

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 5 November 1997

The Council met at half-past Two o'clock

MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE MRS RITA FAN, J.P.

THE HONOURABLE WONG SIU-YEE

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

THE HONOURABLE DAVID CHU YU-LIN

THE HONOURABLE HO SAI-CHU, J.P.

THE HONOURABLE EDWARD HO SING-TIN, J.P.

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

THE HONOURABLE NG LEUNG-SING

THE HONOURABLE ERIC LI KA-CHEUNG, J.P.

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

THE HONOURABLE LEE KAI-MING

THE HONOURABLE ALLEN LEE, J.P.

THE HONOURABLE MRS ELSIE TU, G.B.M.

THE HONOURABLE MRS SELINA CHOW, J.P.

THE HONOURABLE MRS PEGGY LAM, J.P.

THE HONOURABLE HENRY WU

THE HONOURABLE NGAI SHIU-KIT, J.P.

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

THE HONOURABLE YUEN MO

THE HONOURABLE MA FUNG-KWOK

THE HONOURABLE CHEUNG HON-CHUNG

DR THE HONOURABLE MRS TSO WONG MAN-YIN

THE HONOURABLE LEUNG CHUN-YING, J.P.

DR THE HONOURABLE LEONG CHE-HUNG, J.P.

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

THE HONOURABLE MOK YING-FAN

THE HONOURABLE CHAN CHOI-HI

THE HONOURABLE CHAN YUEN-HAN

THE HONOURABLE CHAN WING-CHAN

THE HONOURABLE CHAN KAM-LAM

THE HONOURABLE TSANG YOK-SING

THE HONOURABLE CHENG KAI-NAM

THE HONOURABLE FREDERICK FUNG KIN-KEE

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

DR THE HONOURABLE PHILIP WONG YU-HONG

THE HONOURABLE KENNEDY WONG YING-HO

THE HONOURABLE HOWARD YOUNG, J.P.

DR THE HONOURABLE CHARLES YEUNG CHUN-KAM

THE HONOURABLE YEUNG YIU-CHUNG

THE HONOURABLE IP KWOK-HIM

THE HONOURABLE CHIM PUI-CHUNG

THE HONOURABLE BRUCE LIU SING-LEE

THE HONOURABLE LAU KONG-WAH

THE HONOURABLE LAU WONG-FAT, J.P.

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

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

THE HONOURABLE CHOY KAN-PUI, J.P.

THE HONOURABLE PAUL CHENG MING-FUN, J.P.

THE HONOURABLE CHENG YIU-TONG

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

THE HONOURABLE TIMOTHY FOK TSUN-TING

THE HONOURABLE KAN FOOK-YEE

THE HONOURABLE NGAN KAM-CHUEN

THE HONOURABLE LO SUK-CHING

DR THE HONOURABLE LAW CHEUNG-KWOK

THE HONOURABLE TAM YIU-CHUNG, J.P.

THE HONOURABLE CHOY SO-YUK

MEMBERS ABSENT:

PROF THE HONOURABLE NG CHING-FAI

THE HONOURABLE RONALD ARCULLI, J.P.

THE HONOURABLE HUI YIN-FAT, J.P.

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE MRS ANSON CHAN, J.P.
CHIEF SECRETARY FOR ADMINISTRATION

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

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

MR MICHAEL SUEN MING-YEUNG, J.P.
SECRETARY FOR CONSTITUTIONAL AFFAIRS

MR NICHOLAS NG WING-FUI, J.P.
SECRETARY FOR TRANSPORT

MR RAFAEL HUI SI-YAN, J.P.
SECRETARY FOR FINANCIAL SERVICES

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

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

MR KWONG KI-CHI, J.P.
SECRETARY FOR THE TREASURY

MR STEPHEN IP SHU-KWAN, J.P.
SECRETARY FOR ECONOMIC SERVICES

MR PATRICK LAU LAI-CHIU, J.P.
SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS

CLERKS IN ATTENDANCE:

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

MS PAULINE NG MAN-WAH, ASSISTANT SECRETARY GENERAL

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

PAPERS

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

Subject

Subsidiary Legislation	<i>L.N. No.</i>
Electoral Affairs Commission (Registration of Electors) (Geographical Constituencies) (Legislative Council) Regulation	499/97
Gambling (Amendment) Regulation 1997	500/97
Hotel and Guesthouse Accommodation (Fees) (Amendment) Regulation 1997	501/97
Rectification of Error (No. 2) Order 1997	502/97
Overseas Lawyers (Qualification for Admission) (Fees) (Amendment) (No. 2) Rules 1997	503/97
Kadoorie Farm and Botanic Garden Bylaw	504/97
Immigration (Amendment) Regulation 1997 (L.N. 432 of 1997) (Commencement) Notice 1997	505/97
Registration of Persons (Amendment) Regulation 1997 (L.N. 433 of 1997) (Commencement) Notice 1997	506/97
Marriage Reform (Fees) (Amendment) Regulation 1997 (L.N. 434 of 1997) (Commencement) Notice 1997	507/97

Births Registration (Special Registers) Ordinance (Amendment of Fifth Schedule) Order 1997 (L.N. 435 of 1997) (Commencement) Notice 1997.....	508/97
Deaths Registration (Special Registers) Ordinance (Amendment of Fourth Schedule) Order 1997 (L.N. 436 of 1997) (Commencement) Notice 1997.....	509/97
Marriage Ordinance (Amendment of Second Schedule) Order 1997 (L.N. 437 of 1997) (Commencement) Notice 1997.....	510/97

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First question. Miss CHOY So-yuk.

Adoption of Electronic Voting System in the 1998 Elections

1. **MISS CHOY SO-YUK** (in Cantonese): *It is learned that the Government has commissioned a study on the feasibility of adopting electronic polling and ballot counting relating to electoral matters. In this connection, will the Government inform this Council:*

- (a) *of the reasons for not adopting, to date, electronic polling and ballot counting;*
- (b) *of the findings of the consultancy study commissioned by the Administration on this issue; and*
- (c) *whether it has considered and made plans for using electronic polling and ballot counting in the 1998 Legislative Council elections; if so, what the details (including the various aspects of work to be taken up by various departments) are; if not, whether it will consider adopting this in the 1999 district organizations*

elections?

PRESIDENT (in Cantonese): Secretary for Constitutional Affairs.

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President,

- (a) Last year the Government employed a consultancy to study the feasibility of a computerized voting and counting system. As indicated in the consultancy report, we have to give detailed consideration to the following before making a decision:

In the first place, we need to consider the technical requirements for installing a computerized system. If a computerized voting and counting system is adopted, we must ensure that it is accurate, reliable and secure. In addition, it must be capable of meeting the requirement of producing evidence in court when required. The design must be totally capable of protecting the system from outside interference which may undermine the impartiality of the elections.

Moreover, whether the public would widely accept computerized voting is another key consideration. A computerized system in voting or counting procedures would inevitably entail a lower degree of transparency than the manual system we are now using. This might affect the public's confidence in the results of the elections. This is because the current manual system is in fact highly transparent in the whole process, including the security, checking, sealing and transportation and opening of ballot boxes as well as the counting of ballots.

Finally, we have to consider the question of cost-effectiveness. As elections are held at a certain time only, the use of a computerized voting and counting system means that we have to deal with the storage and maintenance of a large quantity of equipment. As technology develops very quickly, the equipment might become out-dated in just two to three years. Nor is it cost-effective as the equipment will be left idle when no election is taking place.

Moreover, as the current voting procedure for elections is simple, the merits of a computerized voting system cannot offset the huge expenses incurred and other problems caused by computerization.

In view of the above reasons, we do not think it is appropriate to adopt a computerized voting and counting system at present. The current policy of the Government is to computerize the electoral arrangements where appropriate as a matter of rational use of resources.

- (b) The consultancy commissioned by the Government have examined the feasibility of introducing a computerized voting and counting system in terms of the technical, operational, legal, security and financial aspects. They have considered the following three types of computer systems:
 - (i) optical scan (that is, optical scan system);
 - (ii) interactive voice response system (that is, telephone voting);
and
 - (iii) Direct Recording Electronic system.

Having analyzed the pros and cons of the three proposed systems from various aspects, and considered their respective financial implications, the consultancy recommends that the Government may consider the optical scanning system should it decide to adopt computerized voting and counting for future elections. This computerized counting system can assist in handling more complicated ballots. For instance, it can speed up the counting process in cases involving a greater number of seats and candidates.

- (c) As a matter of fact, the technology of computerized vote counting had been used for the election of the Election Committee in the 1995 Legislative Council elections. We also recommend that computerized counting be used for the election of the Election Committee and of the Election Committee sub-sectors when the 1998 Legislative Council elections are held. The planning of the

enhancement of the computer system is to be undertaken by the Information Technology Services Department and the Registration and Electoral Office. After the elections, we will make a further study on the feasibility of wider use of computerized counting to determine whether it should be used in future elections.

PRESIDENT (in Cantonese): Miss CHOY So-yuk.

MISS CHOY SO-YUK (in Cantonese): *Madam President, with the ever-changing electronic technology and constant drop in prices as well as the fact that the previous study was completed in early 1996, can the Secretary for Constitutional Affairs tell us whether there are new electronic election systems being introduced into the market and whether their prices are acceptable? Secondly*

PRESIDENT (in Cantonese): Miss CHOY So-yuk, you can only ask one follow-up question in respect of each point. Please wait until your next turn to ask your question again. Secretary for Constitutional Affairs.

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, Miss CHOY is right. Since the study report was completed last year, we have not followed up the case to see if there is any new system being introduced into the market. But as far as I understand, Miss CHOY has invited someone who is interested in this area to compile a report and I also have this report in hand. But I can see that there is not much difference between this report and the report we compiled in 1996. I believe Miss CHOY has also noted that the report contains two hypotheses and that is, voters must go to designated polling stations to cast their votes and identity cards must be used for the purpose of differentiating the identity of the voters. According to the report, to design such a system, it will take at least ten months from the date when he is commissioned to do the project by Miss CHOY to the date the project is completed. In my opinion, what the report says here does not help polling very much. This is because the system needs to go through the same procedures and the polling time is not shortened. But I admit that it does help reduce the time taken for counting votes. However, can the time reduced offset the matters of concern I mentioned in paragraph (a) of the main reply just now? I feel that it is doubtful.

PRESIDENT (in Cantonese): Mr CHOY Kan-pui.

MR CHOY KAN-PUI (in Cantonese): *Madam President, will the Government inform this Council which countries and places have adopted electronic polling and ballot counting; and whether the Government has sent officials to those places to visit to obtain a better understanding?*

PRESIDENT (in Cantonese): Secretary for Constitutional Affairs.

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, we do not have much information in this respect. But according to the information I have in hand, electronic polling has not been widely adopted. Only some of the places in North America and South America have adopted electronic polling. Here, North America refers to the United States. According to the information given to us by Miss CHOY, Brazil in South America once adopted such systems.

PRESIDENT (in Cantonese): Mr Howard YOUNG.

MR HOWARD YOUNG (in Cantonese): *Madam President, it was mentioned in paragraph (a) of the main reply that transparency and manpower have posed as obstacles to electronic polling. In fact, reporting to polling stations is also one of the polling procedures. Has the Government considered the feasibility of introducing an electronic system for the first procedure for polling — that is the procedure of going to the polling station to show one's identity card, so that the public will no longer be required to go to designated polling stations to cast their votes?*

PRESIDENT (in Cantonese): Secretary for Constitutional Affairs.

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, I would like to ask you to consider that the question has gone beyond the scope of the original question. But I could give a reply if you want me to do so.

PRESIDENT (in Cantonese): I rule that this question has gone beyond the scope of the original question. Mr Howard YOUNG, you may consider raising the question in another form. Miss CHOY So-yuk.

MISS CHOY SO-YUK (in Cantonese): *Madam President, first of all, I would like to clarify the reply given by the Secretary for Constitutional Affairs just now. What I proposed is that the public should no longer be required to go to designated polling stations to cast their votes. This will mean that they can vote in any of the polling stations throughout the territory. Only in so doing can we raise the polling rate. As the preparation work will take time, so if we wait until the 1998 elections are over before we conduct any further feasibility study, I wonder if we will be able to have the system implemented in 1999. If we have to wait again for the completion of the elections in 1999 to resume the study, then we will have to wait endlessly year in year out. I am not saying that we must introduce the electronic polling system. However, will the abovementioned measures delay the implementation of such systems?*

PRESIDENT (in Cantonese): Miss CHOY So-yuk, what is your question about?

MISS CHOY SO-YUK (in Cantonese): *Madam President, it was mentioned in paragraph (c) of the main reply that the Government would make a further study on the feasibility of a wider use of computerized polling after the 1998 elections. If the Government can only proceed after the study is completed, it will lag behind in the following year as well as the year after. In that case, it will be an endless waiting year in year out, and the project will be postponed indefinitely.*

PRESIDENT (in Cantonese): Secretary for Constitutional Affairs.

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, I believe there is a discrepancy between our interpretation and Miss CHOY's interpretation of the report. I think we are looking at the same report. It was stated clearly in that consultancy report handed to us by Miss CHOY that there were two hypotheses. Paragraph two reads: voters are still restricted to vote at one designated site. This means that voters are not allowed to vote at any of the stations. If what Miss CHOY said is like what Mr Howard YOUNG said just now, that is, the public will not be restricted to vote at a designated polling station, the technical requirements will be far higher. If voters are restricted to vote at the designated polling stations, the technology required will not be so much. However, if we adopt the so-called common polling stations, the computer system required will be even bigger. Members should note that all information about the registered electors will be stored in the computer system. The computer system of each polling station should then be linked up with the central system because the information needed has to be shown immediately. Once the public approach the polling stations, they will be registered immediately. For instance, after Mr A has gone to a certain station to vote, he could not go to another station to vote again the next minute. Therefore, we must link up the polling stations through the computer system in order to effectively use these polling stations. I have not touched upon such a complicated situation just now. To make use of such a complicated system, the expenses involved will definitely be much greater. In addition, we cannot rely on one system only and we need to install an additional back-up system simultaneously. Furthermore, a much higher voltage of electricity will be needed because the places where the computers are stored must be kept under constant temperature, that is to say, air-conditioning must be provided. Apart from that, telephone lines and so on must be connected. What I mentioned just now has not taken this issue into consideration at all. As Members asked about it, I think I must point out the difference. It is not appropriate to compare the two. Neither can one say that this option is slightly better than mine because they are totally different.

PRESIDENT (in Cantonese): Mr Howard YOUNG, do you have a question to ask?

MR HOWARD YOUNG (in Cantonese): *Madam President, the reason is I see that the English version of the main question is about polling. As far as I understand, obtaining ballot sheet is also part of the election procedures. I see that the English version uses the word "polling", which means that the "taking of ballot sheet" is not included. This is the reason why I will not raise my question again.*

PRESIDENT (in Cantonese): Mr Howard YOUNG has clarified that he thinks the question he raised just now is within the scope of the original question. Miss CHOY So-yuk.

MISS CHOY SO-YUK (in Cantonese): *Madam President, just now the Secretary for Constitutional Affairs has misunderstood the content of the report submitted by me. I will not provide clarification here. All I only want to say is that there is some misunderstanding. Maybe I will clarify with him later.*

PRESIDENT (in Cantonese): Miss CHOY, do you have any question to ask? Question Time is only intended for the raising of questions by Members. Clarification can be followed up in the panels concerned. The second question. Mr Allen LEE.

Applications for Construction of Small Houses

2. **MR ALLEN LEE** (in Cantonese): *Some indigenous New Territories residents claim that, although their applications for building small houses have been filed for almost two decades, they are still awaiting the result of the vetting and approval procedures. In this regard, will the Government inform this Council:*

- (a) *in respect of the existing outstanding cases, the number of applications which have been filed for more than five years and the pending time in regard to the oldest case; and*

- (b) *why it has taken so long for their applications to be vetted and approved?*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

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

- (a) none of the applications pending processing/approval has waited for more than five years. The waiting time varies as the number of applications received by District Lands Offices in the New Territories varies from district to district and the level of complexity of each application differs. Take Yuen Long, North District and Tai Po, where the number of applications pending processing/approval is the highest, as an example. The Administration is processing the applications submitted in February 1994, June 1994 and December 1993 respectively.

We are still processing 85 applications which were submitted in December 1993 or before, three of which were submitted in 1985 and the rest were mostly submitted around 1990.

- (b) there are four main reasons why these applications have yet to be approved:
- (i) the applicants fail to resolve together with their Tsos/Tongs the issue of the carving out of the Tso/Tong land on which the proposed small house is to be built;
 - (ii) the applicants fail to complete the procedure for the carving out of the lot on which the proposed small house is to be built;
 - (iii) the applicants' right to succeed to the deceased's interests has yet to be confirmed; and

- (iv) the applicants fail to produce evidence showing their land title.

All of the abovementioned reasons are related to the applicants' failure to resolve their problems and so these cases still exist up till now. Thank you, Madam President.

PRESIDENT (in Cantonese): Mr Allen LEE.

MR ALLEN LEE (in Cantonese): *Madam President, the information I have at hand is slightly different from what the Secretary has provided. I have two follow-up questions, and I will raise the first one now.*

Some people told me that their applications were filed in 1973, 1975, 1976, 1977, 1978 and 1979 but no responses have been received from the Government. In order not to waste Members' time, I will forward the information to the Secretary. Could he follow up each application by answering why it has taken such a long time and yet the applications were not approved?

PRESIDENT (in Cantonese): Mr LEE, do you want the Secretary to provide a written reply?

MR ALLEN LEE (in Cantonese): *Yes. I only want to ask the Secretary whether he is willing to do so because I have a lot of information. (Laughter)*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, according to the information we receive only today, the oldest application, as what I said earlier, was submitted around 1985. According to our record, none of the applications submitted before 1985 is still waiting for the processing of and reply from the Lands Department. Of course, if Mr LEE can forward detailed information on individual cases to the Planning, Environment and Lands Bureau, we will follow up the cases.

PRESIDENT (in Cantonese): Secretary, will you give Mr LEE a written reply after follow-up?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): After studying the condition of the individual cases, if possible, we will explain to Mr LEE in the form of a written reply. (Annex I)

MR ALLEN LEE (in Cantonese): *These cases contain information on the name of the applicants, the date of application and the districts concerned. Therefore, I will forward them to the Secretary.*

PRESIDENT (in Cantonese): Mr Frederick FUNG.

MR FREDERICK FUNG (in Cantonese): *Madam President, my question is that in mid-June this year, a then Member of the Legislative Council, Miss Christine LOH, moved a private bill on equality of both sexes and the exemption of the small house policy. The then Secretary for Home Affairs undertook openly that the Government would set up a committee in the third quarter to study the abolition of the small house policy. Will the Government inform this Council when the policy will be abolished?*

PRESIDENT (in Cantonese): Mr Frederick FUNG, your question has strayed away from the original question. I hope you could raise another question.

MR FREDERICK FUNG (in Cantonese): *Could I raise my question in another form?*

PRESIDENT (in Cantonese): You have to wait for your next turn. I will give you a chance to ask your question again. Mr LAU Wong-fat.

MR LAU WONG-FAT (in Cantonese): *Madam President, it is learned from the Secretary's reply that the Government is now dealing with the cases of 1993 and 1994. Will the Government inform this Council whether it has any intention to speed up the processing and approving procedures of the huge backlog of village-typed small house applications?*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, I would like to thank Mr LAU for raising this question. As a matter of fact, the Planning, Environment and Lands Bureau and the Lands Department have taken a series of measures in respond to the gradual increases in such cases. Now let me give a brief introduction.

First, to streamline the procedures. For instance, after an application form is submitted, the Lands Department would wait until the application was formally processed and approved before the it invites the applicant to approach the Department to make a statutory declaration or go through the procedure of proving his identity. But recently, we have added one more requirement in the application forms lately asking the applicant to make a statutory declaration upon his submission of the application form, thereby reducing one of the procedures.

Second, we have compiled afresh a guideline entitled *The New Territories Small House Policy – How to Apply for a Small House Grant* in September. If Members are interested, I could send a copy of the guideline to each Member. The guideline has listed clearly the application procedures in the hope that transparency can be enhanced through a clear explanation of the processing/approval procedures so as to help prevent the applicants from making unnecessary mistakes as far as possible.

Third, we are prepared to implement the pilot scheme of briefing out part of the processing/approval work. Starting from February next year, if the applicant raises no objection, we plan to hand over part of the work, that is the work not strictly required to be dealt with by government departments, for

registered lands surveyors and solicitors to handle such work as the demarcation of boundary and drafting of lease documents in the hope that the time taken for processing/approval can be shortened.

In addition, as the number of applications pending processing/approval is comparatively greater in the three districts I mentioned just now, that is, Yuen Long, North District and Tai Po, we have deployed a special task force from the Lands Department to start work in Yuen Long. When the pressure on Yuen Long District reduced, we will send the special task force to North District and Tai Po to carry on with its work. We will first deal with the work of the three districts where the problems are more serious. What I have mentioned above above is a series of measures we will embark upon.

PRESIDENT (in Cantonese): Mr CHEUNG Hon-chung.

MR CHEUNG HON-CHUNG (in Cantonese): *Madam President, the Government has raised four major reasons to explain why the applications are still outstanding in part (b) of its reply. However, the applicants complained that they were not told the reasons for rejecting their applications or the progress of the applications after their applications have been submitted. Will the Government conduct a review to consider, during the process of processing and approving small house applications, informing the applicants the reasons for the rejection of their applications or the progress of the applications within a specified time? If not, even those who have submitted their applications before 1985 would not have any idea as to what has happened or whether or not their applications have been approved, as a result of which a lot of conflicts have arisen agreed between the two parties.*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, I am grateful to Mr CHEUNG for putting forward his suggestion. We will definitely consider it.

PRESIDENT (in Cantonese): Mr CHOY Kan-pui.

MR CHOY KAN-PUI (in Cantonese): *Madam President, will the Government inform this Council that in dealing with applications lodged by the indigenous residents for building small houses on government land or private land, what is the difference in the length of the processing time? In addition, could the Government make a performance pledge?*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, the basic procedures for dealing with the construction of small houses on government land and private land are the same. Applications for building houses on government land must depend on whether government land is available in the district applied for and this is where the major difference lies. Other procedures basically remain the same.

As far as performance pledge is concerned, just as what I explained earlier, as each case differs from another, it is impossible for the Lands Department to promise beforehand that the processing/approval will definitely be completed within a specified time, such as 12 or 18 months, after an application form is submitted. This is because, just as I said earlier, some cases might experience delay in processing/approval because of such problems as failure to identify suitable land or establish the land title. This is something that the Lands Department cannot control. Under such uncertain circumstances, it is possible for the Government to strictly require that the processing/approval work must be completed in a certain specified time.

PRESIDENT (in Cantonese): Dr TANG Siu-tong.

DR TANG SIU-TONG (in Cantonese): *Madam President, the Government mentioned in paragraph (a) of its reply that it is now processing the applications of 1994, but it is now 1997 and there is a gap of approximately four years. Will the Government inform this Council how many applications have been*

accumulated over these four years and why? Apart from the four methods mentioned by the Secretary earlier, is there any other means that can speed up the processing/approval procedures?

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LAND (in Cantonese): Madam President, I do not have the information for the four years at hand if counted in terms of these four years. But I can provide Members with another figure and that is, at present, a total of 14 800 applications, including the cases awaiting processing/approval and under processing, have been received by the Lands Department for constructing small houses. As regards how the processing/approval procedure could be expedited, I have responded to Members earlier. We will take different measures to speed up processing and approving these applications.

PRESIDENT (in Cantonese): Mr Howard YOUNG.

MR HOWARD YOUNG (in Cantonese): *Madam President, the Secretary mentioned at the beginning of his reply that "none of the applications has waited for more than five years". This differs greatly from what we learned in the past or even the 20 years as shown on the demonstrators' banners. Will the Government inform this Council why there is such a great difference? Is the difference related to the preliminary stage of the applications, which means that from the viewpoint of the applicants, they have already submitted the application forms, but because the Government did not accept their applications due to some problems and deemed that they had never submitted an application before?*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, the main reason is that for several years, the number of applications has exceeded the figures under normal circumstances. For instance, in 1990-91, we received 1 520 cases. But in 1991-92, the number of cases soared from 1 500 to 3 800. In 1992-93 and the following year, we

received 5 699 and 5 375 cases respectively. In any case, we could not deploy all the manpower in the Lands Department just to deal with these applications even if the number of these applications saw an abrupt increase. At the moment, the Lands Department has appointed the staff at the ranks of Land Inspector and Land Executive to be responsible for processing small house applications. 16% of the manpower of these two ranks has been mobilized to deal with the applications. In fact, staff of these two ranks are required to take up other duties as well. Members may also be aware that the Lands Department is now under tremendous pressure and a lot of problems are awaiting to be tackled. On top of that, there is a dramatic increase in the number of applications over the past few years, we have nevertheless tried our best to process the applications with the resources available at the moment.

PRESIDENT (in Cantonese): Six Members have already indicated their wish to raise questions and the number has now come up to seven. Members wishing to follow up should do so in the relevant panel. Mr Allen LEE.

MR ALLEN LEE (in Cantonese): *Madam President, I am deeply sympathetic with the Secretary who said that his workload had increased dramatically. But the problem is the Government once promised the indigenous residents that it would take only 170 working days for their applications to be processed and approved. I have, on past occasions, discussed this issue with the staff of the former Planning, Environment and Lands Branch. Will the Government inform this Council whether the undertaking that it would take 170 working days to process and approve small house applications still applies?*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, with your permission, I would like to read out one paragraph from the Guideline. I hope that, through the paragraph about the procedures of applying for construction of small houses, I could clarify with Mr LEE the definition of the "170 working days". It is mentioned in the Guideline that, "Once the offer is accepted and payment made by the applicant, the lease or licence documents will be prepared for execution by both the applicant and the District Lands Officer. In straightforward cases, it may be possible for execution to take place within 170 working days from the date when the District

Lands Office begins to process the applications. Complicated cases will require a longer processing time". As such, the Guideline has already provided a very clear definition for the "170 working days".

PRESIDENT (in Cantonese): Mr Frederick FUNG.

MR FREDERICK FUNG (in Cantonese): *Madam President, the Government once promised that a committee on the abolition of the small house policy will be set up in the third quarter. Will the Government inform this Council when this Committee will make a proposal on the cessation of the small house applications?*

PRESIDENT (in Cantonese): Mr Frederick FUNG, am I right to say that your question is related to the review of small house policy instead of the original question?

MR FREDERICK FUNG (in Cantonese): *My question is: When will the proposal on the cessation of small house applications be made?*

PRESIDENT (in Cantonese): But the original question is related to how long it will take for processing and approving the applications that have been submitted.

MR FREDERICK FUNG (in Cantonese): *Madam President, I want to explain my question. Part (b) of the original question is about how long it will take for processing the applications. My question is raised from another angle, that is, when will applications cease to be accepted?*

PRESIDENT (in Cantonese): Mr Frederick FUNG, please sit down. I still hold that your question has strayed away from the scope of the original question. But if the Secretary so wishes, he could choose to answer your question.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, originally, as what you said, the question pertaining to small house policy does not fall within the scope of the original question. However, I would try to answer the question. We did make an

undertaking in the former Legislative Council that we would set up a special task force in the third quarter to embark on the work. As regards when we will make a decision in respect of the small house policy and whether we will accept small house applications, we have not yet drawn a conclusion.

PRESIDENT (in Cantonese): Mr NGAN Kam-chuen.

MR NGAN KAM-CHUEN (in Cantonese): *Madam President, as far as the length of time required for processing and approving the applications is concerned, some residents reflected to us that the Government's so called processing time is 170 working days counted from the date when the relevant file was opened, as what the Secretary said just now. In fact, it will take quite a long time from the date when the residents start to file their applications to the date when the new files are opened. Yet basically, this period is not recorded. Will the Secretary inform this Council whether or not this period is included so that the public can have a clear idea of the difference? The Administration should not make such an undertaking that it will only take 170 working days because a lot of things still need to be done before that. I hope that the public can acquire a clear understanding.*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, I do not quite understand the question raised by Mr NGAN. If what Mr NGAN referred to is it will take a very long time for the staff of the Lands Department to open a file after an applicant has filed his application form, this is the actual situation. This is mainly because, as what I explained earlier, the number of the applications has soared dramatically. Therefore, we are unable to digest all the applications instantly. As regards how long the individual applications have to wait before the Lands Department will open new files, it will vary as the situation in each of the districts differs. I do not have these figures at hand.

PRESIDENT (in Cantonese): Mr LAU Wong-fat.

MR LAU WONG-FAT (in Cantonese): *Madam President, it was reported in the newspaper today that in order to ensure there was sufficient manpower to handle the supply of housing and the demand for land, the Lands Department planned to take on several hundreds of additional staff next year. Will the Government inform this Council whether the new establishment has included the manpower needed for processing and approving such small house applications? If not, why not?*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, I do not have such information in hand. I will give Mr LAU a written reply later. (Annex II)

PRESIDENT (in Cantonese): Dr TANG Siu-tong.

DR TANG SIU-TONG (in Cantonese): *Madam President, the Secretary has proposed four methods to speed up the processing/approval work just now. Will he inform this Council, according to his estimate, how long it will approximately take for all the accumulated applications to be cleared?*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, let me spare no trouble to repeat once again that it is very difficult for us to estimate how long it will take to clear all these backlog. As what I explained just now, the time taken for processing and approving each case is different.

PRESIDENT (in Cantonese): Mr Andrew WONG.

MR ANDREW WONG (in Cantonese): *Madam President, I want to raise a follow-up question but as basically I have no idea as to what the main reply is about, it is difficult for me to raise any follow up question. According to the main reply, none of the applications pending processing/approval has waited for more than five years. It then goes on to say that three applications were submitted in 1985 and the rest were mostly submitted around 1990. All these applications, which were submitted either in 1985 or in 1990, have waited for more than five years. I really cannot understand what the answer is about. This is the first point. The second point is what "application" means. In answering one of the follow-up questions, the Secretary said the 170 working days was counted from the date the land was leased. Does "application" means the time required when counted from the date an application was first lodged and the file was opened or after the land is leased? If the data is not differentiated clearly, I will absolutely have no idea as to how to raise the question. Just now, Mr CHOY Kan-pui's question mentioned that some applications are related to the construction of small houses on government land and some are on private land*

PRESIDENT (in Cantonese): Mr WONG, you should raise one question only but you have raised two. You said you did not understand the reply given just now and then you criticize or comment on this issue. It is now Question Time, not a time for debate. If you do not understand any part, you should raise question in relation to the part that you do not understand.

MR ANDREW WONG (in Cantonese): *Madam President, my follow-up question is very simple and that is, I do not understand the main reply. Were these applications referred to the construction of small houses on government land or private land or both? The main reply is completely ambiguous and vague. I hope the Secretary could clarify and give us a clearer answer.*

PRESIDENT (in Cantonese): Secretary, please try to answer this supplementary question.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, what I meant by to await processing/approval in my reply is, as what Mr NGAN said earlier, to open new files. We have now started to process the applications submitted in the three mentioned districts in 1993. This means that we have now embarked on handling the applications submitted in 1993. Why did I mention that some applications were filed in 1985? It is because those applications are now being processed. Have I answered Mr WONG's question?

PRESIDENT (in Cantonese): I believe Members will probably have to follow up this issue in the relevant panel because more than 10 supplementary questions have been raised.

PRESIDENT (in Cantonese): The third question. Mr CHEUNG Hon-chung.

KCRC's "Single Tender"

3. **MR CHEUNG HON-CHUNG** (in Cantonese): *Madam President, it is reported that the Kowloon-Canton Railway Corporation (KCRC) has awarded the \$10 billion-plus contract of the Kowloon Station superstructure development project by "single tender" to a local consortium. In this connection, will the Government inform this Council whether:*

- (a) *it is a violation of the normal tendering procedure for the KCRC to grant the contract for a large-scale investment project by "single tender";*
- (b) *the KCRC is required to seek prior approval of the Government for the development of non-railway programmes (such as property development projects); if not, of the measures in place to monitor the non-railway programmes undertaken by the KCRC;*

- (c) *an assessment will be made of the impact of the incident on Hong Kong's reputation as a commercial society which promotes free and fair competition; and*
- (d) *it will review the operating right of the KCRC in respect of non-railway programmes?*

PRESIDENT (in Cantonese): Secretary for Transport.

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, let me start by explaining the background to the proposed property developments around the KCRC Hung Hom Station.

In 1994, following the Executive Council's approval for granting a five-hectare site which is adjacent to the Hung Hom Station for the development of a freight yard with property development above it, the KCRC invited bids for the commercial development above the freight yard by open tender. After evaluating the bids received, the KCRC awarded the development rights to the Cheung Kong Group in 1995 and entered into a joint venture development agreement with the Group. Subsequently, in early 1997, the Group approached the KCRC to propose the inclusion of the railway tracks areas lying at both ends of the Hung Hom Station as an extension but an integral part of the freight yard development project, and put forth the idea of building a commercial tower block above the northern railway tracks and linking it to the commercial development above the freight yard site. Before such an approach by the Group, the KCRC had no intention to utilize the development potential above this part of its railway tracks. For Members' ease of reference, I have tabled a map showing the location of the freight yard development site and railway tracks areas and the traffic environment of Hung Hom Station. After receiving the proposal, the KCRC examined the idea on a no commitment basis and appointed its own traffic consultants to study the possible vehicular access to the proposed tower block as it was obvious that access would be the greatest constraint in any development above the railway tracks areas. The consultants examined a number of options including the use of the existing public transport interchange of Hung Hom Station and the construction of a direct link to the Princess Margaret Road extension, and concluded that the only feasible traffic solution would be to link the proposed tower block with the podium to be built above the freight yard site,

that is to make use of the vehicular access of the original freight yard project. This would involve some modification of the road access design and the strengthening of the foundation of the original freight yard development.

Essentially, the proposed commercial tower above the railway tracks cannot be a self-standing development project because the site does not allow any viable vehicular access except by routing the traffic through the freight yard development to the proposed Hung Hom Bypass and Princess Margaret Road extension. This project can only be part and parcel of the freight yard development as it is extremely difficult, if not impossible, to develop the space above these railway tracks separately due to the traffic access constraints.

The additional commercial tower development above the railway tracks is therefore more a variation to the original joint venture agreement of the freight yard development than a stand-alone, separate development project. The proposed combined development will maximize the development potential of the Hung Hom Station and there is no practicable way to proceed with the commercial tower development except by combining it with the original freight yard development, which has been awarded by public tender. The combined development will bring to the KCRC additional profits which will ultimately be invested into the massive capital improvements to its existing stations and facilities and future railway lines. The freight yard development proposal, including the tower block above the railway tracks, was supported by the KCRC Board.

Under our existing policy, the primary role of the KCRC is to provide an efficient, reliable and safe transport service and to operate in accordance with prudent commercial principles. The Government will ensure that any development of the land vested in the KCRC for non-railway purposes will not have any adverse effect on the normal railway operation, or indeed divert the KCRC from its primary role as a provider of public transport service. In using its land for non-railway operation other than those permitted purposes, the KCRC is required to comply with all the necessary planning and technical requirements.

The KCRC Board deliberates on all important matters of the Corporation and has to ensure the Corporation achieves the objectives of providing safe, reliable and efficient railway services and operating in accordance with prudent commercial principles. The two government officials sitting on the KCRC Board will also ensure that these objectives are fully met by the KCRC.

PRESIDENT (in Cantonese): Mr CHEUNG Hon-chung.

MR CHEUNG HON-CHUNG (in Cantonese): *Madam President, the wording of "single tender" is very self-contradictory. How can a tender be invited as it is "single" by nature? The KCRC has also awarded, on past occasions, consultancy contracts for developing the West Rail by means of numerous single tenders and such practices have caused dissatisfaction among members of the public. This time the KCRC did the same thing again. A "single tender" has only one bidder. By using open tender, prices may be higher than those of a single tender. Is the KCRC compromising the public interest in doing so?*

PRESIDENT (in Cantonese): Secretary for Transport.

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, I have spent a lot of time earlier in explaining in detail the background to the proposed property developments around the KCRC Hung Hum Station. In fact, I mainly want to explain what we are talking about is not a self-standing development of the so-called "single tender". What we are talking about is property development above the KCRC Hung Hom Station freight yard by open tender. The successful developer will discuss with the KCRC how to make use of the remaining spaces, that is the unused land or the space that has not been fully utilized, on the two sides of the freight yard alongside with the freight yard development. We are not talking about a development project which is independent, entirely new as well as separate and which is going to be awarded by the KCRC to a developer on its own. I believe I have explained this at great length. We are not talking about a stand-alone, single development project which is going to be awarded to a developer without going through an open or fair tender.

PRESIDENT (in Cantonese): Mr Eric LI.

MR ERIC LI (in Cantonese): *Madam President, although the KCRC originally has no plans to develop the space above the railway, I do not agree with the Government in saying that those pieces of land are wasteland. In my opinion, the Government should accept that the right to develop the railway superstructure is also an important asset. I would like to ask when it was found the consortium has put forth a proposal which differed greatly from the original tender, or has even taken advantage of this important asset of the Government, did the Government consider again inviting bids by tender for development in the form of "design and build", which means a bid providing for both the design and the construction, and which of course include the offer of compensation to the relevant consortium? If not, how can the Government ensure that, relative to the making of compensation to the Government or the KCRC, the option of allowing the consortium to develop the space above the railway is already the best design?*

PRESIDENT (in Cantonese): Secretary for Transport.

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, I think it will be more appropriate if Mr LI could change the word "Government" that appeared in his question to "KCRC". I have mentioned in my reply that the so-called another development site we are now discussing is the KCRC's "railway tracks area". Members may wish to refer to the map submitted by me. There lies a "hole", a "hole" formed by the railway tracks. It was found by the developer that the space above the tracks could be developed. Experts commissioned by the KCRC also found that the consortium's proposal was technically feasible, except that it must be developed alongside with the property development above the freight yard and it could not be undertaken as a stand-alone project. This is because there is no main access that can extend to the space above the railway tracks for property development. The KCRC has considered the following elements carefully: firstly, how to make use of the space; secondly, how the KCRC can benefit from this proposal so that the public can be benefited as well; thirdly, this proposal can only be implemented through a joint development of the freight yard and there is no other way to undergo a development in isolation. I have mentioned in my earlier reply that it is not absolutely impossible for a stand-alone development to be carried out.

However, according to the findings of the KCRC, the amount of money needed to be invested for improving vehicular access may finally make the developer lose more than what may gain. Therefore, essentially, the only viable and practical proposal is to undergo a joint development with the freight yard.

PRESIDENT (in Cantonese): MR NGAN Kam-chuen.

MR NGAN KAM-CHUEN (in Cantonese): *Thank you, Madam President. The KCRC is a public-run company and the "hole" we mentioned earlier is a slice of "pork". The Secretary for Transport said in his reply just now that the KCRC had invited bids by open tender. I would like to ask if any changes occur, will it contravene the government procurement agreement worked out by the World Trade Organization (WTO)? This is because that will be different from the original basis.*

PRESIDENT (in Cantonese): Secretary for Transport.

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, I believe there are two questions: the first one is the operator, who has successfully bid through open tender for developing the superstructure above the freight yard, negotiated with the KCRC to change and enlarge the area; the second one is whether the agreement entered by the KCRC and the Cheung Kong Group will come into any conflict with the WTO's government procurement agreement. Let me start with the second question, and that is, in choosing a co-operative partner, how can a property development prevent itself from being bound by the WTO's government procurement agreement. But still, the KCRC will, in accordance with the general requirements of the WTO's government procurement agreement, ask its partner to grant all construction projects under the development project by open tender. In other words, all construction companies responsible for the development project will be required to invite bids by open tender to allow contractors to undertake the construction work. This will be in full compliance with the provisions of the WTO's procurement agreement. But regarding the discussion between the KCRC and the Group about how to expand the development, as what I said earlier, it is not bound by the agreement.

As for the first question, that is, to further expand the right to develop the freight yard awarded through open tender so that it can be fully utilized,

maximum utilization of the space and the KCRC's resources have already been taken into account. After all, it will do no harm to public interest at all and, instead, it will help, to a certain extent, the KCRC in its operation and investments in the future.

PRESIDENT (in Cantonese): Mr LAU Kong-wah.

MR LAU KONG-WAH (in Cantonese): *Madam President, the Secretary's entire answer gave me an impression that the Government seemed to consider that there was something to gain and so decided to give up the principle of fair or open tender. Obviously, the Secretary was referring to two pieces of land in his reply. One piece, as the Administration has agreed, will be awarded by open tender. However, the other piece of land, that is the one we are now talking about, will not be granted by open tender. The Secretary has basically evaded the question raised by Mr CHEUNG Hon-chung as to whether the Government is in breach of an internal code of practice. This is a very important question. It will be best if the Secretary for the Treasury or the Financial Secretary could reply because we hold that there are basically some violations.*

PRESIDENT (in Cantonese): Secretary for Transport.

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, I have already answered the questions raised by Members. I am afraid I cannot help even if Members are not satisfied. Basically, I have emphasized and analyzed that the KCRC, on a no pre-requisite basis, further discussed with the developer the proposal in respect of how the right to develop the freight yard, which was awarded by open tender, be fully utilized and expanded in order to make use of the space. This will, by no means, compromise the interests of the public and the KCRC. Moreover, this is in line with what the KCRC is obliged to do in awarding the right to develop the property procedure-wise.

PRESIDENT (in Cantonese): Follow up?

MR LAU KONG-WAH (in Cantonese): *Just now I asked the Financial*

Secretary to answer this question because the Government has a Central Tender Board. Does that board work on a principle? Under such circumstances, has the Government violated that principle?

PRESIDENT (in Cantonese): I would like to call upon the Secretary for the Treasury to answer this question.

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, the Secretary for Transport has just said that the WTO's government procurement agreement is basically not applicable to such property development as the agreement clearly specifies that it is related to the procurement of material and services. This is the first point. The second point is about the principle of fairness. We should first look at the development plan itself. Just now, the Secretary for Transport has explained carefully that it is basically impossible to treat the development as a self-standing project. Under such circumstances, the only thing we can do to develop the railway tracks to maximize the utilization of resources is to consider it with the freight yard development as a whole package. Thirdly, a Member asked why it is impossible for the Government to cancel the awarded freight yard development and invite bids again. Commercially speaking, this is not actually viable as the Secretary for Transport has pointed out clearly just now: "The KCRC awarded the development rights to the Cheung Kong Group in 1995 and entered into a joint venture development agreement with the Group." Under such circumstances, the cancellation of the relevant agreement and invitation of bids for the two pieces of land by open tender are basically hypothetical and impractical questions.

PRESIDENT (in Cantonese): Mrs Miriam LAU.

MRS MIRIAM LAU (in Cantonese): *Madam President, do the Secretary for Transport and the Secretary for the Treasury, as members of the KCRC Board, consider that it best suits the public interest for the KCRC to co-operate with the Group to further develop the space above the railway tracks? If so, can the Secretary tell us specifically what kind of public interest will be involved? If the KCRC chooses not to co-operate with the Group to develop this part of the tracks, can the Government obtain the same public interest?*

PRESIDENT (in Cantonese): Secretary for Transport.

SECRETARY FOR TRANSPORT (in Cantonese): I have mentioned in my reply that, as required by the Government, the primary role of the KCRC is to provide railway services. Any activities undertaken by the KCRC must not deviate from this goal. Even in considering all development projects or proposals, the KCRC cannot go beyond this goal. When the KCRC deliberated on the option proposed by the Cheung Kong Group, it had considered in the first instance whether the option was in breach of this basic operation goal of the KCRC. Obviously, this option is in line with the goal and the whole development will benefit future railway development. I have also mentioned in my reply that before the Group put forward this proposal, the KCRC had absolutely no such plans and it did not consider that the space above the railway tracks could be developed. It was only until the Group put forward this proposal and after repeated deliberation of the experts that such a proposal was found to be feasible and it was subsequently accepted. This project will, to a certain extent, benefit the KCRC financially and the resources thus generated will be injected into future railway development. Therefore, public interest as a whole will, to a certain extent, be enhanced. In this respect, the KCRC has made the best decision in discussing with the Cheung Kong Group the possibility of co-operation.

PRESIDENT (in Cantonese): Mrs Miriam LAU, do you wish to follow up?

MRS MIRIAM LAU (in Cantonese): *No. The Secretary for Transport has not answered my question. My question is: Do the Secretary for Transport and the Secretary for the Treasury, in their capacity as members of the KCRC Board, consider co-operation between the KCRC and the Group on this occasion in developing the project best suits the public interest? I think we have to look at the issue from their perspective.*

SECRETARY FOR TRANSPORT (in Cantonese): The answer is "yes".

PRESIDENT (in Cantonese): Mr CHEUNG Hon-chung.

MR CHEUNG HON-CHUNG (in Cantonese): *Madam President, the heart of the matter in the question I raised this time lies in "fairness". It was mentioned in the Government's reply that it was extremely difficult, if not impossible, to develop the space above the railway tracks in isolation due to some constraints. That is to say, this can be done. In that case, how did the Government strike a balance amongst fairness, the public interest and the technical aspect when deciding on the award of the project to a consortium in such a manner?*

PRESIDENT (in Cantonese): Secretary for Transport.

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, I believe I have pointed out that the word "Government" referred to by Mr CHEUNG earlier should be changed to "KCRC". I have also explained, in replying to a question raised by another Member earlier, though superficially, other transport arrangements or developments are available for access to the location above the railway tracks, the benefits gained will absolutely be undermined by the losses incurred because of the resources involved and the difficulties encountered in the technical aspect. This is completely different from the present proposal of linking to the access through the freight yard. The proposal put forward by the Cheung Kong Group at the moment is a feasible option and is the most practical and straight-forward one. The impact made on the overall traffic of the district is also the smallest and is minimized.

PRESIDENT (in Cantonese): Mr Eric LI.

MR ERIC LI (in Cantonese): *Madam President, what the Secretary for the Treasury said just now gave us an impression that it appeared to be impossible for the original tender to be amended. It seemed that there were some restructions on the contract or agreement and one cannot nullify it even if he is willing to make compensation. Of course, I have not read the content of the*

agreement. In addition, the agreement is not open to the public and there is no way for the public to know what the agreement is all about. They can only guess whether or not the agreement is practical. However, I believe the Government, while telling the public that the agreement is impractical and it is impossible for one to have it nullified even if he is willing to compensate, has to explain the specific legal and commercial reasons in a clearer manner. Only in so doing can the public dispel their suspicions of the reasons for the failure to invite bids for tender again. I hope that the Government could explain to the public clearly. The Secretary for Transport mentioned that he had considered other options but reckoned that the gains from those options might be undermined by the losses. Will the Government inform this Council what options the KCRC Board has considered; and under what criteria it concluded that the gains might be undermined by the losses?

PRESIDENT (in Cantonese): Secretary for Transport.

SECRETARY FOR TRANSPORT (in Cantonese): Madam President, I think next time when I make a reply during Question Time, I need to gather twice as much information in detail as I have now in order to make Members understand. I have said in the main reply that the KCRC has commissioned experts to study this proposal, especially in connection with how to overcome such traffic problems as access and the egress and ingress of vehicles. After repeated study, the experts were of the view that taking a route through the access of the freight yard is the only transport arrangement which is the most practical and most feasible. Compared with this proposal, any other arrangements will lead to traffic chaos and congestion of a more serious nature.

PRESIDENT (in Cantonese): Mr Eric LI, do you wish to follow up?

MR ERIC LI (in Cantonese): Yes. *I find it very hard to accept that the Government treated the abovementioned finding, which was made by an undisclosed expert report, as an answer to a Member's question. The Government has failed to provide me with an answer. No one has seen the report except government officials. How can the Government treat it as having*

given an answer to my question?

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

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

PRESIDENT (in Cantonese): I trust this question may need to be followed up in the panel. But Mr LAU Kong-wah has one last supplementary question to raise.

MR LAU KONG-WAH (in Cantonese): *Thank you, Madam President. What I asked just now is about property development. It has been the usual practice of the Government to invite bids by open tender. But just now, the Secretary for the Treasury tried to divert our attention by referring to "procurement" as there is no need for procurement to go through open tender. If that is the case, there was no need for the first piece of land to invite bids by open tender. Will the Government inform this Council whether, after setting this precedent, the Government will allow all government departments to work without open tender in developing property in future?*

PRESIDENT (in Cantonese): Secretary for the Treasury.

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, I hope Members would understand that the KCRC is not a government department. What I said just now was responding to issues such as the WTO's government procurement agreement and open tender, as mentioned by another Member earlier. I was trying to clarify that point. As regards open tender, Members should have heard what the Secretary for Transport said in his reply. The KCRC invited bids for developing the freight yard by open tender as it believed the best result could be achieved in so doing. I also believe it is reasonable to do so and it will only do the public good as far as their interests is concerned if the result shows that there is potential for developing the space above the railway tracks. Moreover, the KCRC, having taken into consideration the fact that it is basically impossible to develop the project as a self-standing item and it must be

developed jointly with the freight yard, and then based on a prudent and commercially principle, decided to discuss and to proceed with an overall development with the Cheung Kong Group. Failure to proceed with the development will render it impossible for the development potential of the space to be realized and the public will not be benefited at all. On the contrary, development will not only provide premises for commercial use, but will also facilitate the KCRC in developing other projects in future.

PRESIDENT (in Cantonese): I can feel that Members are not completely satisfied with this series of questions and replies. But in view of our limited time, we cannot continue with our discussion any longer. I hope Members could follow up this question on other occasions.

PRESIDENT (in Cantonese): Fourth question. Mr TSANG Yok-sing.

Removal of Potentially Dangerous Overhanging Signboards

4. **MR TSANG YOK-SING** (in Cantonese): *Madam President, regarding the recent series of incidents involving overhanging signboards falling from buildings and causing injuries to passers-by, will the Government inform this Council:*

- (a) *of the number of signboards overhanging from buildings which have been inspected by the Buildings Department in the past three years, the number of such signboards identified as potentially hazardous, and the districts with such potentially hazardous signboards;*
- (b) *of the number of signboards with potential hazards which have been removed by owners or the Buildings Department; in the cases which removal was undertaken by the Buildings Department, the success rate of the Department in recovering the cost involved;*
- (c) *of the number of cases in which the Buildings Department has prosecuted the owners of signboards who failed to comply with the clearance orders;*

- (d) *whether it has considered setting up an inter-departmental task force to ensure that overhanging signboards will not obstruct the operation of fire engines; if so, what the outcome is; if not, why not; and*
- (e) *whether it has considered adopting any measures to supervise the hanging of signboards, including the introduction of a licensing policy for the hanging of signboards?*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

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

- (a) the number of signboards inspected in the past three years was 32 000, of which 710 were inspected in response to complaints or referrals from other departments. Of all the signboards inspected, 960 signboards were identified as potentially hazardous.

These signboards were mainly found in Kowloon City, Mong Kok, Sham Shui Po, Yau Tsim, Kwun Tong, Wan Chai and Wong Tai Sin;

- (b) as regard all the aforesaid 960 signboards with potential hazards, the Buildings Department has asked the owners concerned to either repair or remove the signboards. Where the owners failed to comply within the 14-day period allowed for in the Dangerous Structure Removal Notices served, the Department instructed its contractor to take follow up action.

In the period, the Buildings Department removed 448 signboards, the owners of which could not be traced, and 155 signboards, the owners of which could be traced. The recovery rate was about 85% for those signboards whose owners could be traced;

- (c) so far, no prosecution action has been taken by the Buildings Department because the owners of the signboards could not be traced, not knowing who the owners are, no prosecution action could be taken at all;
- (d) relevant departments had met in early 1997 to discuss the merits of setting up an inter-departmental task force to ensure that overhanging signboards will not obstruct the operation of fire engines. The conclusion reached was that such a task force would not be necessary. The Fire Services Department will during its routine risk visits and inspection identify signboards which affect emergency vehicular accesses. Under the new arrangement, the Fire Services Department directly serve notices on the owners of those signboards requesting removal. This arrangement is effective and saves time in referral between departments; and
- (e) we shall intensify our planned surveys and the target is to increase the number of signboards to be inspected each month from an average of 900 in the past three years to 3 000. In other words, we would expect to reach in the coming year the target of 32 000 as set for the past three years, or even more than that. Our target is to inspect 36 000 signboards in the coming year.

As for the idea of introducing a licensing scheme to control signboards, we have previously considered its pros and cons. The conclusion reached was that such a scheme would not offer substantial advantages over the existing enforcement action which focus on potentially hazardous signboards.

In view of continuous concerns expressed by Members, we are revisiting the idea of a licensing scheme. We are examining the practicalities, the likely problems and possible solutions, and the financial implications of such a scheme for both the some 200 000 signboard owners and the Government. No conclusion has been reached yet.

PRESIDENT (in Cantonese): Mr TSANG Yok-sing.

MR TSANG YOK-SING (in Cantonese): *Madam President, regarding the districts where signboard accidents have taken place in recent months, they have in fact been inspected by the Government in the past three years. It has therefore proved that district inspections could not effectively prevent such accidents from taking place. Just now the Secretary referred to an assessment of the pros and cons of the licensing scheme, could the Secretary inform this Council of the defects of the licensing scheme?*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, the supplementary question raised by the Honourable TSANG Yok-sing does not seem to be related to the main question, but I will try my best to give him a reply anyway. Mr Bowen LEUNG, the Secretary for Planning, Environment and Lands, has once mentioned in this Council the shortcomings of licensing system. For instance, of the 200 000 signboards territory-wide, some are not identified as potentially hazardous, then is it necessary for us to put in much manpower as well as other resources to deal with all these 200 000 signboards, hazardous and non-hazardous alike, and to require the owners of non-hazardous ones to obtain a licence before hanging up the signboards concerned? Moreover, the number of existing signboards is estimated to be 200 000, with so many signboards, how are we going to identify the unlicensed from the licensed signboards during our inspections? When it comes to practical implementation, difficulties are bound to arise. Another point we need to consider is that, if we resolved to monitor the signboards via legislation, then would there be the so-called "retroactive application" effect, in the laws, which will enable us to apply the newly passed laws to all the overhanging signboards existing in Hong Kong? These are exactly the possible shortcomings of licensing system we mentioned about the other day. Should

Honourable Members wish to know more information concerning this aspect, I would be happy to explain the matter in detail at the Panel on Lands and Works later. However, I would also like to supplement one point, we are still considering the whole idea and we expect it would take quite a considerable length of time before any detailed conclusion and report could be submitted.

PRESIDENT (in Cantonese): Mr CHAN Wing-chan.

MR CHAN WING-CHAN (in Cantonese): *Madam President, in his reply to part (d) of the main question, the Secretary for Planning, Environment and Lands mentioned that the Fire Services Department (FSD) would during its routine risk visits and inspection identify signboards which affect emergency vehicular accesses, and that the FSD would directly serve notices on the owners of those signboards requesting removal. One existing problem in many districts is that while most of the shops are very small in area their signboards are exceedingly large in size, some of these signboards may even have extended to the other side of the road and packed together like a forest of signboards. It is very obvious that such signboards would affect fire fighting work. In this connection, I would like to know if the Administration would consider sending out guidelines or even formulate laws to require the owner concerned to keep the size of the signboard proportionate to that of the shops concerned. Thank you, Madam President.*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, here, let me furnish Honourable Members with some information. Our fire fighters are very familiar with their work and are equipped with professional knowledge in operating various fire fighting facilities to carry out their work, as such, those signboards will not affect fire fighting work at all. However, just now I did mention that some signboards would to a certain extent affect emergency vehicular accesses including access of fire engines because the fire engines might be blocked by the signboards and could not reach certain spot to erect the tower ladder. In this connection, the FSD has started implementing a new arrangement since the beginning of the year and

conducted 108 inspections in public housing estates and private buildings. Once the FSD has identified any objects that would block the accesses of fire engines, it would then serve notices on the owners of the objects concerned asking for such removal. Over the past 10 months, the FSD has served 103 notices on owners concerned asking for the removal of signboards, flower pots or other objects. Thank you, Madam President.

PRESIDENT (in Cantonese): Mrs Peggy LAM.

MRS PEGGY LAM (in Cantonese): *Thank you, Madam President. Just now the Secretary mentioned in part (b) of his main reply that the Buildings Department has removed 448 signboards, the owners of which could not be traced, and 155 signboards, the owners of which could be traced; and that of those signboard owners who shifted their own responsibility of removing the signboards to the Government, the cost recovery rate was about 85%. Could the Secretary for Planning, Environment and Lands inform this Council why did the Government not institute prosecution against those 15% of the owners who had not repaid the Government the removal cost concerned, or those whom the Government has failed to press for payment?*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, I am afraid I do not have such data in hand and could not provide the Honourable Mrs Peggy LAM with an answer.

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands, could you provide a written reply?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Yes, Madam President. (Annex III)

PRESIDENT (in Cantonese): Mr Frederick FUNG.

MR FREDERICK FUNG (in Cantonese): *Madam President, I wonder if the government departments concerned would give consideration to a proposed deposit scheme, which in essence is that the signboard owner who wishes to hang up his signboard need to pay a deposit, the amount of which should be able to cover the cost for removing the same signboard. If the signboard concerned is removed eventually by its owner, the deposit would be refunded to that owner; if the owner does not remove the signboard, the Government could use his deposit to cover the cost for the job and avoid incurring any losses. After all, the signboard owners are all businessmen, the deposit should not pose any problem to them. The Association for Democracy and People's Livelihood has submitted this proposal to the Government before, could the Secretary inform this Council whether the Government would take this proposal into consideration? Thank you, Madam President.*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, we will consider, under the licensing scheme that is currently under examination, this proposal which requires signboard owners to pay deposit.

PRESIDENT (in Cantonese): Mr NG Leung-sing.

MR NG LEUNG-SING (in Cantonese): *Madam President, we could see from paragraph (e) of the main reply that the surveys as conducted by the Government has been accelerated by three fold, which means the number of signboards inspected each month has increased from 900 to 3 000, amounting to over 30 000 signboards in a year. According to the information provided by the Secretary, there are about 200 000 signboards territory-wide but the number is still on the increase, in other words, it would take the Government at least four years to inspect each and every signboard. Is this situation acceptable, and is there any new methods to further accelerate the inspection speed so as to achieve*

a practical effect?

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, this supplementary has touched on the issue of resources, and the question is whether we really need to spend so much resources on dealing with these 200 000 signboards within a short period of time. This is the question that we must consider very carefully.

PRESIDENT (in Cantonese): Mr Howard YOUNG.

MR HOWARD YOUNG (in Cantonese): *Madam President, I understand there has been a proposal some 10 odd years ago that the whole licensing scheme together with the related safety inspection and removal work be handed over part and parcel to the Urban Council, but the proposal was turned down by the Urban Council on the ground that it would be a sort of losing business. Could the Secretary inform this Council whether the Government would review this proposal; and whether this proposal would have any positive effect on the safety issue of these signboards?*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, in the course of considering the licensing scheme, we would consult with all government departments and the two municipal Councils.

PRESIDENT (in Cantonese): Mr Henry WU.

MR HENRY WU (in Cantonese): *Madam President, my supplementary has in fact been raised by the Honourable CHAN Wing-chan, but I think the Secretary need to clarify the reply that he gave then. While the Secretary has mentioned about signboards affecting the access of fire engines, he has on the other hand said that the tower ladder is more important in fire fighting. Although the Secretary has pointed out that the FSD could handle fire fighting work very well, I would still hope the Secretary understands that some streets are too narrow for tower ladders to be erected if many signboards are found overhanging there. As such, could the Secretary inform this Council of the actions that the FSD or the fire station concerned would take under the circumstances where the tower ladder could not be erected in a narrow street with too many signboards found hanging over it?*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): *Madam President, perhaps I could put it this way, the Planning, Environment and Lands Bureau as well as the Buildings Department so far have not received any report from the Fire Services Department saying that the overhanging signboards have obstructed the fire fighting work.*

PRESIDENT (in Cantonese): Mr Bruce LIU.

MR BRUCE LIU (in Cantonese): *Madam President, we are now required to apply for the Notice of No Objection if we are to hold any assembly; the notice is similar to a licence or permit in the sense that it enables the Government to trace the person responsible should anything happen. Why does the Government still refuse to implement licensing scheme which enables it to trace the person responsible should anything happen? If the licensing scheme is implemented, then we could at least make the signboard owners observe certain basic requirements when they apply for the licence. My further query is that should any such signboard fall down and the responsible person is nowhere to be found, owing to the absence of a licensing scheme, the owners' corporations of the buildings concerned would then be held responsible. In that case, should the*

Government in fact be held responsible for not exercising adequate supervision?

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, the Honourable Bruce LIU is right. In fact, why could the signboards be hanged outside those buildings? This is exactly the responsibility of the owners' corporations concerned. Unless the deed of mutual covenant of the building concerned states clearly that the owners' corporation has no right to the outside wall of the building, otherwise, we have to check the details of the deed of mutual covenant. The owners' corporation as well as individual flat owners might perhaps have the legal responsibility to ensure that the building concerned would not have such hanging structures. If they discover any structure hanging from their building without their prior approval, they should either take legal action or report to the Buildings Department for follow-up actions.

PRESIDENT (in Cantonese): Mr Frederick FUNG.

MR FREDERICK FUNG (in Cantonese): *Thank you, Madam President. At present, the Buildings Department has the power to take immediate action to remove unauthorized structures without court order, but the Department very seldom remove newly hanged up signboards, which are also unauthorized structures. My query is, if certain persons or companies hang their signboards outside buildings without submitting the relevant building plan for the Department's approval, why does the Department not remove such signboards, and why does the Department fail to remove them in the same way as they treat other unauthorized structures?*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, it has something to do with the size and nature of the signboard concerned. The Buildings Department is only empowered to deal with those signboards within the definition of "structure", if the signboard does not fall within such a definition, the Buildings Department would not take any action as there would not be legal support for its actions then.

RESIDENT (in Cantonese): Mr Frederick FUNG.

MR FREDERICK FUNG (in Cantonese): *Madam President, I cannot quite understand the meaning of the term "structure"; if the unauthorized structures concerned are not signboards, the Government would immediately remove any bamboo scaffoldings erected outside the building; then why does the Government keep its hands off those scaffoldings erected to hang signboards? Could the Secretary inform this Council whether the Government has a different definition for structure? Thank you, Madam President.*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands, could you elaborate on this?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, I do not have at hand the definition for "structure", I am afraid I could not answer this question right now.

PRESIDENT (in Cantonese): Mrs Peggy LAM.

MRS PEGGY LAM (in Cantonese): *Madam President, the Secretary has mentioned in his main reply that 960 signboards have been identified as potentially hazardous, and that such signboards were mainly found in several districts, one of which was Wan Chai. The Wan Chai District Board has all along been very much concerned about the issue of signboard licensing, and has submitted many proposals to the Government over the past 10 years or more. I would like to know if that 960 potentially hazardous signboards have all been*

removed or not; it is because I have found a discrepancy of 357 signboards short after I made some calculations. Could the Secretary inform this Council whether that 357 signboards have been removed or not; and inform us of their distribution in terms of number and districts? Thank you, Madam President.

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, the material I have in hand shows that we have so far removed 240 signboards since November 1994, all of which are removed by their owners after verbal warnings have been served by the Buildings Department. Among them, 100 were removed following the instructions of the Buildings Department while 50 were removed by the Department with the aid of its contractors in the face of emergency circumstances. The contractors of the Department have also removed a total of 553 signboards under non-urgent situations.

PRESIDENT (in Cantonese): Mrs Peggy LAM.

MRS PEGGY LAM (in Cantonese): *Madam President, a follow-up supplementary. If I add up all the figures provided by the Secretary just now, the result would only be 913, that means 47 are still missing. I just hope those 47 signboards will not cause any accident during this period of time, otherwise, if any of them fall down and hurt somebody, the Government would have to bear all the responsibilities. Could the Secretary clarify the situation of those 47 signboards? Thank you, Madam President.*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, the difference in figures might be attributable to

the fact that the countings were made towards the end of October; if it so happened that notices were served on owners of certain signboards in late October, and as I have said before, they would have a 14-day allowance, it might result in a discrepancy in the figures.

PRESIDENT (in Cantonese): Mr IP Kwok-him.

MR IP KWOK-HIM (in Cantonese): *Madam President, paragraph (d) of the main reply has mentioned about overhanging signboards might affect emergency vehicular accesses, especially during fire hazards; besides, the main reply has also mentioned that the FSD could only identify such signboards during routine risk visits. However, as far as I understand, such visits are conducted neither frequently nor in each and every district, yet, in fact, many such signboards would definitely obstruct fire fighting efforts. In view of such, could the Secretary inform this Council whether the Government would consider conducting such visits and inspections throughout the territory within a short period of time; if not, how is it going to safeguard public safety? Thank you, Madam President.*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, as I have mentioned before, the FSD has not encountered any situation where their fire fighting efforts are obstructed by signboards. As regard visits and inspections, I have also mentioned about them before, the FSD has conducted 103 visits, each of which may cover more than one building. Bearing in mind that the target of the Buildings Department is to inspect 3 000 signboards each month, I think the two departments concerned have, through joint efforts, made the best use of the resources available to combat the potential hazards and nuisances caused by signboards.

PRESIDENT (in Cantonese): Mr IP Kwok-him, has your question be answered by the Secretary?

MR IP KWOK-HIM (in Cantonese): *Madam President, I would like to ask a further question. Is it true that there has never been any information indicating that fire fighting efforts of the FSD are being affected by signboards. The Secretary has said just now that no such situation has ever occurred, can the Secretary inform this Council more precisely about this case?*

PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Madam President, according to the information provided by the FSD, the Department has never been obstructed by signboards in any of their fire fighting operations.

PRESIDENT (in Cantonese): Fifth question. Mr NG Leung-sing.

IMF/World Bank Meeting

5. **MR NG LEUNG-SING** (in Cantonese): *With regard to the 1997 World Bank/International Monetary Fund Annual Meetings hosted by Hong Kong, which were highly praised by different sectors, will the Government inform this Council whether:*

- (a) *it has reviewed its experience in hosting the meetings; if so, what the details are; and*
- (b) *it has commended or complimented the organizations, government departments and personnel involved in organizing the meetings; if so, what the details are?*

PRESIDENT (in Cantonese): Secretary for Financial Services.

SECRETARY FOR FINANCIAL SERVICES (in Cantonese): Madam President,

- (a) Same as other major events organized in the past, we have conducted a review of the 1997 World Bank Group/International Monetary Fund (WBG/IMF) Annual Meetings taking into account the feedback obtained from the local and international communities, including those who took part in the event. On the whole, participants highly appreciated the overall logistical arrangements, particularly in terms of airport reception, security arrangement and the provision of facilities at the Meetings venues. We are also very satisfied with the achievements. The Meetings were considered a huge success both from the organization and the image building perspectives. Media coverage of Hong Kong was very positive. Undoubtedly, there is room for improvement. For example, the level of hotel room rates and the blockage of the whole of the Convention and Exhibition Centre Extension exclusively for the Meetings venue were subjects of some criticisms. These are, nevertheless, constraints imposed by the hotel industry against their own commercial consideration and the venue area and security requirements of the WBG and IMF.

It is worth mentioning that the Finance Committee of this Council has approved a sum of about \$485 million for the event. As a result of our prudent expenditure control and the success in securing private sector sponsorship, the net expenditure to be met from the public purse is about \$346 million, merely 71% of the approved sum.

We have already made arrangements to submit a detailed written report to this Council's Panel on Financial Affairs on the Annual Meetings.

- (b) The Hong Kong Monetary Authority (HKMA), as the implementation agency for the 1997 WBG/IMF Annual Meetings, has already sent a letter of appreciation to each of the government departments and organizations in support of the event, paying tribute to the excellent efforts of their staff and contribution to the success of the Annual Meetings. Two tea receptions have been held for

HKMA staff and the planning staff from the WBG and the IMF. Moreover, the Chief Executive hosted a tea reception on 28 October for the key planning staff and sponsors as a gesture of his appreciation of their good work and contribution.

Thank you, Madam President.

PRESIDENT (in Cantonese): Mr NG Leung-sing.

MR NG LEUNG-SING (in Cantonese): *Madam President, may be it is out of modesty or thoughtful intention to save our time, the Secretary for Financial Services has mentioned in his main reply that arrangements have already been made to submit a detailed report to this Council's Panel on Financial Affairs on the Annual Meetings, but I would still like to raise a supplementary question. As referred to in the main reply, the Meetings were considered a success and the various arrangements made were highly appreciated, including the excellent support services provided by the disciplinary forces in respect of security and order. Could the Secretary inform this Council whether any special review on their performances at this event has been conducted; and whether any special appreciation and commendation have been expressed to them?*

PRESIDENT (in Cantonese): Secretary for Financial Services.

SECRETARY FOR FINANCIAL SERVICES (in Cantonese): Madam President, I believe my colleague, the Secretary for Security, will agree with me that the police force has made excellent efforts in maintaining both the order and security outside the venue where the Annual Meetings were hosted and in meeting the security requirements of the World Bank Group. I am sure the management of the police force will extend appropriate compliments to the staff members who have participated in this event.

PRESIDENT (in Cantonese): Last question seeking an oral reply. Mr Howard YOUNG.

Applications from Non-Chinese Residents for Hong Kong Permanent

Residency

6. **MR HOWARD YOUNG:** *Madam President, will the Government inform this Council of the number of applications for Hong Kong permanent residency from non-Chinese residents, the number approved and the average time taken to complete processing such applications, since 1 July 1997?*

PRESIDENT(in Cantonese): Secretary for Security.

SECRETARY FOR SECURITY: Madam President, from 1 July to 25 October 1997, the Immigration Department has received 11 895 applications for Hong Kong permanent residency from non-Chinese residents. Of these, 9 379 applications have been approved. For the finalized applications, the average processing time is six weeks.

PRESIDENT (in Cantonese): Mr Howard YOUNG.

MR HOWARD YOUNG (in Cantonese): *According to the main reply given by the Secretary, there is a difference of 2 000 odd between the number of application received and the number of application approved. Are those 2 000 odd applications still being processed or would some of them eventually be refused; and if the latter be the case, could the Secretary inform this Council of the number of applications that would be refused and the general reasons behind that?*

PRESIDENT (in Cantonese): Secretary for Security.

SECRETARY FOR SECURITY (in Cantonese): Madam President, of the difference of 2 000 odd applications, over 2 440 are still being processed. Only a very small percentage of them has been rejected. So far there are only 14 cases rejected. Those applications are refused on the grounds that the applicants have failed to provide either proof of their continuous residence in Hong Kong for not less than seven years, or proof showing that they had already settled in Hong Kong at the time the application was submitted.

PRESIDENT (in Cantonese): Mr Howard YOUNG.

MR HOWARD YOUNG (in Cantonese): *Madam President, I have yet another supplementary, but not a follow-up, question, can I still raise it?*

PRESIDENT (in Cantonese): Yes, you may do so.

MR HOWARD YOUNG: *Of the application figure of 11 895, did the Government previously have any ball-park estimates of the potential size of the expatriate community which might be eligible to apply for permanent residency? And how far is this figure away from any previous ball-park estimates?*

PRESIDENT: Secretary for Security.

SECRETARY FOR SECURITY: Madam President, as I have said in my main reply, until 25 October 1997, we have received 11 895 applications. As regards whether there was a ball-park figure of the number of non-Chinese residents of Hong Kong who might be eligible to apply for right of abode, we had previously a very rough estimate of about 70 000 persons who might be eligible to apply, under the relevant section of the Basic Law. I have to stress that that is an extremely rough estimate and I cannot, honestly put my hand on my heart, say it was an accurate estimate. But yes, we did have such an estimate and I do not know why others have chosen not to apply so far. But we keep on getting new applications every day.

WRITTEN ANSWERS TO QUESTIONS

Allocation of Funds to the Hong Kong Sports Institute

7. **MR MA FUNG-KWOK** (in Chinese): *As the reserves of the Hong Kong Sports Institute (HKSI) will be used up next year, will the Government inform*

this Council whether it is aware of:

- (a) the findings of the consultancy study on the present and future strategies and funding requirements of the HKSI; and*
- (b) the overall financial allocation to the HKSI from the authorities in the next three years and, of the allocation, the percentage allocated to the elite training programme?*

SECRETARY FOR BROADCASTING, CULTURE AND SPORT (in Chinese): Madam President, in anticipation of the likely depletion in 1998 of the Hong Kong Sports Institute's (HKSI's) main source of funding, namely an endowment from the Hong Kong Jockey Club, the Government appointed a consultant in April 1996 to look into the Institute's functioning and financing and to assess its strategic direction and financial needs.

The consultant's findings indicated that, whilst the fundamental strategy of the HKSI was correct, the elite training programme required restructuring to focus on sports and athletes with real potential for success at the international level. The consultant also identified Government as the most likely potential source of funding for the elite programme, pointing out that other governments provided the bulk of the funding for their national elite training institutes.

In the context of the 1997 resource allocation exercise, we have ear-marked additional funding for the Sports Development Board (SDB) which will help it to meet the cost of the HKSI's elite training programme from the 1998-99 financial year onwards. Subject to this Council's approval of the 1998-99 Budget, we expect an increase of about \$85 million in annual subvention to the Board next year.

The additional subvention to the SDB is intended primarily to help cover the cost of the elite programme at the HKSI. This includes the salary of coaches and their assistants, expenses related to squad training, sports science and medicine costs, athletes' subsistence allowances, facilities running costs and management overheads for 12 focus sports and 13 elite athletes in other sports.

The appropriate level of subvention in future years will be reviewed in the light of the SDB and the Institute's success in implementing the consultant's recommendations. This review will take into account the number of focus

sports and individual athletes which the Institute's elite programme will support in future.

In addition to the recurrent subvention, funding will be available from the \$300 million Arts and Sport Development Fund to help prepare the HKSI's top athletes for participation in forthcoming major games.

Medical Facilities Available in the New Airport

8. **DR DAVID LI:** *Will the Government inform this Council:*

- (a) of the kind of medical facilities which will be available in the new airport at Chek Lap Kok and the surrounding areas;*
- (b) whether it has studied if such medical facilities can cope with any large-scale disastrous incidents which may occur in the areas; if so, what the findings are; and*
- (c) whether there are plans to establish more hospitals and clinics in the areas surrounding the new airport, in the light of the growth rate of the community?*

SECRETARY FOR HEALTH AND WELFARE: Madam President,

- (a) To meet the needs of the travelling public, the Airport Authority has plans to establish a commercially-operated medical clinic in the Passenger Terminal Building of the new airport at Chek Lap Kok. In addition to providing general out-patient services, the clinic will also provide to patients in emergency cases first aid and emergency treatment pending transfer to hospitals.

In the neighbouring Tung Chung New Town, the Department of Health's Tung Chung Health Centre has commenced operation since August 1997, providing general out-patient and maternal and child health services. The facilities in the Centre will be expanded, in due course, to include also tuberculosis and chest service. In

addition to public medical facilities, opportunities are also available for private practitioners to set up medical clinics in Tung Chung New Town.

- (b) We are confident that there are sufficient medical facilities to cope with any large-scale disasters occurring at the new airport or its surrounding areas. On occurrence of such unfortunate incidents, in addition to ambulances sent from Chek Lap Kok and Tung Chung areas, medical teams from the Hospital Authority will also be dispatched to the scene to provide on-site triage and emergency treatment to the victims. The casualties will be transferred to hospitals by ambulances via the Lantau Link. Where the situation warrants, helicopters, Mass Transit Railway trains, fireboats, rescue boats and marine launches will be mobilized to assist in the transfer. The Princess Margaret Hospital has been designated as the first hospital for receiving victims of disasters occurring at the new airport. Other public hospitals, including the Yan Chai Hospital, Caritas Medical Centre and Tuen Mun Hospital, will be involved in the rescue operation depending on the scale and nature of the disasters. All these hospitals are sufficiently equipped to cope with such incidents and to provide the necessary medical services.
- (c) The Government's policy is to provide medical facilities including clinics and hospital services in North Lantau in line with population growth in the area. We shall monitor closely the population increase in North Lantau and draw up development programmes accordingly.

Abolition of the Closed Area in Hong Kong Adjoining the Mainland

9. **MR CHOY KAN-PUI** (in Chinese): *Will the Government inform this Council:*

- (a) *of the present number of closed areas in Hong Kong adjoining the Mainland; and the respective coverage and size of each closed area;*
- (b) *whether it has undertaken any study to see if the disestablishment of*

the closed areas is a solution to inadequate land supply in Hong Kong; if so, what the findings are;

- (c) whether there are plans to disestablish these closed areas; if so, what the details are; if not, why not; and*
- (d) whether it has discussed with the Central Government regarding the retention or otherwise of these closed areas?*

SECRETARY FOR SECURITY (in Chinese): Madam President, at present, there is one closed area south of the boundary which is defined by the Frontier Closed Area Order under the Public Order Ordinance (Cap. 245). In short, the area extends from Sha Tau Kok in the East to the mouth of the Shenzhen River in the West. The total area is about 3 410 ha.

It is important to maintain the closed area to provide an effective buffer zone for our security forces to operate against illegal immigration, smuggling and other trans-boundary crimes. The Government have no plans to disestablish the closed area and, thus, have not undertaken any study to examine its impact on the question of land supply.

Under the Basic Law, the Government of the Hong Kong Special Administrative Region (SAR) is responsible for the maintenance of public order and immigration control. The retention or otherwise of the closed area concerns internal security, which is a matter for the SAR Government to decide.

Expatriate English Language Teachers in Secondary Schools

10. **MR YEUNG YIU-CHUNG** (in Chinese): *Will the Government inform this Council:*

- (a) of a breakdown of expatriate English teachers by nationality in the current school year;*
- (b) of the respective proportions of those with a university degree and professional training to the total number of expatriate English teachers in Hong Kong;*

- (c) *of the reasons for some secondary schools not employing expatriate English teachers; and*
- (d) *whether it has assessed the effectiveness of employing expatriate teachers to teach English, and identified areas in which improvements need to be made?*

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

- (a) In the current school year, a total of 92 native-speaking English teachers are employed in public sector secondary schools. A breakdown by nationality is as follows:

<i>Nationality</i>	<i>Number of Teachers</i>
British	70
Canadian	9
American	5
Australian	4
New Zealander	1
South African	1
Singaporean	1

- (b) All these English teachers are university graduates with professional training, holding Certificates in Education for graduate teachers or Certificates/Diplomas in Teaching English as a Foreign Language or Second Language.
- (c) The main reasons for some schools not employing such teachers are:
 - (i) there are no vacancies for English teachers in the establishment of the schools concerned;
 - (ii) the terms of appointment do not include benefits such as housing allowance, and therefore are not able to attract

overseas English teachers of good quality to come to Hong Kong; and

- (iii) some schools are worried that the employment of these teachers may cause inconvenience in administration, such as the need to communicate in English at work;
- (d) The Government first employed native-speaking English teachers as a pilot scheme in 1987. In 1990-91, the Education Department and the British Council conducted a review of the scheme, the findings of which confirmed that these English teachers could improve students' English proficiency, in particular their oral skills. When a similar Native-speaking English Teacher Scheme was introduced according to the recommendation of the Education Commission Report No. 6 in 1996, the Education Department carried out a questionnaire survey in schools to gauge their opinions on the Scheme and the difficulties encountered. In conclusion, the survey suggested improvements be made in the following areas:
 - (i) the Government should provide additional teaching posts to accommodate native-speaking English teachers;
 - (ii) the terms of appointment should be improved to include benefits such as housing allowance in order to attract competent and qualified teachers to apply for the posts, and
 - (iii) orientation programmes and other support services, such as seminars, should be provided for newly employed teachers to help them adapt to the school environment and to living in Hong Kong as soon as possible.

The above concerns have been taken into account and appropriate improvements have been made in the design of the new Native-speaking English Teacher Scheme.

Loss of Personal Property in Taxis

11. **DR LAW CHEUNG-KWOK** (in Chinese): *Will the Government inform this Council:*

- (a) *of the respective numbers of Hong Kong residents and overseas visitors who reported to the police for inadvertently leaving property behind in taxis, and the respective numbers of those who recovered their lost property, in each of the past three years;*
- (b) *what channels are available to persons who left property behind in taxis for recovering their lost property; and*
- (c) *whether it has considered setting up a body to co-ordinate the work of helping such persons to recover their lost property?*

SECRETARY FOR SECURITY (in Chinese): Madam President,

- (a) The police keep statistics on cases according to the nature of the offence. They do not keep statistics on the number of reported cases of leaving property behind in taxis, which is not an offence.
- (b) The following channels are available to persons to recover their property lost in taxis:
 - (i) they may report their loss to any police station. According to the Road Traffic (Public Service Vehicles) Regulations under the Road Traffic Ordinance (Cap. 374), any person who finds any property accidentally left in a taxi shall immediately hand it to the driver. Taxi drivers are also required to search their taxis as soon as possible after each hiring to ascertain whether any property has been accidentally left therein. Any driver who finds property left in his taxi or receives such property from a passenger is obliged to deposit it at a police station within six hours of the finding, unless the owner has claimed it back at an earlier time;
 - (ii) they may contact various taxi radio call centres for assistance;

- (iii) they may seek assistance through the media such as the radio and newspapers; and
 - (iv) for overseas visitors, they may contact the Hong Kong Tourist Association for assistance.
- (c) As there are adequate channels for recovering such lost property, it is therefore not necessary to set up a body specifically for such purpose.

Implementing the New Social Welfare Services Approved in the 1997-98 Budget

12. **MR HUI YIN-FAT** (in Chinese): *Regarding the new social welfare services to be introduced (new services) under the approved budget for the year 1997-98, will the Government inform this Council of:*

- (a) *the estimated new services between October this year and March next year;*
- (b) *the respective numbers of new services to be introduced by the Social Welfare Department and subvented organizations, together with the respective numbers of social work officers and social work assistants to be recruited for implementing these services;*
- (c) *the notice period normally given to subvented organizations leading to the carrying out of preparatory work prior to the introduction of the new services, and the period of time allowed for the preparatory work; and*
- (d) *the planned timing for allocating funds to enable subvented organizations to create the relevant posts for preparing the new services; and*
- (e) *the respective numbers of staff to be recruited by the Social Welfare Department and subvented organizations for carrying out the preparatory work, together with a breakdown by ranks and dates of appointment?*

SECRETARY FOR HEALTH AND WELFARE (in Chinese): Madam President, my replies to the question are as follows:

- (a) The estimated number of new service units expected to start operations between October 1997 and March 1998 is 100. Four units will be operated by the Social Welfare Department (SWD) and 96 units by non-governmental organizations (NGOs). Details are:

SWD

- Guardianship Board (to implement the guardianship provision under the Mental Health (Amendment) Ordinance 1997);
- two emergency residential care units for people with a disability;
- a new team within the Child Care Centre Advisory Inspectorate to regulate services provided by child minders and mutual help child care groups.

Subvented NGO units

- five units to provide family services;
 - seven units to provide youth services;
 - 15 units to provide child welfare services;
 - 11 units to provide elderly services;
 - 58 units to provide rehabilitation services.
- (b) To implement these services, SWD will recruit three social work officer grade staff and two social work assistant grade staff. NGOs will need to recruit 130 staff comprising 26 social work officer grade staff and 104 social work assistant grade staff.

- (c) The notification period given to NGOs prior to the commencement of a new service varies from one month to three to four years and is largely dependant on the type of premises.

If propose-built premises are required for the new service and the operator is directly responsible for the construction works, the relevant NGO will normally be involved from the planning stage of the project. This can be three to four years prior to the commencement of the new service;

If the units are located in public buildings such as public housing estates or municipal council premises, the operators of the service would normally be notified about nine months in advance;

If the premises are acquired through the purchase programme and require fitting out by the Architectural Services Department, a four-month period would normally be given.

For those services which do not require the provision of new premises, such as family casework service, the notification period normally ranges from three weeks to two months.

- (d) Funds are allocated to an NGO to operate a new service by the Director of Social Welfare on the advice of the Subvention and Lotteries Funds Advisory Committee. Allocations are normally made once the amount of subvention has been agreed with the NGO. Subvention to the operator is usually available three to four months prior to the commencement of a service, depending on the nature and size of that service. The allocation includes additional funding to recruit preparatory staff for one to three months. In practice, SWD encourages operators to start the recruitment process well in advance so as to allow for appointment upon immediate receipt of the subvention.
- (e) The planning and co-ordination of new service units operated by SWD are undertaken within the Department without any additional provision for preparatory staff. As regards services run by NGOs, SWD has provided additional subvention to operators to meet the salaries of 58 staff to carry out the necessary preparatory work for

51 new service units coming into operation between October 1997 and March 1998. The respective breakdown by ranks and dates of these appointments are at the Appendix.

Dates of appointment

	<i>1 August</i>	<i>16 August</i>	<i>1 September</i>	<i>16 September</i>	<i>1 October</i>	<i>16 October</i>	<i>1 December</i>	
	<i>1997</i>	<i>1997</i>	<i>1997</i>	<i>1997</i>	<i>1997</i>	<i>1997</i>	<i>1997</i>	<i>Total</i>
Social Work Officer	3	1	0	0	0	1	2	7
Assistant Social Work Assistant	0	2	0	0	1	2.5	1	6.5
Senior Social Work Assistant	5	2	0	1	1	2	0	11
Social Work Assistant	2	0	1	0	0	1	2	6
Senior Welfare Worker	0	0	0	0	1	0	0	1
Welfare Worker	3	0	0	0	0	0	0	3
Physiotherapist I/ Occupational Therapist I	0	0	0	0	0	0.5	0	0.5
Registered Nurse	0	0	0	0	1	1	3	5
Clerical Officer II	0	0	0	0	2	1	3	6
Workman II	0	0	0	0	4	0	6	10
Workshop Instructor I	1	0	0	0	1	0	0	2

Measures to Prevent Traffic Accidents Caused by Flying Gravel on Highways

13. **DR RAYMOND HO** (in Chinese): *It is reported that many accidents on the highway are attributable to vehicles being hit by flying gravel. In this regard, will the Government inform this Council:*

(a) *of the total number of such accidents in the past three years;*

- (b) *of the respective numbers of drivers, passengers and other persons injured or killed in such accidents; and*
- (c) *whether the Administration will consider issuing guidelines and then amending the Road Traffic (Construction and Maintenance of Vehicles) Regulations to specify the safety standards of mudguards installed on goods vehicles and on tall and heavy vehicles, so as to reduce the chances of gravel being spun off by such vehicles in motion and hitting other vehicles?*

SECRETARY FOR TRANSPORT (in Chinese): Madam President, from January 1994 to September 1997, there were 48 accidents involving vehicles hit by flying objects.

In these accidents, one person was killed, 18 persons seriously injured, and 42 persons slightly injured. Our accident statistics do not record whether they were drivers, passengers or other persons.

The Transport Department has initiated action to improve the standards of mudguards with a view to more effectively prevent mud, stones and gravel being thrown back and hitting the vehicles following. The Road Traffic (Construction and Maintenance of Vehicles) Regulations will be amended to set out the new specifications of mudguards for buses, light buses and goods vehicles. These specifications will be in accordance with international standards and design rules.

Pending the amendment of the Regulations, the Transport Department will liaise with operators of buses, light buses and goods vehicles and encourage them to improve their mudguards to the new standards. Guidelines setting out the detailed specifications, including installation methods, will be issued.

Submission of Reports to the United Nations on Implementation of International Covenants Applicable to Hong Kong

14. **MR CHAN CHOI-HI** (in Chinese): *Under Article 39 of the Basic Law, the provisions of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights as applied to Hong Kong shall remain in force. In this connection, will the Government inform this Council whether:*

- (a) *consideration will be given to submitting annually reports to the*

relevant covenant monitoring organizations under the United Nations on the implementation of the two international covenants on human rights in Hong Kong; if so, whether the reports will be submitted to the legislature and made accessible to the public; and

- (b) *delegations will be sent annually to attend the hearings of the relevant covenant monitoring organizations under the United Nations to give an account of the human rights situation in Hong Kong, so that other countries can understand Hong Kong better in this respect?*

SECRETARY FOR HOME AFFAIRS (in Chinese): Madam President, under Article 39 of the Basic Law, the provisions of the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR) as applied to Hong Kong shall remain in force and shall be implemented through the laws of the Hong Kong Special Administrative Region (SAR).

The submission of periodic reports on the implementation of United Nations human rights treaties in any territory of a state party is the responsibility of the state party concerned.

We are happy to note that China's Permanent Representative to the United Nations has signed the ICESCR on behalf of the Government of the People's Republic of China on 27 October 1997 in New York; and we are confident that appropriate reporting arrangements on Hong Kong will be made. As for the ICCPR, Chinese leaders have earlier stated in public that China is earnestly studying the Covenant. If China signs the ICCPR, we hope that appropriate reporting arrangements on Hong Kong under this Covenant will be made.

As with the submission of periodic reports, attendance at United Nations hearings is the prerogative of states parties. We hope that representatives from the SAR Government will be able to participate in future United Nations hearings as part of the delegation of Mainland China.

Any reports on the implementation of United Nations human rights treaties in the SAR submitted to the United Nations Treaty Monitoring Bodies will be public documents. We will no doubt keep the legislature and the public informed of such reports.

Park-and-Ride Trial Scheme

15. **DR RAYMOND HO** (in Chinese): *In order to encourage the increasing use of public transport instead of private cars, the Transport Department will launch a "park-and-ride trial scheme". In this regard, will the Government inform this Council:*

- (a) *when and where (including places near railway stations and along the MTR lines) will the scheme be implemented;*
- (b) *whether it will consider building underground car parks, so as to enable more drivers to participate in the scheme; if not, why not; and*
- (c) *whether it will consider offering fare concessions to the participants of the scheme and, in line with the "Octopus" scheme, enabling the public to use Octopus cards for parking; if not, why not?*

SECRETARY FOR TRANSPORT (in Chinese): Madam President, the park-and-ride trial scheme will be launched next month. A short-term tenancy site near the KCR Sheung Shui Station has been chosen for the trial scheme which will last 12 months. The results of the trial scheme will assist the Government to determine the future direction of park-and-ride facilities in Hong Kong.

The Sheung Shui site can accommodate 200 cars. We reckon it will be adequate for the trial scheme, and the short duration of the trial scheme does not allow for the construction of any permanent underground car park facilities. The concept of park-and-ride is to encourage commuters who normally use private cars to travel to busy urban areas to transfer to public transport so that private car travels to/from busy business and commercial districts would be reduced. Amongst the conditions necessary for its success is availability of parking facilities adjacent to a strategic public transport mode, for example, Kowloon-Canton Railway, Mass Transit Railway or a large scale bus terminus. Whether such parking facilities are provided by underground car parks, or multi-storey car parks, or others, will depend on the circumstance of a particular site, such as site condition and cost.

To encourage motorists to use the park-and-ride scheme in Sheung Shui, a concessionary parking fee will be introduced. Initially, this will be about \$3 per hour, against \$12 per hour for ordinary parking. Since this is only a short-term trial scheme, we do not consider it appropriate to introduce an elaborate ticketing system like Octopus. The use of Octopus will be considered in future when long-term park-and-ride schemes are planned.

Rapes and Indecent Assaults

16. **MR LEE KAI-MING** (in Chinese): *In view of the frequent occurrence of indecent assault and rape cases in Hong Kong recently, will the Government inform this Council:*

- (a) *of the respective numbers of such complaints received by the police, successful convictions, and the victims involved over the past 10 months;*
- (b) *of the number of such complaints received by the police in each of the past three years, and whether the figures reflect an upward trend; and*
- (c) *whether it has undertaken any studies on the causes of, and the preventive measures that should be taken against, such cases?*

SECRETARY FOR SECURITY (in Chinese): Madam President,

- (a) The number of reported cases of indecent assault and rape for the first nine months of 1997 were 828 and 56 respectively. Figures for October 1997 are not yet available. The number of victims for the two offences are the same as their respective number of cases.

The number of persons convicted of indecent assault and rape in 1996 were 418 and 21 respectively. As at 30 October 1997, the

provisional figures for the number of persons convicted during the first quarter of 1997 were 90 for indecent assault and two for rape.

- (b) The number of reported cases of indecent assault and rape for the past three years are as follows:

<i>Year</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>
<i>Offence</i>			
Rape	100	103	86
Indecent Assault	1 066	1 099	1 214

The number of rape cases remained stable in 1994 and 1995 but has since then decreased. Compared with 1995, the number of rape cases in 1996 decreased by 17%. The number of rape cases for the first nine months of 1997 decreased by 20% when compared with the same period in 1996. The number of indecent assault cases slightly increased by 0.3% in 1995 when compared with 1994. It further increased by 11% in 1996 when compared with 1995. However, it decreased by 8% during the first nine months of 1997 when compared with the same period in 1996.

- (c) In 1995, the police conducted a study on 191 reported rape cases in 1994 and 1995 with the following findings:

- teenage girls aged between 14-18 appeared to be most vulnerable, representing 35% of all cases;
- 30% of the victims were students;
- 60% of the cases were committed by acquaintances of the victims;
- 47% of the cases happened in the victim's or suspect's residences;
- 26% of the cases happened between 1 am and 5 am; and

- many victims were afraid to report the case because of shock, fear, confusion, feeling of hopelessness, or social stigma.

On indecent assault, the police analyzed the profiles of 2 339 indecent assault suspects arrested between 1993 and June 1996 and found that 55% of them were between the age of 16 and 35. 80% of the cases were unplanned and committed at the spur of the moment by strangers to the victims. According to the police, most indecent assault cases were relatively minor which often happened in crowded situations.

To tackle the problem, the Administration formulated a three-pronged approach in tackling sex crimes. This includes prevention by enhancing sex education, enforcement by increasing the maximum penalties of various sexual and related offences and providing support to victims by introducing improved procedures to encourage them to come forward to report these cases.

Specifically, the Administration have adopted the following preventive measures:

- (i) launching a new Guidelines on Sex Education in Schools in December 1997 to develop students' ability to prevent and cope with sexual offences;
- (ii) launching a publicity campaign on the prevention of child sexual abuse in 1996-97, focusing on teaching young children to protect themselves against sexual abuse and promoting awareness of parents and carers of the problem;
- (iii) distributing a sex education kit for parents in December 1997;
- (iv) distributing a teaching kit and educational software on prevention of sexual abuse for schools in July 1998;
- (v) strengthening education programmes on "sex and mass media";

- (vi) strengthening sex education programmes in residential homes for young people and as part of the Community Support Service Scheme for youths; and
- (vii) establishing a sex education corner for social workers in the Family Planning Association and the Family Life Education Resource Centre of the Social Welfare Department.

On enforcement, we enacted the Crimes (Amendment) Ordinance 1997 to increase the maximum imprisonment terms of certain sexual and related offences to 10 years, which is equivalent to the maximum penalty for indecent assault. These offences include, for example, indecent conduct towards a child under 16 and intercourse with a defective. The seriousness of these offences are considered comparable to that of indecent assault. The police have also stepped up enforcement action in crowded situations such as the Mass Transit Railway to combat crimes including indecent assault. We are also formulating legislation for the taking of intimate (for example, blood and semen) and non-intimate (for example, hair and nail) samples to enhance our enforcement capability to tackle sexual offences.

On support provided to victims of sex crimes, we have adopted the following improved procedures:

- (i) emphasizing a sympathetic approach in investigation by teaching ways to support victims at the Police Training School;
- (ii) establishing a joint Police/Social Welfare Department Child Protection Special Investigation Team in December 1995 to conduct video-recorded interviews with children involved in child sexual abuse cases;
- (iii) allowing the taking of statements at victim's home and providing a comfortable atmosphere in the report room; and
- (iv) introducing legislative changes to protect vulnerable witnesses including children, mentally handicapped persons

and witnesses in fear from the trauma of testifying in court by, for example, allowing video-taped testimony to be produced as evidence in court and permitting them to testify or be cross-examined in court by a live television link.

Control on Discharge of Sewage and Waste Water from Construction Sites

17. **DR LEONG CHE-HUNG:** *Will the Government inform this Council:*

- (a) *whether it has any plans to step up control against the discharge of sewage or waste water from construction sites; and*
- (b)
 - (i) *of the number of inspections of construction sites conducted by the Environmental Protection Department for checking the discharge of sewage or waste water;*
 - (ii) *of the frequency of such inspections on average; and*
 - (iii) *of the number of prosecutions made, the average, the maximum and the minimum level of penalties imposed by the court under the Water Pollution Control Ordinance,*

in each of the past three years?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Madam President,

- (a) Discharges from construction sites are subject to control under the Water Pollution Control Ordinance (WPCO) which, *inter alia*, restricts the type, amount and strength of effluent to be discharged. Similar to all other types of discharges, the responsible party for a construction site should apply to the Environmental Protection Department (EPD) for a licence before the commencement of any discharge and to comply with the terms and conditions as stipulated in the licence. Depending on the actual site conditions and the nature of the discharge, the applicant may be required to install suitable treatment facilities, such as silt traps

which could remove the suspended solids from the waste water, in order to comply with the statutory control.

To ensure that sewage and waste water from construction sites are properly discharged, EPD staff inspects construction sites both on a routine basis so as to enforce the WPCO and prevent pollution and in response to complaints received so as to rectify expeditiously any pollution not identified during the routine inspections. However, since discharges from construction sites are mainly of localized concern and the problems could occur sporadically, emphasis has been placed on inspections upon complaints regarding construction sites in urban and sewered areas whereas routine inspections would be carried out more frequently in unsewered areas due to the greater threat to sensitive waters.

Since the implementation of tightened control on construction noise and dust in November 1996 and June 1997 respectively, the EPD has increased surveillance of construction sites in general. Since June 1997, a monthly average of around 470 general inspections, of which around 55 were specifically for sewage discharge, were conducted by EPD staff. As a result of this increased focus on construction sites, those with problematic discharges would be more easily identified by EPD staff. The EPD will continue to step up enforcement against improper discharge of sewage and waste water from construction sites through re-prioritization of its enforcement works as and when necessary.

- (b) (i) The EPD made the following number of inspections to check the discharges from construction sites in the past three years:

<i>Period</i>	<i>No. of inspections</i>
1994	97
1995	183
1996	417
January to September 1997	485

- (ii) There are over 1 200 construction sites in Hong Kong at any time and it is not possible for the EPD to inspect all of them. For those which have been the subject of complaints, the EPD would subsequently on average inspect the sites two to three times to ensure that the pollution problems are satisfactorily resolved.
- (iii) The number of convictions and fine statistics for the control of waste water discharges from construction sites under the WPCO are as follows:

<i>Period</i>	<i>No. of prosecutions/ conviction*</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Average</i>
1994	10	50 000	10 000	26 500
1995	8	50 000	8 000	24 750
1996	21	100 000	5 000	25 000
January to September 1997	12	50 000	7 500	25 458
Total	41			

* All prosecutions have led to convictions

Assistance to Patients Suffering from Post-natal Depression

18. **MR HUI YIN-FAT** (in Chinese): *It is learnt that a woman suspected of suffering from postpartum depression was recently sent to the accident and emergency department of a hospital for treatment after an unsuccessful attempt to kill herself. She was diagnosed as fit for discharged after being given an*

injection of tranquillizer by the medical staff on duty. On the following day, the woman was suspected of having thrown her four-month-old baby daughter from a high-rise building to the street. In this connection, will the Government inform this Council:

- (a) whether the medical staff at the accident and emergency departments of public hospitals have the professional knowledge in diagnosing a patient suffering from postpartum depression; if so, why the medical staff had not made a decision to require the woman concerned to stay in the hospital for observation; if not, what specific measures will be adopted to enhance front-line medical staff's understanding and awareness of postpartum depression;*
- (b) whether it has studied if the hospital concerned has any legal responsibility with regard to the incident;*
- (c) how women suffering or suspected of suffering from postpartum depressions are assisted in obtaining such services;*
- (d) whether briefing and counselling on postpartum depression have been provided by public medical institutions to women and their families during antenatal or postnatal periods; if not, why not;*
- (e) whether a referral system will be established to enable women giving birth at non-public medical institutions to have access to the same services relating to postpartum depression provided by public medical institutions; and*
- (f) whether it will review the adequacy of services provided by public hospitals for women suffering or suspected of suffering from postpartum depression; if not, why not?*

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

- (a) All medical doctors, including those deployed in the accident and emergency department of public hospitals have received professional training in psychiatry, which covers postpartum depression, to enable them to diagnose and handle patients with psychiatric and emotional problems. The decision to admit a patient into hospital or otherwise for treatment is a clinical decision made by the attending doctor based on the patient's conditions at the time of diagnosis. This decision is influenced by a variety of factors, including the patient's medical history, the accompanying symptoms and signs, the severity of the disease condition and the patient's willingness for admission into hospital.
- (b) In case of any incident, it is for the court to determine whether an involved party should bear any legal responsibility.
- (c) and (d)

All Maternal and Child Health Centres (MCHCs) under the Department of Health (DH) conduct regular health talks and workshops for expectant mothers and their spouses. These services help them to prepare for various physiological and psychological changes during both the antenatal and postnatal period, including the management of postpartum depression.

MCHCs also provide postnatal services for parents of all new born babies delivered in Hong Kong including those delivered in private hospitals. MCHCs invite the parents of all new-borns to attend services offered by nearby MCHCs. The mothers attending the Centres are interviewed individually by nurses. Those who are suspected to have symptoms of postpartum depression are suitably taken care of by trained health personnel based on individual needs. They are individually counselled and followed-up regularly at the Centres. Home visits are made where necessary.

The Hospital Authority (HA) provides similar antenatal and

postnatal counselling and treatment services as provided by MCHCs for all mothers attending the Obstetric and Gynaecological Units in HA hospitals.

Where necessary, the attending doctors in private or public medical institutions can refer patients with symptoms of postpartum depression to the appropriate medical units in HA for psychiatric and clinical services. If needed, the medical social workers in public hospitals also provide social support services to the patients.

- (e) The maternal and child health services provided by DH and the psychiatric services provided by HA are accessible to all Hong Kong residents. Doctors of private medical institutions may at any time refer patients with postpartum depression to HA hospitals for counselling service or treatment.
- (f) The present preventive and curative services provided by DH and HA have worked well to give adequate protection and assistance to the new-borns and their parents. The Administration will monitor closely the level of different services provided to ensure that they are sufficient to cope with the changing needs of the community.

Transport Arrangements for the New Airport

19. **MR DAVID CHU** (in Chinese): *As the new airport at Chek Lap Kok will be opened in April next year, will the Government inform this Council whether:*

- (a) *the target commissioning date of the Airport Railway can tie in with the opening date of the new airport; if not, before the commissioning of the Airport Railway, what transport arrangements are made by the authorities for commuting to and from the new airport; and*

- (b) *it has assessed the impact of the commissioning of the new airport on the traffic flow in the areas adjacent to Chek Lap Kok; if so, what the findings are; and what measures it will adopt to improve the traffic conditions in these areas?*

SECRETARY FOR TRANSPORT (in Chinese): Madam President,

- (a) It remains the target of the Government and the Airport Authority to open the new airport at Chek Lap Kok in April 1998. The progress of the Airport Railway (AR) project is being closely monitored by the Mass Transit Railway Corporation (MTRC) and the Government. The Corporation aims to open the AR at the earliest possible date. If, in the end, the AR's opening could not synchronize with that of the new airport, the Transport Department would work with the relevant government departments, the MTRC, the Airport Authority and public transport operators to strengthen the provision of alternative public transport services, such as airbus, conventional bus and ferry services, to meet travel demand. In addition, new bus routes and coach services between the new airport and urban interchanges would be considered.
- (b) The new airport will be supported by a comprehensive system of infrastructural facilities included in the Airport Core Programme (ACP). It consists of the AR, new trunk roads, tunnels and bridges. The Transport Study for the New Airport, carried out by our consultants in 1996, has assessed the traffic impact of the new airport and concluded that the ACP transport infrastructure can adequately accommodate the traffic flow to and from the new airport.

Impacts of the Recent Fall in Stock Prices on Hong Kong's Economy

20. **DR LAW CHEUNG-KWOK** (in Chinese): *Will the Government inform*

this Council whether it has assessed the impact of the recent sharp fluctuations of the local stock market on Hong Kong's overall economic situation in 1998, particularly in the following aspects; if so, of the results of the assessment:

- (a) consumer goods retail trade;*
- (b) residential property market;*
- (c) employment situation of local workers;*
- (d) real wages of local workers;*
- (e) tourism; and*
- (f) inflation?*

SECRETARY FOR FINANCIAL SERVICES (in Chinese): Madam President, the recent sharp fluctuations of the local stock market have probably not yet completely settled. Therefore, at this stage it is not yet certain what will be the impact on Hong Kong's overall economic situation in 1998. The Financial Secretary has indicated that an assessment will be made of the likely impact. The results will be taken into account in the ensuing economic forecasts.

We believe these sharp fluctuations are only temporary. The fundamentals of the Hong Kong economy are sound. The overall growth rate of the economy has been accelerating every quarter since the beginning of last year. The strong momentum of our economy so far this year should help alleviate this short-term blow.

The marked decline in share prices could have some negative effect on consumer spending on high value items, but consumer spending on daily necessities should not be affected much. In respect of the residential property market, implementation of the Government's housing production target will greatly increase supply in the future. Coupled with the adjustment brought about by the recent rise in residential mortgage rate, this can be expected to

alleviate the earlier overheating. The fluctuations of the stock market have no direct influence on the employment situation and real wages. Changes in employment and wages depend mainly on the overall economic performance and developments in the various sectors. As regards tourism, the recent slackening has been caused by a number of factors, but the decrease in the number of incoming visitors is not related to the fluctuations of the local stock market. As for inflation, any possible impact from this source is also not direct. Generally speaking, a downward adjustment of asset prices from a high level can help to ease operating costs, thereby helping to maintain the competitiveness of businesses.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' Motions. 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. The movers of the motions will each have 15 minutes for their speeches including their replies, and another five minutes to speak on the amendments. The movers of the amendments and other Members will each have seven minutes for their speeches. Under Rule 37 of the Rules of Procedure, I am obliged to direct any Member speaking in excess of the specified time to discontinue.

First motion: Formulating and implementing Hong Kong information policy. Miss CHOY So-yuk.

FORMULATING AND IMPLEMENTING HONG KONG INFORMATION POLICY

MISS CHOY SO-YUK (in Cantonese): President, I move the motion which has been printed on the Agenda.

The motion I move today gives me a strong feeling that we are standing

right in front of a brand new world, at the threshold of a world made up of information technology. Shall we or shall we not enter this new world? The motion debate today will determine whether Hong Kong would still be a metropolitan city at international level, and whether Hong Kong's competitive edge would remain the world's best.

Mr TUNG Chee-hwa has pointed out to us the major direction and it seems that he would lead us into that new world, but it also seems to us that he would not lead us there.

In his Policy address, Mr TUNG has made a preliminary account of the major direction with regard to information technology development. However, when it comes to implementation by Government organizations, due importance has not been attached to the matter. The Government will reorganize the departments involved in information technology and put them under the co-ordination of a policy bureau, but an independent policy bureau will not be set up for the purpose.

I applaud the Government for the importance it has attached to information technology, but I could not agree to its decision in not setting up an independent policy bureau in this respect. I am fully convinced that in order to rapidly and comprehensively develop Hong Kong into an information society, and to prevent Hong Kong from dropping out from the forefront, a high level independent body is essential. In addition, it should be supported by high level advisory bodies to mobilize professionals in information industries and the education sector to stimulate their proactivity. Only through the concerted efforts of the Government and the public in terms of both financial and human resources could we hope to get to the forefront of the information world in the 21st century.

Our competitors all over the world have already started to develop actively their information technology with far-sighted plans, Hong Kong must hurry up to keep in pace with them.

The objective of this motion is to arouse attention from the community and to urge the Government to take the lead in the development of information technology in Hong Kong, to achieve co-operation through division of labour, to bring about a consensus and determination in the community, and to affirm the direction and strategy to be adopted so as to expedite the entry of Hong Kong into this new world of technology and to assume a vantage position at the forefront of information technology, enabling the advancement of Hong Kong as

an "information society". Even if we cannot become a designer of the rules of the game, we should still aim to be the first batch of participants.

A very demanding requirement this may be, it is also the minimum requirement. If we cannot make this, we can almost predict that Hong Kong's competitive edge would be severely hampered, not only will we find difficulty in keeping a living, we may also become a burden to the Central Authorities within the coming 50 years.

This is a mission at a very high level as it involves the different sectors of Hong Kong as a whole — ranging from industry and trade, government administration, education, news broadcasting, culture and art, history and museum antiques, sports and recreation, scientific research and humanity studies, to social services and public affairs — and reconstitute them in accordance with new standards and requirements. It is almost the same as reforming the outlook as well as composition of Hong Kong completely, from inside out and from outside inwards.

Singapore, the United States, Japan, South Korea, as well as countries in western Europe have already formulated information technology policies which straddle the next century to establish their "information technology infrastructure"; to link up the whole country or whole region through computers and telecommunications networks; promote the extensive use of computer applications and telecommunications networks in people's daily living, as well as in economic or political activities; and to incorporate the knowledge and awareness of computer applications and telecommunications into the people's lives through education, so as to gain a more advantageous position in future competitions.

I suggest the Government upgrade the priority rating of information technology and make it a major item of Government and the Chief Executive's administration, comparable to three important issues, namely, housing, education and elderly services. In addition, an independent body should be set up, headed preferably by the Chief Executive or by a Bureau Secretary, with major high ranking officials responsible for implementing the relevant programmes. If this independent body could not be headed directly by the Chief Executive, it should at least be directly responsible to him; besides, the advisory committees and action groups should comprise government officials, professionals from among the people, as well as representatives from private enterprises.

The task of this independent body is highly important and covers a wide range of activities which may perhaps be categorized as follows:

- (1) **Blueprint Formulation** — the Government should work together with the information industries to make a grasp of the present situation and check if the basic data are complete and consistent, so as to acquire a better understanding of information technology, such as its coverage and its impact on both the society as a whole and on individuals. The Government should find out the preparations to be made in the field of the hardware and software of information technology infrastructure, and set targets as well as standards for these infrastructure projects. Besides, it should also prepare the financial resources necessary for the gradual implementation of the blueprint.
- (2) **Infrastructure Strategy** — the Government should define clearly the role it plays, as well as those of the community, and the ways through which both parties could complement each other. It should also discuss with both the information industries and the community as a whole such issues as any further possible development upon the existing information technology infrastructure; relationship between new and old technologies; means to complement the advantages of a free society with that of a far-sighted planned economy; ways to make the best use of the community's information technology; where strategic breakthroughs lie; priority ratings as well as formulation of a progress schedule.
- (3) **Use of Information Technology in the Government** — the Government should take the lead in the process of computerization and the use of computer networks, it should be a good user of information technology working for the benefit of the people. Considerations should be given to using computer networks to handle communications between the Government and the people, such as application for driving licenses, vehicle registration, commercial registration, application for passports, submission of tax returns, application for entry as well as voting. In addition, information technology should also be applied comprehensively in

public facilities such as libraries and venues for cultural and recreational activities. With regards to public facilities such as new public libraries, new sports stadiums, government offices and so on, I am especially concerned about their design as to whether enough space and facilities have been allowed for future developments such as a comprehensive use of information technology or full computerization as well as the government departments responsible for supervising and implementing the construction projects. All these should be attended to in order to avoid the need for the relevant governmental and public facilities to be redeveloped in 10 to 20 years' time as a result of their outdated design.

- (4) Law Amendment — the Government should play the role of a "Government on the net" and conduct a comprehensive review on the legal implications that would arise from the application of communications network to people's daily lives and to economic and political activities, how that would affect issues such as the issues of legislation, copyright, privacy, law enforcement and so on. The Government should effectively play the role of a preserver of system and order, as well as a guardian for freedoms. Another task of the Government is to handle the relevant legal issues arising between the old information technology system and the new one in the process of establishing such information, involving items such as the operation of fixed international telephone network services, charges for domestic calls and so on, and to maintain a balance of the interests.
- (5) Use of Information Technology and Computerization in Education — in addition to providing schools with more computers, the Government should also revise the existing teaching approach and mode of instruction as well as redesigning the curriculum. Meanwhile, more efforts should be made to develop our own computer education using Chinese language and to provide training for serving teachers. Comprehensive training in the use of information technology should also be introduced to Colleges of Education without delay.
- (6) Comprehensive Application of Information Technology to the Community — to sustain Hong Kong's competitive edge, a

comprehensive application of information technology should be expedited without delay. Not only are students required to make full use of information technology, the working population should also be given training in the use of information technology and computer applications to keep pace with the modern world. While providing students with training in the use of information technology and computer applications, we should understand that nothing could be achieved overnight, and that it would at least take five to 10 years before these students could contribute their knowledge to the well being of our community; as such, we need to provide the working population with appropriate training so as to cater for immediate needs. Besides, the use of information technology has become more and more important as it has become a world trend to do shopping and business on the net. The use of information technology is a new trend of the times, so it will not be excessive for the Government to extend training opportunities to each and every sector of our community, including the workers, peasants, and even the elderly.

Info-communications is a recent novelty. We would not see any immediate gain if we possess it, nor would suffer any immediate loss if we do not possess it; as such, people would very easily tend to regard it as something not strictly essential. When information technology development is allocated to the same department with other undertakings of the Government, the existing undertakings would always have higher priority ratings because they are already in progress and putting them aside would certainly give rise to problems; hence, the new task of information technology development will very easily be overlooked. In a well developed hierarchical establishment of government officials, it would be hard to imagine that any department would take the initiative to undertake new jobs. The incumbent officials only know how to handle the old jobs but are not familiar with information technology, should they be slightly less vigilant, it would be difficult for the entire information technology project to be developed as scheduled.

Hong Kong could not afford to waste its time like this. If Hong Kong is to become an information society, an independent body specifically entrusted with the task must be established to take up the responsibility.

Information technology comes as a new challenge to man, in the

development towards an information society, every country or region in this world has to learn as the technology develops. The development of information technology is a project far more complicated than the new airport development or new harbour project, and the effect of its outcome, be it a success or a failure, is much more far-reaching.

This brand new world of the 21st century is there awaiting the 6.5 million of us from Hong Kong to enter it.

The financial crisis in Southeast Asia, together with the stock exchange and foreign exchange crises in Hong Kong, have brought up a very tough question: how can competitiveness enhanced under the issue of world integration? The Government should review in great detail the competitive edge of Hong Kong and the ways to enhance the same.

The recent financial crisis has demonstrated to us how important and urgent it is for us to embark on information technology development. Not even an independent policy bureau could be able to handle the entire project, so how could the Government resolve the issue with only half a policy bureau? With only half a policy bureau to handle this project which will straddle the next century, how can the Government inject confidence into the people of Hong Kong? What will the people of Hong Kong think? What will the world think of us?

I earnestly urge the Government and Chief Executive of the Special Administrative Region to lead Hong Kong into the new world via an appropriate route, to make an instant realization of this intention and create yet another Hong Kong miracle in this respect. The specific move that the Government should make now is to establish an independent tasked body with an advisory committee at correspondingly high level to implement the project.

The Chief Executive has time and again advised the people of Hong Kong to set eyes on long term benefits, to that I very much agree. The blueprint and policy for information technology development is exactly where the source of Hong Kong's long term benefits lies. The gains and otherwise losses of Hong Kong in the 21st century is solely dependent upon the decision we are going to make today.

Madam President, I so submit.

Miss CHOY So-Yuk moved the following motion:

"That this Council urges the Government to expeditiously study and formulate a set of more forward-looking, comprehensive and feasible policy and implementation blueprint for developing a Hong Kong Information Society and, to this end, to establish a high-level independent body with corresponding advisory committees and action groups to actively work out and implement the details of such policy and blueprint; provide community-wide coordination; encourage the participation of the information technology organizations in the public and private sectors by utilizing their resources and professional staff; and propel the whole community into information projects which straddle the next century, so as to bring Hong Kong to the forefront of the Global Information Society."

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

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That this Council urges the Government to expeditiously study and formulate a set of more forward-looking, comprehensive and feasible policy and implementation blueprint for developing a Hong Kong Information Society and, to this end, to establish a high-level independent body with corresponding advisory committees and action groups to actively work out and implement the details of such policy and blueprint; provide community-wide coordination; encourage the participation of the information technology organizations in the public and private sectors by utilizing their resources and professional staff; and propel the whole community into information projects which straddle the next century, so as to bring Hong Kong to the forefront of the Global Information Society. Does any Member wish to speak?

DEPUTY PRESIDENT (in Cantonese): Dr Charles YEUNG.

DR CHARLES YEUNG (in Cantonese): Mr Deputy, the motion we are debating today is moved in view of the fact that Hong Kong does not have a set of comprehensive policy regarding information technology. I am sure Honourable colleagues are all aware, without the need to conduct any research, that information technology is developing very rapidly and has already become

an indispensable part in our daily life. However, Administration so far has not yet formulated any specific and practically feasible blueprint or policy in this respect, albeit information technology is a rapidly developing industry which exerts immense influence on mankind; this is indeed a good example showing the inability of the Administration to keep pace with the development of the society.

For more than two decades, information technology has been developing at a tremendously high speed and brought us into the age of information messages. Towards the 21st century, information technology will certainly be playing an important role in our daily life in all aspects, ranging from the smallest things in life and entertainment to important commercial decisions, thereby causing the world to speed up its development towards an information society. Besides, information technology itself is a new industry of massive scale, participants in this industry have also become the most coveted professionals of the times.

As a matter of fact, Hong Kong's status as an important international financial centre is attributable to the important role played by information technology. Hong Kong is an intersecting point for information in Asia, linking up east with west and north with south. In addition, Hong Kong also has the world's busiest container terminal, international freight airport, as well as international civil aviation airport, all of which are dependent upon information technology. In a way, information technology is the industry that leads the development of Hong Kong.

From a macro point of view, all successful countries, be they in the east or in the west, are making full efforts in developing their own information hi-tech. Let us take Japan as an example, within a few decades immediately after the Second World, Japan has developed into a major economic power in the world and invested a large amount of resources into the development of advanced information technology, thereby highly enhancing Japan's competitive edge in the international arena. On the other hand, to sustain their competitive edge, the United States have already marked out the development fund for higher technology an important item in the country's annual expenditure.

Whereas in Hong Kong, the Government has not yet arranged for any specific department to monitor or formulate a set of comprehensive policy and development blueprint, instead, decisive policies concerned are separately made by different departments. Moreover, under the existing education system, training in as well as the use of information technology are far from adequate, development in this respect have to rely heavily upon expatriate professionals.

While this may bring about the advantage of international experience interchange, the development of information technology in Hong Kong would indirectly be delayed.

Towards the next century, advancement in information technology would become a crucial factor in the course of economic competitions. While Hong Kong's telecommunication networks may perhaps be very well developed, competition has always been very keen in the market, and the use of information technology is still not very common. For instances, there are still plenty of room for information technology development in regions such as banking, shopping, education, medical services, transportation, culture and recreation, industry and trade as well as public services. In the past, such areas have been divided among different policy bureaux, without any unified direction or co-ordination.

With regards to information technology development, the Administration has neither assigned any specific department or policy bureau to undertake the responsibility nor formulated any consistent policy, policies involving information technology have been considered and deliberated by different policy bureaux or departments. For instance, while the Home Affairs Bureau is responsible for formulating policies regarding information transmission, including those via internet, the Treasury is entrusted with the work of monitoring policies formulated by the Information Technology Services Department in respect of information technology infrastructure, and the Economic Services Bureau is to formulate telecommunication policies; no government body or consultative department is responsible for co-ordinating the different efforts involved.

For the purpose of safeguarding Hong Kong's status in the international financial circle, I submit these remarks in support of the motion.

DEPUTY PRESIDENT (in Cantonese): Mr TSANG Yok-sing.

MR TSANG YOK-SING (in Cantonese): Mr Deputy, if we are to make Hong Kong a leader in the information world as referred to by the Chief Executive, to make use of the benefits brought about by information technology to promote

economic development and to improve the quality of life of the people, the Administration must develop a set of comprehensive policies to mobilize all government departments, telecommunication institutions, education and commercial sectors, as well as members of the public to enter our information society and to participate in building it.

Hong Kong is well ahead of many neighbours in having our own digital fibre communication network, which is the basic requirement for developing the use of information networks. The people of Hong Kong are very ready to receive new things, that is why a considerable percentage of our population is using the internet. According to an survey conducted by the American magazine "Fortune", the number of internet users in Hong Kong ranks second in Asia, right below Singapore and above Japan. We can therefore say that Hong Kong is in an advantageous position in terms of the hardware part of information infrastructure, which equips us with the odds to enter the age of information society.

However, so far, the Hong Kong Government does not have a set of policy to determine the direction along which we should develop our information technology. When compared with our neighbours which regard the development of information infrastructure as an important issue of the country, the performance of the Hong Kong Government in this respect shows that it has not put in efforts. While all major countries and regions in Asia have already appointed high ranking government officials to co-ordinate efforts relating to the study or development of information technology, Hong Kong so far does not have any policy bureau allocated with the responsibility to formulate a comprehensive set of information technology policy. It was not until last month the Chief Executive has promised in his Policy address that a policy secretary would be appointed to co-ordinate the development of information technology in Hong Kong as a whole; however, the Administration still insists on not creating any new department.

It is the hope of the Democratic Alliance for Betterment of Hong Kong (DAB) that an independent and specialized policy bureau responsible for developing information technology could be established without delay. Regarding the task for this policy bureau, we are of the opinion that the following points should be taken note of:

1. *To provide comprehensive infrastructure to ensure Hong Kong of the*

ability to cater for both domestic and global needs in respect of information development

In formulating related information policies, governments all over the world would put the establishment of a communication network with huge capacity, extensive coverage and high transmission speed in the first place. In Hong Kong, privately run telecommunication companies have already set up a good network. However, as international telecommunication services in Hong Kong is the franchised business of one local telecommunication company, all external telecommunication services have to be conducted via the company's networks, and charges for using such networks are very high, thereby casting great impacts on the operation cost for information networks. In view of such, the Administration should open up without delay the international telecommunication market and introduce a competition mechanism to lower the charges for international special lines, so that the financial burden of net users could be alleviated, thus promoting and subscription to net service providers.

As regard technical specifications, of the existing communication network and the wide-band network, the one most suitable for our long term development should be adopted as Hong Kong's standard; besides, the Administration should also decide on the options in consultation with the telecommunication companies as soon as possible.

2. *To enhance Hong Kong's competitive edge by developing industries with the aid of information technology*

While it may be difficult for Hong Kong to set up research centres or laboratories at national level like other countries, our research on hardware such as the technique in the production of precision semiconductors would also lagged behind other countries and regions since there is no need for Hong Kong to develop national defense industries. However, we still have ample room for research on software and development. As such, Hong Kong should train up more professionals in this respect as well as conduct more studies on the use of software, such as software for computer-aided education and so on.

We are of the opinion that a specially tasked department should mobilize different trades and sectors to look into the feasibility of setting up relevant databases of their own and of developing diversified use of information technology. With regards to digital broadcasting, visual telephone, traffic and transportation management, public access to government information,

submission of tax return and import/export declaration, as well as voting in elections, information technology could be of much help and should therefore be actively developed. In addition, liaison between local educational, industrial and commercial institutions and the universities as well as scientific research units in the Mainland should be enhanced, so that all parties concerned could complement each other, thereby facilitating the use of scientific research results in commerce and industry.

3. *To promote the use of information technology in education so as to create an educational environment whereby information technology could be best utilized*

Hong Kong is still very backward in terms of the use of information technology in education, while the computer hardware facilities used in schools are unable to support development in the long run, the exploration of software for computer-aided education has yet to be launched. This phenomenon is completely inconsistent with Hong Kong's requirement for development in science and technology.

It has been mentioned in the Policy address that the Administration would be launching a five-year information technology education strategy, and that all schools would be connected to the Internet. Besides, preparations would be made for the establishment of an education-specific intranet for multi-dimensional communication and sharing of information within the school sector. In addition, it has also been mentioned in the Policy address that the Administration would expect to have, within five years, teaching in at least 25% of the curriculum supported through information technology; and to see, within 10 years, information technology being applied comprehensively in school life, and all our teachers and secondary 5 graduates being able to work competently with information technology tools. All these targets are surely very encouraging, but in order to meet them, the Administration needs to formulate a set of effective measures.

The DAB suggests that the Administration should make preparations for providing all primary and secondary schools with the relevant facilities within 10 years to enable both primary and secondary school students to study information technology; set up regional networks that could be used by all schools; train all Form 1 students the skills of net-surfing; as well as provide all secondary school students with free e-mail address and internet account.

We also suggest that the Administration should set up an "education fund for information technology" to sponsor studies in information education as well as to develop software in respect of computer-aided education. Moreover, universities as well as vocational training institutions should strengthen and extend their training programmes for information technology professionals so as to cater for the community's development needs.

Apart from that, we also need to establish upon the information networks a set of liberal and pluralistic culture for communication, and to cultivate via proper education a proper concept regarding the use of information networks and the respect for intellectual property, so as to avoid any potential negative effects resulting from abuse of computers from casting negative effects on our lives, as well as to prevent the influx of undesirable contents from extensive contamination of our networks.

Mr Deputy, I made these remarks on behalf of the DAB, and I support the motion.

DEPUTY PRESIDENT (in Cantonese): Mr CHOY Kan-pui.

MR CHOY KAN-PUI (in Cantonese): Mr Deputy, the extent of information technology would be a crucial factor affecting one's competitive edge in the forthcoming century. As Hong Kong is a financial centre in the Asia-Pacific region, the role of information technology is even more important, if our information infrastructure is not maintained at an advanced standard, we would easily be surpassed by other competitors. However, the development of both our visible and invisible information infrastructure has all along been out of balance. With regards to visible information infrastructure using computer hardware and software as well as cable and fibre network as transmission media, the development is tremendously fast and one good example is the domestic telecommunication market, which is undoubtedly prosperous and equipped with advanced network systems. However, all these successes are in fact subject to the investment intention of the commercial organizations; if there are profits to be made, the businessmen would be happy to invest in the development concerned. On the contrary, invisible information infrastructures such as network application, skill training and comprehensive development policies for

network systems have hardly been developed.

When compared to western countries that regard information infrastructure as an important investment item, investment made by the Administration in respect of information technology infrastructure development is obviously much more passive. The development of Hong Kong's information technology has all along lagged behind that of advanced countries in the world. In my opinion, there are two major factors that have hindered development in this respect:

Firstly, with regards to investment in education, the resources allocated to provide training for information technology professionals or promote the use of information technology is far from enough. To facilitate the introduction of more advanced information technology, the Government of the Special Administrative Region (SAR) should put in more efforts to enhance training in the use of computer on one hand, and provide additional grants to facilitate tertiary education institutions and other professional bodies to conduct studies in this respect. In addition, while quality of education should be improved, additional computers as well as other information facilities and equipment should be provided for schools to enhance training in the use of computers, so that the use of computers could become more popular and applicable to all subjects taught in primary and secondary schools, thereby building up part of our invisible information infrastructure. Mr Deputy, from the Policy address published last month by the Administration, we can see that the Administration has started to attach importance to the development of information infrastructure, yet, as we can also see, there are still many rooms for improvement. For example, regarding the application of information technology in education, the Policy address has only mentioned about the number of additional computers to be provided but made no mention of any strategic planning. At present, the syllabus of computer studies for secondary schools is still confined to understanding the theories of computer science, computer architecture as well as programming. In my opinion, information technology should also be taught in secondary schools to enable the students to understand more about multi-media information as well as to apply information technology in their studies. In addition, enhanced training in the use of information technology should be provided for teachers so as to enable them to make use of the computer to collect educational materials and prepare teaching aids, and to make use of the multi-media to enhance students' interest in learning. Here I must emphasize that information collection or learning via computers is unilateral and should

never take the place of teachers. It is for sure that the roles played by teachers as well as their relationship with the students should never be altered despite the use of the multi-media by the students in their learning of knowledge.

Mr Deputy, as the former Government had overlooked the importance of information technology policies to our future development, it had not set up any special department with the responsibility to formulate such policies. In the past, policies regarding information technology would be handled by different policy branches or departments; but since the departments concerned lacked the relevant measures to complement each other in operation, co-ordination among departments was far from enough, thereby rendering the development of such policies unsatisfactory. For example, the Information Infrastructure Advisory Committee is established recently in response to the keen competition confronting the Office of the Telecommunications Authority, it is however only an advisory body at a low level, and it could not effect any influence on the policies of the Administration.

The development of information technology involves policies in all aspects, it is therefore necessary for the Administration to participate and take the lead in this respect. As such, the SAR Government has finally responded to the request that the information technology related sectors have been making for years and referred to in its first Policy address a series of plans to develop information technology in Hong Kong as a whole. However, the Policy address has not stated very clearly as to whether a new policy bureau would be established to handle information technology related matters, instead, it only mentioned that after a re-organization of duties among themselves of the six policy bureaux currently involved in information technology related policies, one of the policy secretaries concerned would be made responsible for centralizing the management of information technology related duties. Regarding the question of whether a new policy bureau should be set up, I am of the opinion that the relevant decision could be made after the Administration has completed its review on the internal co-ordination structure of the Government. However, it is very important to note that after the policy secretary concerned has taken up the responsibility to handle information technology related policies, he or she should concentrate on this task instead of taking it up in addition to his or her responsibilities; besides, the information technology related duties taken up by other policy bureaux in the past should be transferred to that policy secretary as well, so that the policy secretary concerned could concentrate all efforts on the formulation of a long term policy that could bring Hong Kong to the forefront of

the world of information technology as well as transform Hong Kong into an information society with high level of exposure.

Mr Deputy, with these remarks, I support the motion.

DEPUTY PRESIDENT (in Cantonese): Mr MA Fung-kwok.

MR MA FUNG-KWOK (in Cantonese): Mr Deputy, with the advent of the new age of information technology, people's daily lives, work pattern and even economic activities, as well as government administration will soon undergo radical changes. At the individuals level, changes have already been taking place in areas such as access to information, recreation and entertainment, as well as shopping; at society level, demands asking for the introduction of reform and adaptation measures to scopes such as education, communication, and news broadcasting can be heard very often. As regards economic activities, sectors such as industry and trade, finance, management, as well as market research have already taken the lead in using information technology. Demands urging the Administration to exploit the use of information technology to enhance its efficiency, making it more transparent, and to satisfy the needs of the public have become stronger by the day.

The Chief Executive has mentioned in his Policy address about the importance of developing information technology in Hong Kong and appealed for community support; yet, just after charting the major direction, the Policy address has made no mention of the implementation measures. Apart from the Home Affairs Bureau, other departments which are also involved in matters relating to information technology include the Economic Services Bureau, Office of the Telecommunications Authority, Broadcasting, Culture and Sport Bureau, Education Department, Finance Bureau, and the Efficiency Unit. While the Policy Address has referred to the Administration's plan to put all policies related to information under the centralized management and co-ordination of a Secretary, the Administration has, however, reiterated that no new policy bureau would be established as the responsible Secretary concerned would be identified through internal reorganization. In my opinion, this arrangement is inadequate and has under-rated the importance of the relevant policies.

Strictly speaking, it has been comparatively late for Hong Kong to develop

its policies on technology, meanwhile, such policies are devoid of both prospects and system. In the past, the driving force for the development of information technology chiefly stemmed from the community and certain sectors which were related to businesses dealing in information technology. In the face of present demands, we have to decide how to establish an appropriate structure as early as possible within a comparatively short time, to draft the laws which are deemed necessary and to promote comprehensive plans that could cater for practical needs. And, amid the above processes, we also have to sufficiently mobilize the proactive nature of the community so that their knowledge could become a vantage for taking part in policy formulation and promotion. To implement such directions, extensive consultation should also be underpinned by active participation of the community and the relevant sectors, while the co-ordinators must be in possession of professional knowledge as well as broad visions before they could take up a leading role. Under such a premise, it is imperative to establish an independent institution at a higher level in order to race against time, enhance efficiency, and to ensure that the use of information technology at various levels and in various areas could be applicable, complemented and supported, while avoiding incidences of divergence, conflicts and inconsistencies. It is only through ways as such that our social resources could be appropriately deployed and that Hong Kong could surely maintain a forefront position in the new era of information technology.

Mr Deputy, the establishment of information technology policies as well as the building of our community-wide information technology infrastructure are of imminent strategic importance to our long term development plans in this respect. Their success or otherwise will bring about far-reaching and immense influences. On such a topic, any delay could be viewed as a major blunder. For these reasons, I urge the Administration to give careful consideration and due attention to the issue, as well as to upgrade the level and efficiency of the policy making processes.

With these remarks, I support the motion moved by the Honourable Miss CHOY So-yuk. Thank you.

DEPUTY PRESIDENT (in Cantonese): Mr Ambrose LAU.

MR AMBROSE LAU (in Cantonese): Mr Deputy, information technology emerged in the middle of the century and opened up a new horizon, not only has it become the focus of attention of the time, but has also led to a rapid development for the community. We could largely say with certainty that the 21st century is an age of information technology, if any country wishes to develop its economy, the importance of information technology could hardly be overlooked.

Information technology is an important school of learning in the modern world, many countries and regions have already been formulating implementation blueprint and development strategies for the building of a community-wide infrastructure for information technology. Hong Kong is a city with modernized information, a trading centre as well as a financial centre, but it is regrettable to note that so far, the Administration has not formulated any plans for the provision of a community-wide information infrastructure, nor has it promulgated the objectives it wishes to achieve through information infrastructure. As such, Hong Kong has lagged far back behind other advanced countries and regions in terms of development in this respect.

Since the early 1990's, many advanced countries and regions, already anticipating the importance of information technology, have been vigorously developing information technology policies since then. At the Ministerial Conference of the Group of Seven held in 1995, eight principles and six approaches have been summarized with regards to the establishment of an "Global Information Society". In 1995, the United States published the "Global Information Infrastructure: Co-operation Programme" which listed the various joint actions taken by the Federal Government together with governments of other countries; in 1992, Singapore published a blueprint entitled "Information Technology 2000"; and in 1994, Korea formulated a plan known as "Korea's Information Infrastructure". As for Britain, it has published in 1996 the "Information Society: Britain's Action Programme" which listed out 40 specific actions taken to develop Britain into a information society; in the same year, the Japanese government announced an "Interim Programme for the Enhancement of Information and Communication Infrastructure before the year 2000". Canada is even more determined in developing information technology and has published in 1996 an action plan known as "Information Society: Leading Canada into the 21st century".

Different countries and regions would have set up certain objectives which they hope to achieve through their community-wide information infrastructure

policies. The objective of Singapore is to develop the country into Asia's information centre while that of Korea is to promote the course of an information society; as for Japan, it wishes to promote the concepts of telecommunication technology and of electronic information stations. The objective of Canada is to make use of information infrastructure to strengthen the sovereignty as well as cultural identity of the country; as for the United States, it is their wish to sustain the country's optimal competitive edge and vantage position. When compared with categoric information policies announced by the governments of various countries, Hong Kong have actually been fallen very much behind since it has not yet formulated any relevant plans, neither has it set down any specific objectives. With growing intensity of international competitions in the next century, if the Administration is still hesitant and fails to make up its mind to formulate an development blueprint or set up development objectives in respect of its information technology policies, the competitive edge of Hong Kong as a whole will certainly be hampered.

Overseas countries and regions very often appoint high ranking officials to head the relevant committees (in the United States, Singapore, Britain and Germany, they are headed by officials at the main ministerial levels; while in Japan and Korea, the officials concerned would even be at a rank as high as the head of the administration such as the prime minister or president of the country), so we can see the importance these countries attach to the co-ordinating role for information technology development.

The roles play by the administration departments of these countries in respect of information infrastructure range from leading to supportive in nature, but regardless of their roles, these governments, in general, would formulate a blueprint for the information infrastructure of the country. The blueprint would set out the implementation programmes, policy details as well as implementation schedules concerned; besides, specific ideas regarding the guidance and assistance provided for private organizations as well as public institutions would also be included in the blueprint.

The Hong Kong Progressive Alliance is of the opinion that in order to cultivate an environment favourable to investment by information technology institutions in the private sector, to encourage science and technology development, to promote local information industry, and to sustain Hong Kong's competitive edge in respect of international communications, the Administration should expeditiously formulate long term objectives and plans for our

community-wide information infrastructure, so as to provide adequate support for Hong Kong as it develops into an information city equipped with sophisticated scientific technologies.

With these remarks, I support the motion moved by the Honourable Miss CHOY So-yuk.

DEPUTY PRESIDENT (in Cantonese): Mrs Sophie LEUNG.

MRS SOPHIE LEUNG (in Cantonese): Mr Deputy, I speak in support of Miss CHOY So-yuk's motion. I would also like to make three points on this issue.

I find this an appropriate time for setting up an independent responsible body at a high level as it is now an age of information technology. I would like to make three points in the hope that the Administration will accord due attention to these points when it formulates policies. First, how are we to educate the community to master the different layers of information technology. I think that the youths are more acceptable to knowledge in this field than older people, therefore, instead of teaching older people, we should first educate the youths. This can also enhance their interest in learning about various topics. This is the first point I would like to make.

Secondly, I hope that this specially tasked independent body, in whatever form, should get more involved with the community and to offer greater encouragement to the community when it formulates policies, and it should not formulate policies to restrict the developments of the public in this respect. As far as I know, when the Special Administrative Region Government was established, the Chief Executive strongly advocated researches in information development which received very strong response from the public. I know that many independent groups and private organizations are already discussing and considering how Hong Kong can be turned into an information city, and this has already aroused great interest. Moreover, many groups are discussing about holding a number of international information conferences of a large scale in 1998. If a specially tasked independent body is really established, the attitude it is to take should be one of active participation rather than one of formulation of far too many policies for control.

Thirdly, when this specially tasked body is eventually established, another point to note is that there will be frequent updatings in information technology with each passing day, especially in respect of hardware with new products emerging regularly, how are we going to digest the old hardware? Should we regard them as rubbish and produce more waste products for our community? How can we solve this problem? I hope that the future body with specific responsibility can consider this in greater detail.

With these remarks, I support Miss CHOY So-yuk's motion.

DEPUTY PRESIDENT (in Cantonese): Dr Raymond HO.

DR RAYMOND HO (in Cantonese): Mr Deputy, it is imperative for Hong Kong to be supported by sophisticated information infrastructure in order to maintain its high competitiveness and its status as a financial centre of the Asia Pacific Region. Regrettably, with the tendency of the global economy to move towards integration and the approach of the information era, Hong Kong lags not only behind the highly-developed countries in Europe and North America, but also behind the other "three little dragons" of Asia in terms of its development of information infrastructure. This is mainly attributed to the fact that Hong Kong previously lacked a high-level, inter-departmental body with decision-making power to assume the co-ordination role.

I share with the views of the Chief Executive, who undertook in the Policy address earlier that he would speed up the development of high-level technology and stressed that Hong Kong should move towards an economy of high added-value. This is because it is impossible for an advanced information infrastructure to rely solely on visible information infrastructure tools such as computer equipment, fibre and so on. At the same time, it needs to be supported with an invisible policy of information technology (IT) development so that the two complement each other. Undoubtedly, the telecommunications market in Hong Kong is well established. Hong Kong has the greatest number of telephones per capita in the world and the charges of the services provided are reasonably cheap. Nevertheless, these visible infrastructures, which rely on commercial organizations, have failed to cater to the needs of the community as a whole. As a matter of fact, many companies have no idea as to how to give full play to computer internetworking and grasp the latest global information through computer operation. On the contrary, they only know how to do word

processing with the use of computers.

On the other hand, investment made by the Government in IT has all along been disappointing. So far, not a single department has been set up to be specially tasked with the responsibility of formulating the relevant policies. Though individual departments would adopt corresponding measures to cater for the needs of their operation, the effect produced is unavoidably superficial because of a lack of co-ordination among the departments. For instance, only five bureaux and 29 departments out of 15 bureaux and 68 departments have set up homepages in the global computer networks. In terms of its development in invisible information infrastructure, the Government has made even less commitment. The existing training and retraining system has paid very little attention to the introduction of IT. In the curriculum for secondary schools, the application of computer software, Internet and so on are restricted to computer-course students only. The quality of teachers is also far from adequate to support the general application of computer knowledge. As a result, graduate students find themselves incapable of meeting the demands of the society for IT.

The Information Infrastructure Advisory Committee, with its membership drawn from the telecommunications industry, the IT industry, academics and representatives of government departments, was set up by the Office of the Telecommunications Authority in March this year. However, the Committee is purely advisory in nature and apparently it is unable to influence the direction to be taken by the Government and to promote IT development.

Earlier, the Chief Executive expressed that he intended to appoint Mr YANG Chen Ning, a renowned physicist, to assume presidency of a high-level committee to be specially tasked with the responsibility of developing Hong Kong into a high-level technological development centre. He also proposed that IT work at present being handled by different bureaux should be centralized and be administered by one Secretary. Although these proposals are a bit belated, I am very much in support of the willingness of the Chief Executive to affirm the importance of IT development because this shows that the Government has the determination.

If, however, the Government has the intention to move towards this direction, I would like to urge it to expeditiously study and formulate a set of forward-looking, comprehensive and feasible policy and blueprint for developing

"Hong Kong Information infrastructure", in order to implement the policy of IT development. To start with, the Government should take the lead, within the government structure, by recruiting certain professionally suitable staff members to lead and guide the development of the information superhighway and Internet in Hong Kong. For instance, it is imperative for the Government to carefully consider the right candidate for the post of Secretary to play the co-ordinating role in IT development. Forgive me for my frankness, all existing candidates widely-rumoured for the post of Secretary for Information Technology are not necessarily the suitable experts for developing technology in this aspect. Though all of them are all-rounded talents, if they are required to head a bureau to co-ordinate such relatively complicated technology as IT, what they could achieve is indeed open to doubt. In my opinion, the Government could make reference to the experiences of other countries like Singapore and the United States and formulate, in light of the current situation of our society, an IT policy which is most suitable for Hong Kong.

In addition, the Government should extensively co-ordinate the resources and encourage experts in public and private information organizations to be involved in the relevant policy, while investing in the development of products and services for an information society, so that an environment for an information society could be created. Of course, the foremost thing to do is to allay their worries about the high risk of investing in this area.

In order to encourage the introduction of more sophisticated IT and to co-ordinate with the Government's IT development, the Government must provide extensive resources, pay attention to information infrastructure education and nurture our next generation. This will include the offer of training and researches for primary and secondary school students as well as tertiary students to enable them to be familiarized themselves with the information elsewhere in the world and to know how to make advancements with the information acquired, apart from just knowing how to operate the computers.

Mr Deputy, for the abovementioned reasons, I support the motion.

DEPUTY PRESIDENT (in Cantonese): Mrs Selina CHOW.

MRS SELINA CHOW (in Cantonese): Mr Deputy, if Hong Kong is to fortify its status as an international financial and commercial centre, it must build up sound and sophisticated information technology for itself. The past decade has seen an age of development in leaps and bounds for information technology in the world. The application of electronic mailing and the Internet have become more and more common, causing the world to become smaller and communication between people, closer. Regrettably, the former British Government in Hong Kong had failed to catch up with the worldly trend and did not react correspondingly. For a long time, the situation which emerged was one of bad policy co-ordination and of lagging behind global information technology.

The first Policy address delivered by the Chief Executive, Mr TUNG Chee-hwa, has after all, looked squarely at this long neglected issue. It was proposed that a bureau secretary should be charged with the overall control over the development of information technology and the formulation of future policies. The Liberal Party is of the view that, a belated spring though this may be, it is after all a good starting point. For, obviously, in the past, when different policy branches were involved in the determination of broadcasting and telecommunication policies, it had resulted in a mismatch between the hardwares and the softwares, just as if the left hand had failed to co-ordinate with the right hand. Furthermore, the increasing affinity recently developed between the roles and functions of televisions and telecommunications has been overlooked. The motion today advances the idea in the Policy address, for it asks for the establishment of a specially tasked independent body with the relevant mechanisms and for the importance that should be attached to information policies, whilst suggesting the possibility of acquiring talents from non-government sources to help develop policies and actions in this respect in a professional way. All these are deserving of our support under the major principle of streamlining our resources.

Mr Deputy, information technology is a specialized field with an ever-changing element. In the formulation of such policies, no matter whether it is entrusted to the Government or a specially tasked independent body, the most important thing is that the official or responsible person of the body concerned charged with the task of formulating the blueprint for the future development of information technology must have specialized abilities and technical knowledge in order to obtain full mastery of conditions in the field; and

he must acquire in-depth understanding of such ever-changing developments and be in possession of a continual control over the integration and interaction of hardwares and softwares. What must be avoided is the situation whereby non-experts are leading the experts, for such a set-up may otherwise result in the formulation of outdated policies incompatible with the times.

Meanwhile, the main driving force in the development of information technology has its source in the private sector. The Government can play the role as co-ordinator to provide a favourable environment, and the aim it is to achieve should be one of supporting the development of the market rather than interference or control. In dealing with sensitive issues as such, the Government must exercise precision to ensure that through the joint efforts of public and private resources, information technology can be effectively promoted, hence enabling Hong Kong to enter the international information society, with its status as a free and open international city consolidated.

Mr Deputy, with these remarks, I support the motion.

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

(No Member indicated his intention to speak)

DEPUTY PRESIDENT (in Cantonese): Secretary for Economic Services.

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Mr Deputy, I wish to thank Miss CHOY So-yuk and those Members who have spoken on this motion for their valuable comments on our information technology (IT) development. Members may still recall that the Chief Executive has already laid down a very clear direction for our IT development in his Policy address. I totally agree that Hong Kong should not allow itself to lag behind others in its development into an IT society. And, I also understand that if Hong Kong is to take the lead in this new era of IT development, we will need the co-ordinated efforts, participation and support from all the involved parties, including public organizations, private sector organizations and the community at large. But, I cannot accept the allegation that the Government has been very indecisive over the issue of IT development. I must say that the case should be the opposite; the

Government is determined to make the active efforts required.

As pointed out by the Chief Executive in the Policy address, if we are to achieve our goals in IT development, we must secure the co-ordinated efforts of all the involved parties. First, we will need the hardware of high capacity communications systems. In this respect, Hong Kong already possesses advanced telecommunications facilities. Our private sector organizations have already installed 300 thousand kilometres of optic fibre. That is why I cannot agree that Hong Kong is lagging far behind other places. The Government will continue to give policy encouragement to motivate private sector organizations to introduce innovations. The Government will also encourage them to increase their investments in the hardware required for the building of an advanced communications systems in an IT society.

Second, we must mount a common software interface on established communications networks, so that individuals, business and the Government can interact easily. If we are to make the best use of our hardware, we must have good software applications. In general, the development of IT applications in Hong Kong is not yet as active as the development of its physical infrastructure. Hence, we must step up our efforts in this respect. In particular, we must formulate policies to facilitate the establishment of an open, common interface information infrastructure throughout the whole territory. Of course, we must ensure that information will be kept confidential.

Third, we will need people who are well versed in this new technology know how to use it flexibly. We must help the people of Hong Kong, particularly young people, to master the skills required; we must support them in setting up both the hardware and software facilities, and teach them how to apply IT effectively. This is in fact an integral part of our IT policy. For this particular purpose, the Government has allocated huge resources to promote IT education in schools and it will also launch a five-year IT education strategy to promote the use of IT to enhance teaching and learning. The main tasks of this strategy are to equip teachers with the necessary IT skills; to apply computer-assisted teaching and learning across the curriculum, and to place students in an environment where they can use this technology as part of their daily activities and grow up to use it creatively.

Fourth, we will need to create a cultural environment that stimulates creativity, and welcomes advances and innovations in the use of this technology. In the IT world, knowledge will create wealth. So, our cultural environment should encourage the people of Hong Kong to create and to innovate, and to put their creativity and innovativeness into practice.

The aim of all the aspects of work I have just mentioned is to develop Hong Kong into an IT society, an IT city. In order to achieve this aim, the Government will formulate appropriate policies to facilitate the establishment of an open, common interface information infrastructure, accessible throughout the SAR. We will also lay down an appropriate regulatory framework to remove the obstacles to interconnection between networks, and enhance Hong Kong's external info-communications links. Furthermore, we will develop a policy for accelerating the use of IT applications using the common interface in the public and private sector. Pilot schemes that make innovative use of the developing infrastructure will also be commissioned.

In order to ensure that the work required can be done properly, IT responsibilities now divided among several bureaux will be regrouped, and one bureau secretary will lead and co-ordinate all the work involved. Some Members have pointed out that it is not very appropriate to divide IT responsibilities among several bureaux. We agree with them, and that is why we have made this decision. The bureau secretary will lead and co-ordinate work involving IT and the related areas of broadcasting and telecommunications, while the bureau under this secretary will also be responsible for co-ordinating overall IT development in Hong Kong. When the Chief Secretary for Administration spoke during the Motion of Thanks last week, she has already explained to Members that the Government was actively considering the idea of grouping its IT policy and other related policies under the charge of one single bureau secretary. But, we will not propose the setting up of an additional bureau. It is our view that we need only to reshuffle the responsibilities concerned, and we will be able to achieve our aim in an efficient and cost-effective manner.

This bureau secretary will be responsible for formulating an integrated policy for the promotion of IT in Hong Kong, and he will also work out the relevant policy objectives and a detailed programme of work. A Member said a moment ago that the Government should take the lead in promoting IT in Hong Kong. This is for sure. We also agree that this Bureau Secretary should do this as part of his job. This bureau secretary will work closely with private

sector organizations, academics and the community at large. He will also review the existing consultation framework for IT development and will make appropriate adjustments.

Quite a number of Members mentioned that the level of bureau was not high enough for the purpose of IT leadership and co-ordination. I do not buy their viewpoint. We must remember that although IT is important, we should not thus belittle our issues which are equally important. These equally important issues are also handled by policy bureaux, the heads of which must all report directly to the Chief Executive. I believe that whether or not a new bureau is to be set up is not really that important. What is most important is that the bureau secretary responsible for IT must be dedicated to the development of this important task.

Before the redevelopment of IT responsibilities is completed, work undertaken in this respect by various relevant governments will not cease. We do understand the urgency of the matter, and we agree that no further delay should be allowed. Therefore, we explained in detail to the Panel on Information Policies last month that all the government departments concerned would not cease their work until a bureau secretary was appointed to lead and co-ordinate the work required. The work we are currently undertaking, as Members would remember, includes: the continued development and implementation of a visible regulatory framework for the IT infrastructure; studies on the linkage between broadcasting and telecommunications; continued encouragement of effective IT application in government offices. (Just now, Dr Raymond HO said there were such and such a number of bureaux and departments connected to the Internet. The number is far greater than that disclosed by him, for our progress has been quick, and there are at present quite a number of bureaux and departments connected to the Internet); an extension for of the scope of service of the electronic trade; an intention of allocating an extra grant of 500 million to the research and development fund for the purpose of funding studies on turning the results of high-tech or IT researches into commodities; the continued use of the Internet to increase public accessibility to government information; and the formulation of a five-year strategy on IT education.

Mr Deputy, we are not actually conducting any debate as such today, because Members and the SAR Government alike in fact share the same views on IT. We all affirm the importance of IT development, and our aim is to put Hong Kong at the forefront in the new IT era. The Chief Executive has already set

out in the Policy address the Government's goals and directions in respect of IT development. The SAR Government will make the best use of IT to upgrade its efficiency and improve its services. We of course need help from the commercial sector and the entire community. All of us in this community should work together to bring about a creative, innovative and most effective use of this new technology. We must broaden our vision and usher this community into a new era. Here I would like to thank Members for their valuable comments. I hope that in the not distant future, we will be able to conduct our debates on the Internet in this information city of Hong Kong, and there will be no need for us to come to the Chamber to conduct the debate. Thank you. Mr Deputy.

DEPUTY PRESIDENT (in Cantonese): Miss CHOY So-yuk, you can now speak in reply and you have one minute 40 seconds out of your original 15 minutes.

MISS CHOY SO-YUK (in Cantonese): Mr Deputy, I would like to thank several Honourable colleagues for their very good opinions on building up Hong Kong as an information technology community, and for supporting my motion. Although the Secretary for Economic Services has made a positive response, I still find that it "has failed to scratch where it itches", because the focus of today's debate is that we hope that the Government has to show, in terms of framework, the determination and seriousness that it would attach to this issue.

We have actually discussed a lot about our viewpoints, and as our time is running short, I would not repeat the points made. I only hope that after listening to the debate on this motion, the Government would understand the intense yearnings of Honourable colleagues, and would thus carry out a comprehensive review; it should set out, with immediate determination and an open mind to try its best to fully develop, information technology in Hong Kong with an intensity of efforts. I believe this will be widely supported by Hong Kong people.

I would like to re-iterate that I hope that the Government would devote its full dedication and attach full importance to this, and not just doing it half-heartedly or with two-thirds of its heart. I hope that from today onwards, we will make concerted efforts so that Hong Kong will work out another miracle in the 21st century. Thank you.

DEPUTY PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Miss CHOY So-yuk be approved. Will those in favour please say "yes"?

(Members responded)

DEPUTY PRESIDENT (in Cantonese): Those against please say "no".

(No Member responded)

DEPUTY PRESIDENT (in Cantonese): I think the "ayes" have it. The "ayes" have it.

DEPUTY PRESIDENT (in Cantonese): The second motion: Opposing the Expansion of the Labour Importation Schemes. Mr CHAN Kam-lam.

OPPOSING THE EXPANSION OF THE LABOUR IMPORTATION SCHEMES

MR CHAN KAM-LAM (in Cantonese): Mr Deputy, I move the motion as set out on the Agenda.

During the past two weeks, probably what the public and Members of the Council alike have been concerned about and discussing were the fluctuations in the stock market and the rise and fall of the Hang Seng Index, and that how many people have turned into "big bound crabs". Presumably, very few people would have noted that quite a lot of employers in many industries and trades are "silently bringing about a revolution", and are taking actions to lay off their staff. Within half a month, four companies have cut down on their staff for reasons such as the removal of production lines, reduction in expenses, or sudden close down. These companies include R J Reynolds Tobacco International (Hong Kong) Limited, Hutchison Telecommunications, Tat Cheong Technology and Modern Terminals Limited, resulting in nearly 1 500 people joining the army of

the unemployed, most being low-skilled workers beyond middle age. It is indeed questionable whether they can be resettled in some other trades.

In the past decade or so, ever since factories began moving to the North, the manufacturing industry gradually declined, and many workers switched to the services industry after re-training. Paging companies and the catering industry absorbed most of these resettled workers. However, today, even the paging companies move their paging centres elsewhere as a result of high rents and wages. On the other hand, the substantial drop in the number of tourists coming to Hong Kong has caused recession to the hotel and catering businesses and many employers have forced their staff to take vacations and some have even started reducing staff. The Honourable James TIEN has even said in public a few days ago that the rate of pay increase payable to "wage earners" will probably be 5% to 6% less than what was earlier suggested. All "wage earners" in Hong Kong will surely be disappointed.

Mr Deputy, although the Government has just published that the unemployment rate and underemployment rate in the third quarter of 1997 are slightly lower than those in the second quarter, this has in fact, at the same time, revealed another problem, which is, many workers are forced to ask for less and accept low wages after they have been unemployed for a certain period of time and used up all their savings. As far as we can see, in many industries, not only were wages devoid of substantial growth in the past year, but as more and more people are looking for jobs, there is even a serious negative growth in wages, and the situation in the retails industry is the most devastating. On the other hand, in the past, most of the watchmen in buildings were retirees whose pensions were insufficient to support their living. However, among the cases we handled, some people aged 40 to 50 are forced to work as watchmen for only \$4,000 a month as they cannot find other jobs. This precisely illustrates that workers in general are the most vulnerable during an economic recession and indeed they do not have much choice. Therefore, to these people, labour importation is undoubtedly adding to their misfortunes. By whom, then, would their "rice bowls" be safeguarded?

In 1996, in the face of strong opposition from the labour sector, the Government replaced the General Labour Importation Scheme with the Supplementary Labour Scheme, and pledged to set the quota for labour

importation at 2 000 workers and to carry out a review after 2 000 foreign workers have been imported. However, the Government now keeps on importing workers while carrying out a reviews and more than 3 000 workers have already been imported so far. This is out-and-out a labour importation scheme with no limit. Besides, as the Policy address of the Chief Executive mentioned that the Supplementary Labour Scheme has to be "improved", it makes people worry whether its aim is to relax the scheme so that it will be even easier to import foreign labour.

In the past few months, the supply of construction workers has certainly caused the most heated debate on labour importation. The Construction Industry Association published an investigation report around two months ago, stating that, in order to Co-ordinate with the objective put forward by the Chief Executive, Mr TUNG Chee-hwa, of supplying 85 000 housing units every year, there will be 10 000 vacancies in the construction industry next year which must be filled by expanding the Labour Importation Scheme. It was even stated that construction workers must be imported in the ratio of seven local workers to one foreign worker, and that otherwise the building progress will be affected. Actually, we all know that this is a conclusion drawn from unscientific arguments.

In the past, the Construction Industry Association stressed that there was a serious shortage of nailing workers and bar-fixers, and it even said that bar-fixers cannot be obtained even when a daily wage of \$3,000 was offered, but this is totally misleading the public. The so-called daily wage of \$3,000 actually includes allowances for overtime and overnight work. The Democratic Alliance for Betterment of Hong Kong (DAB) does not agree to the inference made by the Association that the wages of local worker are too high, for it was made on the basis of a situation within a specific period of time or an extraordinary time in the past, and the wages of workers, in fact just like the wages for many types of work in the construction industry, have not been increased for some years.

In addition, whether wages are high or low is subject to free market adjustment. Only if employers can offer slightly higher wages, workers will naturally be attracted to join the industry. The increase in supply will naturally keep wages steady. Therefore, there are no reasons why employers should give up skilled local workers to employ foreign workers, causing a decrease in wages for local workers through such a human factor.

Subsequent to the completion of the major constructions in the Airport Core Programme, the wages of local bar-fixers have been maintained at \$1,000 to \$1,200 a day while most workers do not have full day work, for they could find work only on three to four days a week on an average. Now that there are 4 000 local bar-fixers, and the construction process is simpler than before, take harmonious public housing as an example, only six workers are needed for a building of more than six storeys, so only 600 workers are needed for 100 buildings. Furthermore, a large number of workers is required in the bar-fixing process in the past to pass the bars by hand, but now, these workers are completely replaced by bar-lifts. No wonder the construction workers say that you can get "as much bar-fixers as you want".

The DAB has met the Secretary for Education and Manpower in regard to this matter and requested the Government to make a comprehensive evaluation on issues such as the actual number of housing and infrastructure projects in the next decade, the progress of such projects and the distribution of the work types demanded, the local construction workers available now and the possible number of people switching to jobs in the construction industry in the future, as well as the number of students receiving training at the Construction Industry Training Authority and the Vocational Training Council, in order to ensure a balanced development of the demand for posts and the supply of manpower in respect of the construction industry in Hong Kong in the future, and that local workers could be accorded a priority in employment.

The DAB welcomes the recent announcement by the Government that a team comprising the representatives from four sectors including the Government, the Association, the trade union and the training institutions, will carry out a research. However, as the Government proposed to calculate future manpower supply in the construction industry on the basis of data published by the Census and Statistics Department, such as the number of site workers, the number of workers engaged in various work types, the number of local construction workers as recorded by the Vocational Training Council in the past decade, 720 additional places offered by the Vocational Training Council every year, 484 additional places offered by the Construction Industry Training Board every year, and the 8% of new arrivals who join the construction industry every year, the DAB thinks that it has obviously overlooked the flexibility of the supply of construction industry workers. Once the wages become a bit more attractive, construction industry workers will increase from 58 000, as was the number

during the ebb in 1994, to 83 000 in the first quarter of 1997, recording an increase of over 40%. Moreover, if the construction industry can change the existing system of casual workers to that of a long-term or contract basis, presumably the turnover of construction industry workers could be reduced. In addition, job security will consequentially keep wage costs down. On the other hand, with the improvements in construction technology and building structure design, it is possible that the demand for labour could be largely reduced.

Therefore, the DAB is of the view that focussing on the supply and demand of construction industry workers, the Government should re-open the "New Airport Core Programme Job Centre", and re-name it as the "Housing and Infrastructure Projects Job Centre", to assist local workers in finding jobs. However, we do not agree to the suggestion of the Construction Industry Association that this Centre should be responsible for labour importation, for when we step back and think about this, even though manpower is really inadequate, we can see that employers are also allowed to import foreign construction industry workers under the existing Supplementary Labour Scheme, and among the 3 000 odd foreign workers already imported, almost half of them are actually construction industry workers. The DAB must stress that importation of workers has to be examined and approved by the Labour Advisory Board.

Besides the construction industry, the textiles and garments industry is another industry which, as the Chief Executive has brought up, needs to secure a sufficient supply of skilled workers. Recently, the Government has given much publicity on television that a large number of garments workers will be required in the future. But, in fact, in the past decade, over 190 000 garments workers have become unemployed or taken up jobs in other industries as factories moved to the North. Many middle-aged female sewing machine operators could not find other jobs and most of them could only work as part-time domestic helpers or couriers for very low income. Therefore, provided that their wage levels are not compressed, there would be an abundant supply of skilled garments workers.

Recently, some government officials also implied that nursing staff have to be imported to improve the existing services in private homes for the elderly. Some think that nursing duties in homes for the elderly are obnoxious in nature, therefore no one is willing to take up such duties. The DAB cannot fully agree to this explanation. The problem should lie in the fact that the Government is giving private homes for the elderly too little subsidy, as a result, the nursing

staff are earning just a wage of \$5,400, which is far less than their counterparts in the Government whose salary scale range from \$9,000 to \$13,000. That is why no one is willing to take up those nursing duties. Therefore, the Government must tackle the root of the problem and give them more subsidies, for as the saying goes, "there must be someone brave enough when there is a handsome reward".

Furthermore, the statistics given by the Census and Statistics Department also reveal that the unemployment rate of young people aged 15 to 19 is as high as 12%, which is five times the overall unemployment rate. This shows that the Government has made misjudgments in respect of manpower co-ordination, employment and training, thus wasting a lot of human resources.

Mr Deputy, the offices under the Labour Department assisting workers in finding jobs include the employment and guidance centres in various districts, as well as the job matching centres set up under the Supplementary Labour Scheme. As for training institutions, there are the Employees Re-training Board, Vocational Training Council, Construction Industry Training Board and Garments Industry Training Board. For years, the Labour Department still cannot assist people in finding jobs through the computer, and Hong Kong is lagging far behind our adjacent regions such as Taiwan or Singapore in this respect.

As the Government did not have a specific human resources policy in the past, neither have it considered the long-term training of employees, thus, when Hong Kong and other Southeast Asian countries were under economic transformation since the 1980s, Hong Kong had failed to make good use of the opportunity to successfully resettle eliminated workers by re-training, so that the resettlement process of local workers was far more difficult than that of workers in other regions.

Mr Deputy, in the light of the present situation in which different organizations are responsible for employment and training, resulting in a common mismatch in the past in which "some people are jobless while some jobs are not taken up", the DAB suggests that the Government should incorporate the employment-related offices of the Labour Department into the Employee's Retraining Board to form an "Employment and Training Board", with a clearly defined aim of training for employment. Besides, the Government should set up a comprehensive employment data bank, to provide employment services to the

public such as those under the job matching programmes on one hand, and to pay close attention to the supply and demand of manpower in different industries on the other, so as to formulate timely training policies that match the needs of the community. Moreover, the Government should enhance the co-ordination of other training institutions, including the Vocational Training Council and the Productivity Council so that they can work in concert in offering courses on technology upgrading, to ensure that the resources of the community will not be wasted.

Mr Deputy, these are my remarks. I so move.

MR CHAN Kam-Lam moved the following motion:

"That, to ensure that local workers are given priority in employment, this Council opposes the expansion of the labour importation schemes, and urges the Government to enhance the training and re-training programmes for local workers, and, at the same time, by merging the employment-related offices of the Labour Department and the Employees Retraining Board, set up an "Employment and Training Board" to provide overall co-ordination of the work relating to job-matching and training."

THE PRESIDENT resumed the Chair.

PRESIDENT (in Cantonese): I now propose the question to you and that is, That, to ensure that local workers are given priority in employment, this Council opposes the expansion of the labour importation schemes, and urges the Government to enhance the training and re-training programmes for local workers, and, at the same time, by merging the employment-related offices of the Labour Department and the Employees Retraining Board, set up an "Employment and Training Board" to provide overall co-ordination of the work relating to job-matching and training.

PRESIDENT (in Cantonese): Members have been notified in the circular sent to Members on 31 October that Mr WONG Siu-yee and Mrs Sophie LEUNG have separately given notice to move amendments on this motion. I suggest that the

original motion and the two amendments be debated together in a joint debate.

Council shall now proceed to a joint debate. I would invite Mr WONG Siu-yee to speak first, followed by Mrs Sophie LEUNG. However, no amendment may be moved at this stage. Members can then express their views on the motion and the two amendments. Mr WONG Siu-yee.

MR WONG SIU-YEE (in Cantonese): Madam President, to safeguard that priority be given to local workers has all along been the position and principle of the Hong Kong Progressive Alliance (HKPA) and myself. In as early as June 1995, I pointed out in relation to the investigation report on the changes in the working population and unemployment in Hong Kong that among those who admitted that they were unemployed, relatively more people (33%) thought that the reasons why it was hard to find a job were "too much foreign labour" and "a reduction in the vacancies available in the market". Therefore, I put forward to the Government a "proposal for safeguarding the priority given to local workers" to solve the problem by giving priority to local workers without, at the same time, impeding our economic development. We think that giving priority to local workers is the basis of social stability, and only by achieving this basis then economic growth could be sustained. Therefore, there must be a complementary and mutually dependent relationship between social stability and economic growth. In the Policy address, the Chief Executive, Mr TUNG Chee-hwa, has outlined the blueprints for our development beyond this century, and introduced many large-scale infrastructure projects. The demand for manpower by these blueprint for development and infrastructure projects is huge indeed. However, the actual extent of manpower needed and whether adequate manpower can be supplied locally call for an in-depth research by the Government.

Therefore, we do not agree any rash conclusion should be drawn at this stage on whether it is necessary to import foreign labour. In fact, giving priority to local workers and opposing labour importation are not necessarily in conflict and the essence is that we have to give priority to local workers before the labour importation policy can be meaningful and helpful in promoting a wholesome development of our economy and community. Rashly importing labour may satisfy the needs of many short-time developments but consequently, local

workers may feel frustrated and helpless, meanwhile, public confidence in the Government will be weakened and it fails to show the Government's sincerity in actively solving some knotty problems.

The HKPA is of the view that we must take objective facts into account and solve the problems practically and realistically. Accordingly, the review on the Supplementary Labour Scheme now conducted by the Government would become very important. The HKPA hopes that the Government can adopt a pertinent attitude and scientific methods, and look into the supply and demand of manpower in the future market in the light of the trend of our working population, the resources for and progress of training and the orientations for the future development of various trades and industries. The Government particularly needs to make a change in its existing practice of just publishing the general unemployment rate. Instead, it should publish the unemployment data separately for different social groups, to make it easier for the public to master the situations of different groups of workers and their risks of unemployment. Similarly, the HKPA hopes that the employers and employees can practically and fully reflect their actual situations to the Government, so that we can have more objective and precise understanding of the local manpower market. Only by so doing can we draw a more objective and precise conclusion on the supply and demand of manpower.

However, regardless of whether the conclusion of the review of the Supplementary Labour Scheme supports the expansion of labour importation, the HKPA is of the view that the labour policy of the Government must embody two guarantees: First, the labour importation scheme should absolutely not affect giving priority to local workers or affect the salaries and remuneration of local workers; the Government definitely should not sacrifice the workers' rice bowls just to please the employers or just to achieve some development objectives it has set, and to deter workers from taking part in our economic development or from enjoying our economic results. Second, the import of labour or otherwise should be dependent on whether it will be helpful to our general economic development in the long run. If, in future, economic development will have to rely on foreign workers to a certain extent for it and the local market will not be able really to supply adequate and suitable manpower, the Government should not fear to implement the scheme, or impede our economic development and impair the long-term interests of the public for fear of political pressures. In fact, after the completion of large-scale projects such as the new airport, for the continuous development of our infrastructure, the Mass Transit Railway and the

Kowloon Canton Railway will comprehensively carry out expansion programmes, and the Government will actively launch various large-scale housing construction programmes, there will obviously be quite great a demand for labour, if the labour market is really tight, it will for sure seriously affect the progress of various projects and impede the progress of our social and economic developments.

If the said principles are not erroneous, we must note that, regardless of whether it is necessary to import workers at the end, the Government is duty-bound to do one thing, that is, to enhance the training and re-training of local workers, and improve the "added value" quality and competitiveness of our workers under an economic transformation. If the workers are not adequately trained or if trained workers are still deprived of market values, the pledge to secure the priority of local workers in employment will be just empty words, and it will not achieve the aim as set out by the Chief Executive, Mr TUNG Chee-hwa, in the Policy address of improving the economic competitiveness of all members of the public (especially the low income group) and achieving the objective of teaming up with "high added values".

Therefore, the HKPA asks the employment offices of the Labour Department to fortify liaison with the Employees Retraining Board, and make a joint effort to co-ordinate job matching and retraining work. The Honourable CHAN Kam-lam suggests merging the employment-related offices of the Labour Department and the Employees Retraining Board to set up an "Employment and Training Board", this suggestion really worth consideration by the Government while it reviews the employment problem of workers. However, the HKPA is worried that the Labour Department and the Employees Retraining Board are two totally different organizations, the former being a government department while the latter a quasi-government organization, and a merger could cause the organizational structure of the two to become obscure. Moreover, Mr CHAN Kam-lam's motion has not clearly set out whether the merged "Employment and Training Board" is a government department or a quasi-government organization. If it is a quasi-government organization, the addition of job matching duties on top of retraining work may be too heavy a burden for it and it may have to take care of too many things at the same time. On the other hand, the Government is now investing a total of \$1.1 billion in the Employees Retraining Board, but the amount is indeed insufficient to deal with the great, complex and rapid needs for technology renewal of labour under the future economic transformation, and its functions cannot be given full play. If the Board is further incorporated into the

government structure, its functions and duties may be further mitigated and weakened, and it may be subject to many bureaucratic bonds, resulting in its failure to speedily respond to the rapid changes in the labour market, which may even cause people outside the Government, especially private firm employers, to lose an effective channel of directly taking part in improving the technological renewal and training of labour. Merging different organizations does not mean that the organizations will become streamlined and be able to conduct more efficient work co-ordination after merging. The essence does not lie in merging, but in whether different organizations can be well-coordinated and different functions clearly defined, as well as whether there are adequate resources for them to give full play to their functions flexibly.

Madam President, as you have just said, social stability and economic development are equally important to Hong Kong. Therefore, we must wait for the Government, within this year, to

PRESIDENT (in Cantonese): Mr WONG, you have to stop speaking.

MR WONG SIU-YEE (in Cantonese): to use prudent, systematic and well-supported methods to conduct a research into the various manpower demands in the construction industry. I ask Members to support our motion. Thank you.

PRESIDENT (in Cantonese): Mrs Sophie LEUNG.

MRS SOPHIE LEUNG (in Cantonese): Madam President, I support the Honourable CHAN Kam-lam's suggestion in his motion that we have to give priority to local workers and urge the Government to enhance training local workers as well as to improve the existing job matching work. However, in regard to completely opposing the expansion of the labour importation schemes, I think that we must consider this from a wider perspective.

Control Wages and Reduce Operation Costs

I clearly understand that once we touch upon the question of foreign

workers, it will lead to discussions about employer-employee relationship; but as a member of the industrial sector, I feel that I am duty-bound to illustrate to Members that only if the existing manpower shortage is solved and the rise in operation costs is controlled then factory owners willing to maintain their production processes in Hong Kong will have room for survival.

Last month, there were four cases of large-scale labour severance and about 1 500 workers were affected. The affected trades include a circuit board factory, a paging company, a tobacco company and a container transportation company. The reasons for the severance were related to the excessive levels of wages and operation costs in Hong Kong. All these examples serve to show that whether Hong Kong can still continue to maintain the competitiveness of its manufacturing industries depends on whether employers and workers can make joint efforts to get out of the plight of a continuous upsurge of operation costs.

Identify Problems Clearly and Seek Rapid Solutions

To effectively tackle such difficulties, we must first identify the seriousness of the existing problems. In Hong Kong nowadays, not only is there a shortage of manpower for the non-technical processings, but there is also a lack of successive personnel in the technical and management fields. Meanwhile, as Taiwan has relaxed on its import of workers in recent years, its garments industry was able to be maintained, with a large number of management posts created, enabling its factory owners to make developments in the new regions of Southeast Asia as well as in Central and South America. At present, Taiwan has surpassed Hong Kong in this respect. It is plain to see that if Hong Kong industries do not seek rapid solutions and consolidate our manpower resources, not only will we fail to upkeep the internationally famous "made in Hong Kong" label, but the operation competitiveness of Hong Kong in the international arena will also be affected.

Tackling Manpower Shrinkage: Not only Stopgap, but also Radical Measures

In the face of the continuous shrinkage of manpower in the manufacturing industry at present, I think that we have to take both stopgap and radical measures. The so-called "radical" measures mean reviewing anew the

deployment of human resources in Hong Kong, starting with changing the erroneous concept of regarding the manufacturing, textiles and garments industries as "sunset industries".

Facts show that up till now, the textiles and garments industry is still the largest manufacturing industry in Hong Kong, bringing about some 100 000 posts, even without including the supplementary trades such as transportation, banking and product packaging. In 1996, the export values of the textiles and garments industry was \$83.1 billion, accounting for 40% of the total export values. Hong Kong is also the third largest finished garments exporting region, but the manpower in the textiles and manufacturing industries keeps on shrinking and is gradually aging.

Those who had worked in the industry in the past have, one after another, changed their jobs in the wake of the development of other industries such as retails, services and finance, and they left the manufacturing and production teams. As for the younger workers, they like working in offices, and tie in with the trend of "making quick money and putting emphasis on speculation", they have gradually given up blue-collar work in the textiles and garments industry. As a result, a shortage of succeeding workers and a risk of an impending loss of continuity in the supply of manpower have been caused to these manufacturing industries.

However, after the recent global financial crisis, I believe many Hong Kong people would have recognized once again that practical work in industrial production is an indispensable link of our economy. Therefore, we must face up to this plight of manpower shortage at present with determination. I call upon young people in Hong Kong and all those who are willing to join the industry to engage themselves in the industry with courage.

As for stopgap measures, we have to intensify policies for the training and retraining local workers. Now that we know that Hong Kong industries will develop towards high value-added operation in the future, as employers, factory owners should no longer be inclined towards producing labour-intensive products with low output values for the sake of low wages. Workers, as employees, should also learn to accept new technologies and training in new

work categories, as well as the way to increase their competitiveness. Everybody has to nurture a courage psychologically to prepare for changes.

Give Labour Importation a Chance, Returning a Miracle to Manufacturing Industry in Hong Kong

Notwithstanding our determination to implement the said radical and stopgap measures, however, we still have to effectively import foreign workers under the important premise of not affecting the employment opportunities of local labour, in order that the urgent needs in manpower for the manufacturing industry be solved.

I would like to call upon all employers and employees in the manufacturing industry: please give up the conventional thinking of an "inevitable confrontation between labour and management" as soon as possible, give a little more care and understanding to achieve a win-win situation for employers and employees. What should be considered is no longer how employers can earn more or how "wage earners" can get more, but how we can achieve a breakthrough in labour-management relationship, in order to curb in time the impending decline of the manufacturing industry in Hong Kong. Now is the crucial moment for labour and management to work together and cross the river in the same boat.

I would also like to call upon all employers and employees in the manufacturing industry: please shake off the meaningless political arguments in respect of labour importation as soon as possible and tackle the manpower shortage realistically. In fact, most advanced industrial regions import labour to take up some basic work processes which local workers are unwilling to take up. Recently, some newly developed regions such as the American dependant territory, Saipan, has imported a large number of Philippines and Chinese workers and successfully implemented its economic transformation, adding the manufacturing industry on to top of its originally tourism-centred economy.

Therefore, we have to be far-sighted enough and indeed should not worry that the rice bowls of local workers will be snatched by foreign labour. For it is only by so doing that our can continue with their production operation, our operating rate be increased, and our industries be driven towards high

value-added quality, consequently, more posts created and wages increased as a result of increased sales and enhanced profits.

For this reason, I urge Members to give labour importation a practical chance, and return a miracle to the manufacturing industry in Hong Kong.

Thank you, Madam President.

PRESIDENT (in Cantonese): Mr TAM Yiu-chung.

MR TAM YIU-CHUNG (in Cantonese): Madam President, every Member coming from a worker and grassroots background will surely be worried about the expansion of labour importation. We are worried that job opportunities of local workers will be affected and their wages suppressed, hence, whenever the commercial sector asks for an expansion of labour importation, or when the Government considers amending the relevant policies, it will surely give rise to heated arguments.

As Chairman of the Employees Retraining Board (ERB), I must say that if we have to import a large or unlimited number of workers, this will make retraining become meaningless as the aim of retraining is to enable unemployed workers to obtain employment again, and retraining and re-employment are inseparable. If workers fail to find work after retraining, it means that the labour market no longer requires the contents of such training. Therefore, from its establishment at the end of 1992 till now, the ERB has been continuously offering different training courses in response to the demands of the labour market to help workers resettle. Up to October, over 200 000 man-times have attended the retraining courses. At present, the ERB is offering 479 different training courses through 59 training institutions and 145 centres, while a total of 6 319 man-times have attended the retraining courses this year.

Perhaps someone may ask, how is the success or failure of a training course determined. I can say that the most objective indicator is the rate of successful employment for the trainees. This is the standard set for employees retraining, and in the review last year, it was affirmed by an independent

consultancy. At present, 70% of the trainees obtained employment after completing further study courses at the ERB, and we have kept on making efforts to improve the rate of employment for our trainees, with the aim of giving them the chances to apply what they have learnt, otherwise, we will be wasting the trainees' time and also social resources.

Madam President, I would like to take this opportunity to introduce the highlights of the work of the ERB at present.

Developing Choice Training Course

The features of choice courses are the provision of trainees with in-depth technical training, to allow trainees to master coupling services, so that they can continue to take up their posts after rejoining the labour market.

Developing Trade-Specific Training Courses

Targeted at the manpower and training needs of individual trades, the ERB has been carrying out active liaison with the representatives of employees, associations, trade unions and training institutions from different trades, and inviting the relevant people to set up a supervisory team to take part in designing the training courses.

Joining Government's Training and Retraining Working Group for Construction and Manufacturing Industries

In order to help alleviate the manpower shortage in the construction industry, the ERB will try its best to focus on the training of "Assistant Electrical Workers", and the graduated trainees can take up the posts for "ordinary skilled workers". In respect of the manufacturing industry, the ERB will act jointly with the Garments Training Board in providing for training allowances. Trainees who have taken the machine sewing/circular sewing courses can get on-the-job training allowances during the first three months of employment.

Retraining New Arrivals

Starting from 31 January this year, the ERB has expanded the targeted

trainees to include new arrivals. As new arrivals do not know much about the local labour market, the ERB has designed On-the-Job Training Induction Courses for them. Up till the end of September, a total of eight training institutions is offering such courses, a total of 765 people have graduated and their employment rate is more than 8% on an average.

Follow-up Counselling and Training

To enhance the ability of trainees to stay in posts after they get new jobs, the ERB is actively studying the provision of trainees with follow-up services lasting for one year which will provide them with psychological counselling.

Enhancing Contacts with Employment-Related Offices of the Labour Department

The ERB is launching a computerization programme in conjunction with the computer system of the employment offices of the Labour Department, exploiting the use of the Internet to enable trainees to master market information in the first instance. Some Members suggest merging the ERB and the employment and guidance offices of the Labour Department to achieve better coupling of labour supply and demand. Under the principle of making the best use of resources, I find this suggestion constructive, but as the concept of merger will involve many issues, it has to be further studied by the Government.

Madam President, within my term of office with the ERB in the next two years, I will make concerted efforts with all members and staff to assist local workers in re-employment. We also hope that employers can give us strong support to offer local workers more job opportunities.

These are my remarks. Thank you, Madam President.

PRESIDENT (in Cantonese): Mr Paul CHENG.

MR PAUL CHENG (in Cantonese): Madam President, there have been many debates over labour importation. The labour sector often says that employers promote labour importation to cut costs while employers say that they cannot find workers to work. In my opinion, we should look at this problem from the perspective of our economy as a whole. Last week, I had breakfast with a friend from the textiles and garments industry in the United States who owns two very large factories, employing thousands of workers. He told me that it was hard to find sewing machine operators and he failed to find workers despite of his wish to expand the factories. He said that he might have to consider relocating the factories to other countries. If he really relocates the factories, would thousands of workers become unemployed? If the emergence of such cases is frequent, it will have great impacts on the Hong Kong economy.

At present, competition is becoming more and more intense in the world, similar to a football game, if the team only focuses on defence, it will surely lose as it should also launch attacks at appropriate junctures. If an industry can only be expanded by importing workers, whereas local people, for their own reasons, are unwilling to take up work in some of the industries, such as garments sewing, we should then deal with the problem flexibly and think of importing workers to enable these enterprises to expand.

I make these remarks today in the hope that we can do something for Hong Kong and avoid politicizing this problem. Workers, employers and the Government should act flexibly and in the interests of Hong Kong, in order to maintain our prosperity and stability and our important position in the Asian Pacific regions. Therefore, I will support the Honourable Mrs Sophie LEUNG's motion today. Thank you, Madam President.

PRESIDENT (in Cantonese): Mr LEE Kai-ming.

MR LEE KAI-MING (in Cantonese): Madam President, "imported labour has contributed to Hong Kong's success", and "we may need to import labour", as

stated by the Chief Executive, Mr TUNG Chee-hwa, in the Policy address. We believe labour importation is one of the labour policies of the Chief Executive. The theme of today's debate is "opposing labour importation". In this respect, the former Legislative Council had held several debates and most of the points made by the parties for and against are familiar to all. Therefore, I will not speak too much on this. However, I still have to remind the Government that it should have learnt a lesson from the experience in labour importation for the new airport core project, and should take it as a warning.

After the former Legislative Council had held 17 hearings on labour importation, it compiled this report. For friends in the industrial and commercial sectors, this report is a good reference. By the end of 1994, the former Executive Council lifted the cap for labour importation quota for the airport core project to 27 000 persons. The then economic advisor of the Government forecast that in 1996, a total of 62 000 construction workers would be available in Hong Kong. As 59 000 workers were already required for projects other than the new airport core project, therefore, only 3 000 workers could work for the new airport. However, at the peak of the new airport construction, 30 000 workers were required, so, 27 000 foreign workers had to be imported. What turned out was that among the 30 000 new airport workers at the peak in 1996, only 5 288 were foreign workers while there were around 25 000 local workers instead of 3 000. There were 81 676 instead of 62 000 construction workers in Hong Kong.

As a result of the "wild guess" of the Government and its economic advisor, the workers went through "lots of hardships". As the Administration predicted that only very few local workers would work at the new airport, the sole ferry to the new airport site made only two trips a day, one in early morning and another at dusk, between Tuen Mun and Chek Lap Kok. This arrangement made it necessary for local workers to flock to Tuen Mun in a hurry in early mornings for the first ferry trip to the Chep Lap Kok site. Later, upon the strong demand of the representatives of the labour sector, four speed boat routes, calling at Tuen Mun, Tsuen Wan, Jordan Road and Central, began to be operated in March 1996. Therefore, local workers working at the new airport increased from 2 921 in 1996 (before these routes were operated) to 16 120 in March 1996 (after these operations). It is entirely erroneous estimation on the part of Government concerning ferry transportation that had deterred local workers from working at the new airport.

Moreover, this error has led to the wastage of a lot of public money. As it was estimated that some 20 000 foreign workers would work at Chep Lap Kok, 8 000 accommodation facilities were built there. Ultimately, the majority were local workers, only 25% of these accommodation facilities were occupied by foreign workers, and most were wasted.

I give this example in a bid to ask that the Government must consider the mobility of local workers when expanding the labour importation scheme. In 1994, when the Government wished to expand on labour importation, the unemployment rate was 1.9% and it was estimated that there were 62 000 construction workers. At present, there is a 2.2% unemployment rate and there are more than 82 000 construction workers. As the New Airport Core Project has already been completed, how can there be a shortage of labour? To put this in simpler terms, only "giving priority to local workers" is not enough, for when labour was then imported for the New Airport Core Project, this statement had been repeated again and again. The Government should not decide to import labour on the ground of a "shortage of local workers", instead it should actively assist local workers in employment by means of various channels such as training and job referral.

I support the Honourable WONG Siu-ye's amendment but not his speech, and I do not support the original motion because the Labour Department is a government department responsible for carrying out and coordinating major administrative and management work related to labour, while the Employees Retraining Board is a statutory body set up under Hong Kong legislation, with its members appointed by the Chief Executive, and its functions are training and retraining local workers, assisting them in adapting to changes in the labour market and giving advice to the Secretary for Education and Manpower. The Board also manages a fund, that is, the Employees Retraining Fund, set up with the amounts collected from those who import labour. How are the administrative departments of the Government going to manage this Employees Retraining Fund?

As the two bodies have different functions and sources of power, I cannot see the legal basis upon which the two can be merged as one organization for implementing job matching and training work. However, co-operation, contacts and co-ordination between these two bodies should be enhanced in order to solve labour employment problems.

Madam President, these are my remarks in support of the motion.

PRESIDENT (in Cantonese): Mr HO Sai-chu.

MR HO SAI-CHU (in Cantonese): Madam President, the theme of the motion moved by the Honourable CHAN Kam-lam in this Council today is "opposing the expansion of labour importation" but for one reason only, that is, labour importation will deprive local workers of job opportunities. Mr CHAN's motion entailed two serious mistakes. First, the view was a biased one instead of looking at the whole issue, simplifying labour importation as purely a labour policy problem, and without mentioning anything about the relationship between labour importation and the overall economic development of our society. Second, the motion is misleading, for it sets up a confrontation between foreign labour and local workers, misleading the public that labour importation will inevitably deal a blow to the job opportunities of local workers. If Mr CHAN's motion is approved, our economy will suffer a blow, and by then, not only will businessmen and employers be harmed, but all Hong Kong people will also suffer the consequences.

Why does Hong Kong have to import labour? The reason is definitely not, as suggested by some people, that ruthless employers wish to get greater profits by cutting on wage costs. Employers make such a request because the local labour market has failed to supply the required manpower, if foreign assistance were not enlisted, our economic activities will be hindered and the costs of products will increase, consequently our products will accordingly become less competitive.

Taking the construction industry as an example, in the next decade, we will have to build more than 15 large-scale infrastructure projects, an average of 85 000 housing units a year, and hundreds of commercial buildings and factories. However, we only have a strength of around 80 000 construction workers. If we disregard the serious shortage of manpower in the construction industry, and insist on a refusal to import a suitable number of labour to fill up the vacancies, these construction projects will be impeded. We all know that there are set procedures for construction projects which cannot be reversed, and the workers for different work categories cannot be arbitrarily exchanged. Take for

examples the bar-fixers who are in serious shortage of hands, if foreign labour is not imported, the subsequent procedures will be forced to be suspended, and local workers responsible for the subsequent work categories will also be forced to stop working. On the contrary, if bar-fixers are imported to facilitate the smooth completion of the bar-fixing procedure, the subsequent procedures will then be able to be carried out and the livelihood of local workers will be safeguarded.

Some people say, Hong Kong has a population of 6 million people, why should we worry about inadequate manpower? Provided that employers are willing to offer higher wages, there will always be people who are willing to work. It may be right, theoretically, to say that employers can take no heed of the consequences and increase wages by one fold or even two folds if bar-fixers cannot be found, even at the offer of a wage of \$2,000 a day. In reality, however, even if workers are found, it will result in a substantial increase in project costs and the public will have to bear soaring property prices and charges for public facilities, which will result in a serious effect on the whole economic cycle.

Then, to view the matter in a less extensive perspective, if labour importation were really a great scourge, why are there 140 000 foreign domestic workers in Hong Kong now? Why do we not ask local families to substantially increase the wages of domestic helpers to attract local workers? It is because we all know that every trade or work category has to have an acceptable wage level, if we arbitrarily increase wages beyond this level, the consequences will be dreadful to contemplate. I do not understand why we accept foreign domestic helpers on one hand but oppose labour importation by other industries on an across the board basis.

In fact, local employers have never had the wish to abuse the labour importation policy at all, even if some people wish to abuse it, they will not be able to evade the stringent application procedures set by the Government or the Labour Advisory Board. I believe local employers like me support the principle of giving priority to local workers and we all hope that we can employ the manpower required from the local labour market. Labour importation is a standby arrangement adopted reluctantly for the assurance of a sufficient manpower supply and the smooth development of our economy. I do not find opposing further labour importation on such an across the board basis a responsible act.

Should we further explore whether labour importation is equivalent to depriving local workers of their job opportunities? In 1995, three scholars in economics, LOUIE Ting-ming, LIN Yuet-tseng and KWAN Yam-keung, carried out a detailed research on the blueprint of the experience of countries with an open immigrant policy such as Germany and the United States, and they arrived at a conclusion that not only should Hong Kong have a labour importation policy, but the Government should even retain this policy when there is a slowdown in economic growth, for labour importation has a "win-win" effect.

The three scholars pointed out that labour importation was not the cause of unemployment, on the contrary, it could help our economy and create a greater number of better jobs with greater prospects in the long run for local workers. They said that it was instead a redundancy of workers that should account for our unemployment issue, and labour importation could precisely enable us to obtain foreign help to work in obnoxious trades which experienced a shortage of workers and have very few new hands, or even enlist foreign assistance to take up work with no prospects of long-term development. A steady labour supply can encourage employers to invest more and provide greater job opportunities. Therefore, an appropriate importation of labour is beneficial to both employers and employees.

I think that employers and employees should view labour importation with a practical and open attitude. In case there are trades or work categories in Hong Kong which have real labour shortage over a long period of time, and manpower are not available even after job matching and retraining, we should import labour on the basis of actual needs to ensure an adequate supply of manpower. We should not arbitrarily negate the need for further labour importation without carrying out any studies.

Since some Members have already touched upon the second part of Mr CHAN's motion, I would not speak on it any more. I think that an arbitrary merger of the two bodies may not yield any ideal effect.

Madam President, these are my remarks and I oppose Mr CHAN Kam-lam's motion.

PRESIDENT: Mrs Elsie TU.

MRS ELSIE TU: Madam President, what comes out clearly in this motion is the concern of this Council that job priority must be given to local workers and that the retraining programme must be vastly speeded up and improved.

The failure of the Government in the past to provide the kind of education required in the developing economy and its tardiness in setting up forward-looking retraining programmes are largely responsible for the increase in unemployment and the consequent undermining of the work ethic of the workers. Added to that is the trend, as in developed countries, to cut costs by employing cheap foreign labour in order to avoid meeting the demands of local workers for better benefits. This is also one problem that the local workers keep on asking for better benefits. Politicians are not blameless in this because some have deliberately activated workers to ask for even greater benefits. It is easy to win votes by stirring up labour discontent. But workers do not always realize that in the long run they are the ones to suffer when factories and shops close down and they are left without work, especially small enterprises that cannot cope with the ever increasing benefits they are forced by law to provide.

Our economy requires a sense of responsibility on the part of both employer and employee. It also requires hard work by both employer and employee to make us competitive in today's world marketplace. Since Hong Kong has failed to prepare workers or to retrain workers adequately to meet the demands of our present day economy, it may be that in the short term we need to import certain categories of workers. But I emphasize that it must be short-term and only when every effort to find local workers has been genuinely proved to be impossible through overall co-ordination in job matching.

When Governor WILSON announced the "rose garden" project in 1990, he specifically stated that it was intended for local people to reap the fruits of their labour. That has not been the case. Some may have had more than their share of the fruit. Some have had little or none of it. Others who had no right to it

have stolen it from the local people. I therefore agree with the spirit of Mr CHAN's motion not to increase the import of labour scheme at the cost of local jobs. However, Mrs Sophie LEUNG has put forward a strong case that will meet any genuine need for import of labour in the short term and still give priority to local workers.

I do have some worries that the Government may just make this amendment an excuse for ignoring the call for enhancing the retraining scheme. I warn that to ignore the call for priority for local workers would be to put our economy at risk because if unemployment increases, whatever can be gained by importing workers will be lost to our economy in spending taxpayers' money to support the families of the unemployed. At the same time, it will encourage dependency on welfare handouts and destroy the will to work of the local people. There are plenty of examples of welfare dependency due to unemployment in other countries and we must learn not to copy them, but to avoid falling into the trap those countries have made for themselves.

Madam President, I hope that this Council today will make it clear that the present unemployment situation should not have occurred and that steps must be taken to prepare our workers for the future so that such a situation may never occur again. We must plan ahead to make our economy the strongest. But we must also prepare the human resources among our own population to serve that economy. Anything short of that would be self-destructive in the long run. Thank you.

PRESIDENT (in Cantonese): Mr CHAN Wing-chan.

MR CHAN WING-CHAN (in Cantonese): Madam President, both the Federation of Trade Unions (FTU) and I are in support of the original motion of the Honourable CHAN Kam-lam which is, "opposing the expansion of the labour importation scheme". It is because, consistently, "opposing the expansion of the labour importation" has been the stand of the FTU and we have put it into practice instead of merely paying lip service. For instance, when the former Government first planned to import labour, the FTU immediately set up a special team led by our Deputy Director, Miss CHAN Yuen-han, and consulted the opinion of scores of trade unions concerning the intended labour importation by the Government. It turned out that all trade unions were opposed to the

Government's labour importation scheme. From then onwards, in response to the arbitrary labour importation scheme of the former Government and its act of "breaking the rice bowls of workers", the FTU has held large scale meetings on several occasions, while the trade unions under the FTU had numerous gatherings, large and small, in a bid to sound out our opposition to labour importation".

The FTU and its subordinate trade unions presented petitions at the Governor House, the Executive Council and the Legislative Council. Our protest marches and demonstrations in opposition to labour importation were mammoth in scale and participated by many people, and in one of these activities, almost 4 000 had taken part. Madam President, it is not easy to mobilize thousands of people to take part in a protest march against labour importation, and it must involve an adequate number of members. The FTU can be called a vigorous "veteran" in opposing labour importation, we are strong under the former Government and now. The opposition on labour importation must go on. For instance, recently, the Hong Kong Construction Industry Employees General Union with 16 subordinate trade unions has consecutively held rallies, protests and demonstrations, in a bid to express to the Chief Executive, Mr TUNG Chee-hwa, their opposition to the labour importation scheme and to safeguard workers' interests. Another example is that a few days ago, the FTU held the 30th Anniversary of the Meeting of Representatives and it was stated in its Working Report that the its work in the future will still be directed towards opposing the expansion of the labour importation policy. Perhaps I should read out the original text: at the beginning of the second paragraph, it is stated that: "the basic function of a trade union is to fight for the reasonable interests of workers, and this has also been the major work for us (the FTU) in the last fifty years". It is stated in another paragraph that "we will continue to oppose the Government's expansion of the labour importation policy in order to safeguard the interests of local workers". This Working Report of the FTU was unanimously adopted by some 100 trade unions and some 1 000 representatives who attended.

Madam President, only those who have experienced trauma can feel its pain. In the past, when the former Government extensively imported labour, our workers led very miserable lives. Besides, unemployment rate has remained

at 2.8% to 3.5% for years, many workers were unemployed and it was hard for them to make a living. Even though the then Governor, Mr Chris PATTEN, held conferences with a high sounding name of "employment summit conferences" once a year in the hope of reducing the unemployment rate, he was ultimately still at a loss. The Government have for years been remaining at the stage of lip service, but the workers are after all the victims.

Madam President, in fact, it can be said that Hong Kong is now importing labour via various channels. First, the nature of the Supplementary Labour Scheme is that there is no restriction on trade, provided that employers see the need, and obtain approval from the Secretary for Education and Manpower, they can import labour; second, the importation of foreign domestic helpers are also not restricted; third, apart from the quota imposed on people having expertise to be imported from the Mainland, the professionals and technical personnel from other places can also be imported without restriction. Hong Kong is the only place in the world that has an open market for labour importation without restriction. Now that our labour importation policy is already so open, if the Special Administrative Region Government asks for a further expansion of the labour importation scheme, Hong Kong will undoubtedly be leaving its door even wider open for the free entry and exit of foreign labour, and "schemes" will no longer be needed. "Giving priority to local workers" as stressed by the Government will after all become another of its empty talk.

In addition, apart from importing labour, Hong Kong businessmen and factory owners also relocate their industries elsewhere. In the 1980s, there has been an unceasing relocation of the manufacturing industry to the North and one factory after another were moved to the Mainland. One worker after another became unemployed and when they failed to be re-employed, the workers started to have nightmares.

In the 1990s, when the tide of unemployment in the manufacturing industry was still high, the second wave of relocation of industries elsewhere had already began. This time, it is the relocation of the services industry was relocated then. Recently, a large paging company moved its production lines to

Macau and dismissed some 600 local workers. Most unfortunately, these workers were victimized for the second time in the wake of the relocation of industries. Many of them were circular sewing workers in the garments industry who were resettled in paging companies after they completed retraining courses. However, they are now unemployed again. I believe many workers have the same experiences. The same case applies to many other companies besides paging companies, but as many Members have just mentioned this, I will not discuss it further. Under the present economic recession in Hong Kong, whether these workers can be employed again is closely connected with the labour importation policy of the Government. In my view, there is no necessity to import labour as it will only make more workers unemployed and they will have to leave the labour market forever. Madam President, I re-iterate that the FTU opposes the expansion of labour importation scheme.

Madam President, these are my remarks in support of the original motion moved by Mr CHAN Kam-lam. Thank you, Madam President.

PRESIDENT (in Cantonese): Mr CHAN Choi-hi.

MR CHAN CHOI-HI (in Cantonese): Madam President, Chief Executive, Mr TUNG Chee-hwa, mentioned in his Policy address that the Administration may consider an expansion of the labour importation schemes. And, our noble Executive Council Members and some capitalists of our community have also vigorously advocated such an expansion. But, I must advise the Government that it should not listen to "one-sized" views of the capitalists only; it must also consider the views of the labour sector very seriously and adequately.

A moment ago, the Honourable HO Sai-chu referred to a shortage of bar fixing workers. Perhaps, he does not get up in the morning early enough. If he can get up a bit earlier just for one morning, our friends in the labour sector will be able to take him to Mong Kok and have morning tea in a Chinese restaurant, where he will see many bar fixing workers waiting for job opportunities. Why do these bar fixing workers fail to get any jobs? There are two versions of an answer. One of them is that these workers simply ask for too much. Of course, our friends in the labour sector, such as Mr POON To-chuen, will be all too ready to offer an alternative version.

What I am actually trying to say is that there is a cognitive difference in view between employers and employees, and, as result, each side has been putting forth arguments from its own standpoints. If this situation is allowed to deteriorate, conflicts will certainly intensify. Madam President, if the SAR Government insists on expanding the labour importation schemes despite strong opposition, it will only intensify social conflicts, increase the disparity in wealth and create more unemployment. The SAR Government must realize that it will do the overall economy no good if workers are forced to live "on the drip" or forced into unemployment, because this will in turn suppress local consumption desires. So, the capitalists' attempt to "kill the hen to get its eggs" will only serve to erode the very foundation of our economy. In the end, the capitalists will also have to suffer.

I maintain that the Government should consider the following issues: (1) legislative for priority of employment for local workers; (2) organize a discussion forum for employers and employees without delay for the purpose of resolving their differences on labour shortage and supply; (3) enhance the work and role of the Labour Department in job referrals for trades experiencing labour shortage; (4) make policy on minimum wage level, and (5) organize demand-based training and re-training courses for workers.

With these remarks, I support the original motion moved by the Honourable CHAN Kam-lam.

PRESIDENT (in Cantonese): Mr Howard YOUNG.

MR HOWARD YOUNG (in Cantonese): Madam President, we have already debated labour importation for quite a number of times in this Chamber. The viewpoints which we have heard invariably point to labour importation either as an evil which will lead to unemployment among local workers, or as an attempt to cut costs down by unscrupulous employers. These viewpoints have produced a rather polarizing effect on employers and employees, and have also overlooked the reality that employers and employees should in fact be in the same boat.

To me, labour importation is just a way of supplementing labour supply at a time when there is a shortage. It is simply a stop-gap measure to be adopted to cope with a sudden and abnormal shortage of labour. So, in a way, we can say that labour importation can actually serve to ensure the maintenance of Hong

Kong's competitiveness. Or, we can also say that it is in fact one of the necessary, though not widely adopted, measures which can enable an enterprise to continue to operate in Hong Kong. If enterprises cannot continue their operations in Hong Kong, or if they close down, employees and employers will be affected, and will result in withdrawal of employers and unemployment. On the contrary, if enterprises can survive, all will be benefited, including the workers of the trades concerned, many middle-class employees and employers, as well as many other related subsidiary industries.

I can still remember that about five years ago when labour importation was first debated in this Chamber, many petitioners belonging to the labour sector gathered outside, urging the then Legislative Council not to break their "rice bowls". At that time, I also went outside to talk with them. When the petitioners shouted slogans against labour importation, I asked whether any one of them belonged to the tourism industry. But, my question was answered by an absolute silence. Why? Because the tourism industry was then experiencing a boom and a consequent acute shortage of labour in certain of the departments. Therefore, they simply had no time to join the petition against labour importation. Quite the contrary, they had even wanted to take on more employees to boost their industry still further.

When I commented on the Chief Executive's Policy address last week, I also mentioned that some industries, such as the hotel industry, did have a need to employ foreign workers. And, let me say that the need for foreign workers is not confined to some highly professional or specialized posts. I remember that a few years ago, some industrial workers were given re-training to enable them to take up housekeeping jobs in hotels. But, when these re-trainees applied for hotel jobs after their re-training, they found out to their dismay that they had to work on shifts, and that they might even have to work on Saturdays and Sundays. So, immediately they refused to join the hotel industry. But, these people failed to realize that without any housekeeping staff, hotels would not be able to operate. People should also realize that even if labour importation is permitted, employers will not use this as an excuse to import labour whenever they like so as to break the rice bowls of local workers. The example cited by the Honourable LI Kai-ming just now can serve to illustrate that even under a policy permitting labour importation, employers may not necessarily import a large number of foreign workers. In the case of the Airport Authority, for example, they at first claimed that they needed to import as many as twenty thousand foreign workers. But, in the end, only a few thousand workers were imported.

Can this be regarded as evidence that there is no need to import any foreign workers? I think what this example can show is that even when employers are allowed to import foreign workers, if they do observe that the local labour market has changed and there are enough local workers, they will give priority to local workers, and will import foreign workers only when there are not enough local workers available to fill all the vacancies. This serves to show that a total negation of the labour importation policy is in fact underlined by a failure to take account of the entire picture.

Besides, I have to say that I appreciate very much the last part of Ms Sophie LEUNG's amendment, which advocates that whenever labour shortage is identified in an industry, the industry concerned and its related occupations should be allowed to import an appropriate number of foreign workers. She mentioned Saipan Island as an example. By mere coincidence, I also visited this island this summer, and I stopped over in Guam, which is similar to Saipan Island in terms of economic development. A tourist handbook on Guam remarks: "Tourists in Guam can expect to have a lot of amusements and good food, but they should not look forward to shopping because Guam does not have any manufacturing industries, and thus there is no local product for purchase." Well, we all agree that shopping is an important activity during our tour in a foreign country. It was only when I travelled to our neighbouring Saipan Island that I managed to see some handicraft products for sale. Saipan Island and Guam are close neighbours, and one of them allows importation of labour. So, is importation of labour really that bad for an economy? My answer is that importation of labour can contribute positively to economic development.

Another example is Dubai, the "Hong Kong of the Middle East", which also aspires to become the financial and navigational centre of the region. Dubai too do not have many manufacturing industries of its own, and imported workers constitute 75% of its total population. In spite of this, the economy of Dubai is far more advanced than those of its neighbours. From this, we can see that we simply should not look at importation of labour from one single perspective only, and we also should not turn it into a topic of mutual accusations between employers and employees. We must not forget that if Hong Kong enterprises can survive, both employees and employers will be benefited.

Thank you, Madam President.

PRESIDENT (in Cantonese): Miss CHAN Yuen-han.

MISS CHAN YUEN-HAN (in Cantonese): Madam President, I feel very sorry

that we have to voice our opposition to labour importation yet again in this Chamber. I feel sorry because signs are that the new government is actually not very different from the former government over the issue of labour importation. Madam President, many employees in Hong Kong do hail the SAR Government with very high hopes. We all hope that as a government of the Hong Kong people, the SAR Government will work for the interests of Hong Kong's development. We hope that the community of Hong Kong will become a community which consists of people with a sense of belonging. We all hope that with respect to the long-standing problem of manpower mismatches, the new government will behave differently from the former government, which simply carried out some window-dressing work to silence the voice of opposition without trying to really tackle the problem. But, the SAR Government has not made any attempts in these directions, nor has it properly addressed the problem of manpower mismatches. But, quite the contrary, it has yielded to the demand of the industrial and commercial sector to expand the labour importation schemes. Both I and the Federation of Trade Unions (FTU) are deeply disappointed and angry!

The Government and the industrial and commercial sector have adopted a very high profile in their attempts to expand the labour importation schemes, and their indicated target is the construction industry. And, just now, an Honourable Member said that the manufacturing industry wanted to be included in the expanded schemes as well. This is simply ridiculous, I must say. Let us look at the construction industry. If the Government really implements any increase in imported workers for this industry, its employees may well face a truly "disastrous" situation. Some years ago, a huge number of workers were imported for the construction of the new airport, but the construction works of the new airport will be completed by the middle of next year, and in fact, by now, many airport related projects have already been completed. So, in theory, no more imported workers should be required, but the Government and the industrial and commercial sector have managed to come up with yet another excuse, saying that imported workers will still be required to cope with the massive housing construction works in the next 10 years. I am extremely discontented with this excuse because neither the industrial and commercial sector nor the Government has provided any concrete statistical support which can convince us that imported workers should be required to cope with housing construction. They have simply ignored the interests local workers and the principle of giving them priority in employment. Just now, some Honourable Members repeated emphatically that local workers would be given priority in

employment. But, let me just say to them, "Do not try to cheat us once again." Over the years, we have heard many many such promises. Unfortunately, we notice that once employers are allowed to import workers, all employment opportunities for local workers would disappear altogether. Madam President, the Federation of Trade Unions and its affiliated organizations have just completed a statistical study on the construction industry workforce and the volume of housing construction over the past 10 years. As I pointed out a moment ago, at the initial stage around 1989, a total of 90 000 housing units were constructed, and the number of workers involved was just slightly more than 70 000. So, we have come up with the projection that under present circumstances, one worker will be required for the construction of one housing unit on average. Based on this projection, we would be able to see that the 130 000 construction workers currently available in Hong Kong will be more than enough to cope with the annual construction volume of 85 000 housing units in the future. That being the case, why should there be any more need to import foreign workers? We already have enough workers to cope with our housing and infrastructure construction works in the years ahead. That is why I simply fail to make sense of what Secretary for Works Mr KWONG Hon-sang said the other day. His remarks simply cannot be substantiated. I find it so very regrettable that somebody who is so ignorant of the plight of the grassroots could have given such irresponsible remarks in the comfort of his office.

Madam President, there are actually many unemployed workers in the construction industry, and they are all looking for jobs. As revealed by the statistics compiled by the Hong Kong Construction Industry Employees General Union, there are some 135 500 workers in the construction industry, but, only 83 500 of them, or approximate 60%, are currently under employment. In other words, 52 000 construction workers have failed to find employment. But, instead of carrying out any internal survey for the purpose of making full use of our own available manpower, the Government has hastened to expand the labour importation schemes. This lazy approach of "choosing the easy way out" regardless of consequences has remained largely unchanged, from the days of the former government up till the present time.

Besides noting that many existing construction workers are currently unemployed, we also notice that many people, including displaced workers looking for resettlement and junior secondary school leavers, who want to join the construction industry have been barred from doing so due to the lack of connections. What is more, even those young people who have been trained up

by the Vocational Training Council also find it difficult to find jobs in the industry, mainly because many construction sub-contractors simply refuse to recognize their technical competency. I must point out that in the past, most of the construction workers would have to acquire their skills in the course of practical work. After all, who can be expected to be fully competent right at the time when they start working? So, we can see that many young people have in fact wanted to join the construction industry, but has the Government given them any opportunities? Has the Government ever attempted to improve the terms of employment and occupation safety for construction industry employees, so as to attract more local young people? I cannot see any efforts on the part of the Government in these areas.

There has always been a problem of manpower mismatches in Hong Kong. Some people engaged in the construction industry have told me that they have to rely entirely on sub-contractors to recruit workers, which means that if a worker does not have any connections, or if he fails to have any insiders' referrals, he will never be able to get a job. Such a situation, under which "there are people without jobs and yet jobs without people to fill", is largely the result of a problem of manpower mismatches. Employers frequently complain that even though they offer very high wages, they are still unable to recruit any workers. But, if their complaint is really substantiated, the situation I have described should not occurred at all. That is why the Government must really adjust its manpower policy on a comprehensive scale. This is the only approach which should be adopted to cope with the problem now under discussion.

Madam President, the importation of labour schemes are only one of the ways to bring in foreign workers. The relocation of business operations to other places is also a form of labour importation in disguise. The only difference is that foreign workers do not have to work in Hong Kong. But, in any case, the employees of Hong Kong are still the victims. It has recently been circulated that one more paging services provider will lay off about 500 local employees and switch its pager operations to Macau, where wages are much lower. Well, in fact, several paging services providers have already relocated their operations to other places, and it looks likely that the displaced employees will find it very difficult to find similar jobs. What is so ironical is that many of the affected employees were in fact re-trained under the employees' re-training scheme before joining the paging services industry. Now, they are displaced once again.

Where can they possibly be resettled? What are we going to do about these problems? Employees have lost their confidence in any re-training. The Government should really ask itself what it should do. Madam President, I still want to say something more. But, I would not speak for a long time because I am not as "long-winded" as the Honourable WONG Siu-ye. I will finish my remarks very quickly. Just one more sentence.

PRESIDENT (in Cantonese): Miss CHAN Yuen-han, I am afraid that you cannot do that.

MISS CHAN YUEN-HAN (in Cantonese): Just one sentence. To sum up, for the reasons I have put forward, I agree with the Honourable CHAN Kam-lam that the Government must properly address the problem of manpower mismatches. Thank you, Madam President.

PRESIDENT (in Cantonese): Dr LAW Cheung-kwok.

DR LAW CHEUNG-KWOK (in Cantonese): Madam President, the Hong Kong Association for Democracy and People's Livelihood (ADPL) and I support the original motion moved by Mr CHAN Kam-lam, which opposes any expansion of the importation of labour schemes. When I spoke on the Chief Executive's Policy address on 22 October, I have already pointed out clearly that the studies currently undertaken by the Government on the supply and demand situation in the construction and manufacturing industries were in fact a prelude to and a preparation for further arrangements to import more foreign workers. The huge array of figures and the economic analysis which I offered at that time have already sufficed to prove that when the industrial and commercial sectors claim that these two industries are facing a shortage of labour, they are in fact presenting a false vision to us. What is obvious is that employers of the industries concerned are simply unwilling to employ local workers because they do not want to pay wages at local market levels, let alone at even higher levels. What is more, employers are also reluctant to make any active efforts to provide appropriate training to workers. But then, on the basis of some crude economic analysis, the Government has hastened to accept and show sympathy towards the false vision, or even up to the extent of intimidation, presented by employers.

At this, I must state my deep regret.

Let me reiterate the three reasons why I object to labour importation. First, according to the Government's latest population projections, our population will increase by 1 million over the next 10 years. This is indeed a huge increase, because this means that our population will grow at a rate of about 1.5% every year, and the growth rate of our working population, understandably, will become even greater. So, it can be concluded that the problem we will face over the next 10 years should be the creation of more job opportunities for own people, and that importation of skilled and semi-skilled workers from abroad should not be considered. Second, over the years, the rates of wage increases for Hong Kong workers have always been on the low side. The average rate of pay increases for all trades and industries in Hong Kong in 1997, as recently released by the Hong Kong Manpower Resources Management Society, is just 7.4%, which is a record low in 10 years. This rate of pay increases is just slightly higher than the inflation rate, but is far lower than the percentage of real growth for the entire economy. That being the case, if we still seek to expand the importation of labour schemes, the average wage level of Hong Kong workers will definitely be subjected to even heavier pressure to go down. If this really happens, I do doubt whether Hong Kong workers will still be able to get a fair share of our economic achievements. Third, in recent days, the value of Hong Kong's stock market once dropped by more than 25% within one week. It is no exaggeration to say that a stock crash has occurred. Following the stock crash, residential property prices have also gone down by 10% to 15%, thus dealing an immediate blow to the people's desire for consumption. Some major banks in Hong Kong have reacted to the situation by immediately lowering their projected rates of real growth for Hong Kong in 1998, and the downward adjustments ranged from 0.75% to 1%. Plummeting property prices will most definitely see a corresponding and drastic drop in property transactions, and many related industries and trades will be badly hit. Property developers, property agents, lawyers, banks and the decoration trade will all be affected.

Individual consumption constitutes 60% of the worth of our economy, and the plummeting of the stock and property markets will produce grave negative bearings on local consumption. In 1994, when property prices fell, the people's desire for consumption started to dwindle, and weak consumption desire lasted for two entire years, during which retail businesses, the hotel industry, the

tourism industry, the taxi trade, the entertainment industry and the car sales trade were all badly affected. If the present fluctuations and slump of the stock and property markets are here to stay for just six more months, we can rightly say that today is just the start of a long, freezing winter for Hong Kong's economy. So, in order to protect the interests of local workers and to make life easier for them in the coming periods of economic sluggishness, the Government should declare an immediate halt to the importation of labour schemes. The Honourable CHAN Kam-lam has proposed to form a new employment and re-training council by merging the existing Employment Services Division of the Labour Department and the Employees' Retraining Council. Some have pointed out that we should conduct in-depth investigations before we conclude on whether or this is the most effective way of helping job-seekers. The ADPL and I do not have any strong views on this particular issue. But, let me advise the Government that if it really decides to accept Mr CHAN's proposal after its own studies, it should not appoint Mr TAM Yiu-chung as the chairman of the new council. Mr TAM is now holding many important posts. I am afraid that he will be too busy to take up any new commitments.

With these remarks, I support Mr CHAN Kam-lam's original motion.

PRESIDENT (in Cantonese): Dr TSO WONG Man-yin.

DR TSO WONG MAN-YIN (in Cantonese): Madam President, heated arguments have been raised in many trades in Hong Kong on whether there is a need to expand labour importation, and the construction industry argued most strongly about this, because the supply and demand of labour in the construction industry is most closely related to the housing construction programme. Earlier, some bodies carried out surveys on the works that has to be urgently tackled by the Special Administrative Region Government, and the result showed that the public generally think that the paramount task of the Government is to deal with the housing problem. Tackling the housing problem has obviously become a pressing task. We can predict on the basis of the pledge of the Chief Executive regarding housing construction that the manpower demand of the construction industry will substantially increase in the future, on the other hand, besides housing construction, the coupling transport arrangements and infrastructure construction have to be synchronously carried out, therefore, the local labour

market will surely be increasingly tight as what all Members could have imagined.

Even so, should the construction industry expand labour importation? We think that we should not arrive at a conclusion so soon, as the Government has not yet published a report on the review of the Supplementary Labour Scheme, and the Construction Industry Training and Retraining Working Group, established a few months ago, has not yet given advice on the manpower supply in the construction industry. Therefore, if we rashly either oppose or support the expansion of the labour importation scheme, we will be putting a "golden hoop" around the Government's neck, with the disadvantage of "restricting" the Government in respect of the work which has not yet been started. At the end of the day, this may delay the progress of the review.

What we should do now is, besides asking the Government to complete and publish a report on the review of the Supplementary Labour Scheme as soon as possible, to allow us to prepare for making the next step, we should also expeditiously study how the training and retraining of local workers can be strengthened. It is because ensuring full employment of local workers is the prior consideration for all projects and an adequate labour supply is a radical measure for solving the problem of labour shortage.

We are often under the impression that a meticulous division of labour will enhance the professionalism of workers and efficiency of projects, but we have overlooked the linkage between working procedures. Putting it specifically, some workers are only good at nailing and do not know much about other working procedures. Therefore, after the nailing procedure, such workers have to wait for the carrying out of the same working procedure at another site, thus delaying the progress of projects. Besides, such workers will be unemployed during this period while employers have to employ other workers to carry out new working procedures, as a result, it has given rise to tension in the demand and supply of workers. Therefore, not only does the Government have to review the contents of training courses but also adopt "incentive" measures, such as encouraging employers to provide "one specialty and many skills" training to employees taking up further courses, in order that workers could keep on acquiring other skills to cope with different work and improve overall efficiency.

Madam President, as shown by available information, among the trainees

who have completed the training courses of the Vocational Training Council or the Construction Industry Training Board, about 30% to 40% have not joined the construction industry. Besides, as shown by the comprehensive household statistics of the Census and Statistics Department, the unemployment rate of young people aged between 15 and 19 is five times higher than the general unemployment rate. People cannot help asking: why do these construction industry training courses fails to encourage most graduated trainees to join the construction industry or attract the unemployed young people? One reason may be related to the work nature of the construction industry, such as instability, more industrial accidents and little promotion prospect, or even insufficient publicity by the Government. However, it seems that we also need to conduct an in-depth study into whether the contents of the training courses meet the requirements and whether they can satisfy the market needs. Some employers have told me that the graduated trainees of training and retraining courses have failed to fully satisfy the needs of actual work, therefore, many employers are unwilling to employ those graduated trainees. Similarly, if what the trainees learnt fail to help them cope with their actual work, and after they ran into snags and were foiled everywhere, it will not be hard for us to understand why they have chosen not to join the industry. Furthermore, young people would rather be unemployed than taking those courses. I believe this is not uncertainly related to the practicability of the courses and their need of review, however, surely we cannot simply put all the blame on the shortcomings of the training courses, and the Government must review the contents of the courses and strengthen training as such are pressing tasks.

In addition, retraining must be closely linked with job matching to solve the problem of a shortage of human resources in the labour market. Madam President, the Honourable WONG Siu-ye just mentioned that social stability and economic development are equally important to Hong Kong. I agree to this. We look forward to the Government's adoption of stringent, systematic and well-founded methods to carry out a research on the various manpower needs of the construction industry by the end of the year. Therefore, at this stage, I cannot oppose labour importation altogether. Moreover, we cannot be irresponsible and rashly support labour importation in the absence of objective and adequate proofs. Madam President, the Hong Kong Progressive Alliance proposes an amendment as we wish to be pragmatic and objective and we care for the general interests of Hong Kong. Some Members think that our amendment is rather neutral and we would not deny this. The neutrality of our stand has actually served to bring out its objective and scientific aspects,

enabling it to better serve the general interests of Hong Kong. Hence, I urge Members to support the amendment proposed by Mr WONG Siu-ye.

These are my remarks. Thank you, Madam President.

PRESIDENT (in Cantonese): Mrs Selina CHOW.

MRS SELINA CHOW (in Cantonese): Madam President, having listened to those Members who spoke on labour importation just now, I find that their views are actually not very much different from those comments made in the former Legislative Council on the same issue. Those Members who represent trade unions and the grassroots will invariably oppose labour importation, and I have never heard any voices of support from anyone of them — not even voices of qualified support. Well, I would be surprised if I really do hear any voices of support from them. I understand very well that since importation of labour could be equivalent to the breaking of the "rice bowls" of local workers, no one will give their approval. But, is that really the case? Will the "rice bowls" of local workers necessarily be broken if foreign workers are selectively imported to fill the vacancies which their local counterparts have failed to respond to? So far, no one has dared to challenge the argument underlying this question. In the meantime, however, we can already provide concrete proof that if some particular industries are not allowed to import foreign workers, the "rice bowls" of many local workers will be broken because these industries will be forced to relocate their operations away from Hong Kong. I believe that the Honourable Miss CHAN Yuen-han will not go so far as to argue that labour importation will cause local factories to remove their operations out of Hong Kong, because this argument can never be substantiated. What she said just now was simply that the relocation of factory operations out of Hong Kong was just the same as labour importation. But, this argument is equally strange. What we have to consider now is the well-being of our local workers; in other words, we must consider how we are going to make our factories retain their operations in Hong Kong. Labour shortage in Hong Kong has affected competitiveness of our factories in Hong Kong. As a result, the relocation of factory operations elsewhere is the only way out. Frankly speaking, it is not at all a pleasant experience to set up factory operations in other places; to run a business, "calculations" are inevitable, so whether or not importation of labour will really bring about the breaking of the "rice bowls" of local workers is indeed a very

serious issue which warrants our full concentration to consider.

We very much appreciate the concern and anxieties felt by Miss CHAN Yuen-han, for none of us would like to see factories relocating their operations to other places. That said, can we in any way prohibit our factories from doing so? I am convinced that even Miss CHAN Yuen-han would not make such a proposal, because ours, after all, is a free market economy.

We have been hearing quite a lot of opinions from trade unions and representatives of the grassroots. But, merchants and businessmen do in fact have many opinions too, only that they are much too preoccupied with other matters to voice their opinions on this issue in any organized manner. Today, through the very eloquent speech delivered by Mrs Sophie LEUNG, we have come to understand the frustrations felt by the industrial sector in relation to this issue. They feel that if they are denied the assistance from labour importation, it will simply be impossible for them to hold on any longer. The services sector has a lot of grievances, and so does the retail sector because they have been excluded from all importation of labour schemes for the sake of giving employment opportunities to local workers. So, these sectors do not even have the right to apply for labour importation. But, is it really true that the retail sector does not experience any shortage of labour? No, that is not true; it does have a shortage of labour, and many employers in this sector, in particular, small scale operators, have been unable to recruit enough workers to fill their available vacancies. Miss CHAN Yuen-han claims that she has never heard of such a situation, so let us tell her what the situation is like now. If she goes to any small- and medium-sized retail shops, the employers there will certainly tell her about their plight. They will tell her that they have always failed to recruit enough employees. Or, they will tell her that they have persistently failed to recruit employees with some specialized skills. For example, employers in the tourism industry will tell her that they need people who can speak English, but that they have very often failed to obtain suitable candidates in the local labour market.

There is one thing which we must not ignore or refuse to tackle. It is often said that we should reform the mentality of workers. That is to say that if a worker does not like a certain job any more, we should re-train him to enable him to switch to another industry. But one thing is some workers may not want to be trained by others, and another thing is, some workers may not want to switch to other trades. Some people are not reformable. In case we find that workers

in general do not want to be re-trained for a particular trade, but then this trade is in genuine need of workers, what shall we do? Let us look at one example. Many housewives do not want to stay at home as full-time homemakers. So, now they can employ foreign domestic helpers to do household chores for them. This is already a kind of importation of foreign labour. But why has there been no criticism? Because most grassroots women approve of this way of handling things. This example leads us to ask this question: Will importation of labour always cast a very great impact on the community and the labour sector? Not necessarily. If local workers really do not want to take up certain kinds of jobs, and if employers are not permitted to look for workers from other sources, should we then just cancel the industry concerned altogether? Does "selective" means "leaving it to perish on its own"? This is hardly possible. The Government must face up to this problem. The former government, due to political pressure, did not have the courage to face up to the problem of labour shortage, thus plunging our manufacturing industries and services industries into immense hardships. In the past, when we complained to the Secretary for Education and Manpower, Mr Joseph WONG Wing-ping, he has often replied, "Well, this is the political reality." But I feel say that we must be so much concerned with the economic development of Hong Kong, and we should consider the interests of the community at large, instead of only the interests of a handful of people. For the employers and the employees, I share the viewpoints advanced by Mrs Sophie LEUNG: that the issue at stake is not one involving a struggle of life and death between employers and employees, nor should we think that any "benefits" gained by one party will necessarily mean "losses" to be sustained by the other party. We must recognize that we need the joint efforts of both sides to adequately tackle the problem. Should any particular industry be plunged into sluggishness because of labour shortage, I do not think that Hong Kong will be able to afford the consequences. I support the amendment moved by Mrs Sophie LEUNG, and I urge Members to likewise support her amendment.

PRESIDENT (in Cantonese): Mr CHENG Yiu-tong.

MR CHENG YIU-TONG (in Cantonese): Thank you, Madam President. The subject of this motion had been debated many times before in this very Chamber by the former Legislative Council. Why have trade unions reacted so strongly to labour importation? Why are workers so worried about importation of labour? Let me explain why. The answers are actually very simple. Workers fear that they may lose their jobs; they also fear that once they lose their jobs, they will not

be protected by social security assistance, and indeed, they do have very deep worries about their livelihood then.

Let us look at a man who is just in his forties, who still has a long way to go before retirement or, perhaps a man in his forties is still too young — so, let us look at a man in his fifties instead. If that man has to stay at home in idleness as a result of unemployment, and if he has to ask for money from his son every month, would it still be possible for him to maintain his dignity as a father? This example can aptly explain why workers are so very worried about losing their jobs. To them, "no job" means "no food". That is the reason.

On the other hand, why do workers react so strongly to importation of foreign labour? Because importation of foreign will cast a direct impact on the wages of local workers. As we all know, workers' wages in Hong Kong are determined entirely by supply and demand. When labour supply increases, wages will go down; and, when labour supply is tight, wages will go up. Our experience of working in trade unions has enabled us to witness in full how this mechanism works. Some workers have told us that if ever they discover, while lunching out perhaps, that a neighbouring factory is offering just 10 cents more for each dozen of finished products, they would immediately switch to work in that factory. This can fully illustrate how the wage mechanism works. But, we must not forget that when there is an abundant supply of labour, the bargaining power of workers for wages will be reduced. Let me tell you a case which I can never forget. A friend of mine who works as a garment worker (certainly not in the garment factory run by the Honourable James TIEN, I am afraid) was once asked by his employer whether he was prepared to accept a certain rate of wages. My worker-friend was then told that if he refused to accept the rate offered, imported workers would be employed in his stead. Can we imagine how workers will feel about this? This case shows that the worker simply had no bargaining power at all then. Bargaining power for wages should be a reflection on the demand and supply of the labour market. Unfortunately, the massive importation of foreign workers has deprived local workers of their bargaining power, posing them entirely at the mercy of employers.

From this case, we can see that there is a lack of any sound protection system or any wage protection mechanism in Hong Kong. It is small wonder that workers would have reacted so strongly to labour importation and trade unions would have adopted such a negative attitude toward it, for it is indeed only natural for them to do so. Some may well challenge our position by asking why Singapore and other places have managed so well with labour importation.

I have emphasized time and again that it is possible for Singapore to import large numbers of foreign workers because it has a very good collective bargaining mechanism to handle wage negotiations. But, is there any such mechanism in Hong Kong? Are our employers willing to establish a collective bargaining mechanism for the purpose of setting the wages of our workers? If they are willing to do so, I will be prepared to join efforts with all the parties involved to force the Government to establish a collective bargaining system for wage negotiations. So, the main problem now is that there is no collective bargaining mechanism in Hong Kong. But, there is one in Singapore. That is why the workers there have not reacted negatively to labour importation, and that is also why they do not see any problems in it. We trade unionists are of course well aware of the possible economic contributions of labour importation. But, we can also see that if it is applied to Hong Kong, we will certainly suffer before we can gain anything: workers will face immediate unemployment and their wages will be depressed almost rightaway. That is where the subtlety lies, though straightforward as it may seem.

At this very juncture, trade unions will cling to only one position; they will surely side with workers in their protest against labour importation, so as to protect their jobs and livelihood. At present, there is simply no mechanism in Hong Kong which can handle these problems. Some people claim that Hong Kong is now experiencing a labour shortage. This claim is only partially true, and cannot reflect the entire situation. Perhaps, I should put it that way: while we should admit that labour is indeed short, we should also point out that employers find the levels of wages for local workers much too high. It is because of these two reasons that employers have asked for labour importation.

Early this year, my trade union informed me that a construction company wanted to recruit 50 bar fixing workers, and it contacted the Labour Department for referral of job applicants. But the Department replied that no worker had registered with it for this particular post. So, the construction company decided to turn to our trade union for help. Since many unemployed workers, including bar fixing workers, had already registered with our trade union for job referral, we immediately telephoned those bar fixing workers on the list, telling them that a construction company wanted to employ 50 bar fixing workers. In the end, as many as 150 workers wanted to apply, and our trade union had to hire three coaches to take them for their interviews. But, after the interviews, only 15 people were employed, and all of them were dismissed after working for some 10 days. This was what happened at the end. Thank you, Madam President.

PRESIDENT (in Cantonese): Mr James TIEN.

MR JAMES TIEN (in Cantonese): Madam President, let me first of all declare my interests. My company does not employ any imported workers, not even a single one. So, please do not worry, the Honourable CHENG Yiu-tong.

Madam President, we have debated the issue of labour importation for many years already. So far, our greatest disagreement has revolved around this question: Will imported workers necessarily break the rice bowls of local workers? Another question which has led to heated arguments is this: Is it possible that imported workers have actually increased job opportunities for local workers? Let me explain my answers to these questions by analysing the situations in several different industries. First, the manufacturing industry. In the 1980s, as many as 1 million workers were engaged in this particular industry. Now, only four hundred thousand, or at most five hundred thousand, are left. Why? The reason is that in the 1980s, services industries such as the hotel industry and the catering industry started to experience a great boom, and many young manufacturing workers with a greater capacity for new skills were attracted to these industries. As a result, the manufacturing industry was left with workers who were generally older, less educated and not so proficient in English. And, with the passage of time, these remaining workers grew older and older, and became increasingly slow in their work. Then, in the early 1990s, we started to discover that it would be very difficult for manufacturing factories with this kind of workers to continue their operations. So, we decided that there was only one way out, and that was to employ imported workers from China. Of course, factory owners would only select younger workers who were quick in their work. The point is that if employers have not been allowed to employ imported workers, they would have long closed down their operations, or relocated their productions to the Pearl River Delta region. And, in fact, these have been taking place all the time.

Trade unionists of course have to look after the interests of workers, but for factory proprietors, workers are not their only concern. Proprietors must consider many other factors such as business-turnover, production plants and sales outlets. Operating a factory is not as simple as it may seem. In fact, in terms of trading capitals and management costs and so on, a factory with just several dozen workers is not very much different from one with several hundred

workers. What I mean is that whether a factory is big or small, with 300 workers or just 50 workers, it still has to employ one general manager and one plant manager. The same applies in the case of executive officers and accounts officers. So, if we do our calculation in this way, we will see that if we can employ just a handful of imported workers, many of our factories will be able to continue their operations, and some particular categories of workers in Hong Kong may thus be protected for several more years, contrary to the claim that imported workers will break the rice bowls of local workers.

In the case of the garments industry, many people have in fact done harm to workers despite their good intentions. These people always claim that they want to protect the interests of workers, and for that reason, they oppose any labour importation. But, their opposition has led to the closure of many garments factories. Many garments workers who are not young enough to switch to other industries have thus been plunged into unemployment instead. The same situation has also started to occur in the services industries now. Why have some paging services providers laid off a large number of employees recently? Why have some professional services industries relocated their operations to other places? The reason is that operating costs in Hong Kong are indeed much too high. Since continued operation is not longer economically viable, closing down on business is of course a natural alternative.

If Hong Kong continues to uphold its free market economy where foreign capitals can move in and out without any restrictions, we should really ask ourselves this question: If operations in Hong Kong have become difficult, should factory proprietors be allowed to employ imported workers? My point is that if people are not allowed to employ imported workers, they will simply relocate their productions and operations to other places to continue their business. And, please do not use the recent economic crises in Asia as an excuse because even without these crises, Hong Kong will still compare far less favourably with its neighbours. I now say that Hong Kong is "confining itself in its surroundings", but this is not the "confinement" which I described it on the last occasion. What I mean to say is that Hong Kong should no longer think in terms of the "confinement" that people would not be able to buy goods if they do not buy from Hong Kong. If people do not like to buy goods from Hong Kong, they can always go to other South East Asian countries. They can also operate services industries in other places, and they need not stay in Hong Kong to do so.

Faced with situation as such, do the people of Hong Kong want all

businessmen and merchants to wind up their operations in Hong Kong? Or, do they want them to continue their businesses? Or, do they agree that the relocation of operations to other places is still better than complete closure of businesses? No doubt, many factories have shifted their operations to the Pearl River Delta, or even Thailand and Indonesia. But their proprietors are still invariably based in Hong Kong, and they would have to pay taxes to the Hong Kong Government for the profits gained. The taxes they pay can be used to meet government expenditure on, for example, public assistance, old age allowance and many other welfare areas. If these proprietors close down their businesses, the tax revenue of the Government will decrease as a result. In that case, the Government will have even less money to provide the welfare services to which Honourable Members have attached so much importance. So, will this do more harm than good to Hong Kong as a whole?

When the Honourable CHAN Choi-hi talked about the construction industry, he mentioned a certain restaurant in Mong Kok where several hundred unemployed workers waited for jobs. Honourable Members should really look at this problem from a fairer angle. There are eighty thousand construction workers in Hong Kong, or if we accept Miss CHAN Yuen-han's figures, there should be one hundred thirty thousand. Are most of them unemployed? Well, let me put it this way: those who are indeed employed will all be working in constructions sites, and they will never catch any attention from us. The Honourable Member said that he saw as many as 300 workers waiting for jobs in the restaurant. Why are there always 300 workers? Are they always the same 300 people? If so, and if they really cannot find any jobs, should they also share part of the blame? The main point is that besides these 300 people, all the rest of the 80 thousand construction workers are employed, and they do not have to hang around in the restaurant, waiting for jobs. It is proven fact that if only 300 workers are unemployed, the problem is in fact far less serious as has been alleged.

Madam President, the Chief Executive has set down in his Policy address a very lofty objective of constructing 85 000 housing units, and he has also promised that the Government will provide many more services, both to better look after the elderly and to satisfy the many aspirations of the wider community. The Government does have the money to do all this, but if there is not enough manpower to do the work, all will become empty promises at the end of the day. Then, several years later, we may as well find that no promises have been honoured, no public money has been spent on the said purposes, and nothing at

all has been done. Should this happen, society will suffer. We have been debating labour importation for a very long time already. We have repeatedly said that labour importation will be considered only when there are not enough local workers, and I think this very argument merits our support for labour importation.

Initially, the Honourable CHAN Kam-lam was also opposed to labour importation. Since we are already allowed to import 2 000 workers now, I would think that it is not feasible to say that no more than 2 000 workers should be imported. The Honourable WONG Siu-yee's amendment is less extreme, but it simply calls for further studies without drawing any conclusion. For that reason, I have found it hard to support it. Thank you, Madam President.

PRESIDENT (in Cantonese): Mr Andrew WONG.

MR ANDREW WONG (in Cantonese): Madam President, I must now give a clear explanation on the position I would take at the voting later on. Having listened to the remarks delivered by many Honourable Members, I must say that I very much agree to the Honourable CHENG Yiu-tong's analysis, for the biggest and most important issue is that workers are afraid of losing their jobs, are afraid of wage cuts and reduced income. But where does the problem lie? Is it caused by labour importation? Or is it because the very idea of the labour importation scheme is at fault somewhere?

So, insofar as the basic principle is concerned, I am of the view that if there is basically a manpower mismatch in certain categories of work — for in the wake of the industrial and economic restructuring, some factories have consequentially been relocated and there is in fact labour shortage for some work categories — is it possible to solve the problems concerning the workers just by the mere statement of "opposition against expansion on labour importation"? There is perhaps a possibility in maintaining operations with the present 2 000 imported workers, who knows? But the issue of manpower mismatch has remained unresolved. So, I really think that our prime concern should not be the import quota; rather, the process should be how best we are to identify the categories of work which are really facing a shortage of labour, as well as how are we to ascertain this genuine shortage. And, if it is ascertained that there is a genuine difficulty in recruitment, we should allow the trades concerned to import

labour.

Hence, does the question lie in the fact that the vetting criteria on employers under the original schemes are not strict enough, resulting in chances for foul play? This is the first point. Second, I want to talk about minimum wage levels for imported workers. With respect to this, our current practice is that once we have decided to allow a certain trade to import workers, we will adopt the median wage level of this particular trade as the minimum wage level for the workers imported. But then, for this minimum wage level, as we all know, workers from different places would have different expectations concerning what they regard as acceptable wages. Some unscrupulous employers have, therefore, sought to take advantage of those workers with lower wage expectations. An employer may simply ask an imported worker to sign a receipt for having received a wage payment of \$5,000, but what the worker actually receives could be just \$2,000. In this way, the employer can cut down on his operating costs. Such cases have in fact prompted many employers to take such a shortcut under the labour importation scheme. Although it can be argued that these employers are just trying to enhance their competitiveness, their behaviour has obviously affected local workers' employment opportunities and the wages which they deserve.

Thus, on the point of minimum wage levels, since workers from different places will have different wage expectations, we may as well allow employers and imported workers to fix wages through negotiations. For the tax levied on employers employing imported workers, perhaps we could rename it as Imported Workers Duty, and we may even set it at such a level that the amount which an employer has to pay for the import of one worker, tax and wages taken together, will roughly equal to the wages he has to pay to a local worker. However, the existing levy is just \$400, and since employers can always take this chance for foul play as I have described, it is possible for them to reduce their costs very significantly this way. But, in doing so, they will harm the interests of local workers. Why is it not possible to increase the levy to, say, \$4,000? Well, I have not estimated what the appropriate amount should be but \$400 is definitely just too small an amount. That is why I think that the supplementary scheme should be reviewed. The issue of identifying which industries should have the need to import workers should be of secondary importance only. What is more important is that the entire labour importation scheme must be thoroughly reviewed. Subject to the outcome of such a review, any employer deemed to be in need of imported workers must pay a tax whenever he employs an imported

worker; the amount of tax may vary from industry to industry, but, in any case, it must not be lower than the existing level of \$400.

For the reasons I have given, I cannot support this motion because it opposes any expansion on labour the importation schemes. My opinion is that while there may be times when imported workers are not required, we must be prepared to expand the schemes when needs arise. Of course, when there are no such needs, no expansion should be implemented.

On those areas where we share similar opinions, such as training and re-training, the three Honourable Members do not have any differences in opinions. Maybe, the Democratic Alliance for Betterment of Hong Kong have proposed to set up a new employment and re-training board because they want the Honourable TAM Yiu-chung to have more work to do; or, perhaps, they simply want more people to work under Mr TAM. The amendment moved by the Honourable WONG Siu-yee is very similar to what the Chief Executive says in his Policy address. Mr WONG's amendment advocates employment priority for local workers in principle, but also says that importation of labour is required in many areas. In a way, this amendment does not contain any substance at all, and in that sense, it is very much like the Policy address. That said, it still touches a chord in us. Having studied all the amendments moved by Honourable Members, I find the one moved by Mrs Sophie LEUNG most pragmatic, and although it is not as specific as the reforms I have just proposed for labour importation, its direction is still correct. So, I will vote against Mr WONG Siu-yee's amendment, but will vote for Mrs Sophie LEUNG's amendment. If Mrs Sophie LEUNG's amendment is negatived, I will vote against the original motion. Thank you, Madam President.

PRESIDENT (in Cantonese): Mr Allen LEE.

MR ALLEN LEE (in Cantonese): Madam President, just now, I listened very attentively to the remarks of the Honourable CHENG Yiu-tong. Mr CHENG is a well-known trade union leader in Hong Kong, and I regard him as a good friend. That is why I have listened so attentively to his remarks. I hope that he will listen to my opinions too.

No doubt, all workers fear unemployment, and we can all appreciate such a fear on their part. Workers of all industries, whenever they hear the term "importation of labour" will invariably associate it with an unlimited importation. Consequently, they fear that imported workers will take over their place, and they will lose their jobs. But, is the SAR Government advocating a policy of unlimited importation now? I can tell Mr CHENG Yiu-tong that the answer is "no". If the Government is really advocating an unlimited importation, the Liberal Party will certainly voice its strongest opposition.

Second, Mr CHENG is worried about the problem of wages. He said that the workers of a factory would immediately switch to another factory if the latter could offer just 10 cents more per piece of work. I used to be in charge of the largest electronics factory in Hong Kong, and I can tell Mr CHENG it is my conviction that just 10 cents more would not have been attractive enough to induce my workers to "switch their jobs" without any other good reasons, for labour management relation also matters and they would not easily "switch their jobs" as such. Of course, I am not saying that all employers are good, and I do believe that there are indeed some employers who would just think about their own "purse". These employers may simply tell their workers, "That is already the most I can offer. Take it or leave it." That said, let me also tell Mr CHENG that many buyers do adopt precisely the same attitude when they ask for price reductions from factory owners. A buyer whose request for a price reduction is refused will simply place his orders with another factory. Why can buyers do this? Because many other places can offer much lower prices than those offered by Hong Kong. Fortunately, Hong Kong still has one advantage over others: its quality assurance. But, remember, if our prices continue to remain unreasonably high in comparison with those of other countries, it is equivalent to forcing the buyers to place orders with the suppliers of other places. This is actually very simple economic logic.

I am not saying that wages in Hong Kong are too high. But, the fact is that Hong Kong is now gradually losing the competitive edge it used to have. So, what are we going to do? Mr CHENG said that a social security assistance scheme should be set up. The Liberal Party would vigorously support this idea. That is why I must urge Members to give their support when the mandatory provident fund scheme is put before this Council for examination. But, even with the protection offered by the mandatory provident fund scheme, we cannot possibly guarantee that workers will never lose their jobs. No one wants our workers to lose their jobs, but when the need arises, we will have to import

workers. Who in this Council says that he or she has not employed a Filipino domestic helper? Are Filipino domestic helpers not imported workers? Why have we not heard of any opposition from trade unions? The reason is that there is indeed a big demand, an enormous demand, too, for these foreign domestic helpers in Hong Kong. We now have 150 000 Filipino domestic helpers in Hong Kong. Are we going to send them all back to their home? Well, if we really do so, we will have 150 000 job vacancies, but then, are there people in Hong Kong willing to take over the Filipino domestic helpers? My point is that we must take account of the realities, and must not look at things with a one-sided perspective.

Over the past six weeks, I have been deeply worried. Over these six weeks, some people have been trying to launch surprise attacks on attack the exchange rate of the Hong Kong Dollar, leading to drastic fluctuations in our stock market. In the past, many people complained that property prices were much too high, and they urged the Chief Executive to suppress property prices. Today, do we hear any such voices any more? Why? Because property prices have now gone down by 15% to 20%. And, a further drop of 30% or 40% does not seem at all unlikely. If that really happens, what will become of the economy of Hong Kong? This is the main anxiety for the Liberal Party. The objective of the Liberal Party since its inception is to focus on a betterment of the economy of Hong Kong, and this in fact forms the gist of our party affairs. But when the economy is in really bad shape, there will be nothing more to say, let alone unemployment, because society as a whole will be faced with a crisis of its very survival. So, our experience over the past six weeks should have brought home to us that we must work out the ways to revitalize the economy of Hong Kong.

Yesterday, I consulted some experts, asking them to forecast the growth rate of our economy next year. But, so far, even the most experienced economists have failed to make any such forecasts, because our economy is still in such an unsteady state. This is the issue which warrants our utter concern. We too are concerned about the welfare of workers. What Miss CHAN Yuen-han out the former government, the new government and so and so are simply not conforming with the facts! Employers and employees in Hong Kong fully co-operate with one another now. And, even if there are many more trade unionists like Mr CHENG Yiu-tong, we should not be afraid either. Instead, we should co-operate fully with them to improve the economy of Hong Kong, so as to ensure that there will jobs and food for all. To advocate banning of all forms of labour importation across the board is, to me, something which only politicians with ulterior motives will do. I do not think that Mr CHENG

Yiu-tong is a politician, because he is in fact a person who is willing to negotiate and make compromise. We do not need to adopt an attitude of confrontation with respect to labour relations. We should adopt an attitude of co-operation instead.

Finally, I hope Mr CHENG Yiu-tong will listen to my advice.

PRESIDENT (in Cantonese): I will now call upon Mr CHAN Kam-lam to speak on his amendment. Mr CHAN Kam-lam, you have five minutes.

MR CHAN KAM-LAM (in Cantonese): Madam President, I must say that the debate today has been well conducted. Although we do have different opinions about the issue of labour importation, we have managed to state our reasons. The labour issue is indeed a frequent source of arguments in our community. But, I agree with many of my fellow colleagues that we should not politicize the issue of labour importation, not least because it will not do our community any good if we stir up any sharp conflicts between employers and employees.

The position of the Democratic Alliance for Betterment of Hong Kong (DAB) is unambiguous. We maintain that whenever our society is in need of manpower, we should try to consider all possible choices and to mobilize all available manpower resources. Of course, we will never tackle the issue of employment just from our own perspective. We recognize the contributions which imported labour can make to our community. That said, we do not want to see any indiscriminate importation of labour. And, of course, we will not irrationally oppose labour importation. Regrettably, however, some people have tried to distort the DAB's position and read it out of context. Sometimes, they would say that the DAB supports labour importation; at other times, they would say that the DAB has made U-turns to oppose labour importation. Their motive is very obvious. When they say that we support labour importation, they want to alienate the DAB from the common masses of "wage earners". When they say that we oppose labour importation, they aim to dissimilate the DAB from their relationship with the industrial and commercial sector. In brief, these people simply want to tarnish the reputation of the DAB. But, I hope that through the debate today, Honourable Members of this Council will be able to see clearly that the DAB will never make any "blanket" decisions indiscriminately on this particular issue.

The title of Chief Executive Mr TUNG Chee-hwa's first Policy address is

"Building Hong Kong for a New Era". "Building Hong Kong" will require the joint efforts of all sectors in our community. The labour sector will naturally have high hopes and be very happy to see that the Government can implement policies which can benefit both the people and the commercial and industrial sector, because that way, our economy will be revitalized and people in the community will be able to live better. But, if we merely play up the issue of labour importation and neglect the hundreds and thousands of unemployed people, how can we possibly talk about "building Hong Kong"? Do we really want to have a prosperous economy tainted with widespread unemployment?

Madam President, I have to thank Mr WONG Siu-yee and Mrs Sophie LEUNG for their amendments to my motion. Both of them seek, without prior agreement, to look at labour importation from different perspectives, thus enabling us to debate the issue in greater depths and with our respective positions highlighted. Although we look at this issue differently, we still share views in common. We all agree that more training should be provided to local workers to upgrade their employability. We also agree that the Government must improve its employment and training services and increase the responsiveness of employees' re-training courses to market needs, so that our community can be self-supplying the kind of workers it needs. Due to a difference in stance which we maintained, we opine that if we do not expand the importation of labour schemes, we will be compelled by foreseeable market needs to make prior manpower arrangements. That way, we can handle the issue in a much better manner. On the contrary, if we rely entirely on labour importation, how can we be expected to draw up a reasonable labour policy? For this reason, the DAB will not support the two amendments.

The DAB hopes that the Government can promptly draw up a policy on priority employment for local workers, so that all our people can make concerted efforts to promote the prosperity of Hong Kong by making active contributions to all fields of our economy.

Madam President, these are my remarks.

PRESIDENT (in Cantonese): Secretary for Education and Manpower.

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, the motion moved by the Honourable CHAN Kam-lam as well as the amendments moved by the Honourable Mrs Sophie LEUNG and the

Honourable WONG Siu-yee to the original motion are all related to the importation of foreign labour, vocational training and retraining as well as employment services.

These are all main parts of the Government's overall manpower policy. They are inter-related as well as mutually affected. Therefore, I would like to express my view in respect of the original motion and the two amendments, and respond to the main points raised by Members earlier altogether.

Manpower policy

The target of the manpower policy of the Hong Kong Special Administrative Region (SAR) Government is to ensure that Hong Kong has a well-trained, positive and enterprising working population to meet the ever-changing manpower needs of Hong Kong, and to maintain our competitiveness in the international market.

To achieve these policy objectives, we provide the public with vocational training and re-training, employment services and, when there is an actual need, import labour from abroad. These three aspects of work are precisely the theme of the motion debate today.

Vocational training and retraining

First of all, let me start with vocational training and retraining. The Government has all along endeavoured to provide local workers with appropriate vocational training and retraining that meet the needs of the market. As what I pointed out during the resumption of debate on the motion of thanks in relation to the 1997 Policy address on 29 October, the Government has reviewed the work of the Vocational Training Council (VTC) and the Employee Retraining Board (ERB) early this year. The two organizations have now adopted a series of improvement measures to implement step by step the proposals made subsequent to the review.

In the motion moved by Mr CHAN Kam-lam and the amendments moved by Mrs Sophie LEUNG and Mr WONG Siu-yee, it was unanimously hoped that, apart from providing local workers with more opportunities for vocational training and retraining, the Government should strengthen co-ordination and linkage between the Employment Services Division of the Labour Department and the ERB in order to ensure that the training programmes provided link

directly with employment. Mr CHAN even suggested further that an "Employment and Re-training Board" should be set up to co-ordinate the work relating to job-matching and training from a holistic approach.

Linkage between training and employment

I have to point out clearly that to ensure "a direct linkage between training and employment" has all along been one of the Government's policy objectives. In fact, after conducting a comprehensive review, the Employees Retraining Scheme (ERS) will premise on the linkage between training and employment. We have re-determined the objective of the ERB and that is the ERS should not only focus on the number of people who can receive training, but also ensure that the programmes provided can help its trainees find jobs and, more importantly, make sure that they are able to keep their jobs in their trades or professions in the long run. Just now, the Honourable TAM Yiu-chung has explained in detail that the ERB, in order to accomplish this new mission, is now taking positive action to carry out various items of work. We will closely monitor the future work of the ERB to ensure that it is able to develop more of its potentials.

Proposal to set up an "Employment and Re-training Board"

Regarding the proposal of merging the Employment Services Division of the Labour Department and the ERB into the "Employment and Re-training Board", we reckon that there is no need to do so. There are three main reasons:

Firstly, both the Labour Department (including the Employment Services Division) and the ERB are executive organs working under the policy scope of the Education and Manpower Bureau. Under the Employees Retraining Ordinance, the Commissioner for Labour, the Deputy Secretary for Education and Manpower and his delegate who handles employment services are members of the ERB. In fact, apart from attending the general meetings of the ERB, representatives from the Education and Manpower Bureau and the Labour Department also sit on the major committees under the ERB. These committees are specially tasked with the responsibilities of course development, course vetting, course monitoring as well as personnel and administrative affairs. Through directly participating in the decision-making of the ERB, we ensure that all programmes provided by the ERB are able to meet employment needs.

Secondly, the Employment Services Division of the Labour Department

has established close liaison with the ERB in various aspects. Apart from providing job-seekers (including newly-arrived immigrants) with comprehensive employment counselling services free of charge, the Local Employment Service of the Labour Department will also, depending on the needs of the job-seekers, refer them to the ERB to attend appropriate training courses. In addition, training institutions under the ERB will, based on the academic qualification and experience of the trainees who have completed their courses, refer them to the Local Employment Service to help them in job seeking.

From January to September this year, the Labour Department has referred a total of 2 463 applications for training to the ERB. During the same period, the ERB has referred 593 trainees to the Labour Department and 523 of the trainees have been able to secure a job with the assistance of the Department.

Furthermore, the Labour Department will regularly provide the ERB with information on job vacancies so as to enable the ERB, based on the job vacancy situation, organize appropriate retraining courses, including courses tailored made for individual employers.

The Labour Department and the ERB frequently organize joint publicity activities relating to employment and training. Examples are careers plazas and employment exhibitions and one of the best examples is the two careers plazas held in October this year. Thirty two employers and five training institutions have taken part in the activity, which has attracted some 4 400 people.

Thirdly, the terms of reference and the target audience of the Employment Services Division of the Labour Department and the ERB are not completely identical. Basically, the ERB is a statutory organization which is specially tasked with the responsibility of providing local workers with retraining service. Its main target audience are unemployed workers who are aged 30 or above and whose education level is at junior secondary education level or below. The ERB has also provided people serving in jobs with half-day or evening courses so as to strengthen their basic techniques. On the other hand, the Employment Services Division of the Labour Department helps all job-seekers, including those who are unemployed and those who wish to change jobs, regardless of their age, educational level, technical level and employment situation, in seeking employment. Its scope of services is very extensive indeed. We can thus see that the employment services provided by the Labour Department are not entirely related to retraining.

I have pointed out earlier that the ERB is now concentrating on formulating a series of measures to implement various improvement proposals put forward subsequent to the completion of the ERS. To examine the feasibility of merging the ERB with the Employment Services Division of the Labour Department at the present stage will seriously affect the progress of the ERB in formulating new measures and it will do no good to both the job-seekers and the trainees of the ERB.

Although we do not support the merging proposal, we will continue to closely monitor liaison between the ERB and the Employment Services Division of the Labour Department at various levels. We will also, based on the actual needs, strengthen co-operation between the two sides and continue to co-ordinate the services provided in these two aspects policy-wise.

Policy of importing foreign labour

Now I will turn to the most controversial policy of importing foreign labour. This issue has caused me much periodical distress. (*Laughter*) There is truth in the speech delivered by each Member but the truth is not absolute. It should be modified in light of the actual situation and this is precisely the crux of the issue. Eventually, the Government is obliged to make a decision that is in line with the overall interests of the community.

In fact, I have reiterated repeatedly in various occasions that the Government's policy of importing foreign labour is formulated on the basis of two major principles:

- (1) local workers must be given priority in employment when vacancies occur;
- (2) employers are allowed to import foreign workers to fill these vacancies only when it is ascertained that they are unable to recruit local workers.

Members should be aware that these two principles has made a smooth transition from the "former government", a term mentioned by many of the Members, to the "new era" as at present.

In order to maintain the competitiveness of Hong Kong as an open and flexible economic entity, we need to maintain a prudent and pragmatic policy on

importing foreign labour. To safeguard the overall employment rights of local workers, we need to, in light of the needs of the market, provide local workers with the most appropriate vocational training and retraining, and try our best to help all trained workers seek jobs. However, if we still fail to meet the demands for workers even though we have made the greatest efforts in training and employment counselling, we will have to face the reality and, in light of the actual needs, consider importing foreign labour to meet urgent needs.

The Education and Manpower Bureau has set up two working groups, which are made up of employers, employees, training institutions and government representatives, to study the manpower demands, employment and retraining of the construction industry, textile industry and clothing industry from a holistic approach. Furthermore, the Bureau is now assessing carefully the manpower demands of the various job categories of the construction industry for the coming five years. By the end of this year, we will, according to the principle of according priority in employment to local workers and based on the overall interests of society and the economy, decide on the issue of importing foreign labour with a prudent and pragmatic attitude. For the construction industry, before making decisions, we will, in accordance with the future mammoth infrastructure and housing projects, assess the future supply and demand of manpower and provide relevant information and figures. Moreover, we will make proposals as to how to enhance the employment opportunities of local workers and further put the policy of according local worker with priority in employment into practice. I must stress that we will definitely not ignore the employment interests of local workers by importing foreign labour without any constraint.

Many Members, in delivering their speeches, called upon sincere co-operation of labour and management as well as a handling of the issue of importing foreign labour from the perspective of the overall interests of society. Actually, my experiences tell me that it is possible for labour and management to co-operate or have mutual understanding. It is also possible for an agreement to be reached between them to allow restricted importation of foreign labour provided that employment of local workers will not be affected. The existing Supplementary Labour Scheme is a result of a number of strenuous negotiations between the Government (including myself) as well as the labour and management sides on the basis of the two major principles of the Government's policy of importing foreign labour. Under the Supplementary Labour Scheme, all applications will be processed and approved on their individual merits. To

safeguard the rights of local workers to enjoy priority in employment, we require that employers applying for importing foreign labour must, first of all, recruit workers locally. The Labour Advisory Board, consisting of representatives from the labour side as well as the management side, will also examine the applications and monitor the operation of the Scheme. In his amendment, Mr WONG Siu-yeo urged the Government, under the principle of ensuring that local workers are given priority in employment, to complete its review for amending the Supplementary Labour Scheme as soon as possible. We will complete the review by the end of this year and the review may also include the wage problem of the importation of foreign labour.

The issue relating to the importation of foreign labour for privately run homes for the elderly, as mentioned by Mr CHAN Kam-lam earlier, involves the determination of the median wage level. We have examined the issue with the relevant departments to see if there is a need to amend the method of calculating the median wage level.

Conclusion

Madam President, to conclude on the major points I raised earlier, the Government will, on the premise of "a linkage between training and employment", endeavour to, through vocational training and retraining as well as the provision of comprehensive employment services, strengthen liaison and co-ordination in these two aspects. The Government will also continue to adhere to the principle of according local workers with priority in employment, and implement a reasonable, pragmatic and restricted policy of importing labour.

Thank you, Madam President.

PRESIDENT (in Cantonese): I will now call upon Mr WONG Siu-yeo to move his amendment to the original motion. Mr WONG Siu-yeo.

MR WONG SIU-YEE (in Cantonese): Madam President, I move that Mr CHAN Kam-lam's motion be amended as set out under my name in the Agenda.

Mr WONG Siu-yeo moved the following amendment:

"To delete "," after "That" and add "this Council urges the Government,"; to delete "to ensure" and substitute with "under the principle of ensuring"; to delete "this Council opposes the expansion of the labour importation schemes," and substitute with "to complete its review for amending the Supplementary Labour Scheme as soon as possible and"; to delete "and urges the Government"; to insert ";" after "local workers"; to delete ", at the same time, by merging" and substitute with "requests that"; to delete "and" from "the Labour Department and" and substitute with "strengthen their liaison with"; to delete "set up an 'Employment and Training Board' to provide overall co-ordination of" and substitute with "and make a joint effort to co-ordinate"; and to delete "training" from "job-matching and training" and substitute with "re-training".

PRESIDENT (in Cantonese): I now put the question to you and that is : That the amendment moved by Mr WONG Siu-yee be made to Mr CHAN Kam-lam's motion.

I now put the question to you as stated. Will those in favour please say "aye".

(Members responded)

PRESIDENT (in Cantonese): Those against please say "no".

(Members responded)

Mr WONG Siu-yee rose to claim a division.

PRESIDENT (in Cantonese): Mr WONG Siu-yee has claimed a division. The division bell will be rung for three minutes.

PRESIDENT (in Cantonese): Members please cast their votes now.

PRESIDENT (in Cantonese): If there are no queries, the results will now be displayed.

Mr WONG Siu-yee, Mr LEE Kai-ming, Mr Henry WU, Dr TSO WONG Man-yin, Mr Ambrose LAU, Mr CHOY Kan-pui and Dr TANG Siu-tong voted in favour of the amendment.

Mr James TIEN, Mr HO Sai-chu, Mr Edward HO, Mr Eric LI, Mr Allen LEE, Mrs Selina CHOW, Mr CHEUNG Hon-chung, Dr LEONG Che-hung, Mrs Sophie LEUNG, Mr MOK Ying-fan, Mr CHAN Wing-chan, Mr CHAN Kam-lam, Mr TSANG Yok-sing, Mr CHENG Kai-nam, Mr Frederick FUNG, Mr Andrew WONG, Mr Howard YOUNG, Mr YEUNG Yiu-chung, Mr IP Kwok-him, Mr Bruce LIU, Mr LAU Kong-wah, Mrs Miriam LAU, Mr CHENG Yiu-tong, Mr NGAN Kam-chuen and Dr LAW Cheung-kwok voted against the amendment.

Mr NG Leung-sing, Mrs Elsie TU, Mr YUEN Mo and Mr MA Fung-kwok voted against the amendment.

THE PRESIDENT announced that there were seven Members in favour of the amendment, 25 against and four abstaining. She therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): This Council has finished dealing with Mr WONG Siu-yee's amendment. Mrs Sophie LEUNG may now move her amendment. Mrs Sophie LEUNG.

MRS SOPHIE LEUNG (in Cantonese): Madam President, I move that Mr CHAN Kam-lam's motion be amended as set out under my name in the Agenda.

Mrs Sophie LEUNG moved the following amendment:

"To add "in order to meet the needs of the territory's economic

development, this Council urges the Government to adopt effective measures" before "to ensure"; to add "an adequate supply of labour in the territory; on the premise" before "that local workers"; to delete "this Council opposes the expansion of the labour importation schemes, and urges"; to delete "to" from "the Government to" and substitute with "should"; to add "," after "for local workers"; to delete "and, at the same time, by merging the employment-related offices of the Labour Department and the Employees Retraining Board, set up an 'Employment and Training Board' to"; and to add "and, whenever the need arises, appropriately import labour for trades or job categories which experience labour shortage" after "job-matching and training".

PRESIDENT (in Cantonese): I now put the question to you and that is: That Mrs Sophie LEUNG's amendment be made to Mr CHAN Kam-lam's amendment.

I now put the question to you as stated. Will those in favour please say "aye"?

(Members responded)

PRESIDENT (in Cantonese): Those against please say "no".

(Members responded)

Mrs Sophie Leung rose to claim a division.

PRESIDENT (in Cantonese): Mrs Sophie LEUNG has claimed a division. The division bell will be rung for three minutes.

PRESIDENT (in Cantonese): We shall now proceed to voting.

PRESIDENT (in Cantonese): If there are no queries, the results will now be displayed.

Mr James TIEN, Mr HO Sai-chu, Mr Edward HO, Mr Eric LI, Mr Allen LEE, Mrs Selina CHOW, Dr LEONG Che-hung, Mrs Sophie LEUNG, Mr Andrew WONG, Mr Howard YOUNG and Mrs Miriam LAU voted in favour of the amendment.

Mr WONG Siu-yee, Mr LI Kai-ming, Mr Henry WU, Mr CHEUNG Hon-chung, Dr TSO WONG Man-yin, Mr MOK Ying-fan, Mr CHAN Wing-chan, Mr CHAN Kam-lam, Mr TSANG Yok-sing, Mr CHENG Kai-nam, Mr Frederick FUNG, Mr YEUNG Yiu-chung, Mr IP Kwok-him, Mr Bruce LIU, Mr LAU Kong-wah, Mr Ambrose LAU, Mr CHOY Kan-pui, Mr CHENG Yiu-tong, Mr NGAN Kam-chuen and Dr LAW Cheung-kwok voted against the amendment.

Mr NG Leung-sing, Mrs Elsie TU, Mr YUEN Mo and Mr MA Fung-kwok abstained.

THE PRESIDENT announced that there were 11 Members in favour of the amendment, 21 against and four abstaining. She therefore declared that the amendment was negated.

PRESIDENT (in Cantonese): Mr CHAN Kam-lam, you may now speak in reply. You have one minute and 12 seconds out of our original entitlement of 15 minutes.

MR CHAN KAM-LAM (in Cantonese): Madam President, if we casually decide on an expansion on labour importation schemes today, we will certainly have dealt a severe blow to the morale of workers. As we all know, Hong Kong is not a welfare society, and workers are not protected in any way by any adequate retirement schemes. For their whole life, workers have to live on what they earn during a brief period of 20 to 30 years in which they can contribute to the economic development of the community with their working ability. If we fail to look after their employment rights, the community will eventually have to pay even higher prices to take care of them when they are unemployed. By then, social conflicts will have been intensified, and this is certainly not what we want to see.

Today, since we still have the time to carry out manpower co-ordination, we should do our best. Unfortunately, the Government has all along failed to do enough in terms of positive manpower planning. As a result, the present situation has become one in which the commercial sector is unable to get an adequate supply of the manpower it requires, while workers cannot find jobs suitable for them, creating the problem of manpower mismatch. Although the motion and its two amendments may not ultimately be passed today, they may still serve the purpose of arousing attention to this labour issue. Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That Mr CHAN Kam-lam's motion as set out in the Agenda be approved. Will those in favour please say "aye".

(Members responded)

PRESIDENT (in Cantonese): Those against please say "no".

(Members responded)

Mr CHAN Kam-lam rose to claim a division.

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

PRESIDENT (in Cantonese): We shall now proceed to voting.

PRESIDENT (in Cantonese): If there are no queries, the results will now be displayed.

Mr LI Kai-ming, Mr CHEUNG Hon-chung, Mr MOK Ying-fan, Mr CHAN Wing-chan, Mr CHAN Kam-lam, Mr TSANG Yok-sing, Mr CHENG Kai-nam, Mr Frederick FUNG, Mr YEUNG Yiu-chung, Mr IP Kwok-him, Mr Bruce LIU,

Mr LAU Kong-wah, Mr CHENG Yiu-tong, Mr NGAN Kam-chuen and Dr LAW Cheung-kwok voted in favour of the motion.

Mr WONG Siu-yee, Mr James TIEN, Mr HO Sai-chu, Mr Edward HO, Mr Eric LI, Mr Allen LEE, Mrs Selina CHOW, Mr Henry WU, Dr TSO WONG Man-yin, Dr LEONG Che-hung, Mrs Sophie LEUNG, Mr Andrew WONG, Mr Howard YOUNG, Mrs Miriam LAU, Mr Ambrose LAU, Mr CHOY Kan-pui and Dr TANG Siu-tong voted against the motion.

Mr NG Leung-sing, Mrs Elsie TU, Mr YUEN Mo and Mr MA Fung-kwok abstained.

THE PRESIDENT announced that there were 15 Members in favour of the motion, 17 against and four abstaining. She therefore declared that the motion was negatived.

NEXT MEETING

PRESIDENT (in Cantonese): In accordance with the Rules of Procedure, I now adjourn the Council until 2.30 pm on Wednesday, 12 November 1997.

Adjourned accordingly at two minutes past Eight o'clock.

Annex I

WRITTEN ANSWER

Written answer by the Secretary for Planning, Environment and Lands to Mr Allen LEE's supplementary question to Question 2

In relation to the applications for the construction of small houses, the Honourable Allen LEE has passed us the details of specific outstanding cases for our follow up. Upon receipt of the details, we checked the position on each case with the Lands Department and replied to Mr LEE on 15 December 1997 and 12 February 1998.

WRITTEN ANSWER**Written answer by the Secretary for Planning, Environment and Lands to Mr LAU Wong-fat's supplementary question to Question 2**

In 1998-99, the Lands Department will have a staff increase of about 80 for new activities and improved services, for example, the West Rail Project, land disposal for West Kowloon, redevelopment of Kai Tak Airport site and so on. However, in view of the limited amount of newly approved resources, we have not been able to increase manpower for processing small house applications.

We understand your concern over the time required in processing small house applications. As we have explained to the Council, the Lands Department has deployed existing staff to process outstanding small house applications of specific districts and has in February 1998 implemented a trial scheme in Yuen Long. Under the trial scheme, the applicant will have an option for the survey and legal services in his small house applications to be provided by a Government appointed contractor (comprising registered land surveyor and practising solicitors). Should this trial scheme prove to be successful, the Government will consider extending this service to other districts.

Annex III

WRITTEN ANSWER

Written answer by the Secretary for Planning, Environment and Lands to Mrs Peggy LAM's supplementary question to Question 4

The Building Department is in the process of recovering from concerned owners the outstanding 15% of the removal cost in respect of those advertisement signboards the owners of which have been traced. Where necessary, legal action against the owners will be pursued.