent, they would not have been able to rent and live in the premises in the first place.

In any case, the provision of rent assistance is helpful to a certain extent. For instance, with rent assistance, those who previously have to take leftovers as daily food will be able to enjoy more fresh meals. Therefore, the Government should do something for these people before adequate supply of public housing is available. The provision of rent assistance not only serves to alleviate the pressure they suffer in their daily life, thus enabling them to have more money at their disposal to pay for their living expenses, but more importantly, it will also alert the Government to the need of speeding up the production of public housing if it does not want to pay out a substantial amount on rent assistance. At the moment, public housing is built at a "snail-like" pace. It seems that the volume of production is decreasing rather than increasing.

The Government has estimated that the annual payment to applicants on the public housing Waiting List proposed in the Rent Assistance Scheme put forward by the Democratic Party and the Society for Community Organization will be \$3.2 billion. The Government is putting up a frightening amount for the purpose of obstructing the implementation of the Scheme. As a matter of fact,

the majority of those living in private housing with extremely poor living conditions are not necessarily paying "unbelievably high" rents to the extent that there is a big difference between the rent and the rent allowance under the Comprehensive Social Security Assistance Scheme. Hence, the amount of rent assistance claimed by the applicants should not be as huge as what the Government has estimated.

However, even if the amount is reduced by half, that is, \$1.6 billion, the Government may still be able to raise objection to the option by arguing that the expenditure is too high. On the other hand, the Government will come up with meaningless responses by claiming that according to the Policy addresses of previous Governors, the Government has already made an effort or will endeavour to shorten the waiting time for public housing applicants. With the main objective of making the Government recognize that it should be penalized for its error made in the past, we fully support the Rent Assistance Scheme at the present stage. The Government has to pay the price for failing to honour its promise to provide public rental flats for those in genuine need. In fact, to provide adequate public housing has always been the pledge of the Government itself. If the Government is a responsible one, it should offer remedy for its own error by providing temporary financial assistance to applicants on the Waiting List.

An analogy can be drawn between a government with such an error and a lazy student who fails to do his homework. The student is to be detained after school to finish his homework. Undoubtedly, the punishment is only a temporary measure. Ultimately the student should realize that he has the responsibility to do his homework, and no excuses for failing to do so are acceptable.

In my opinion, since the Government has not discharged its responsibility to provide public housing to the general public, it should, therefore, affirm its remedy by offering temporary rent assistance to applicants on the Waiting List in the interim. However, its ultimate goal should be set at providing permanent public rental flats for those on the Waiting List.

But why has the Government failed to achieve this goal after so many years? Why has it been unable to fulfil its pledge? Has the Government made a deal with the property conglomerates? Has the Government committed any errors in town planning? In the past, the Government always turned a blind eye and a deaf ear to these similar questions. What is worse, when the situation deteriorates, it continues to ignore it altogether.

As a matter of fact, the Government and the property conglomerates have jointly participated in speculation and pushed up land prices for mutual gains. It is also an undeniable fact that the right to accommodation of the general public have not been safeguarded. With the Housing Authority always complaining about shortage of land, why do we come across such a large number of low-density residential premises in the North District and Tai Po? While the 1 653 hectares of land in north-east Lantau will be developed into an industrial and commercial district with a working population of 25 000, why no development plan for residential premises has been formulated for the area? Is it because the Housing Authority has not made an effort to acquire land for residential purposes? Or is it due to inappropriate planning in land disposal? Or is this the result of the Government's deliberate effort to defend the interests of the consortia, particularly the interests of the property conglomerates?

We really hope that the Government will genuinely face up to some of the real problems. Of the 250 000 tenants living in private buildings, 9 000 are poverty-stricken people who have to worry about their daily meals. In addition to this, the rent-to-expenses ratio of tenants living in private housing ranges from 31.5% to 47.5%. For these tenants, how much is left for other living expenses after paying the rent? Although Hong Kong is obviously prospering, disparity between the rich and the poor is also deteriorating because of the Government's failure to accord top priorities to the interests of the mass. The Government is ready to make a little effort in cleaning up the mess only after all the interest parties have finished vying for their interests. In fact, a large number of social problems related to the livelihood of the general public have not been solved in a reasonable manner.

Mr President, housing is a significant issue. As the future political core will lack representatives of public opinions, if we do not do something for the people, the situation will only worsen in future.

Mr President, these are my remarks.

MR EDWARD HO (in Cantonese): Mr President, I think everyone will agree that housing shortage is a grave problem in Hong Kong, and that the general public have to shoulder a very heavy burden arising from the exorbitant rent or flat prices, and many people cannot afford decent accommodation because of their financial situation. The 1987 Long Term Housing Strategy aimed at

solving the housing problem for the community. Up to this moment, however, there are still more than 100 000 families on the Waiting List. According to our estimation, the objective of the Long Term Housing Strategy to secure the provision of proper housing for all households at affordable prices or rent will not be achieved until 2001. The root of the problem is that the Government has all along failed to supply land in good time for the construction of public housing these years. Furthermore, the Government might have underestimated the housing demand, and thus gives rise to all these problems today. We should criticize the Government in this respect.

The motion today proposes providing rent assistance to people who have been on the Waiting List for some time. The Liberal Party, however, finds this approach neither a long term remedy nor an appropriate measure. There are two problems here. Firstly, it is inappropriate to replace investment in housing construction with cash grants. Secondly, although people in abject poverty deserve our compassion and assistance, their problem should be solved through the social welfare policy and should not be confused with the housing policy. Those who are in need should seek help from the social welfare sector.

My focus is on the long term remedy which, as the Honourable CHAN Yuen-Han just mentioned in her amendment, is the speeding up of public housing construction. I have criticised several times that the Government failed to supply land in good time. Over the years, the Government has promised to supply land whenever it is needed. Yet we are told only at this moment, four years to 2001, that the land is there. What it means, however, is that record production targets have to be reached in the last phase of the Long Term Housing Strategy, namely, 62 000 flats for each of the years 1999-2000, and 98 000 flats for each of the years 2000-2001. It is extremely doubtful whether these unprecedented targets could be achieved and we are not sure whether there are enough resources to achieve them. Anyway, this is the problem we are facing now.

We think that the Government should invest more actively in infrastructure as this will facilitate land supply. We also advise that the Housing Authority may co-operate with private developers in such areas as land, finance or resources for public housing developments. Consideration can also be given to joint ventures in public housing developments, or even prescribing the construction of certain parts of a public housing development as the terms of land sale. Furthermore, the planning, construction and other approval procedures

should be also sped up. The present situation is that it takes five years to get the land and start the construction work. This cries for improvement.

On the other hand, we think that other problems will arise if assistance in the form of rent assistance is provided and excluded from the CSSA Scheme. Firstly, the administrative costs may overlap with social welfare expenditure, which may cause confusion. Secondly, We cannot rule out the risk of abuse of rent assistance. Thirdly, will the rent assistance scheme, if implemented, starts a vicious cycle that pushes up the rent of private housing and perpetuates the problem?

As the motion and its amendments focus on rent assistance, which we consider not a long term remedy, we cannot support them.

MR LEE WING-TAT (in Cantonese): Mr President, I would like to respond to a few points.

First of all, I paid a lot of attention to the amendment moved by the Honourable Miss CHAN Yuen-han and I have scrutinized it over and over again. I do not find much difference between the major content of her amendment and that of the Honourable James TO's motion. Let me draw an analogy here. While we are cooking a dish of preserved fish and vegetable for the families in abject poverty, Miss CHAN just adds some spring onion and parsley on the side. Or else she just uses another plate. There is not much difference in the contents; they only differ in order. Just now I heard Miss CHAN Yuen-han say that she proposed the amendment to arouse the attention of the public. Her intention is actually the same as ours. I believe that if the attention of the public is to be aroused, it is sufficient that we debate amply here. I think that certain unnecessary amendments may sometimes be dangerous because they make people doubt the intention of one another. As for the amendment of Mr Frederick FUNG, since the content is different from ours, we do not subscribe to it. I hope that Miss CHAN Yuen-han will consider my suggestion and stop moving unnecessary amendments in future. We shall, of course, support her amendment because its major content is the same as ours. We will not object to it just on the ground that we find it unnecessary.

When the Honourable LEUNG Yiu-chung talked about the rent assistance scheme, he pointed out that the Housing Department had told the Panel on Housing of the Legislative Council that the scheme would impose an extra expenditure of \$3.2 billion on the Government. I queried the figure that day and asked the Housing Department about it. The Assistant Director of Housing said that the method of calculation was erroneous and he would submit a new figure to us later. When they did the calculation, they regarded all the households which had been on the Waiting List for over three years as qualified four-member families. That was how the figure of \$3.2 billion came about.

Another point that has not been discussed in the debate today is the positive meaning of rent assistance. Mr President, we should not take a negative view on rent assistance. Let me make an example. In a four-member family, the father makes \$8,000 a month, which is not too bad. He has not applied for CSSA. While he may have to spend \$3,500 to \$4,000 on the rent. The remaining \$4,000 has to be shared by four people, which means \$1,000 for each of them. If the father does not work, he can apply for CSSA and receive up to \$8,000. With the addition of \$3,600 of rent assistance under CSSA, he will get \$11,600 for the whole family. In other words, this man who earns \$8,000 a month will be paid more if he does not work. Of course our society does not encourage such practice, but this is the fact. If we do not grant rent assistance to reduce the expenses on rent, when more and more people realize that they can actually earn more by not working, the problem will become very serious. There is a fundamental loophole in the policy. In fact, I have already made some allowance in using \$8,000 as an example because many families are actually making \$5,000 to \$6,000 a month. In some cases, the income one earns from working is relatively very meagre.

Mr President, hundreds of thousands of people are presently living in substandard premises, such as rooftop structures and temporary housing units, and some are even sleeping in the streets. We are concerned whether the housing development plan of the Government can solve the problem in the middle term. The Honourable Edward HO cited a very good example just now. The Government promised to build 141 000 rental housing units within six years. In the first few years, however, it failed to meet the target, so it has to make up for the deficit at the later stages and build 98 000 units in the year 2000. In fact this is not the latest figure. I have just learned from a document that the latest figure should be 100 000 units. No one other than God has the power to do so. I do not believe that the Housing Authority can build 100 000 units within one

year. To build 50 000 units is already the limit. But the reply of Mr Dominic WONG is very simple. He said all the land had been assigned to the Housing Authority and whether the work could be finished was outside their ambit. He was indeed irresponsible in saying so. As the Secretary for Housing, he should estimate if 100 000 units can be built within one year. If the work cannot be completed in 1999-2000, the promise that applicants on the Waiting List can be allocated public rental flats after waiting for five years will not be honoured. Why does he not face the reality and keeps on telling the Legislative Councillors, the Housing Authority members and the public that 141 000 rental housing units can be finished?

Mr President, although the Long Term Housing Strategy has not been published, its contents are almost all disclosed on newspapers. After reading them, we know a few of these contents. There are two points that the Long Term Housing Strategy has not mentioned. The first one is the rent assistance. The newspapers reveal that it is stipulated in the Long Term Housing Strategy that more criteria will be set for the application of public housing in future, and that inheritable tenancy has to be scrutinized more closely. Secondly, the waiting time of five years will be shortened. In fact, this has been long awaited by the public. Must they wait for five years? Can the time be shortened to three years so they do not have to wait too long? If the Secretary for Housing says that the waiting time can be shortened to three years in 2001, I will definitely try to convince the Democratic Party to withdraw the motion. I mean what I say, because if one only has to wait for three years to be allocated a flat, what is the point in rent assistance? We stipulate the waiting period at three years because five years is really too long and the Secretary for Housing cannot promise that this policy can actually be implemented.

Mr President, just now two of our Honourable colleagues made their points. I only want to point out that it is in fact not right for us to look at the rent assistance scheme from a negative perspective. People who have been on the Waiting List for a long time have in fact been excluded from those to whom the Government's intends to allocate public housing. To a certain extent, they are the ones who need housing urgently. Are the four-member families living in cage homes or cubicles with a monthly income of \$5,000 to \$6,000 not in need of help?

In a society with a fiscal surplus as large as \$200 billion and a circulating surplus of over \$30 billion in the Housing Authority, it is starkly inhumane if the Government is reluctant to bestow such a small amount.

Thank you, Mr President.

MR CHAN KAM-LAM (in Cantonese): Mr President, the Democratic Alliance for Betterment of Hong Kong (DAB) is very much concerned with the plights of the low-income sector. In the White Paper On Helping The Poor issued last year, we spelled out our proposals for addressing various problems and proposed a series of options to solve them. We ask the Government to seek systematic and continuous improvements on existing social services such as CSSA, re-training, job-matching, healthcare, education, community support, retirement protection, and assistance for new immigrants, according to the actual situations of our society. Housing, of course, is one of the important issues. We think that the ultimate goal of the long term housing policy should be the construction of sufficient flats to meet the housing demand of the general public.

Although families on the Waiting List are in need of proper housing, the income ceiling for these families is not a criterion to define poverty. In fact, in assessing the eligibility of public housing applicants, only their salaries and property assets are counted, and not their savings and other assets. Hence, whilst the applicants may belong to the low-income groups, they are not necessarily those people or families most in need of cash assistance. The DAB has always believed that, the criterion for the most needy families should be the "poverty line", that is, half of the median income.

As a matter of fact, rent assistance is an integral part of CSSA. Those eligible for rent assistance have already got it through CSSA. If we think that CSSA needs perfecting, we can offer suggestions; if we find the scanning process defective, we can propose remedies.

Mr President, the DAB simply cannot accept the eligibility for registering on the Waiting List as the criterion for social or cash assistance.

The crux of the housing problem is the shortage of supply, and its long term solution lies in the allocation of more land and speeding up the housing developments. The DAB believes that the biggest wish of the families on the Waiting List is "to have a flat allocated and move in soon".

We think that the Government has to be very careful and prudent when it honours its commitments in social services with money. Consideration should be given to rational distribution of the limited resources, and how to select effectively and reasonably the families and people who are in genuine need and provide them with comprehensive assistance. Imprudent provision of allowances may, at the end, become excuses of the Government for delaying social construction or cutting down its capital input. Such expenditure will leave the problem unsolved.

According to the latest official data, there are currently 88,987 families whose income is equal to, or less than, the Waiting List Income Ceiling. That means, in our calculation, \$2.8 to \$2.9 billion a year will be needed for providing rent assistance. Mr President, if we take \$350,000 per flat as the construction cost, 8 000 flats can be built with \$2.8 billion. We worry that if we just make use of rent assistance to help the families on the Waiting List solve problems with their living environment, the result may be that money is spent but it does not help increasing flat production. We think that it is more practical to urge the Government to inject more money into the Housing Authority in order to boost the production of public housing.

Mr President, the plight of the low-income groups in Hong Kong has deteriorated over the recent years. As the Government was involved too much in political rows, it ignored the genuine problems related to the livelihood of people and economic development, such as shortage of land supply and resources for housing development. Neither did it provide assistance for the people in need to change jobs during the economic restructuring of Hong Kong. The Government should be held responsible for the problem of the hundreds of thousands of families which have not been properly housed.

The DAB believes that a comprehensive approach is needed to help the low-income families or individuals. The resources should be used on people in genuine need. As for the housing problem, we think that the basic direction should be allocating more land for more public housing. The DAB thinks that providing public housing as soon as possible for the hundreds of thousands

families should be the objective of the housing policy in future, no matter what will take the lead.

Mr President, these are my remarks.

MR ALBERT HO: Mr President, I would like to make a simple response to the speech that Mr CHAN Kam-lam has just made on behalf of the Democratic Alliance for Betterment of Hong Kong (DAB).

I believe that many Members and organizations which care about the grass-roots share the same goal in solving Hong Kong's housing problems and helping the impoverished to get rid of their difficult situation on a long-term basis by such means as putting in place a comprehensive assistance scheme or proposing to increase the construction of housing.

However, in the process of formulating a set of long-term strategies or implementing some long-term and effective measures, if we see some people suffering from cold and hunger because of poverty, should we sit back and do nothing about them? Should we, in case of fire, set up some fire prevention measures to avoid its reoccurrence instead of putting it out first? Should we rush to build housing for those who suffer from cold instead of giving them warm clothes and woollen blankets first? So, can we help these impoverished people through the rent assistance scheme to enable them to have a place to live in?

Mr President, as we can see from a number of data, the living standard of many people are further downgraded by inflation and various factors. Among them, rent poses the greatest pressure, which is really an issue of extreme urgency. When we are formulating a long-term policy, we should, in the light of the common expectations of a humanitarian society, help these people first. A colleague has just mentioned that if the supply of public housing is adequate, the waiting time of the applicants on the Waiting List can be shortened and there will naturally not be too many people who need to rely on rent assistance. Therefore, I cannot accept the point made by DAB, claiming that this is a policy of giving money away, which is of no benefit to Hong Kong. Actually, we must help these people who are in urgent need of assistance and I believe that for humanitarian reasons, everyone will agree to it.

Under this premise, I hope that all of you will unanimously support the original motion.

Thank you, Mr President.

PRESIDENT(in Cantonese): I now call upon Mr James TO to speak on the two proposed amendments. Mr TO, you have five minutes.

MR JAMES TO (in Cantonese): Mr President, I have expressed my views on the two amendments in my earlier speech and I am not going to repeat them.

Mr Frederick FUNG spoke after I had made my speech and he gave a definition on impoverished families. I guess that in his concept, the number of impoverished families is fewer than the number of households who are eligible for public housing. That means the number of people who would obtain assistance will be smaller. Yet they will be entitled to immediate assistance. So, this is another scheme which is different from ours. In our proposal, those who have been on the Waiting List for three years will be eligible for assistance and so more people will be benefited. Nevertheless, I think this is not a matter concerning the principle. I hope the Government will not be influenced by the result of the voting, whether the amendments are passed or not, and will consider the issue as a whole.

I am not going to discuss Miss CHAN Yuen-han's amendment because I agreed to every word and sentence in her amendment. But, as the Honourable LEE Wing-tat has just mentioned, is it necessary to move such an amendment? The principles embodied in her amendment are universally applicable.

Despite that, it is not necessarily supported by Members. It turns out that Members of the Democratic Alliance For the Betterment of Hong Kong (DAB) do not support her amendment. What is most amazing is that Mr Frederick FUNG's proposal, which has lowered the standard by urging for assistance to the impoverished families only, cannot win the support of the DAB Members either. The DAB Members pointed out that money may be spent in an unjustified way and public housing construction plan may be indirectly affected. In fact, all Members and political parties hope that the Government can speed up the progress of housing construction. But nobody can tell whether the authorities

concerned can build 90 000 to 100 000 flats in the few years to come. Everybody agrees to this target. But the problem is whether the Government may use the spending of such a large sum of money as a pretext, as the Honourable CHAN Kam-lam has just indicated. I believe the Government will not use this as a pretext because we share a common goal. For sure the Government will not use this as a pretext. This is the consensus of the Legislative Councillors and the Chief Executive (Designate) that we have to build more flats and grant more land.

The question is whether \$2 billion or so will be wasted as pointed out by Mr CHAN Kam-lam? Suppose the Government, under the leadership of the Chief Executive and the consensus of all Hong Kong people, devoted all efforts to the construction of public housing in order to shorten the waiting time to three or four years, then the proposed scheme would only be a temporary one. According to Mr CHAN Kam-lam's calculation, \$2 billion can finance the construction of more than 20 000 flats on the basis that we can build 8 000 flats in a year. He then wondered why the Government would not build these 20 000 flats. I would like to point out one thing to him: if we could construct more than 20 000 flats in the few years to come, I would certainly agree with him. But the fact is that we cannot build so many flats in the near future. So the \$2 billion will not be wasted. Instead, it will help those families which need immediate assistance. In view of this, I hope I can do my best to explain my rationale in an effort to persuade the DAB Members to support my proposal.

Mr President, Mr LEE Wing-tat has also mentioned a point raised by the Honourable Edward HO that the target households can apply for Comprehensive Social Security Assistance (CSSA). I hope Members can think it over clearly: those who are eligible for public housing in terms of income may be living in more indigent circumstances than CSSA recipients. If they learn in this debate that the Government will certainly not provide rental assistance to them, they may form an opinion that it would be better to apply for CSSA. Should that be the case, the result would go directly against our will. So I hope the Secretary for Housing will brood over this point. If he still insists that the Government will not implement this proposal, possibly many people, after hearing today's debate, will prefer to remain unemployed and apply for CSSA. This is indeed an undesirable situation. I hope such a wave will not be triggered. Many people commented that my proposal is only an interim measure. But the fact is that if the Government has laid down a long-term plan, I do not have to propose

postponement of lifting rent control or implementation of remedial measure such as the one embodied in my motion.

SECRETARY FOR HOUSING (in Cantonese): Mr President, I have listened carefully to Members' comments on providing rent assistance to Waiting List applicants, and I will respond to these comments briefly.

Objectives of social welfare policy and housing policy

First of all, I hope Members can understand the differences and similarities between the objectives of the Government's social welfare policy and housing policy. In the area of social welfare, the objective of the Government is to improve the welfare of the community by helping people overcome their personal and social problems. The Government has the responsibility to assist those who are financially vulnerable and to raise their standard of living to an acceptable level. In the area of housing, the objective of the Government is to help all households gain access to adequate and affordable housing, as well as to encourage home ownership in the community. We hope to achieve these objectives through various means, such as by the implementation of the Home Purchase Scheme and the provision of public housing at reasonable rents to people who cannot afford any other type of housing.

Therefore, it can be said that our social welfare policy and housing policy are different roads leading to the same destination, and they complement each other. Their ultimate goal is to provide assistance to those in genuine need.

Provision of social welfare

The objective of the Government's social welfare policy is to provide a safety net for those who are in financial difficulties, and to give them appropriate assistance. I agree with the Honourable Mr Edward HO's comment that anyone who is in financial difficulty in our society, including those who are on the Waiting List, should apply for assistance under the Comprehensive Social Security Assistance (CSSA) Scheme administered by the Social Welfare Department. Those eligible for CSSA will be given a sum for general household expenses and an additional rent allowance to pay their rents. The amount of rent allowance granted is dependent on the number of household members and the maximum amount can be up to \$4,603 per month. The

Government will review the scale of rent allowance annually to ensure that the amount would be adequate to pay for the rent of 90% of the relevant households living in private housing. When determining whether rent assistance should be granted or not, the criterion is whether the applicant is eligible for CSSA, and not whether the applicant is on the Waiting List. Therefore, the amendment proposed by the Honourable Frederick FUNG is uncalled-for as the Government has already provided CSSA to those in financial difficulties to pay their rents.

Principle of equity

I fully understand the good intention behind this motion on rent assistance moved by the Honourable Mr James TO, as well as the amendments put forward by the Honourable Miss CHAN Yuen-han and the Honourable Mr Frederick FUNG, which all seek to provide rent assistance to Waiting List applicants. But I would like to caution that bitter medicine may not necessarily be good medicine. If we give more thoughts to this matter, we can see that these three Members' proposals are in fact against the principle of equity since not all Waiting List applicants have financial difficulties. Thus, under the circumstances, we have no reason at all to provide any financial assistance to them. After all, what we have to consider is whether these people are eligible for CSSA.

Abuse of resources

Another downside of providing rent assistance is that it may be subject to abuse. Some people who are not in genuine need may still register on the Waiting List, just for the sake of getting rent assistance. In this way, the opportunities of those who are in genuine need in the allocation of public rental flats may be adversely affected. In addition, those applicants on the Waiting List will become more selective in choosing their public housing flats as they already have rent assistance.

Proposal on rent assistance vis-a-vis objective of housing policy

I do agree with the stance of the Honourable Mr CHAN Kam-lam and the Democratic Alliance for Betterment of Hong Kong (DAB) that providing rent assistance to Waiting List applicants is not in line with the policy objective of housing development. If Waiting List applicants have any financial difficulties, they should, just like any other person in our society, approach the Social

Welfare Department as early as possible for CSSA. We should not move towards the direction of a welfare state. I agree with the Honourable Mr CHAN Kam-lam that the foremost task of the Government should be to increase the supply of residential flats, and one of the means is to encourage home ownership by various subsidy schemes. This in turn would lead to an increase in the supply of public rental flats for allocation to eligible households on the Waiting List. Therefore, I support some of the amendments proposed by the Honourable Miss CHAN Yuen-han, that is, the Government should expeditiously formulate measures, including increasing the allocation of land and speeding up the pace of construction, so as to increase the volume of public rental flats.

Increasing the supply of housing

The fundamental solution to our housing problem is to increase the supply of housing. Sufficient land has already been allocated and earmarked for the construction of 292 000 public rental flats and 24 000 sandwich class housing flats by 2001. Since some Members have mentioned waiting time, I would like to point out that in 1990, the average waiting time for public rental flats was nine years, and it was reduced to seven and a half years in 1994. In 1996, the waiting time was further reduced to six and a half years. At present, we are doing our utmost to construct 141 000 public rental flats pledged in our policy commitment, and to minimize the number of vacant flats, so as to reduce the waiting time for public rental housing to under five years by the end of 2001. This objective is very positive indeed.

Mr TO and some other Members have said that the Government has failed to take care of Waiting List applicants in its 1987 Long Term Housing Strategy, or mentioned words to that effect. In fact, except 500 single persons, all eligible persons (around 170 000 households) on the Waiting List in 1987 have already been allocated public housing flats. In other words, almost all those who are on the present Waiting List, except those 500 single persons, had not yet registered in 1987. Hopefully, we should now have a clear idea of the real situation.

Effective allocation of resources

We think that in the long term, it is more effective to deploy our resources for the construction of more public rental flats than for the provision of rent assistance. It is because those who are in genuine need can actually move into

these flats, and their need for housing can therefore be met. In addition, the provision of rent assistance has a great impact on our recurrent expenditure. If the upper limit (this may be just an assumption of the calculation method) of rent assistance is fixed at the level of rent allowance under the CSSA Scheme, it will cost over three billion dollars annually, and the high administrative cost that may be incurred in the vetting of the applicants' eligibility is not yet included. If the amount of subsidy is to tie in with the rent of private property, then the expenditure on providing such rent assistance will be even higher. If these resources are used for the construction of housing, an additional 9 700 units or so harmony public rental flats will be made available. Since the life span of rental flats is normally 40 years or more, those who have been allocated such flats could live in there for at least 40 years, as long as they remain eligible.

Conclusion

Mr President, the Government will do its best to provide the people of Hong Kong with adequate and affordable housing. In order to achieve this target, we should, instead of providing "rent assistance" to those on the Waiting List, produce an appropriate number of public housing flats and encourage sitting tenants who no longer need public rental housing to vacate their flats for use by those families with genuine needs. I must emphasize again that assistance has already been provided to those who are financially vulnerable in the form of CSSA, and the Government will review on an annual basis whether such assistance is sufficient. Therefore, for those who have exceeded the eligibility criteria for CSSA, it means that in terms of meeting their general expenses which include rent, they do not have financial difficulties.

According to the 1996 by-census conducted by the Census and Statistics Department, the median rent-income ratio of households living in private housing who are eligible for registering on the Waiting List is 27.6%. Some Members think that this ratio is a bit too high, but this ratio is more or less the same as that of other members of our society who live in private housing. In the past five years, the average rate of rent adjustment is about 7.5%, which is lower than those of inflation and wage increase. The situation is not at all like that made out by some Members who are exaggerating in saying that the public cannot afford to pay their rents and other expenses because of inflation.

If Waiting List applicants have chosen to live in flats of which the rent accounts for a higher percentage in their household income, this does not mean

that the Government has the responsibility to provide them with financial assistance. To conclude, the Government is against the motion moved by the Honourable Mr James TO and the amendments proposed by the Honourable Miss CHAN Yuen-han and the Honourable Mr Frederick FUNG.

Thank you, Mr President.

MISS CHAN YUEN-HAN's amendment to MR JAMES TO's motion:

"To add ", whereas the Government made a commitment in the 1987 Long Term Housing Strategy to satisfy the needs for public rental flats of families on the Waiting List before 1997, currently there are still more than 100 000 families waiting for public housing," after "That"; to delete "persons who have been" and substitute with "those families which are eligible for public rental housing but have still been"; to delete "low-income people" and substitute with "these families"; and to add "in the interim; at the same time, in order to fully implement its commitment, the Government should expeditiously formulate measures, including increasing the allocation of land and speeding up the pace of construction, and so on., to increase the volume of public rental flats" after "pay exorbitant rent".

MISS CHAN YUEN-HAN (in Cantonese): Mr President, I move that Mr James TO's motion be amended as set out under my name on the Order Paper.

Question on Miss CHAN Yuen-han's amendment proposed and put.

Voice vote taken.

The President said he thought the "Ayes" had it.

Miss CHAN Yuen-han, Mr Edward HO and Mr Frederick FUNG claimed a division.

PRESIDENT (in Cantonese): The Council will now proceed to a division.

PRESIDENT (in Cantonese): I would like to remind Members that they are now called upon to vote on the question that the amendment moved by Miss CHAN Yuen-han be made to Mr James TO's motion.

Will Members please register their presence by pressing the top button in the voting units and then proceed to vote by selecting one of the three buttons below.

PRESIDENT (in Cantonese): Before I declare the result, Members may wish to check their votes. Are there any queries? One short of the head count. The result will now be displayed.

Mr SZETO Wah, Mr Albert CHAN, Mr CHEUNG Man-kwong, Mr Frederick FUNG, Mr Michael HO, Dr HUANG Chen-ya, Miss Emily LAU, Mr LEE Wing-tat, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Mr WONG Wai-Yin, Mr CHAN Wing-chan, Miss CHAN Yuen-han, Mr Andrew CHENG, Mr CHENG Yiu-tong, Dr Anthony CHEUNG, Mr Albert HO, Mr LAU Chin-shek, Dr LAW Cheung-kwok, Mr LAW Chi-kwong, Mr LEE Kai-ming, Mr LEUNG Yiu-chung, Mr Bruce LIU, Mr LO Suk-ching, Mr MOK Ying-fan, Mr SIN Chung-kai, Mr TSANG Kin-shing, Dr John TSE, Mrs Elizabeth WONG and Mr YUM Sin-ling voted for the amendment.

Mr Allen LEE, Mrs Selina CHOW, Mr NGAI Shiu-kit, Mr Edward HO, Mr Ronald ARCULLI, Mrs Miriam LAU, Dr LEONG Che-hung, Mr Eric LI, Dr Philip WONG, Mr Howard YOUNG, Miss Christine LOH, Mr CHAN Kam-lam, Mr CHEUNG Hon-chung, Mr CHOY Kan-pui, Mr David CHU, Mr IP Kwok-him and Mr NGAN Kam-chuen voted against the amendment.

The President announced that there were 31 votes in favour of the amendment and 17 against it. He therefore declared that the amendment was carried.

PRESIDENT (in Cantonese): As Miss CHAN's amendment has been agreed, Mr Frederick FUNG may not proceed with his amendment to this motion as amended. The reason is that Miss CHAN'S amendment has amended the latter part of the original motion. Any further amendment has to be at the end of the motion as amended. Although I have discretion to allow Mr FUNG to revise his amendment so that it can be made at the end of the amended motion, yet Miss CHAN's amendment has already included the amendment proposed by Mr FUNG. Therefore, it is not possible for Mr FUNG to propose his amendment.

Mr James TO, you are now entitled to reply and you have five minutes 35 seconds out of your original 15 minutes.

MR JAMES TO (in Cantonese): Mr President, first of all, I would like to thank all colleagues who have spoken to further explore the issue. But to be frank, I am of the opinion that today's discussion is not deep enough, possibly because we did not have sufficient time for preparation. Perhaps, I should be held partly responsible for this. Yet the Government could have provided us with further statistics for analysis. The political parties sometimes find it difficult to make an in-depth analysis on the merits and demerits without sufficient statistics. However, we have, in principle, reached a strong conclusion that we need to study and implement this scheme.

I was surprised to hear that the Secretary for Housing switched the concepts stealthily in his speech a moment ago. Why he still insisted that no mistake had been made, even though his subordinates had admitted so? He said that applicants on the Waiting List in 1987 were housed in public rental units in 1997. Of course he was right. But the problem is that this is not the pledge made at that time. In 1987, they said that all applicants on the Waiting List would be allocated public housing in 1997. So, applicants on the Waiting List in 1987 could, of course, be allocated public housing in 10 years' time, or else the problem would have been very serious. He could have said that all applicants on the Waiting List in 1985 had been allocated public housing since such a pledge is surely achievable. According to official statistics, there are still 2 143 applicants who have been on the Waiting List for 10 years or more but not allocated a flat yet. I want to know if this is true.

Furthermore, the Government also advised that a funding of \$3 billion will make available 9 700 public rental units each year. But the problem is that this figure is always incorrect. In case the Long Term Housing Strategy misses its target again in future, the Government will naturally have to continue to grant rental allowances or assistance. This is certainly impractical. But obviously this is not the case now. The situation is further clarified by the Honourable Miss CHAN Yuen-han's amendment, which has just been passed in this Council. With her amendment, there will be no dubious points, nor any benefit of doubt. This will only be a temporary measure. It is altogether a remedy to save the Government from trouble, because once an applicant on the Waiting List is allocated a public rental flat, no matter whether it takes three years or five years, no allowance of this kind will be payable. After all, this is not a permanent measure. Of course, the Government will need to pay out a sum of money for a short period, say five years, before it can catch up with the construction progress. Will this money be wasted? I do not think so, because the money will actually improve the living standard of the recipients. With the allowance, the rental burden on them will be alleviated, and the living of their families can be improved.

The Secretary for Housing mentioned that it might be subject to abuse. But I do not think this will happen, as a vetting mechanism will be established. He also mentioned that some people would be attracted to register on the Waiting List by the allowance, resulting in a larger number of applicants on the Waiting List. In fact, this is just an additional hardship relief measure and greater attraction for those people who are already eligible to register on the Waiting List.

The Secretary is worried that people will become more selective in choosing their flats as they are entitled to rental allowance even before they are allocated public rental units. I hope the Secretary can understand that the Democratic Party as well as other political parties have also thought of some built-in safeguards. For instance, if an applicant is still not satisfied with the flats he is offered after the three chances, the Government can stop paying him

the rental assistant. Hence a mechanism can be established to prevent such cases.

In the final part of his speech, the Secretary for Housing said that welfare policy and housing policy are achieving the same end by different means. I think the Secretary is right in mentioning "the end", because the two policies will become one "in the end". In the "long" run, say, after waiting for 100 years, the applicant will be allocated a public rental flat, and that will be "the end", but the applicants may have died after 100 years. Or we can say that the end is achieved after the applicant has waited for 15 years, because they eventually get it. As I have just said, when people are allocated public housing, the problem will certainly be solved. But those who have not yet been allocated a flat will be in a miserable situation. If we just look at problems from a long-term perspective, the Secretary's statement is always correct. For example, after waiting for 15 years, an applicant will be able to get public housing, the policies will achieve the same end. But the problem is whether they have such a long life to wait for the "very same end"? How miserable will their situation be after 15 years' time? Can the Government turn a blind eye to it?

Lastly, the Government thinks that this is not in line with the social welfare policy. I am amazed to hear that because public housing is a kind of social welfare in a non-cash form. We have to bear one point in mind when voting on Miss CHAN's amendment: if the Government has made a pledge, it cannot just break its word without adopting any remedial measures. I think this has nothing to do with the social welfare policy.

Question on Mr James TO's motion, as amended by Miss CHAN yuen-han, put.

Voice vote taken.

The President said he thought the "Ayes" had it.

Mrs Selina CHOW and Mr TSANG Kin-shing claimed a division.

PRESIDENT (in Cantonese): The Council will now proceed to a division.

PRESIDENT (in Cantonese): I would like to remind Members that they are now called upon to vote on the question that Mr James TO's motion as amended by Miss CHAN Yuen-han be approved.

Will Members please register their presence by pressing the top button in the voting units and then proceed to vote by selecting one of the three buttons below.

PRESIDENT (in Cantonese): Before I declare the result, Members may wish to check their votes. Are there any queries? One short of the head count. The result will now be displayed.

Mr SZETO Wah, Mr Albert CHAN, Mr CHEUNG Man-kwong, Mr Frederick FUNG, Mr Michael HO, Dr HUANG Chen-ya, Miss Emily LAU, Mr LEE Wing-tat, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Mr WONG Wai-Yin, Miss Christine LOH, Mr CHAN Wing-chan, Miss CHAN Yuen-han, Mr Andrew CHENG, Mr CHENG Yiu-tong, Dr Anthony CHEUNG, Mr Albert HO, Mr LAU Chin-shek, Dr LAW Cheung-kwok, Mr LAW Chi-kwong, Mr LEE Kai-ming, Mr LEUNG Yiu-chung, Mr Bruce LIU, Mr LO Suk-ching, Mr MOK Ying-fan, Miss Margaret NG, Mr SIN Chung-kai, Mr TSANG Kin-shing, Dr John TSE, Mrs Elizabeth WONG and Mr YUM Sin-ling voted for the amended motion.

Mr Allen LEE, Mrs Selina CHOW, Mr NGAI Shiu-kit, Mr Edward HO, Mr Ronald ARCULLI, Mrs Miriam LAU, Dr LEONG Che-hung, Dr Philip WONG, Mr Howard YOUNG, Mr CHAN Kam-lam, Mr CHEUNG Hon-chung, Mr CHOY Kan-pui, Mr David CHU, Mr IP Kwok-him and Mr NGAN Kam-chuen voted against the amended motion.

The President announced that there were 33 votes in favour of the amended motion and 15 against it. He therefore declared that the amended motion was carried.

MA ON SHAN/KOWLOON RAIL LINK

MR CHOY KAN-PUI to move the following motion:

"That this Council urges the Government to implement at an early date the construction of a new railway running from Ma On Shan to urban Kowloon via Tai Wai, so as to ultimately resolve the traffic congestion predicament in the Northeast New Territories region."

MR CHOY KAN-PUI (in Cantonese): Mr President, I move the motion standing in my name on the Order Paper.

As off-road mass carriers that do not, or rarely, occupy any road surface, railways can effectively alleviate the transport needs in densely populated regions. This is of great help in relieving road traffic. Land development can be stimulated at the same time when railway network is being developed, thereby meeting the requirements arising from population growth in the next century. In addition, trains are more environmentally friendly than motor vehicles.

In April 1993, the Transport Branch of the Hong Kong Government published a public consultation document in respect of the findings of a Railway Development Study. The Study proposed that an Eastern Corridor Railway network be established. The most important component of the Eastern Corridor Railway package is the construction of a new East Kowloon Railway Route to serve the South East Kowloon Reclamation, which also extends to Ma On Shan. The proposed East Kowloon Route will accommodate a Mass Transit Railway ("MTR") type line running from Ma On Shan via an interchange with the Kowloon-Canton Railway ("KCR") at Tai Wai to an interchange with the MTR Kwun Tong Line at Diamond Hill. It will then run through the South East Kowloon Reclamation and interchange with the KCR at Hung Hom, with the MTR Tsuen Wan Line at Tsim Sha Tsui and eventually with the Airport Railway at West Kowloon.

The idea as such is of great foresight. It can effectively improve the traffic condition in East Kowloon and reduce the pressure on road traffic arising from the development of new towns in the Northeast New Territories. It can

effectively develop the New Territories region and bring relief to the traffic pressure in West Kowloon, in particular to the MTR Nathan Road corridor where the traffic flow has reached its limits. With the commissioning of the new airport, the Route can play an active role in keeping the development of East and West Kowloon in right balance to avoid over-concentrated development along the Airport Railway Kowloon corridor.

However, when the Transport Branch of the Hong Kong Government released in late December 1994 the Railway Development Strategy, while the proposals to build the Ma On Shan/Tai Wai rail link and the MTR Tseung Kwan O Extension by 2001 were upheld, the proposal to construct a railway from Tai Wai to Diamond Hill was dropped. In other words, Ma On Shan rail link will not directly link up with urban Kowloon.

The Sha Tin community and the Sha Tin District Board reacted quickly and strongly to this proposal. Most of them commented that if the Ma On Shan rail link would only interchange with KCR at Tai Wai, a "bottleneck" was bound to occur and would lead to heavy congestion. Mr President, residents in Sha Tin have been persistently plagued by the outbound traffic problem. The predicament of having to suffer from traffic congestion in the vicinity of the Lion Rock Tunnel since 1987 is still fresh in our memory. After putting up with such predicament for five years, residents enjoyed temporary relief of the seriously congested outbound traffic when Tate's Cairn Tunnel was open to traffic in 1991. However, two years had barely passed when traffic flow through Tate's Cairn Tunnel during peak hours reached its saturating point. At a Sha Tin District Board meeting held in September 1992, government officials from the Transport Department admitted that the traffic flow in Lion Rock Tunnel, Tate's Cairn Tunnel and Tai Po Road during peak hours had exceeded the road capacity. Yet no alternative solution was available. Apart from saturation in road capacity, the passenger capacity of the KCR, another key access from Sha Tin to urban areas, has also reached its limits. Trains at Tai Wai Station are often too crowded for boarding while the Kowloon Tong Interchange has been immensely crammed with passengers to a dangerous extent. The road capacity of the MTR Nathan Road corridor has also reached its saturating point. At the time when the project of Tate's Cairn Tunnel was proposed, Sha Tin District Board members had already suggested that the Government should plan another railway as a permanent solution to the outbound traffic problem of Sha Tin. However, the Transport Department had blind faith that Tate's Cairn Tunnel would be the solution to all problems.

The rapid growth of population in new towns such as Sheung Shui, Fan Ling, Tai Po, Sha Tin, and so on, coupled with robust cross border economic activities, have led to sharp increases in the demand for outbound traffic of the New Territories. The Government's lack of foresight in making long term planning is the main cause leading to the predicament of outbound traffic for Sha Tin or for the entire New Territories. The Government's decision of not to construct the Tai Wai/Diamond Hill rail link is virtually making the same mistake twice. This will lead to disastrous consequences.

Mr President, I would like to take this opportunity to raise several viewpoints in the hope that the Government will give them a second thought:

1. The construction of the Northwest Railway, together with KCRC's planned improvement to the existing rail line, may help relieve the passenger flow along KCR's rail line. However, I doubt whether the KCR will have the capacity to meet the traffic demand in the Northeast New Territories up to 2011. With the reunification of Hong Kong with China, there will be substantial increase in economic and cultural exchanges between Hong Kong and China, and the flow of people and resources in the coming 10 years will be voluminous. The new towns in the North New Territories and Sha Tin, particularly those situated along the Tolo Harbour, will enjoy even more robust development in the coming days. The outbound traffic needs of residents in this area will be extremely great. If the Government fails to plan in advance, the outbound traffic congestion predicament which exists in the Northwest New Territories region today will occur tomorrow in the Northeast New Territories region. As the Government is intended to amend the original alignment of the Northwest Railway and a domestic passenger link will be implemented first, the effectiveness of relieving the KCR rail line is further reduced.
2. Extending the KCR line underground from Hung Hom to Tsim Sha Tsui to interchange with MTR may, to a certain extent, relieve the capacity of the MTR Nathan Road corridor and the MTR/KCR interchange at Kowloon Tong. However, the population of Ma On

Shan is growing at a rate much higher and faster than expected and will reach the town planning target of 270 000 people in a few years' time. As Ma On Shan and its neighbouring areas in the New Territories are not prime industrial and commercial districts, the working population living in Ma On Shan will definitely have to travel to Kowloon and Hong Kong every day. Furthermore, the existing line of the KCR is on the west side of the Shing Mun River whereas most of the residents in Sha Tin live on the east side. With the majority of Sha Tin residents going to Kowloon through the Ma On Shan rail link, it is certainly beyond the capacity of Tai Wai Station to absorb the demand for interchange service.

3. Besides, Tseung Kwan O is also developing into a new town which will accommodate 400 000 people and there are needs for its population to travel to Sha Tin, Ma On Shan and the North New Territories. Without the alignment which connects Diamond Hill to Tai Wai, Kowloon Tong Interchange will be subject to immense pressure. Likewise, South East Kowloon Reclamation and the former Kai Tak site are scheduled for development as soon as the airport is relocated. It is a matter of time only. The needs of the population in this region to travel to the New Territories will also exert great pressure on the Kowloon Tong Interchange.
4. In the supplementary study to the Railway Development Study, it is stated that the provision of the East Kowloon Route would leave the KCR main line under-utilized. I think this is groundless worry. As I have said in the first point above, as soon as the Hong Kong Special Administrative Region is established, cross border transportation will take a quantum leap from the current basis and traffic needs between North and South will increase sharply.

Mr President, as regards the alignment for the section running from Ma On Shan to urban Kowloon via Tai Wai, the general public, including the residents of Sha Tin, hold different views as to whether it should connect to Diamond Hill or Cheung Sha Wan. However, it is unanimously agreed that the Ma On Shan rail link should be completed by 2001 and that it should connect directly to urban areas. I think it does not matter whether it connects to Diamond Hill or Cheung Sha Wan because both stations can serve the purpose of resolving the outbound

traffic congestion predicament in Sha Tin and the Northeast New Territories region. It would be most desirable to have two interchanges to link up the New Territories with East and West Kowloon respectively. If I am to choose from the two options, my suggestion is that Diamond Hill should be taken as the first choice, taking account of the need of interfacing with the Eastern Corridor.

Mr President, regarding the overall railway development, I think the Government should in principle seek finance from local and overseas markets for the construction of the railway. The Government may consider financing partially certain parts of the project wherever necessary. In so doing, the Government will not be subjected to immense financial pressure while the entire railway development package can be constructed in line with the overall interests of the whole community. Also, the construction cost of the railway package can be controlled directly and be monitored by the Government or by a public organization. The operation of railways in future will then gear towards the purpose of serving the general public and contributing to their livelihood, rather than targeting on profits only. Such being the case, the fares can be set at a reasonable level which is affordable to the public. The construction of the railway running from Ma On Shan to Kowloon should adhere to this principle. In the event that some private consortia come up with financing proposals that are even more desirable than the option of government financing or partially financing the construction of the railway, I believe that it is groundless to flatly reject such proposals at the present stage, provided that the operation of the future railway can be monitored effectively, and an effective mechanism can be worked out to ensure that the fares can be maintained at a reasonable level and affordable to passengers.

The amendment moved by Dr John TSE states that the construction of the Ma On Shan rail link and must be financed by the Government and no other financing arrangements should be considered. The Hong Kong Progressive Alliance holds that this is too restrictive and will undermine the principle of early implementation of the construction of the Ma On Shan rail link in the soonest and the most cost-effective manner. I therefore call upon fellow colleagues to vote against Dr TSE's amendment and support the original motion moved by me.

Mr President, with these remarks, I so move.

Question on the motion proposed.

PRESIDENT (in Cantonese): Dr John TSE has given notice to move an amendment to this motion. Dr LAW Cheung-kwok has also given notice to move an amendment to Dr John TSE's proposed amendment. The amendments have been printed on the Order Paper and Members have been advised by circulars issued on 20 January. I propose that the motion, the amendment, and the amendment to the amendment be debated together in a joint debate.

Council shall debate the motion, the amendment, and the amendment to the amendment together in a joint debate. I will first call upon Dr TSE to speak and to move his amendment to the motion, and will then call upon Dr LAW to speak and to move his amendment to Dr TSE's proposed amendment. After Members have debated the main motion as well as the amendments, we will first vote on Dr LAW's amendment to Dr TSE's proposed amendment to the motion. I now call upon Dr TSE to speak and to move his amendment."

DR JOHN TSE's amendment to MR CHOY KAN-PUI's motion:

"To add ", in order to ultimately resolve the traffic congestion predicament in the Northeast New Territories region," after "that,"; and to delete "implement at an early date the construction of a new railway running from Ma On Shan to urban Kowloon via Tai Wai, so as to ultimately resolve the traffic congestion predicament in the Northeast New Territories region" and substitute with "finance the construction of a new railway running from Ma On Shan to urban Kowloon via Tai Wai, so as to enable the early implementation of the project, and to ensure the setting of reasonable fares that the public can afford"."

DR JOHN TSE (in Cantonese): Mr President, I move that Mr CHOY Kan-pui's amendment be amended as set out on the Order Paper.

Mr President, Hong Kong has experienced the problem of serious traffic congestion time and again in the past. In the '70s, we saw it in the eastern part of Hong Kong Island. In the '80s and '90s, we saw it in Tuen Mun Road and Kwai Chung. We can no longer afford to wait for the problem of traffic congestion to deteriorate before we start to find a solution. The development

process of Ma On Shan has indicated that the Government has not drawn any lesson from the development of transport facilities in Tuen Mun.

The Government's policy on transport has always been characterized by "people go first", which means that the demand for public transport must be substantial before the Government embarks on the development of the relevant transport infrastructural network. The strategy of "people go first" is based on economic consideration instead of the residents' needs. The residents mostly regard themselves as "pioneers". They have to first endure traffic congestion for as many as eight to 10 years before they are able to enjoy some small benefits. From the public's point of view, the policy on transport should be based on "transport comes first". In other words, a comprehensive transport infrastructural network, such as an underground railway and a railway, should be in place before the population is moved in. However, the mode of transport facility development adopted by the Government has always been characterized by "people go first". Only when a region is plagued by serious traffic congestion will the Government begin the slow construction of transport infrastructure in that region.

In fact, the construction of a railway linking Ma On Shan and Tai Wai and the extension of the Kowloon-Canton Railway (KCR) from Hung Hom to Tsim Sha Tsui were given priority as early as in the Railway Development Strategy published by the Government in 1994. These projects were supposed to be completed in 2001. The Government then explained that as Ma On Shan had potential for development, the construction of the Ma On Shan Rail at an early date could expedite the development of land resources in the New Territories. This decision by the Government was indeed a piece of very good news for property developers and Ma On Shan residents. However, up until now, even when the estimated population along the proposed Ma On Shan Rail line has reached 320 000, the plan for the construction of the railway has not been finalized, dashing all hopes that it could be completed in 2001.

As the population in Hong Kong is growing much faster than the forecast made in 1991, the Territorial Development Strategy Review 1996 has suggested that a second passenger railway linking the Northeast New Territories and urban Kowloon be built with the rail extending to Diamond Hill via Tai Wai. The forecast population growth in Hong Kong has been substantially adjusted upward, pointing to a rapid growth in demand for housing and transport facilities in the next 10 years. To facilitate the development of new towns and to meet

the needs of the residents, the Government should revise the Ma On Shan Rail project as soon as possible.

According to the information paper on the Territorial Development Strategy Review 1996, the population in the Northeast New Territories region is forecast to reach 1.08 million by 2006, and further increase to between 1.12 million and 1.23 million by 2011. As one can see, the existing KCR linking the Northeast New Territories and urban Kowloon is hardly adequate to meet the demand. If the Government sticks to the original proposal and constructs the rail link between Ma On Shan and Tai Wai, at which a new interchange for passengers to change to KCR trains is built, Tai Wai Station will certainly be overloaded. Therefore, I am of the view that it is necessary for the Government to build another railway linking Tai Wai and urban Kowloon to cope with the population movement in the Northeast New Territories region. I am indeed disappointed and angry to learn that the Ma On Shan Rail project is still at a planning stage and its completion date is still something in the remote future. I urge the Government to publish the results of its study as soon as possible and then embark on the construction work immediately to facilitate early completion of the railway running from Ma On Shan to urban Kowloon via Tai Wai.

It is widely speculated that the Government is considering awarding the project to private consortia. The Democratic Party is very concerned about this. As the construction of a railway requires huge investment and the railway is also an essential means of transport for many people, if it is to be built through the amassing of capital among private consortia and owned by them, the public may have to pay high fares to sustain the operation of the railway in order to secure enough revenues for the consortia as investors to service debts and interests payments and make profits.

While both the MTRC and KCRC are run on commercial principles, their assets are owned by the Government. With regard to investment in the construction of railways, the Government will also make capital injection into the companies as needs arise, in order to reduce the amount of loans. Moreover, the Governor can also supervise the companies through the appointment of the board of directors. While the Democratic Party is still dissatisfied with the fact that fares of the two railway companies are not subject to supervision of the

Legislative Council, it is certain that private consortia will not be assisted and supervised by the Government and the Legislative Council in the same way.

Moreover, the construction of a railway will facilitate the development of urban areas and new towns, thereby bringing huge benefits to the society as a whole. Even if public institutions owned by the Government cannot be responsible for the construction of the Ma On Shan Rail, the Government should not let the project become a profit-making business for private consortia. The Democratic Party is of the view that, in the interest of the public, the Government should finance the construction of the Ma On Shan Rail on its own. This will not only prevent the project from being delayed as a result of the need to identify private consortia to make the investment, but also ensure that the ownership of the railway will remain in the hand of the Government, which will enable the Legislative Council and the public to supervise the operation of the railway more strictly. Financing of the railway by the Government will also ensure that the railway operator will not make excessive profits by charging the public exorbitant fares.

Finally, I would like to make some comments on Dr LAW's amendment. In my opinion, on one hand, Dr LAW's amendment demonstrates a lack of clear position and direction; on the other hand, it contains no specific proposal. Therefore, it is indeed not worth discussing in detail. His amendment is nothing more than "an amendment for the sake of making an amendment".

With these remarks, I move the amendment in my name.

Question on Dr John TSE's amendment proposed.

THE PRESIDENT'S DEPUTY, DR LEONG CHE-HUNG, took the Chair.

DR LAW CHEUNG-KWOK's amendment to DR JOHN TSE's amendment

"To delete "finance" and substitute with "implement at an early date"; to add "and formulate an appropriate financing option," after "the construction of a new railway running from Ma On Shan to urban Kowloon via Tai Wai,"; and to delete "enable the early implementation of the projects, and to"."

DR LAW CHEUNG-KWOK (in Cantonese): Mr Deputy, I move that Dr John TSE's amendment be amended as set out under my name on the Order Paper.

At present, the population of the Northeast New Territories is nearly 110 000, and the figure will continue to increase. As most of the people work in urban areas, the transportation problem will aggravate. Although the traffic problem of the Northeast New Territories was eased upon the operation of the Tate's Cairn Tunnel in 1991, the pressure in that part of the New Territories has mounted along with the economic boom in Hong Kong and the Mainland and increased traffic between Hong Kong and China via highways in the eastern part of the New Territories. People's daily life and the economic development of Hong Kong are thus severely affected.

According to the 1996 By-census, the population of Shatin has reached 580 000 and that of Ma On Shan is nearly 300 000 by now. If residents in Shatin want to commute between their homes and the urban area, the Kowloon Canton Railway ("KCR") is their only choice, apart from travelling by public transport or cars through the Tate's Cairn Tunnel, the Lion Rock Tunnel, and Tai Po Road. The present KCR line, however, only passes through the western part of Shing Mun River, while most of the residents in Shatin live in the eastern part. The KCR fails to cater for the needs of most residents there. Moreover, during rush hours, south bound trains of the KCR are mostly full when they come to Tai Po. The KRC stops short of catering for the needs of Shatin residents.

According to the proposals in the Railway Development Strategy published by the Transport Branch in December 1994, the three railway development projects accorded priority were the Ma On Shan/Kowloon railway link via Tai Wai, the Western Corridor Railway, and the MTR Cheung Kwan O extension. Regrettably, the three projects have now been put off. I understand that the Government is now conducting a feasibility study on the Ma On Shan Rail. I fully support the Government's effort in completing the report as early as possible. I would request that the Government choose appropriate alignment and financing package after adequate public consultation so that the Ma On Shan Rail can be completed at an early date to solve the traffic problem in the Northeast New Territories.

In today's motion debate, I believe no Members will deny the urgency of the building of the Ma On Shan Rail. Yet in his amendment, Dr TSE urges the Government to "finance" the project. I consider it a very big mistake.

In undertaking major infrastructure projects such as the MTR more than twenty years ago, the subsequent Light Rail, the airport in recent years and the Western Corridor Railway and the MTR Cheung Kwan O extension now being planned, the Government has adopted a financing approach in which it makes direct investment for part of the project and secure bank loans for the rest. By and large, this financing approach is effective, although the arrangements were made in different situations and there is still room for improvement in some cases. One may ask, for example, whether the interests on the loans were on the high side. Moreover, participation from the financial sector indirectly proves that our infrastructure programmes are feasible economically and financially. Bank loans can also ensure that other necessary Government expenditure will not be affected too much.

Furthermore, other large infrastructure projects such as the container terminals and Route 3 can be developed through public tenders, private contracts or build-operate-transfer arrangements without involving any direct commitment on the part of the Government.

Today, as we join together to express our concern over the development of the Ma On Shan Rail, it is totally inappropriate and unnecessary to compel the Government to finance the project. Taking into account these principles prudently and carefully, the Government, together with the relevant institutions, should draft an appropriate financing package and ensure that the fares of the new railway will be set at a reasonable and affordable level.

Thank you, Mr Deputy!

Question on Dr LAW Cheung-kwok's amendment to Dr John TSE's amendment proposed.

MRS MIRIAM LAU (in Cantonese): Mr Deputy, today we are not debating whether a railway is needed in Ma On Shan, as the need has already been

confirmed in the Railway Development Strategy. Today we are debating on the urgency of this railway. According to the Territorial Development Strategy Review, the population in the Northeast New Territories will rise from 850 000 in 1991 to 1.07 million by 2001 and in Ma On Shan alone there will be over 160 000 people. Most of the people will have to go to work in the urban areas. By that time, the East Kowloon Route and the road network in the East New Territories will be overloaded.

The town planning of Tuen Mun was a blunder. Although the Government thought it was "better late than never" and decided to construct the Western Corridor Railway as a remedial measure, the 800 000 people there have been suffering from traffic congestion for years. In handling the issue of transportation in the Northeast New Territories, the Government should not make the same mistakes twice. Instead, it should plan well ahead and expand the transportation network to tie in with the population growth. A railway cannot be built overnight. It may take as long as five or six years to carry out the feasibility studies, alignment design, detailed planning, technicality studies, land resumption, tendering and the construction work. In the next few years, the population in the Ma On Shan area will continue to grow and the number of residents in the Northeast New Territories will continue to rise. If the Government does not embark expeditiously on the construction of the Ma On Shan Rail, the area will regrettably become another "Tuen Mun" and the Northeast New Territories may have to face a traffic predicament similar to that of the Northwest New Territories.

The Government favours the idea of connecting the Ma On Shan Rail to Tai Wai. I think, however, if the Government's idea is materialized, the whole project will "fall short of success for lack of a final effort" and fail to achieve its optimal effect. If the terminus is to be situated in Tai Wai, people commuting to and from the urban areas will have to change at Tai Wai for the Kowloon-Canton Railway (KCR) and change again at Kowloon Tong for the Mass Transit Railway (MTR) to go to various districts in Kowloon and on Hong Kong Island. That will add an enormous load to the Tai Wai and Kowloon Tong Stations. The East Rail is already very crowded during peak hours. The Kowloon-bound trains are usually jam-packed at Tai Po Station and it is already very difficult to board the train at Tai Wai Station. I cannot imagine how bad the situation will be if Ma On Shan residents have to change at Tai Wai Station for the East Rail to go to Kowloon.

I support the Honourable CHOY Kan-pui's proposal of constructing the railway from Ma On Shan to urban Kowloon via Tai Wai and it would be ideal if the railway can be extended to West Kowloon. Hence Ma On Shan residents heading for West Kowloon need not change at Tai Wai and other passengers from the Northeast New Territories heading for West Kowloon can choose to change at either Tai Wai or Kowloon Tong. In so doing, the flow of KCR passengers can be more effectively streamed. If the terminus is situated in West Kowloon, the Ma On Shan Rail can also be connected to the Airport Railway and then all the railway networks will be linked up in future, giving a higher passenger capacity.

The amendment of Dr the Honourable John TSE requests that the Hong Kong Government should finance the construction of the Ma On Shan Rail. There are two assumptions in Dr TSE's request. First, having the Government finance the construction of the railway, it will surely be finished at an early date. Second, having the Government finance the railway, the fares will surely be reasonable. Regarding the first assumption, I have to bring to the attention of Dr TSE that delays of government work projects are found everywhere. Obviously, even if the Government is willing to finance a project, it does not necessarily follow that the project will be finished early. In fact, I have more confidence in non-government institutions. The efficiency of the MTR Corporation in building the MTR is there for all to see. Besides, the efficiency of private consortia in the construction of large scale infrastructure projects is also impressive. For example, the construction of the Western Harbour Crossing was so fast that it was finished ahead of schedule.

As regards the second assumption, which is "Government-financed, low fares", I want to point out that having the railway financed by the Government does not necessarily mean that the fares will be low. The low fares may well be a false impression. The fact is that passengers pay part of the costs while the rest is borne by taxpayers. Regardless whether the future railway is financed by the Government, constructed by the KCR Corporation or MTR Corporation with the injection of government funding, or built by a private consortium, fares will still be charged. While the calculation of fares will be based on a specific return rate, the fares must be within the means of the people. If not, no matter whether it is constructed with government funding or by a private consortium, if no passengers are willing to take it, it will be like digging its own grave. I agree that the Government should be held responsible to ensure that fares are reasonable and affordable by the people. I do not, however, agree that as long as the project is financed by the Government, it is bound to have the above effects.

Mr Deputy, I understand that Dr LAW's amendment is to ask the Government to take up the responsibility to formulate an appropriate financing package so that the future fares can be maintained at a reasonable level. I agree with him in this respect. In fact, although the Government did not finance the construction of the MTR, the Airport Railway, Eastern Harbour Crossing or Western Harbour Crossing, it did take part in drawing up the financing packages. The finalized financing packages also required the Government's approval.

Mr Deputy, I think that if a corporation, which may be any of the two railway corporations or a private company, can come up with a proposal which puts forward reasonable costs, shorter construction time as well as acceptable fares and fare increase levels, we see no reason why we have to insist on having the Government finance the construction of the Ma On Shan Rail.

Mr Deputy, according to the information provided by the Government, the Ma On Shan Rail feasibility study report conducted by the consultant commissioned by the Government will be ready by next month. I urge the Government to submit the findings to this Council as soon as possible. I also urge the Government to put the interests of the Northeast New Territories residents first and make every effort to get this railway built by 2001 as scheduled.

Mr Deputy, these are my remarks.

MR CHEUNG HON-CHUNG (in Cantonese): Mr Deputy, the Honourable CHOY Kan-pui moved a motion to urge the Government to implement at an early date the construction of a new railway running from Ma On Shan to urban Kowloon vai Tai Wai. It would be more appropriate to put forward the motion later because the Government has promised to conduct a public consultation in February this year when the consultancy report on the rail link between Ma On Shan and Tai Wai and Kowloon. When the report is released, we will have more information and a better ground to discuss the motion of the Honourable CHOY Kan-pui. As the Chairman of the Shatin District Board, Mr CHOY is naturally concerned about the construction of the railway. Although it is a bit advanced in time, the motion deserves our support.

In 1994, the Government announced the Railway Development Strategy, in which the rail link between Ma On Shan and Tai Wai was accorded priority and scheduled to complete in 2001. Earlier on, at a meeting of the Panel on Transport, Mr Gordon SIU, the Secretary for Transport, indicated that it was unlikely that the railway would be completed in 2001. The cost of the rail link was \$16 billion at money-of-the-day price. Hence the Government would have to implement the project by stages. This is where the Democratic Alliance for Betterment of Hong Kong ("DAB") cannot agree with the Government. We insist that it should face the issue more actively. We do not consider it impracticable to finish the project by 2001 as land was already reserved for the railway when the Shatin new town was built. As the project does not involve land resumption, time can be shortened substantially and it is feasible to complete the railway by 2001.

Mr Deputy, according to the Report on Railway Development Strategy, the passenger capacity of the rail link between Ma On Shan and Tai Wai is of medium scale between that of a light rail and a heavy rail. However, the Government's latest population projection shows that Hong Kong's population will increase from some six million at present to over eight million in 2010. With such a high rate of population boom, it is necessary to categorize the rail link as a heavy rail in order to solve the traffic problem.

According to the Government's initial proposal, the rail link between Ma On Shan and Tai Wai will go through seven stations, with Tai Wai as an interchange to connect the KCR. I think this design will cause problems because passengers changing routes at Tai Wai station would overload the station. In addition, an enormous amount of passengers would be transferred to the KCR. This would increase the loading of the KCR, which is already saturated now. As over 640 000 passengers make use of the KCR daily, it is very difficult for them to get on and off the trains during peak hours. Despite the series of improvements made in the compartments and signal systems to increasing the capacity, the demand of the booming population cannot be met and therefore the traffic problem of the East New Territories remains unresolved. Hence it is necessary to extend the rail link between Ma On Shan and Tai Wai to Kowloon and regard it as an independent system. For example, the system can stretch from Ma On Shan to Tai Wai and then through Kowloon Tong to the western part of the urban area, in order to interconnect with the Airport Railway. DAB Members from its Shatin branch recently interviewed with the Transport Branch. They requested that the rail link between Ma On Shan and Kowloon should be

built at an early date, and it should be connected to the western part of the urban area. I hope that the Government will give thorough consideration to these suggestions. The DAB also hopes that the consultancy report will take them into consideration.

Mr Deputy, the Governor has advised in his Policy address that the Government has commissioned a consultant to study the relevant projects. The DAB very much hopes that the Government's report will be completed on time and that comprehensive public consultation will be conducted.

Mr Deputy, I support the Honourable CHOY Kan-pui's motion and Dr the Honourable LAW Cheung-kwok's amendment but oppose to the Honourable Dr John TSE's amendment, which requires that the Government should finance the construction of the rail links. As Dr John TSE's proposal will limit the Government's means and options for the finance package of the railway projects, we object to the proposal.

Mr Deputy, these are my remarks.

MR LO SUK-CHING (in Cantonese): Mr Deputy, very often there is traffic congestion on Tuen Mun Road. Residents in Yuen Long and Tuen Mun have been plagued by traffic problems in the Northwest New Territories region. They can only rely on this highway to commute to the urban areas. Whenever there is an accident, outbound traffic will come to a standstill. This state of affairs is the result of the Government's failure in town planning, which was mainly caused by its underestimating the rate of population growth in the area. Moreover, the Government initially thought that the development in the area would create sufficient job opportunities for the local residents and then the region would be self-contained. Under this concept, no mass transit facilities were designed to keep pace with the development in the area. Yet reality goes against the hope. People there can only find work in the urban areas in Kowloon and on Hong Kong Island. Consequently, the demand for outbound traffic to the urban areas soars. At present the Government can only find some hasty solutions. If the town planning and transportation packaging in the Northeast New Territories cannot be dealt with properly, traffic deadlocks now

appearing in the Northwest New Territories will spring up here and there in the developing of the region.

In its Railway Development Study published in April 1993, the Government proposed the construction of an Eastern Corridor network. One key project was the construction of the East Kowloon Railway. The idea was forward-looking. However, in the Government's Railway Development Strategy released at the end of 1994, the Ma On Shan/Kowloon rail link was deleted. Instead, the railway would run between Ma On Shan and Tai Wai only. This arrangement would cause very bad congestion at Tai Wai for external passenger traffic coming from Shatin and Ma On Shan. Furthermore, the Government has underestimated the population growth in the Northeast New Territories regions, including new towns at Sheung Shui, Fanling, Tai Po, Sha Tin and Ma On Shan. The Government also underestimated the rapid increase in the flow of passengers and goods between Hong Kong and China, which is the result of the prospering economic activities between the two places after the reunion of Hong Kong and China. In addition, when the new airport is completed and comes into operation, the site at the Kai Tak International Airport and the reclamation in Southeast Kowloon will become another commercial and industrial centre, while Tseung Kwan O will develop into a new town with a population between 300 000 and 400 000. However, the Government has ignored the pressure on traffic exerted by these developments in East Kowloon.

I think that priority should be accorded to the Ma On Shan Rail to connect Diamond Hill, in order to eliminate the bottleneck between Shatin and Kowloon first. As to the construction of the rail link between Diamond Hill and Hung Hom, it should be kept abreast with the development in Southeast Kowloon. If the Ma On Shan Rail can reach Diamond Hill via Tai Wai and the KCR is extended to Tsimshatsui from Hung Hom, the pressure at the Kowloon Tong interchange will be greatly reduced. Hence passengers travelling from the New Territories to West Kowloon will find it easier to reach their destination by changing to the MTR at the Kowloon Tong interchange. The Ma On Shan Rail, therefore, need not be connected to Cheung Sha Wan from Tai Wai for the time being.

Mr Deputy, as regards the financial arrangements for the construction of these railways, I think these projects should be commissioned to and operated by the Government or a public body. As transportation relates to the sensitive issue of interest in land, such projects should be awarded to private developers. As

regards financing arrangements, I object to the proposal to require the Government to finance the entire project. Since the prevailing interest rates in the international capital market are on the low side, I think the Government should take this opportunity to raise capital for part or most of the costs of construction in the local or overseas markets. This will avoid placing a heavy financial burden on the future Government of the Special Administrative Region.

Mr Deputy, it takes a long time to complete these large-scale projects, from planning to their construction. We have to be well-prepared, and be able to foresee the development potential in our population and the transformation and development of our economy. If we just sit back now and hope to find hasty solutions to problems, traffic deadlocks will develop. They will bring immeasurable hardship and economic loss to our people.

Mr Deputy, these are my remarks.

MR WONG WAI-YIN (in Cantonese): Mr Deputy, the construction of the East Kowloon Route — the railway from Ma On Shan to Tai Wai and the Kowloon-Canton Railway (KCR) Extension from Hung Hom to Tsim Sha Tsui as well as the Western Corridor Railway and the Mass Transit Railway (MTR) Tseung Kwan O Extension were the "three railway development projects accorded priority" on which the Government decided in December 1994. The priority given to these three projects was originally intended to stimulate land development in the New Territories and the new towns in order to speed up their development. Very unfortunately, as it often turns out, the Government lacks foresight and fails to plan ahead. Its policy is to wait till the population of a planned development area has reached a certain level before a railway is constructed. The Railway Development Strategy formulated by the Transport Branch then was based on the projected population growth in 1991 and hence it recommended that the three railway projects should be completed by the year 2001.

Nevertheless, the Government has been lacking enthusiasm in carrying out these three projects. It was not until a series of political rows that the Government finally announced the timetable for the implementation of the Western Corridor Railway and MTR Tseung Kwan O Extension at the end of

1996. These two projects, however, will not be completed by 2001. The fate of the Ma On Shan Rail is even gloomier. Up to this moment, we have heard nothing about it. The Government turns a blind eye to the transportation need of the residents in the new development areas and keeps putting off the railway development projects. Consequently, not only the quality of living of the people in those areas is affected, the development of new towns in the New Territories will also be hindered because of insufficient transportation facilities. The whole community will suffer. I regret to see that the Government's failure to honour its promise has resulted in the delay of the railway projects and jeopardized the interests of the whole community.

It is already a solid fact that the three prioritized railway projects will not be completed by 2001 as scheduled. It is an even more shocking fact that the population projection made by the Government in 1991 was a serious underestimation and it had to be revised upward to a large extent. A more acute demand in the already pressing transportation is resulted! This might well be described as "under a leaking roof on a rainy night".

Since the passenger flow in the Northeast New Territories cannot be diverted just by a rail link between Ma On Shan and Tai Wai to interchange with the KCR, the Government should decide on the spot to revise the plan and commence the construction work as soon as possible in order to complete the railway at an early date. However, it is irritating to see that the Government adopts an apathetic attitude, emphasizing that these projects has to be examined and planned carefully, which will take time. In this connection, I strongly urge the Government to publish the options for the construction of the rail link from Ma On Shan to urban Kowloon via Tai Wai and give us a clear account of the timetable and completion date of the work.

Furthermore, the Democratic Party is very much concerned about the implementation of the Ma On Shan Rail project. I object to the Government turning this project over to a consortium for development because past incidents show that the Government usually favours the operator in granting franchise terms and even minimizes supervision in order to attract the consortium to invest in the development project. The Western Harbour Crossing (WHC) is an obvious example. At first there were two companies contending for the project but later they merged into one single consortium in the bid for the construction of the WHC. With no other options available, the Government was open to exploitation by the developer. Consequently, in order to avoid financing the construction of the WHC by itself, the Government was willing to allow the

Western Harbour Tunnel Company Limited to adopt an unprecedented "automatic toll increase mechanism", which has weakened the Legislative Council and the Government's monitoring power over the Company and undermined the interests of the public.

The future Ma On Shan Rail will be the main route of transportation not only for the residents of Ma On Shan but also for residents of the whole Northeast New Territories. Its quality of service and fare level will have direct bearing on the people's livelihood there. Therefore, I suggest that the Government should finance the construction on its own to ensure that its operation and fares will be closely monitored by the Government and the Legislative Council in order to safeguard public interests.

Mr Deputy, we see that railway systems will take the lead in the transportation planning of Hong Kong in future. However, the MTR and the KCR are adopting different modes, in terms of their systems, cars, tracks and electricity supply. If all the future railways are to be built in a similar way in which the constructors are allowed to adopt different systems and operation modes, it will be more difficult for our railway networks to develop into a through ring system. Their efficiency will be substantially reduced. Therefore, the Democratic Party urges the Government to conduct a long-term, comprehensive and thorough study on the future railway projects regarding both their implementation and system designs in the hope that all the relevant railway systems will ultimately be linked together in a through ring.

Mr Deputy, the Honourable Mrs Miriam LAU has just said that the Democratic Party's amendment is based on two premises. The first one, which she does not agree to, is that the construction will be faster and the fares lower if the project is financed by the Government. I would like to make a brief response here. I am citing the examples of the Country Park Section of Route 3 and the Ting Kau Bridge again. Both of them were originally under the same project but the Government finally decided to finance the construction of Ting Kau Bridge and turn the Country Park Section over to a private developer. In the end, the Country Park Section was completed a year behind schedule as the Government had to negotiate with the consortium and draw up an ordinance on the franchise. Moreover, the Government has no need to make profits and hence its rate of return will definitely be lower than that of a private consortium and the fares will be set at a level lower than that set by the private developer of the railway. Thus, public interests can be better safeguarded.

With these remarks, I support the amendment of Dr the Honourable John TSE.

MR AMBROSE LAU (in Cantonese): Mr Deputy, in 1994 the Government announced three high priority projects, including the Western Corridor Railway, the Mass Transit Railway (MTR) Tseung Kwan O Extension, and a rail link between Ma On Sha and Tai Wai. The position as at the present moment indicates that the Government is rather positive in promoting the first two projects but is neglecting the last one.

Mr Deputy, the Government earlier on made a mistake in the forecast for the population growth at Ma On Shan. According to the strategic report on Metroplan, the population for that part of the territory will be 172 000 only by the year 2011. However, as developers continue their development of the place, there are already 230 000 people living there. It is forecast that after 15 years the population will reach over 420 000. In the circumstances, if the plan for the Ma On Shan Rail continues to be shelved, outbound traffic will result in huge pile-ups, which are replicas of Tuen Mun in the Northwest New Territories. To prepare ourselves for the future, we should lose no time in constructing a mass transit railway system in the Northeast New Territories.

Mr Deputy, in terms of feasibility, the Ma On Shan Rail is better than the Western Corridor Railway and the MTR Tseung Kwan O Extension for a number of reasons. To start with, land has been reserved at Sha Tin and Ma On Shan for the construction of stations. In addition, land along the railway line is under short-term leases, making land resumption a simple matter and relatively cheap. The roads from Tai Wai to Ma On Shan are broad and have good potential for railway stations to be built and for diverting traffic from the Northeast New Territories. The part of Sai Sha Road between Bayshore Towers and Sunshine City is wide enough for the construction of railway stations. In addition, development potential above the stations are great. Hence developers are interested in the construction of the Ma On Shan Rail. The Government indicated clearly that it intended to invite private groups to take part in the construction of the Ma On Shan extension, which included the extended part of the Kowloon East railway. This shows that the project has good commercial value. Hence a reasonable financial package for the project should not be too difficult to draw up and it is financially viable. I see no reason why the

Government should not start without delay the construction of this new railway which can completely solve the traffic deadlock in the Northeast New Territories.

Mr Deputy, in 15 years the population in Ma On Shan will reach 420 000. As many as 1.8 million people will be living in the Northeast New Territories. Early construction of the Ma On Shan/Kowloon rail link and its coordination with the development of the Tsim Sha Tsui extension will relieve the already overloaded Kowloon Tong interchange, which is a deplorable bottleneck. The rail link will also shorten the journey time from the New Territories to Kowloon and ease the congestion of the MTR along Nathan Road. If the Government re-considers the construction of a railway branching from Tai Wai to the north-south bound rail of the new Airport Railway, the railway network comprising the future Western Corridor Railway, the New Airport Railway, and the railway network in the East New Territories will be totally inter-linked. This will not only solve completely the traffic problem of the the Northeast New Territories but also integrate all the mass transit railway systems in the territory to optimize their efficiency.

Mr Deputy, this Council urges the Government to start the construction of the new rail link between Ma On Shan and Kowloon via Tai Wai at an early date and to actively promote the preliminary research into the new railway. This will provide a firm basis to facilitate the decision-making of the future Government of the Special Administrative Region about the relevant projects so that construction work can be started early.

Mr Deputy, I so submit.

THE PRESIDENT resumed the Chair.

MR ALBERT CHAN (in Cantonese): Mr President, the discussion on rail link between Ma On Shan and Kowloon, in fact, is not confined to the population of Ma On Shan, which is possibly over 100 000 at present and will reach over 300 000 in future. The outbound traffic needs of Shatin residents, whose number is well over 500 000 now, are also involved. If we take a look at the present situation of Ma On Shan, we can see that it can be described as a partial replica of Tuen Mun. Its town development process is that people are moved into the area first, and only when the population has reached a certain level will

any step-by-step planning or initial step of planning for a mass transit system be taken up.

At present, the external transport of Ma On Shan relies solely on Ma On Shan Road, part of which is for dual two-lane traffic only. A traffic accident on this only major road will paralyze the entire traffic network of Ma On Shan and sever its outbound traffic. Although there is an alternative route to Kowloon via Sai Kung, that road is facing serious problems of its own, too. Therefore, anything adversely affecting Ma On Shan Road will result in huge economic losses. Hence, the Government is duty-bound to build a mass transit system as soon as possible.

In fact, a mass transit system should be part of the infrastructure in the development of a new town and it should not be regarded as a means to make profits. I say so because every time the Government develops a new town, it attaches much importance to the rate of return of capital investment, as though it were a separate business, rather than treating it as part of town planning, or part of the essential infrastructure of the economic development of Hong Kong as a whole. I am of the view that if this concept is not rectified, the traffic problems of Hong Kong and problems of new towns lacking mass transit systems will remain. Therefore, I think both the Transport Branch and the various departments responsible for town planning should review this abnormal and improper arrangement. If the concept is rectified, problems arising from the development of new towns will not repeat themselves one after another. Mass transit systems can be described as indispensable or integral parts of new towns. Only a new town with a mass transit system can be a wholesome and intact community.

As to the principle of overall planning, I think the Government should consider the following interrelated issues as a whole, instead of considering them individually. I think the first thing to consider is the transport need of the people. This is mentioned in many transport studies. However, it is always a very different story when it comes to implementation.

The second point is the relationship between railway development and transportation of Hong Kong as a whole. The Honourable WONG Wai-yin has just mentioned that this is also a very important point to consider. We can see that the overall transport system of Hong Kong as a whole, which incorporates the Mass Transit Railway, the Kowloon-Canton Railway and the Light Rail

Transit Railway, lacks coordination. If we look at other major cities around the world, invariably there is a ring of railway network. In Hong Kong, however, the two major railway networks are not compatible with each other. Neither the rails, carriages nor even the power supply systems can be interconnected. In fact, this is an irony. Of course, there are historical reasons behind the scene, but in the long run, if Hong Kong is to develop her mass transit railway system, the question of full compatibility of the different systems should be considered. This will definitely improve cost-effectiveness.

Thirdly, when railway developments are considered, tied-in land development along the railway should not be neglected, because this is also very important both to the long-term development strategy and the needs of the residents there.

Fourthly, while cost-effectiveness is a factor that must be considered, it should not dominate the aforesaid three points.

Mr President, of the three railway development projects announced in 1994, I am worried about the implementation date of the Ma On Shan project, which would be in the remote future. As specific studies have just begun, an analogy drawn from the West Rail project will show that by the time the studies are completed, the scheduled date of 2001 will have to be put off until 2003. Even if the Ma On Shan Rail project can be implemented by phase today, I cannot imagine when it will be completed, as little is known about its mode and the location of its terminal.

I now urge the Government to consider the four points I have just put forward, in particular, the needs in a mass transit system for residents of both Ma On Shan and Sha Tin. I hope the processes can be sped up. On the question of speeding up the processes, I am sure that direct injection of capital by the Government is the fastest way. I will definitely object to a plan to be led by a consortium, because this will result in the system being tied in with the property development interests of the consortium. This will be very dangerous because a mass transit system is meant to meet the needs of the general public, and should any conflict of interests arises, there is no guarantee that the consortium in question will not resort to sacrificing the needs of the mass transportation for its interests in property development. Therefore, I present our views regarding the several points I have mentioned, and I support the amendment moved by Dr the Honourable John TSE.

Thank you, Mr President.

MR CHAN KAM-LAM (in Cantonese): Mr President, there are 320 000 people living in Ma On Shan at present. The Government estimates that the population will increase to 420 000 over the next 5 years. The residents there have to suffer the traffic congestion along the Lion Rock Tunnel and the Tate's Cairn Tunnel and the "human congestion" at Tai Wai Railway Station. It has been their aspiration for a long time to have a railway running directly to the urban area.

I remember that during the time between 1992 and 1993, an enterprise in the private sector initiated the idea of building a railway running from Ma On Shan to Cheung Sha Wan. This immediately gave a glimpse of hope for the residents in Ma On Shan. Unfortunately, after repeated studies, the Government now only give them a promise to implement a railway system in "broken sections": a rail link between Ma On Shan and Tai Wai and the extension of the Kowloon-Canton Railway from Hung Hom to Tsimshatui. I am afraid that the dream cherished by residents of Ma On Shan to travel directly to Kowloon can only be realized after a decade or two.

In the Railway Development Study published in 1993, it was proposed that the conceptualized Eastern Corridor should comprise the Tseung Kwan O extension and 2 feasible options regarding the East Kowloon Route. These options are (1) the rail link between Ma On Shan and Cheung Sha Wan and the Mass Transit Railway (MTR) extension from Diamond Hill to the West Kowloon Reclamation Area and (2) the rail link between Ma On Shan and Diamond Hill, in conjunction with the extension from Diamond Hill to West Kowloon. Despite the negative rates of return in both cases (-2.8% and -3.7% by the year 2006 respectively), it was the view of the study that it was necessary for the Government to give relatively greater financial support, and in view of the lower construction cost for a railway running between Ma On Shan and Diamond Hill, the Government was more inclined to adopt this option. However, a feasibility study on the Ma On Shan and Cheung Sha Wan rail link has never been ruled out. Regardless of the option to be adopted, it can be seen that the Government shares the view that there is a need to construct a direct rail link between Ma On Shan and Kowloon.

The Democratic Alliance for Betterment of Hong Kong (DAB) was of the view that in order to match the development of the Airport Railway and the Western Corridor, the option for a railway to run from Ma On Shan to Cheung Sha Wan and for an extension to connect it to the Airport Railway will better meet the need. However, we think that it is a matter of subjective preference to say which one of these options is better.

Unfortunately, the Railway Development Strategy released in late 1994 was a major retrogression. The Government rejected the Ma On Shan/Cheung Sha Wan option on the ground that a solution for the traffic congestion along the Nathan Road section of the MTR would be involved, and that an interchange with the Airport Railways at the Cheung Sha Wan station would be needed. As for the Ma On Shan/Diamond Hill railway and an extension to West Kowloon, the Government rejected it because it thought that the construction cost was too high (\$29 billion at 1994 prices), and it was worried that the patronage of the KCR might drop. The result is that the hope of the Ma On Shan residents for either of these options is dashed!

The Railway Development Strategy merely proposed that priority should be given to the construction of the Ma On Shan/Tai Wai railway and the KCR extension from Hung Hom to Tsimshatsui. As for the extension from Hung Hom and Tsimshatsui to West Kowloon, it has been placed in the Group B Projects which are "less urgent in terms of transport need", and which will depend on land planning in future. From this we can see once again that the Government is not forward-looking in planning transport facilities.

The DAB is of the view that the completion of the KCR terminal from Hung Hom to Tsimshatsui will significantly relieve the traffic pressure from the MTR Kowloon Tong Station to other stations along Nathan Road, and in the wake of the prospering economic activities between China and Hong Kong as well as the completion of the residential property constructions in Sheung Shui, Fanling and Taipo, the traffic demand of the North New Territories will only increase. Therefore, the worries as stated in the Railway Development Strategy is groundless. In order that the bitter lesson of the deadlock in the outbound traffic of Tuen Mun will not repeat, there is urgency in building a Ma On Shan/Kowloon rail link.

Earlier on, the Secretary for Transport told the Transport Panel of this Council that the consultant study on the Ma On Shan/Tai Wai link and the Kowloon extension, on which the Government had spent nearly \$15 million, would be completed next month. Although the Government has said that it will at the same time assess whether it is necessary to build an additional section to connect Sha Tin and Kowloon, the DAB is of the view that what the Government should study now is no longer the issue whether it is necessary to build a rail link between Sha Tin and Kowloon. Instead, it should be the question of the option and route to adopt, which means whether it should be the Cheung Sha Wan or Diamond Hill option for the rail link to Ma On Shan via Tai Wai. Otherwise, even if the consultant report endorses the need to link up Kowloon, it will take a year or so to look into the specific option. Should the rail link between Ma On Shan and Tai Wai be completed and yet the railway linking Kowloon cannot be finished concurrently, it will be impossible to relieve the congestion at Tai Wai Station.

The DAB is still of the view that in terms of long-term development and planning, the option of building a rail link between Ma On Shan and West Kowloon to connect the Airport Railway can better serve the actual needs than the Diamond Hill option.

As to the question of funding, although the Government pointed out in 1993 that in view of the lower rate of return, it would be necessary for the Government to have greater financial commitment to the Ma On Shan/Kowloon rail link. However, if we decide to have the Government finance the construction without considering the feasibility of raising fund from the market, it would be too hasty and inflexible. Therefore, the DAB does not agree to Dr the Honourable John TSE's amendment to the original motion.

The DAB is also of the view that the consultancy report to be published soon should set out details of both the Cheung Sha Wan and Diamond Hill options with regard to their construction costs and funding arrangements, as well as the initial fares systems, so as to ensure that the fares can be set at a reasonable level and affordable by members of the public.

Mr President, with these remarks, I support Dr the Honourable LAW Cheung-kwok's amendment.

PRESIDENT (in Cantonese): Since Dr John TSE has not had the opportunity to speak on Dr LAW's amendment to his amendment, I now invite Dr TSE to speak for the second time on the amendment moved by Dr LAW Cheung-kwok only, for up to five minutes. This is in line with the spirit in which the House Committee recommends speaking time for Members.

DR JOHN TSE (in Cantonese): Mr President, concerning Dr the Honourable LAW Cheung-kwok's amendment, and particularly in his speech, I do not see any rationale behind his amendment. He only emphasized on an appropriate financing option but did not explain what he meant by "an appropriate financing option". He only said that with an appropriate financing option, the fares would be lower and such saying is no more than finding justification for his argument. According to his understanding, "an appropriate option" is the best option but then I do not see any substance in his argument for he cannot explain how such financing option can lower the fares.

On the other hand, concerning the issue of the Government joining hands with consortia, most importantly, the Democratic Party thinks that such an arrangement will slow down the process of the whole project, with time wasted on matters such as invitation for tenders, negotiation on franchise terms and legislation procedures. In the case that there is only one consortium to contend for the project, the Government will easily be lobbied and even exploited, in turn jeopardizing the interests of the public.

Dr LAW mentioned that it is definitely wrong for the Government to finance the project as it should not directly spend any money on it. In fact, there are advantages if the Government finances the project itself. At least it will be completed faster at a lower cost. This is what we can almost be certain. It is "fast" because when the Government finances the whole project, it does not have to go through procedures such as invitation for tender, franchise and legislation. Therefore, it can be understood why the railway can be completed at an early date, and most importantly, there is no need for bargaining with the consortia.

If the Government bears all the construction costs — since the Government has such huge reserves, we do not see why it cannot allocate part of them to the construction of the Ma On Shan Rail — if the Government can

really build the railway on its own, I believe it will greatly reduce the pressure on the fares and achieve the effect of being "fast" and "cheap".

As a matter of fact, we do not expect the Government to make a profit on this project and therefore the rate of return must be on the low side. On the other hand, in the case that a consortium invests in the project, since it has to make a profit, it will set a higher rate of return and that will be reflected on the fares. I would like to point out in particular that should it be operated by a private company, it will be highly difficult for the Legislative Council and even the public to monitor it. To sum up, I think that there are definitely advantages for the Government to finance the project on its own.

Having heard the speeches of many Members, I learn that they are against the idea of having the Government finance the railway. Perhaps most of them consider it from the viewpoint of the business sector and ignore the interests of the Northeast New Territories residents. I think that as a Legislative Councillor, the most important task is to ensure that the transportation needs of the residents can be met. If a consortium is to invest in this project, it may care more about making profits. In fact, those Members who object to my amendment may be held largely responsible when construction of the Ma On Shan Rail is behind schedule and the fares are higher than those of a project financed by the Government.

In view of the above, and particularly when the construction to be financed by the Government will certainly be fast and cheap, I hope that Members will support my amendment. Thank you, Mr President.

PRESIDENT (in Cantonese): I now invite Mr CHOY Kan-pui to speak on the two amendments. You have five minutes to speak on the amendments, Mr CHOY.

MR CHOY KAN-PUI (in Cantonese): Mr President, Dr the Honourable LAW Cheung-kwok and Dr the Honourable John TSE have proposed amendments to my motion urging the Government to ensure that fares of the Ma On Shan rail link will be set at a reasonable and affordable level in future. I agree to this and have covered the same in the last part of my speech. This is also a common wish shared by the residents of Sha Tin as well as the whole community of Hong

Kong because the objective of the transportation policy should be serving the public and bringing them convenience. The rate of return and profits should never be the target.

Mr President, the financing arrangements for the construction of the railway can be discussed further. It is not the focus of this debate today. Our focus today is to urge the Government to construct a railway running from Ma On Shan to urban Kowloon at an early date. Concerning financing arrangements, I agree that we should give priority to the Government or a public company wholly owned by the Government, such as the Kowloon-Canton Railway Corporation or a new railway corporation. As the current interest rate of the capital market is low, the Government or this public company should take advantage of this opportunity and actively raise funds from the local or overseas capital market to meet part or most of the construction costs. I do not agree that the railway project should be financed solely by the Government because this will inflict an excessive financial burden on the future government of the Hong Kong Special Administrative Region. Hence, I cannot agree to Dr John TSE's amendment.

Mr President, I so submit.

SECRETARY FOR TRANSPORT (in Cantonese): Mr President, I would first like to extend my thanks to the Honourable CHOY Kan-pui for proposing this motion as well as to Dr the Honourable John TSE, Dr the Honourable LAW Cheung-kwok and seven Members who have expressed their valuable opinions on the motion. From what have been said by the Members, we come to a clear consensus and that is, they hope to implement at an early date the construction of a new railway running to Ma On Shan so as to improve the traffic condition of the Northeast New Territories region. Mr President, the railway link from Ma On Shan to Tai Wai and the Hung Hom to Tsim Sha Tsui line of the Kowloon Canton Railway Corporation (KCRC) is one of the three railway projects to which priority was accorded in the 1994 Railway Development Strategy. This new railway link can ease road congestion, provide convenience for residents travelling to and from the urban area and expedite the development of Ma On Shan and the Northeast New Territories region.

Background

In November 1995, the Government commissioned a detailed consultancy study on the feasibility of the railway link from Ma On Shan to Tai Wai and the Hunghom to Tsim Sha Tsui line of KCRC. The areas covered in the study included:

- (a) determination of the most desirable type of system, alignment, station sites and depot sites;
- (b) determination of the feasibility of the projects, land use, planning and traffic matters;
- (c) assessment of impact on the environment and drainage system;
- (d) provision of cost and revenue data for further financial assessment by the Government.

In October 1996, we explained to the Legislative Council Panel on Transport that as the projected population growth of Hong Kong might be higher than expected, we had extended the area of the study to include:

- (a) a preliminary review to study the impact of the projected population growth on the railway links in the Northeast New Territories region, Kowloon and Hong Kong;
- (b) an assessment of the impact of population growth on the Ma On Shan Tail and whether there is a need to construct additional Rail to link up Shatin with Kowloon; and
- (c) putting up suggestions regarding the type of system to be adopted for the Ma On Shan Rail based on the above.

We expect that the major part of the feasibility study will be completed in February 1997. One common point can be found in the original motion moved by Mr CHOY Kan-pui and in the amendments moved by Dr John TSE and Dr LAW Cheung-kwok: they all are of the opinion that the terminal for the Ma On Shan rail link should not be Tai Wai as suggested in the Railway Development Strategy. The Ma On Shan line should extend to urban Kowloon. With the expected growth in population and the different development plans such as the redevelopment of Kai Tak Airport and Kowloon reclamation, the Government agrees that in the foreseeable future, there may be a need to construct a railway to

link up Tai Wai with the urban area in the long run. This is exactly one of the issues covered in our consultancy study.

As for the other specific suggestions, I would like to respond to one of the suggestions put forward by the Honourable CHEUNG Hon-chung regarding the railway system. Our position is that should there be an actual need, we will, when designing the railway, surely consider whether there is a need to upgrade the Ma On Shan Rail which is under planning from an intermediate capacity system to a high capacity system by say increasing the number of compartments. Of course, corresponding adjustments will have to be made to the other facilities so as to bring them in line with the upgraded Ma On Shan Rail. As regards stations, several Members have touched on the capacity of Tai Wai station as an interchange. I can assure Members that a preliminary plan has been drawn up in this respect. A new interchange with, for example, a sizable concourse will be built in Tai Wai to satisfy the actual need. Looking at the entire railway system, the idea of the Government at this stage is to construct the Ma On Shan to Tai Wai line and the KCRC Tsim Sha Tsui extension first so as to ease traffic congestion for residents of the New Territories as soon as possible. Upon completion of these 2 projects:

- (a) residents of the Northeast New Territories region can more efficiently make their way direct to the southern part of Kowloon by taking the Kowloon Canton Railway;
- (b) 2 choices will be available for Hong Kong Island bound passengers, that is, they can change at either Kowloon Tong or Tsim Sha Tsui;

As for the time frame, the Government will later this year consider in detail the suggestions made in the consultancy report. It will also consult this Council and other bodies concerned so as to come to a decision on the Ma On Shan Rail project for construction to be commenced as soon as possible.

Concerning Members' suggestion of extending the Ma On Shan Rail to the urban area, we can understand their rationale but are of the opinion that the alignment and the time for it to be operational should be considered together with the plan for developing the transport infrastructural network. Moreover, we should also take into account other factors, including changes in the population, the timetable for introducing different development projects, road network under

development, the construction of the Western Corridor rail link and the MTR Tseung Kwan O extension, as well as the effect of these 2 rail links on future transport pattern. There is the possibility that we may have to conduct an overall review on our railway development strategy before a decision can be made as to what steps should be taken in future to develop Hong Kong's railway network.

Financing arrangement for the project

Financing arrangement for the rail link from Ma On Shan to urban Kowloon via Tai Wai has been covered in the amendments proposed by Dr John TSE and Dr LAW Cheung-kwok. While Dr TSE thinks that the Government should finance this project, Dr LAW hopes that the Government would formulate an appropriate financing option to implement this project. Just now I have explained that the position of the Government, which is that priority should be given to the construction of the Ma On Shan to Tai Wai link. It is also based on this that I am making the following response to what have been said by Dr TSE and Dr LAW.

When the major part of the feasibility study is completed in February 1997, the Government will assess whether the project is financially viable or not, and then suggest the best way for the rail link to be constructed. The purpose of the Government is to find out the most cost-effective and appropriate way to implement the project and to ensure that fare for the Ma On Shan Rail will be pitched at a reasonable level affordable to the people of Hong Kong. The Government will carefully assess the different options, whether they represent Government financing or private sector financing, and then suggest the best way to implement the project. Upon completion of the study on the necessary technology and financial matters, we will forthwith put the suggested development strategy to Legislative Council for consultation.

The Government agrees with Mr CHOY and Dr TSE that there is a pressing need to relieve the demand of residents of the Northeast New Territories region on transport. However, I do have reservation about Dr TSE's amendment that the Government should finance the construction of the Ma On

Shan link. This is because since the study on the engineering and financial matters of the project has not yet been completed at the moment, we think it is premature to discuss whether having the Government finance the project is the most cost-effective and the best way to construct the rail link.

Mr President, I would like to make a simple conclusion here: the Government has undertaken to construct the Ma On Shan to Tai Wai rail link as soon as possible and is making every effort to fulfill this commitment. This is in line with Mr CHOY's original motion as well as the amendments proposed by Dr TSE and Dr LAW. The Ma On Shan Rail is an important step towards improving traffic condition of the Northeast New Territories region and should thus be given top priority. The Government understands that in the long run, there may be a need to provide a rail link connecting the Northeast New Territories region directly with the urban area. The operational time and alignment arrangement for the railway linking Tai Wai with the urban area should also be considered under the overall review. The Government will carry out a detailed financial study to come up with the best option to implement the construction of the Ma On Shan to Tai Wai link. We will consult Legislative Council and the bodies concerned on the suggested direction for development.

With priority given to the Ma On Shan to Tai Wai rail link, and the Tai Wai to the urban area line to be given a second thought, the Government supports Dr LAW's amendment. Thank you, Mr President.

Question on Dr LAW Cheung-kwok's amendment put.

Voice vote taken.

The President said he thought the "Ayes" had it.

Dr LAW Cheung-kwok claimed a division.

PRESIDENT (in Cantonese): Council will now proceed to a division.

PRESIDENT (in Cantonese): I hereby remind Members that the question now put to you is: That the amendment moved by Dr LAW Cheung-kwok be made to Dr John TSE's amendment.

Will Members please register their presence by pressing the top button in the voting units and then proceed to vote by pressing one of the three buttons below?

PRESIDENT (in Cantonese): Before I declare the result, Members may wish to check their votes. Are there any queries? The result will now be displayed.

Mr Allen LEE, Mrs Selina CHOW, Mr Edward HO, Mr Ronald ARCULLI, Mrs Miriam LAU, Dr LEONG Che-hung, Mr Frederick FUNG, Miss Emily LAU, Mr Henry TANG, Mr Howard YOUNG, Mr CHAN Kam-lam, Mr CHAN Wing-chan, Miss CHAN Yuen-han, Mr CHENG Yiu-tong, Mr CHEUNG Hon-chung, Mr CHOY Kan-pui, Mr IP Kwok-him, Mr Ambrose LAU, Dr LAW Cheung-kwok, Mr LEE Kai-ming, Mr Bruce LIU, Mr LO Suk-ching, Mr MOK Ying-fan, Miss Margaret NG, Mr NGAN Kam-chuen and Mr YUM Sin-ling voted for the amendment.

Mr Martin LEE, Mr SZETO Wah, Mr Albert CHAN, Mr CHEUNG Man-kwong, Mr Michael HO, Dr HUANG Chen-ya, Mr LEE Wing-tat, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Mr WONG Wai-Yin, Mr Andrew CHENG, Dr Anthony CHEUNG, Mr LAU Chin-shek, Mr LAW Chi-kwong, Mr LEUNG Yiu-chung, Mr SIN Chung-kai, Mr TSANG Kin-shing and Dr John TSE voted against the amendment.

The President announced that there were 26 votes in favour of the Dr LAW Cheung-kwok's amendment and 19 against it. He therefore declared that the amendment was carried.

PRESIDENT (in Cantonese): Now that Dr LAW Cheung-kwok's amendment has been agreed, we will take a vote on Dr John TSE's amendment, as amended by Dr LAW Cheung-kwok, to Mr CHOY Kan-pui's motion.

Question on Dr John TSE's amendment, as amended by Dr LAW Cheung-kwok, put and agreed to.

PRESIDENT (in Cantonese): Mr CHOY Kan-pui, you are now entitled to reply and you have three minutes 22 seconds out of your original 15 minutes.

MR CHOY KAN-PUI (in Cantonese): Mr President, I move this motion today and our fellow colleagues make their speeches because we want to urge the Government to face the problem. It should be forward looking when drawing up plans for the transportation network instead of embarking on a piecemeal solution. It is not the right approach for the Government to work out an option hastily with a view to solving the problem when it is faced with chronic traffic congestion resulting from a sharp population increase which in turn brings about pressing demand for transport.

Railway is the most effective mass transit carrier to ease commuter flow. It is also the best solution to serving the outbound traffic needs of the New Territories. Sha Tin, with a population of over 600 000, is closest to the urban area and a large new town in the New Territories. A solution to the problem of outbound traffic for Sha Tin will also solve the outbound traffic predicament of the New Territories. A new railway running directly from Ma On Shan to urban Kowloon is the most effective option. I hereby urge the Government for a prompt decision. This is exactly why I move this motion today. I am very happy to know that this point of view is supported by Dr the Honourable LAW Cheung-kwok and Dr the Honourable John TSE, who have moved amendments to my motion, and by other Members who have spoken on the motion. In this regard, they have my heartfelt thanks and I believe the residents of Sha Tin will

feel the same. As for the financing arrangement, it can be discussed in detail later as it is not the focus here.

I hereby urge Members to support Dr LAW Cheung-kwok's amendment. Thank you all for your support.

Question on Mr CHOY Kan-pui's motion, as amended by Dr John TSE and Dr LAW Cheung-kwok, put and agreed to.

MEMBERS' BILL

First Reading of Bill

HOUSING (AMENDMENT) BILL 1997

Bill read the First time and ordered to be set down for Second Reading pursuant to Standing Order 41(3).

Second Reading of Bill

HOUSING (AMENDMENT) BILL 1997

MR BRUCE LIU to move the Second Reading of: "*A Bill to amend the Housing Ordinance.*"

MR BRUCE LIU (in Cantonese): Mr President, I move that Housing (Amendment) Bill 1997 be read the Second time.

The Housing Authority (HA) adjusts the rent of public housing according to the following three principles :

- (1) affordability of the households;
- (2) relative values of the housing estates; and

- (3) the median rent-income ratio to be set at 15% for new housing estates and 18.5% for households that prefer more spacious units.

The existing rent policy pegs the rent with the income ratio, and the rent level is so determined. Thus families making less than the median household income have to shoulder a very heavy burden because of the rent. Although the HA has drawn up a rent assistance policy as a remedial measure to mitigate the hardships of those in financial difficulties, the policy is deficient in that households in prolonged financial difficulties will be ordered to move to units of lower rents. This means that they have to accept the reality of living in units that are inferior both in facilities and environment. It seems a policy that treats households by classes. Only the better off households are entitled to a better living environment. Those that are less well off have to move to units in older housing estates. The existing rent policy inevitably operates with this discriminatory measure, and this concept has all along been strengthened.

Moreover, the HA has the absolute power over rent adjustment under the existing rent policy. For changes in a policy that affects over half of the population, if we rely on the decisions made by an authority comprising entirely of appointed members, it is really questionable whether the interests of the public can be safeguarded.

In view of the aforesaid problems, I have decided to put forth this Members' Bill which seeks to make it possible that if the rent for public housing as determined by the HA exceeds the accumulated rate of inflation, the rent will have to be determined by way of subsidiary legislation, and prior approval by the Legislative Council has to be sought.

As the policy to authorize the HA, an appointed body, to determine the rent level is constantly under severe criticism, it is necessary for us, Members of the Legislative Council, to exercise suitable checks and balance and to play a monitoring role, so that public interests can be fully safeguarded, particularly when the motion I moved last week on altering the composition of the HA failed. Under these circumstances, the Legislative Council should play an appropriate role in checks and balance as well as monitoring. Therefore, I propose that rent adjustments are to be examined in the form of resolutions, so that Members can consider whether or not the grounds on which the HA determines the rent

adjustments are sufficient. This will enable Members to question, doubt and even amend the decision in question.

Furthermore, by requiring that rent adjustments should not exceed the accumulated rate of inflation, tenants of public housing will be duly protected. This is to prevent the HA from making rent adjustments that exceed inflation lest it is anxious to improve part of the household accounts or to subsidize the deficit of other accounts, which may exert greater pressure on the living of public housing tenants.

Mr President, these are my remarks.

Question on the motion on the Second Reading of the Bill proposed.

Debate on the motion adjourned and Bill referred to the House Committee pursuant to Standing Order 42(3A).

ADJOURNMENT AND NEXT SITTING

PRESIDENT (in Cantonese): In accordance with Standing Orders, I now adjourn the Council until 2.30 pm on Thursday, 23 January 1997.

Adjourned accordingly at fourteen minutes to Eight o'clock.

Note: The short titles of the Bills/motions listed in the Hansard, with the exception of the Administration of Justice (Miscellaneous Provisions) Bill 1997 and Auxiliary Forces Pensions (Miscellaneous Amendments) Bill 1997, have been translated into Chinese for information and guidance only; they do not have authoritative effect in Chinese.