

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 1 July 1987****The Council met at half-past Two o'clock****PRESENT**HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)

SIR DAVID CLIVE WILSON, K.C.M.G.

THE HONOURABLE THE CHIEF SECRETARY

MR. DAVID ROBERT FORD, L.V.O., O.B.E., J.P.

THE HONOURABLE THE FINANCIAL SECRETARY (*Acting*)

MR. DAVID ALAN CHALLONER NENDICK, J.P.

THE HONOURABLE THE ATTORNEY GENERAL

MR. MICHAEL DAVID THOMAS, C.M.G., Q.C.

THE HONOURABLE LYDIA DUNN, C.B.E., J.P.

THE HONOURABLE PETER C. WONG, C.B.E., J.P.

DR. THE HONOURABLE HO KAM-FAI, O.B.E., J.P.

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

THE HONOURABLE HU FA-KUANG, O.B.E., J.P.

THE HONOURABLE WONG PO-YAN, C.B.E., J.P.

THE HONOURABLE DONALD LIAO POON-HUAI, C.B.E., J.P.

SECRETARY FOR DISTRICT ADMINISTRATION

THE HONOURABLE CHAN KAM-CHUEN, O.B.E., J.P.

THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, O.B.E., J.P.

THE HONOURABLE CHEUNG YAN-LUNG, O.B.E., J.P.

THE HONOURABLE MARIA TAM WAI-CHU, O.B.E., J.P.

THE HONOURABLE CHAN YING-LUN, J.P.

THE HONOURABLE MRS. RITA FAN HSU LAI-TAI, J.P.

THE HONOURABLE MRS. PAULINE NG CHOW MAY-LIN, J.P.

THE HONOURABLE PETER POON WING-CHEUNG, M.B.E., J.P.

THE HONOURABLE YEUNG PO-KWAN, C.P.M., J.P.

THE HONOURABLE KIM CHAM YAU-SUM, J.P.

THE HONOURABLE JOHN WALTER CHAMBERS, O.B.E., J.P.

SECRETARY FOR HEALTH AND WELFARE

THE HONOURABLE JACKIE CHAN CHAI-KEUNG

THE HONOURABLE CHENG HON-KWAN

THE HONOURABLE HILTON CHEONG-LEEN, C.B.E., J.P.

DR. THE HONOURABLE CHIU HIN-KWONG

THE HONOURABLE CHUNG PUI-LAM

THE HONOURABLE THOMAS CLYDESDALE

THE HONOURABLE HO SAI-CHU, M.B.E., J.P.
THE HONOURABLE HUI YIN-FAT
THE HONOURABLE RICHARD LAI SUNG-LUNG
DR. THE HONOURABLE CONRAD LAM KUI-SHING
THE HONOURABLE MARTIN LEE CHU-MING, Q.C., J.P.
THE HONOURABLE DESMOND LEE YU-TAI
THE HONOURABLE DAVID LI KWOK-PO, J.P.
THE HONOURABLE LIU LIT-FOR, J.P.
THE HONOURABLE NGAI SHIU-KIT, O.B.E., J.P.
THE HONOURABLE PANG CHUN-HOI, M.B.E.
THE HONOURABLE POON CHI-FAI
PROF. THE HONOURABLE POON CHUNG-KWONG
THE HONOURABLE HELMUT SOHMEN
THE HONOURABLE SZETO WAH
THE HONOURABLE TAI CHIN-WAH
THE HONOURABLE MRS. ROSANNA TAM WONG YICK-MING
THE HONOURABLE TAM YIU-CHUNG
DR. THE HONOURABLE DANIEL TSE, O.B.E., J.P.
THE HONOURABLE ANDREW WONG WANG-FAT
THE HONOURABLE LAU WONG-FAT, M.B.E., J.P.
THE HONOURABLE GRAHAM BARNES, J.P.
SECRETARY FOR LANDS AND WORKS
THE HONOURABLE DAVID GREGORY JEAFFRESON, C.B.E., J.P.
SECRETARY FOR SECURITY
THE HONOURABLE MICHAEL LEUNG MAN-KIN, J.P.
SECRETARY FOR TRANSPORT
THE HONOURABLE MICHELANGELO PAGLIARI, J.P.
SECRETARY FOR EDUCATION AND MANPOWER (*Acting*)

ABSENT

THE HONOURABLE CHEN SHOU-LUM, C.B.E., J.P.
THE HONOURABLE JOHN JOSEPH SWAINE, C.B.E., Q.C., J.P.
THE HONOURABLE MRS. SELINA CHOW LIANG SHUK-YEE, O.B.E., J.P.
DR. THE HONOURABLE HENRIETTA IP MAN-HING, O.B.E., J.P.
THE HONOURABLE NATHANIEL WILLIAM HAMISH MACLEOD, J.P.
SECRETARY FOR TRADE AND INDUSTRY

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR. LAW KAM-SANG

Papers

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

<i>Subject</i>	<i>L.N. No.</i>
Subsidiary Legislation:	
Registration of Persons Ordinance Registration of Persons (Amendment) Regulations 1987	178/87
Public Bus Services Ordinance Amendment of Franchise (Kowloon Motor Bus Company) Order 1987	179/87
Public Bus Services Ordinance Schedule of Routes (China Motor Bus Company) Order 1987	180/87
Public Bus Services Ordinance Schedule of Routes (Kowloon Motor Bus Company) Order 1987	181/87
Public Bus Services Ordinance Schedule of Routes (New Lantao Bus Company) Order 1987	182/87
Telecommunication (Hong Kong Telephone Company) (Exemption from Licensing) Order Telecommunication (Hong Kong Telephone Company) (Exemption from Licensing) (Fees) (Amendment) (No.2) Order 1987	183/87
Auxiliary Forces Pay and Allowances Ordinance Pay Classification (Royal Hong Kong Regiment) Assignment Notice 1987.....	184/87
Auxiliary Forces Pay and Allowances Ordinance Pay Classification (Royal Hong Kong Auxiliary Air Force) Assignment Notice 1987.....	185/87
Ocean Park Corporation Ordinance 1987 Ocean Park Corporation Ordinance 1987 (Commencement) Notice 1987.....	186/87
Pension Benefits Ordinance 1987 Pension Benefits Regulations 1987	187/87

Oral answers to questions**Measures to deter bomb explosions**

1. DR. LAM asked (in Cantonese): *In view of the recent bomb explosion in a police station, will Government inform this Council whether measures will be taken to deter such acts, and if so, whether sufficient manpower and resources are available for such measures?*

SECRETARY FOR SECURITY: Sir, the explosion in question did not in fact occur in a police station as such but in the public lift lobby of an office block used by the police and other departments in the Yau Ma Tei Multi-Storey Car-park. This lift lobby was the one on the mezzanine floor where are the offices of the Regional Crime Unit, Kowloon. The premises were unoccupied at the time.

There is no reason to believe that this explosion was anything other than an isolated incident. The police have tightened security in some of their premises but consider stringent security measures in all to be unnecessary. Such measures would inconvenience the many members of the public who require access to the premises every day. The Commissioner of Police is satisfied that he has adequate manpower and resources for the additional security measures which he has felt it necessary to introduce.

Sir, a good deterrent is to arrest, to convict and to punish those responsible. Investigations into this particular incident are continuing.

DR. LAM (in Cantonese): *Sir, could the Secretary for Security inform this Council how many bomb explosions were there in the past six months and has there been an increase; if so, what is the reason?*

SECRETARY FOR SECURITY: In fact, Sir, in the first three months of this year, we had only one explosion; then in the month of June, there was a second. Basically, the level of this sort of crime in Hong Kong is very low; there were eight such cases in 1983, dropped to two in 1984, eight in 1985, and nine in 1986. There is no common factor among these cases and most of them had a pretty small quantity of explosives and they are not causing any great threat at the moment.

MR. LAI: *Sir, will the Secretary inform this Council what type of bomb exploded during the incident?*

SECRETARY FOR SECURITY: The bomb in the Yau Ma Tei Multi-Storey Car-Park was an extremely crude bomb with a fairly sophisticated device for igniting it. Whether it was an amateur who happened to know about detonation or an expert in detonation or what we just do not know. The investigation has still not produced any very satisfactory results.

MR. MARTIN LEE: *Sir, will the Secretary please inform this Council whether there has been any increase in bomb hoaxes and if so, what steps are being taken to deal with that?*

SECRETARY FOR SECURITY: Yes, Sir, the number of hoax calls to which the Explosive Ordinance Disposal Unit of the police force was called increased from 12 in 1982, 17 in 1983, and again in 1984, and 21 in 1985. In 1986, the Explosive Ordinance Disposal Unit had to respond to five.

Proposed new Shenzhen airport

2. MR. NGAI asked: *In view of the fact that the proposed site of the new Shenzhen airport is very close to densely populated or developing parts of the New Territories, will the Government inform this Council (a) whether it will reflect to the Chinese authorities through the appropriate channels the concern among people in Hong Kong that the proposed site of the airport might bring to these areas environmental pollution, including noise nuisance, ecological imbalance and other problems; and (b) whether it will take appropriate action to ensure that Hong Kong territory and Hong Kong residents are fully protected against such pollution and other problems caused by the proposed new airport?*

FINANCIAL SECRETARY: Sir, the Government is seeking information on the proposed new Shenzhen airport through appropriate channels. Only then will it be possible to assess the implications for Hong Kong and to consider what measures are necessary to protect Hong Kong's interests.

MR. NGAI: *Sir, may I ask the Financial Secretary what he means by the seeking of information? Does it mean that the Government has already got in touch with the appropriate Chinese authorities, but if not, when does it propose to do so?*

FINANCIAL SECRETARY: Sir, steps are being taken to obtain information on the proposed airport. Members may wish to know that the Special Adviser to the Governor will be leading a delegation to the Delta Region at the end of July. The delegation will discuss with Chinese officials matters concerning infrastructure developments which are of mutual concern including the proposed airport.

MR. SOHMEN: *Sir, in the approaches to the Chinese authorities will the Government also try to find out whether the airport in Shenzhen is going to be used for international services in competition with Hong Kong facilities?*

FINANCIAL SECRETARY: Sir, all I can say at this stage is we will seek to find out more information about what the plans are for that airport.

MR. DESMOND LEE: *Sir, can the Financial Secretary be more specific in explaining the meaning of specific channels referred to in his answer?*

FINANCIAL SECRETARY: Sir, I think I have already indicated that the channel which we will most immediately be using is in fact the visit by the party which is led by the Special Adviser to the Governor.

Radioactivity levels of pulverised fuel ash lagoons at Tsang Tsui

3. PROF. POON asked: *With regard to the environmental impact assessment conducted in connection with the pulverised fuel ash lagoons at Tsang Tsui, will Government inform this Council whether the aspect of radiological impact on the health of local residents and workers carrying out work on the site had been examined and, if not, why not?*

SECRETARY FOR HEALTH AND WELFARE: Sir, in 1984, the Government asked the China Light and Power Company to undertake a comprehensive environmental impact assessment of the proposed pulverised fuel ash lagoons at Tsang Tsui. This study was based on terms of reference prepared by the then Environmental Protection Agency. In the course of preparing these terms of reference, the possibility of radiological impact on local villagers and site workers was considered. After careful study of current scientific literature, the agency concluded that there would not be a health risk from radiological sources and this aspect was therefore not included in the study.

However, pumping of PFA into the lagoons began on 12 June and the power company are monitoring radioactivity levels at the site and the levels recorded so far give no cause for concern.

PROF. POON: *Sir, with reference to paragraph 2 of the answer, will the Secretary inform this Council of the effects on the background radioactivity levels arising from PFA lagoons, with particular reference to radon gas and its daughters?*

SECRETARY FOR HEALTH AND WELFARE: Sir, it is too early as yet to give detailed information of the kind requested by Prof. POON, but I will ensure that when this information is available, it will be passed to him.

Written answers to questions

Legislation to control the size of the buckets of tipper trucks

4. MR. TAM asked: *Will Government inform this Council whether there is any evidence at present showing that the buckets of many dump trucks have been*

enlarged and as a result, overloading of dump trucks becomes increasingly serious? If so, whether Government has any plan to introduce legislation to control the size of the buckets?

SECRETARY FOR TRANSPORT: Sir, the Road Traffic (Construction and Maintenance of Vehicles) Regulations only specify the maximum permitted dimensions of vehicles and the maximum permitted weight which may be carried by the vehicles. As there is no specific regulation governing the extension of the buckets of tipper trucks, and goods vehicles less than 10 years old are not yet subject to annual inspection, it is not possible to verify the extent of the practice of enlarging the buckets of tipper trucks and its effects on overloading.

The size of the bucket is not the single most important factor which determines the weight of the tipper trucks. The type and density of the materials carried by the vehicles can significantly affect the weight of the load. As such, the Government has no plans to introduce legislation to control the size of the buckets of tipper trucks.

The most effective way to tackle overloading by tipper trucks, and goods vehicles in general, is by enforcement. Police enforcement measures are regularly taken against overloading by goods vehicles. Last year, 15 439 prosecutions were instituted for such offences. To further strengthen the effectiveness of the enforcement efforts, consideration is being given to install roadside weighbridges at key points of the road network.

Renewal of driving licence

5. MR. CHAN YING-LUN asked: *Will Government inform this Council:*

- (a) of the number of people who were convicted in the past three years for driving with an expired driving licence and the maximum penalty awarded;*
- (b) when drivers with expired licences are involved in traffic accidents causing damage or injury to third parties, what is the position regarding validity of the drivers' compulsory motor insurance;*
- (c) whether Government will consider issuing letters to remind motorists of the date of renewal of their driving licences and to warn them of the consequences of driving with an expired licence; and*
- (d) whether consideration will be given to allowing drivers to have a choice of renewing their licences on their dates of birth which they can easily remember, as is the practice in certain countries?*

SECRETARY FOR TRANSPORT: (a) Sir, driving a vehicle whilst holding an expired driving licence is an offence under section 42(1) of the Road Traffic Ordinance (Chapter 374). In the last three years from 1984 to 1986, the number of drivers convicted for this offence was 3 422, 5 340 and 6 431 respectively. The offence is

one for which a fixed penalty ticket with a fine of \$140 may be issued. In 1986, about 80 per cent of the offences were dealt with in this manner. The remaining cases were dealt with by way of summons or arrest, and the maximum fine imposed for this offence in that year was \$3,000.

(b) On the question of whether a driver's insurance cover is invalidated upon the expiry of his driving licence, this depends upon the provisions of each individual insurance policy and it is not possible to generalise on whether any particular policy will be so invalidated. However, a common provision in insurance policies issued in Hong Kong is that the policies provide cover for any person who holds or has held a driving licence, provided that this person has not been disqualified to drive the motor vehicle by order of a court of law. In two local cases, the courts held that such policies were not invalidated solely because the driver's driving licence had expired at the time of the accident, and therefore the insurance companies who had issued the policies were not relieved from the liability to indemnify the injured parties. Notwithstanding this, under the agreement between the Government and the Motor Insurers' Bureau of Hong Kong, the bureau undertakes to pay or cause to be paid any outstanding award of the courts in cases where an insurance policy is invalidated by the expiry of the concerned driver's driving licence. Therefore, even if the driver's policy is invalidated, the injured third party still has recourse through the courts and the Motor Insurers' Bureau for full recompense.

(c) The proposal to remind all motorists by letter of the expiry date of their licences was considered by the Transport Department in 1985. The study showed that the operation of such a system would be very costly and would not benefit the majority of active drivers who usually renew their licence on time. Further, under the existing regulations, driving licence holders may renew their licences within three years after expiry without the need to take a driving test. In practice many of the inactive drivers tend to renew their licences only just before the statutory period expires. To send reminders to this group of licence holders would not therefore serve any useful purpose.

(d) On the suggestion to allow drivers to have a choice of the date of renewal of their licences, the regulations already allow some flexibility in that a licence may be renewed at any time up to four months before its expiry. For those drivers who use the provision in the regulations to allow their licences to lapse and plan to renew them within three years after the expiry date, even more flexibility is allowed. In effect, they may renew their licences on any working day of the year that suits them.

Licensing requirements in the Banking Ordinance

6. MR. CHUNG asked: *In view of a recent incident involving a bank allegedly found to be carrying out activities in Hong Kong without seeking prior approval from the Commissioner of Banking, will Government inform this Council what*

existing measures are available to ensure compliance with licensing requirements in the Banking Ordinance and what improvements, if any, will be made to enhance such measures as a result of the said incident?

FINANCIAL SECRETARY: Sir, the question refers to the recent case in which a writ was filed in the High Court against a company authorised as a bank in Vanuatu seeking the recovery of funds allegedly deposited with that company in Hong Kong. The company in question had not been authorised to take deposits in Hong Kong under the Banking Ordinance. In fact no such company could be found at the addresses given in the writ, nor in the Company Registry. According to the Vanuatu authorities, the company has had its banking licence revoked and is now in the course of liquidation.

Instances of this sort are rare; no other case has been brought to our attention within the past five years. Moreover, no other depositor has come forward in this case to report that the Vanuatu company had taken further deposits illegally, despite the wide publicity which has been given.

Under the Banking Ordinance, the maximum sanction against illegally carrying on banking or deposit-taking business is \$500,000 and imprisonment for five years.

The possibility of successfully conducting an unauthorised deposit-taking business in Hong Kong is remote. To succeed, it would be necessary to advertise. If any form of publicity were involved the likelihood is that it would be brought promptly to the attention of the Commissioner of Banking. The Government therefore considers it unnecessary to strengthen the law in this area.

Pilot hospital information system

7. DR. CHIU asked: *Will Government inform this Council of the scope, estimated costs, and present position of the proposed pilot scheme to computerise the hospital information system in the Princess Margaret Hospital and whether it is intended to extend the scheme to other hospitals and, if so, when this will be done?*

SECRETARY FOR HEALTH AND WELFARE: Sir, the pilot hospital information system for the Princess Margaret Hospital is intended to cover the following key areas:

- (a) *In-patient admission, discharge, and transfer system, including:*
 - demographic data on patients (including Accident and Emergency patients) and an administrative patient record;
 - records of all admissions, discharges and transfers;
 - daily and on-demand operational reports for example bed state report, ward shift enquiry report;

- (b) *Outpatient registration and scheduling system, including:*
 - outpatient appointment, registration and attendance procedures;
 - immediate notification of emergency laboratory tests;
 - follow up on the current status of patients at specialist clinics.

- (c) *Laboratory information system, including:*
 - an enquiry capability at ward nursing stations;
 - cumulative and individual test result reports for each patient;

- (d) *Nursing ward-laboratory order and result reporting system, including:*
 - automation of laboratory test ordering procedures;
 - checking on demand, status of orders (test ordered, specimens obtained, tests performed, results reported);
 - immediate notification of emergency results;

The estimated total cost of the whole system over a period of five years is \$38.50 million (consisting of \$24.81 million for non-recurrent and \$13.69 million for recurrent expenditure).

A draft Finance Committee Agenda Item is now being prepared and should be submitted to the Finance Committee towards the end of the year.

This pilot hospital information system will be monitored and evaluated after the implementation of the key areas mentioned above. If it is found practicable, it is the intention to extend the scheme to all government and subvented hospitals in future. The timing will depend upon the results of the evaluation of the pilot scheme as well as the availability of resources.

Promotion of visual arts

8. MR. CHEONG-LEEN asked: *In view of increasing calls for more Government support in the field of visual arts, will Government inform this Council what plans it has for the promotion of the visual arts and whether consideration is being given to the establishment of an academy for the visual arts?*

SECRETARY FOR DISTRICT ADMINISTRATION: Sir, government's effort in promoting visual arts concentrates on the support for training and the provisions of exhibition facilities.

Apart from providing visual arts training in the education system, plans are in hand to develop a secondary school in Sha Tin for students showing talents in sports or visual arts. The school will be funded by the Royal Hong Kong Jockey Club.

Exhibition halls and galleries are provided in all the major civic centres operated by the Urban Council and the Regional Council. Additional exhibition Facilities will be provided in the Museum of Art which forms phase III of the Hong Kong Cultural Centre and is expected to be completed by 1990. The

Urban Council also plans to provide additional exhibition halls and visual arts studios in its community art centres. A feasibility study on the provision of a ceramics, print and sculpture centre within the Victoria Barracks redevelopment scheme is being undertaken.

Both the Urban Council and the Regional Council regularly arrange visual arts exhibition and organise lectures, presentations and arts and crafts sessions. The Hong Kong Arts Centre and the Hong Kong Festival Fringe Society also organise exhibitions and classes, and make available their facilities for use by local artists. In addition, many individual artists and private teachers are actively involved in the training of students and promotion of visual arts activities.

An inter-departmental working group has been set up under the Municipal Services Branch to review Government's existing activities and to formulate a co-ordinated approach for further development of visual arts. The desirability of establishing an academy for the visual arts will be examined in the course of the working group's study.

Taxi licences and services

9. DR. LAM asked: *Will Government inform this Council what are the criteria in deciding the number of taxi licences issued annually, and what has Government done to improve the quality of taxi services in the past five years?*

SECRETARY FOR TRANSPORT: Sir, the number of taxis that may be registered is determined by the Governor in Council and the advice of the Transport Advisory Committee is always obtained prior to the Governor in Council's decision on the issue.

Whenever the number of taxis to be registered was reviewed, the last time in 1986, the Administration always took into consideration the supply and demand of taxi service to the public, the interests of the traders and the broader aspect of road use. These interests are inter-related, and have to be balanced in considering a decision on taxi numbers. To facilitate consideration of the issue, annual surveys are conducted by the Transport Department to measure the level of taxi service and to assess the financial position of the taxi trade.

The overall policy towards taxis is now being examined closely by a Taxi Review Subcommittee under the Transport Advisory Committee, which will also look at the question of the limit on taxi numbers.

Government has always been concerned about the quality of taxi services, which is assessed in terms of safety standards, the degree of comfort and the conduct of taxi drivers, and has taken various steps to improve it. Generally speaking, the quality of vehicles used as taxis in Hong Kong is relatively high, as shown by the age of the fleet, their state of maintenance and the few public

complaints received by the Transport Complaints Unit about the condition of the vehicles. Upon first registration all taxis must be new. Subsequently, they must undergo annual vehicle examination by the Transport Department prior to relicensing if they are more than two years old. It is believed these arrangements are achieving their objectives in maintaining the safety and comfort standards of taxis.

On the other hand, the number of complaints on the conduct of taxi drivers received by the Transport Complaints Unit has increased recently, partly as a result of the display of the TCU complaint hotline in taxis. The most common complaints include refusing or neglecting to accept a hire, illegal charge of taxi fares and the poor manners of the drivers. Enforcement action is taken by the police against drivers where complaints are found to be justified. In addition, at regular conferences with the trade, both the urban and New Territories taxi associations are urged to improve their service and to manage their drivers more effectively.

Other measures to improve the conduct of taxi drivers include:

- (a) the display of an improved fare plate in the taxi for the information of passengers. This fare plate also shows the telephone number of the Transport Complaints Unit to encourage use of the complaint facilities; and
- (b) the publication of an information pamphlet on taxi services. It is planned to issue these pamphlets in sufficient quantities for the reference and guidance of the general public as well as the taxi drivers.

These measures will also be considered by the Taxi Review Sub-committee before implementation.

Social service facilities in redeveloped estates

10. MR. HUI asked: *With regard to the redevelopment of Marks III-VI public housing estates which is expected to take place in the early 1990s, will Government inform this Council whether and how the provisions of social service facilities will be improved upon redevelopment, and what measures will be taken to improve the provision during the interim period?*

SECRETARY FOR HEALTH AND WELFARE: Sir, the redevelopment of the Marks III-VI public housing estates, which will start in 1989-90, will provide an excellent opportunity for improving the provision of social welfare facilities in these areas.

The Housing Authority is drawing up a comprehensive programme for the redevelopment and the Social Welfare Department is being consulted on the requirements for welfare facilities. The department will take into account the

projected target population, the estimated demand for the various services and the planning standards laid down in the Five-Year Plan for Social Welfare Development and the Rehabilitation Programme Plan in deciding on the facilities to be included in the new estates.

I can assure Mr. HUI that, in order to minimise disruption during the redevelopment period, the Social Welfare Department will as far as possible make temporary arrangements to cater for services affected by the demolition of existing centres. The eventual outcome should be substantially improved services, in terms of both quantity and quality in the redeveloped estates.

Government Business

Motion

ROAD TRAFFIC ORDINANCE

THE SECRETARY FOR TRANSPORT moved the following motion: That the period for which there remains in force the limit on the number of vehicles which may be registered as taxis specified in the Taxis (Limitation on Number) Notice 1986 published as Legal Notice No.155 of 1986, be extended to 7 July 1988.

He said: Sir, I rise to move the motion standing in my name on the Order Paper. Under section 23(3) of the Road Traffic Ordinance (Chapter 374), a period is specified during which the number of vehicles which may be licensed as taxis, is limited. This motion proposes that the period be extended up to 7 July 1988.

The effect of this extension is that the total number of vehicles which may be registered and licensed as taxis will remain at 14 400 in the case of urban area taxis, 2 638 in the case of New Territories taxis and 40 in the case of Lantau taxis, as ordered by the Governor in Council on 8 July 1986.

Sir, I beg to move.

Question put and agreed to.

First Reading of Bills

BANKING (AMENDMENT) BILL 1987

MENTAL HEALTH (AMENDMENT) BILL 1987

PROTECTION OF WOMEN AND JUVENILES (AMENDMENT) BILL 1987

EMPLOYMENT (AMENDMENT) BILL 1987

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

Second Reading of Bills**BANKING (AMENDMENT) BILL 1987**

THE FINANCIAL SECRETARY moved the Second Reading of: 'A Bill to amend the Banking Ordinance 1986'.

He said: Sir, I move that the Banking (Amendment) Bill 1987 be read the Second time.

The Banking Ordinance came into operation on 1 September 1986. The Ordinance has been operating smoothly, but experience has shown that amendments are required to some provisions to improve their working, clarify their meaning, remove doubts on interpretation or, in some cases, correct minor drafting errors. This is the purpose of this Bill.

I will now describe the principal amendments proposed in the Bill.

Under the Ordinance, 'deposit' is defined to include debentures and other securities, in respect of which a prospectus has been registered under the Companies Ordinance, where these are issued by authorised institutions, that is, banks or deposit-taking companies. This means that these issues are regulated in the same way as other deposit-taking by authorised institutions; in particular, the registered deposit-taking companies cannot issue such securities in denominations of less than HK\$100,000 or the equivalent in foreign currency. Representations have been made to us that this is an impediment to the access by registered deposit-taking companies to some international capital markets where bonds are often issued in denominations as low as US\$5,000 to promote marketability. Clause 2(b) therefore proposes amending the definition of 'deposit' to exclude the issue of such securities by authorised institutions. This would in effect treat authorised institutions in the same way as other companies and revert to the position under the previous Deposit-taking Companies Ordinance.

The next amendment concerns the transfer of deposit-taking licences. At present an application for the transfer of a deposit-taking licence can only be made by a registered deposit-taking company. In a recent case, a licensed deposit-taking company which has been operating in Hong Kong for a long time but is incorporated in the Cayman Islands sought to transfer its licence to

its United Kingdom parent bank. This transfer would have been welcomed from a supervisory point of view but could not be carried out as the proposed transferee was not a registered deposit-taking company.

To allow for such transfers, clause 11 proposes that an application for the transfer of a deposit-taking licence may also be made by a person other than a registered deposit-taking company. Any such transfer would still be subject to the approval of the Financial Secretary, and all other provisions would continue to apply.

Section 69(1) of the Ordinance requires locally incorporated authorised institutions to obtain the Financial Secretary's prior approval for the sale or disposal of their business or the reconstruction of their capital. Clause 14 proposes three amendments to this section. First, in the case of registered deposit-taking companies, the prior approval of the commissioner would suffice since he is the registration authority for these institutions. Second, to clarify the ambit of this subsection, only the sale or disposal of an institution's banking or deposit-taking business, for which definitions are provided in the Ordinance, would require prior approval; the sale or disposal of other than this core business would only need to be advised to the commissioner. Third, only capital reductions would require prior approval; other capital reconstructions would only need to be advised to the commissioner. These amendments aim to reduce unnecessary procedures in administering the Ordinance.

Sections 83 and 84 of the Ordinance restrict, inter alia, the granting of unsecured advances or other facilities by an authorised institution to any non-listed company in which any director of the authorised institution is also a director.

These two sections have been carried over from the previous Banking and Deposit-taking Companies Ordinances. It has now been represented that in certain cases the provisions can work against the best interests of an institution and its supervision by its own board. For instance, one London bank with a number of overseas subsidiaries, including a deposit-taking company in Hong Kong, has common directors on the boards of these subsidiaries for control purposes; all the overseas companies are 100 per cent owned and indirectly come under the Bank of England's supervision. But the provisions under section 84 unduly restrict lending by the Hong Kong deposit-taking company to other companies in the group because of the common directorships. Although this restriction could be circumvented by ensuring that the deposit-taking company had no directors in common with other companies in the group, this would run against the interests of sound control and management and deprive the deposit-taking company of the services of experienced and able directors with a broad knowledge of the group's activities. Similar problems are also encountered in other institutions, including some incorporated in Hong Kong.

It is therefore considered that these provisions should be modified, particularly as the commissioner has other powers under the Ordinance to deal with imprudent lending to connected companies. Accordingly, clauses 21 and 22 propose giving discretionary powers to the commissioner to exempt facilities given by specific authorised institutions to specific connected companies from the limits under these sections; the commissioner may attach conditions to such exemptions.

Other amendments proposed in the Bill to which I should draw attention are clause 15, which requires that chief executives of locally incorporated institutions, in addition to directors, be approved by the commissioner before they are appointed and clause 28 which aims to remove doubts as to whether some normal financial services offered by authorised institutions might technically breach the Gambling Ordinance; there is an equivalent provision in the Commodities Trading Ordinance. The remaining clauses in the Bill seek mainly to clarify the drafting in a number of the sections in the Ordinance.

The Banking Advisory Committee and the Deposit-taking Companies Advisory Committee have been consulted and they fully support the proposed amendments.

Sir, I move that the debate on this motion be adjourned.

Motion made. That the debate on the Second Reading of the Bill be adjourned.

Question put and agreed to.

MENTAL HEALTH (AMENDMENT) BILL 1987

THE SECRETARY FOR HEALTH AND WELFARE moved the Second Reading of: 'A Bill to amend the Mental Health Ordinance'.

He said: Sir, I move that the Mental Health (Amendment) Bill 1987 be read the Second time.

This Bill is intended to improve and expand the provisions of the Mental Health Ordinance which govern the reception, detention and discharge of mentally disordered persons, since many of the present provisions have become inadequate as a result of changes in rehabilitation concepts and social attitudes towards the mentally ill and the mentally handicapped. This Bill is the outcome of a comprehensive review of the Ordinance which began in late 1983 following the recommendations of the Working Group on Ex-Mental Patients with A History of Criminal Violence and Assessed Disposition to Violence.

The principal defects of the existing Mental Health Ordinance lie in five main areas: the absence of a mandatory requirement for a medical assessment before a patient is detained in a mental hospital for observation; the lack of provision

for guardianship of mentally disordered adults; the absence of arrangements for the conditional discharge of mental patients; the absence of a channel for appeal against detention by non-offender patients; and the lack of clear legal authority to help suspected mentally disordered persons who are in immediate need of care and control.

With a view to remedying these shortcomings and generally updating the provisions of the Ordinance, the Bill before Council proposes extensive amendments; its principal provisions are as follows.

Clause 2(b) deletes the existing definition of 'mentally disordered persons' and replaces it with a definition of 'mental disorder' which includes 'psychopathic disorder'. The Bill also makes it clear that no person may be dealt with under the Ordinance as suffering from mental disorder only by reason of promiscuity or other immoral conduct, sexual deviancy, or dependence on alcohol or drugs.

To ensure the proper diagnosis of patients' mental conditions, clause 2(c) stipulates that of the two medical opinions required to support an application for the extension of the initial observation period of seven days, for compulsory detention in a mental hospital beyond that period or placing a mentally disordered person under guardianship, one must be given by a doctor who has had special experience in the diagnosis or treatment of mental disorder.

Clause 4 of the Bill proposes that orders for the admission of patients into mental hospitals for observation for a period not exceeding seven days, shall continue to be made by a district judge, a magistrate or a Justice of the Peace as at present, but that such applications will in future have to be founded on the written opinion of a registered medical practitioner who must be satisfied that the admission is justified by the nature and degree of the mental disorder and is necessary in the interests of the patient's health or safety or for the protection of other persons. The Bill also provides that where an application for a detention order is made by a doctor or social worker, the applicant should take all practical steps to inform a relative of the person to be detained.

Although adequate provision exists in the Protection of Women and Juveniles Ordinance for the guardianship of persons under 18, there is at present no provision for the appointment of guardians for mentally handicapped persons above that age and this has made it difficult in some cases to ensure that such persons are properly cared for. Clause 6 introduces a new provision to enable a mentally handicapped or mentally ill person above the age of 18 to be placed under the guardianship either of the Director of Social Welfare or of another person acceptable to the director. An application for guardianship may be made to the Director of Social Welfare by a relative, a doctor, or a public officer in the Social Welfare Department. It must be accompanied by a statement from two doctors that the person concerned is suffering from mental disorder and that it is necessary in the interests of his welfare or for the protection of others that a guardian should be appointed. The guardian will have power to appoint a place

of residence for the person under guardianship, and to require access to it to be given to doctors, social workers and other specified persons, and to require that person under guardianship to attend at specified places for medical treatment, training, education or occupation. Provision is also made for the automatic transfer of guardianship to the Director of Social Welfare if the guardian dies or relinquishes his function, and also for the transfer of guardianship from one person to another upon application to a district judge. To ensure that guardianship is subject to regular review, all guardianship arrangements will automatically cease two years after their commencement unless they are renewed by a further application to the Director of Social Welfare.

Clause 7 sets out the grounds on which a patient in a mental hospital may be detained for treatment beyond the initial period of detention for observation. Two doctors must certify that it is necessary for the health and safety of the patient or for the protection of other people that he should receive this treatment and that it cannot be provided unless he is detained under this section; and this certificate must be countersigned by a district judge.

Clause 13 empowers the medical superintendent, in cases where a mental patient has a medical history of criminal violence or a disposition to commit such violence, to discharge him from hospital subject to conditions, which may include a requirement to reside in a specified place, to attend for outpatient medical treatment, to take prescribed medicine, or to be supervised by the Director of Social Welfare. Patients who fail to comply with any such conditions may be recalled to the hospital. Subject to the consent of the Governor and on the advice of a doctor, the Commissioner of Correctional Services can similarly authorise conditional discharge for offender patients detained in the Correctional Services Department's psychiatric centre.

Clause 17 of the Bill provides that where an offender patient has been detained in a psychiatric centre under a sentence of imprisonment for a fixed term or under a hospital order authorising detention for a specified period, and his mental state is such that it is considered that he should not be discharged at the end of the term of the sentence or period of the hospital order, the Director of Medical and Health Services may apply to the court for a hospital order authorising further detention. Such applications must be supported by medical opinion and justified by the nature and degree of the mental disorder of the patient concerned and the need to protect the public.

There is at present no provision to transfer a patient detained under a hospital order from a psychiatric centre to a mental hospital. There are, however, circumstances in which it would be more beneficial for a patient to be held in a mental hospital rather than in a prison environment. Clause 20 of the Bill enables the Governor to order such a patient to be removed to a mental hospital.

Clause 22 of the Bill provides for a new part IV A of the Ordinance which establishes a mental health review tribunal to replace the existing Hospital Order Appeal Tribunal, which only deals with petitions submitted by offender patients. The new tribunal will be chaired by a person with suitable legal experience and will consist of members drawn from the medical, social work and other professions. It will be empowered to review the cases of patients liable to detention, permitted to be absent for a trial period, conditionally discharged, or admitted to guardianship. In addition, the Bill stipulates that if a patient or his relative does not exercise the right to apply to the tribunal for his case to be reviewed within 12 months after the right first becomes available, the medical superintendent, or the Commissioner of Correctional Services as appropriate, must refer the patient's case to the tribunal for automatic review.

Clause 26 introduces a new provision which requires the medical superintendent of every mental hospital or the superintendent of the Correctional Services Department's psychiatric centre to take such steps as are practicable to ensure that every patient being detained, and also one of his relatives, is informed of the patient's rights under the Ordinance.

Clause 28 provides that a magistrate may grant a warrant authorising a police officer or other authorised persons to enter any private premises in the presence of an approved social worker or community psychiatric nurse, if there is reason to believe that a person liable to be taken or retaken under the Ordinance or a person suspected to be suffering from mental disorder is to be found there. Clause 28 also empowers a police officer to take into custody a suspected mentally disordered person, and to remove him forthwith to the Accident and Emergency Department of a general hospital where he may be detained for up to 24 hours for the purpose of enabling him to be examined by a doctor and of making the necessary arrangements for his treatment and care. For this power to be exercised, the suspected mentally disordered person must appear to the police officer to be in immediate need of care and control and the police officer must consider that it is necessary to take action in the interests of that person or for the protection of other persons.

Sir, this is a very long and complex Bill, and I have been able to do no more than describe its major provisions in general terms. There has been extensive consultation on the proposed amendments with the medical associations and other professional bodies, the universities and the Hong Kong Council of Social Service; and we have also sought the advice of the Medical Development Advisory Committee and the Rehabilitation Development Co-ordinating Committee. A number of changes have been made to the Bill as a result, and I would like to thank all those who have contributed to this very useful consultation exercise. I am sure that the Bill has been considerably improved as a result of their comments and suggestions.

Mental health legislation inevitably has to strike a balance between the duty of the state to take action in certain cases to detain and treat mentally ill

persons, both in their own interests and in those of the community as a whole, and the need to protect the civil rights of those who are subject to these powers. There has been an unfortunate tendency for public discussion and media comment on this Bill to concentrate on one or two of its provisions which may appear to infringe the civil liberties of mentally disordered people, while ignoring the many safeguards which are also included in the legislation. I would urge Members to consider this Bill as a whole; a great deal of careful thought and discussion has gone into it, and in the Government's view it represents a balanced set of provisions for dealing with this difficult area of our health and welfare services.

Sir, I move that the debate on this motion be adjourned.

Motion made. That the debate on the Second Reading of the Bill be adjourned.

Question put and agreed to.

PROTECTION OF WOMEN AND JUVENILES (AMENDMENT) BILL 1987

THE SECRETARY FOR HEALTH AND WELFARE moved the Second Reading of: 'A Bill to amend the Protection of Women and Juveniles Ordinance'.

He said: Sir, I move that the Protection of Women and Juveniles (Amendment) Bill 1987 be read the Second time.

The proposed amendments are based on recommendations made by the working group set up last year to review the Protection of Women and Juveniles Ordinance. This Ordinance was first enacted in 1951 and has since been amended several times in piecemeal fashion. Its focus has shifted over the years from the protection of women and girls from prostitution and other forms of sexual exploitation to the protection of juveniles and children from abuse and neglect. A number of the provisions of the Ordinance are outdated and others are seldom used. The working party has recommended that the Ordinance should be comprehensively reviewed in the light of changing circumstances and the provisions of other related Ordinances. This comprehensive review will take some time, but it is considered that certain amendments should be enacted urgently in order to improve the present procedures for handling child abuse cases.

The Bill before Council amends four specific provisions in the Ordinance. The first of these is contained in section 34(1) under which a child must be brought before the juvenile court before a decision is made on whether he is in need of care and protection. This requirement does not appear to serve any useful purpose if the child is too young either to express a view or for his views to be

taken into account by the court. It can also be a traumatic experience for a very young child if the case is contested. It is proposed that only children aged seven or above should be required to appear before the court. It is considered that at that age a child is old enough to be given the right to be heard in care proceedings in respect of his own well being. The court will have the discretion to require a child under the age of seven to be brought before the court if necessary. In any case, the court is required to notify the child's parent or guardian of the care proceedings.

The second and third amendments will enable children in need of care and protection to receive prompt medical treatment. Under section 34A of the existing Ordinance, the juvenile court is empowered to include in supervision orders such requirements as it considers necessary in respect of medical treatment for the mental condition, but not the physical condition, of a child under supervision. This has caused difficulties especially when unco-operative parents have refused to give consent for their children to receive medical treatment or even to undergo medical examination to find out whether they have sustained injuries. It has also proved difficult in some cases to obtain the necessary parental consent for medical treatment. Without such consent, a supervised child or juvenile may be deprived of necessary treatment. Clause 4 of the Bill amends section 34A of the Ordinance to enable the juvenile court to include in supervision orders requirements as to medical treatment, including surgical operations, for both the physical and mental condition of children under the supervision of the Director of Social Welfare.

In circumstances where a child is suspected to have been abused and requires medical treatment or examination to ascertain whether he has sustained injuries, and when parental consent cannot be obtained, there is at present no provision for the child to be taken to a hospital for treatment. The child can only be taken to a 'place of refuge' in the first instance under section 34E(1), and then transferred to a hospital under section 34E(5). This procedure is cumbersome and may not be in the best interests of the child if urgent medical care is necessary. Clause 5 of the Bill amends section 34E(1) to provide for a child or juvenile in need of medical treatment to be removed directly to and detained in a hospital when necessary.

The fourth amendment relates to the power of the Director of Social Welfare to enter premises by force as provided in section 44(1) of the existing Ordinance. In the light of the public disquiet last year over the KWOK Ah-nui case, and after considering the provision in the English law which requires a warrant to be issued by a Justice of the Peace before domestic premises can be entered by force, it is proposed that the director should be required to obtain a warrant from a magistrate, juvenile court or district court before authorised officers enter any premises by force in pursuance of their duties under the Ordinance.

The proposals in the Bill have the support of the Social Welfare Advisory Committee, the Law Society and the Bar Association, as well as the Family Law Association.

Sir, I move that the debate on this motion be now adjourned.

Motion made. That the debate on the Second Reading of the Bill be adjourned.

Question put and agreed to.

EMPLOYMENT (AMENDMENT) BILL 1987

THE SECRETARY FOR EDUCATION AND MANPOWER moved the Second Reading of: 'A Bill to amend the Employment Ordinance'.

He said: Sir, I move that the Employment (Amendment) Bill 1987 be read a Second time.

The right of a female employee to unpaid maternity leave was first introduced in 1970 together with measures to protect her from dismissal once she had given a stipulated period of notice of her intention to take maternity leave. This right was significantly improved in 1981 by the introduction of 10 weeks' paid maternity leave for those who have worked for the same employer for 40 weeks or more and by the extension of the period of notice from eight weeks to 12.

The legal position remains that a pregnant employee may not have her employment terminated from the date on which she gives notice of her intention to take maternity leave until the date on which she is due to return to work on the expiry of her maternity leave. However, Sir, under the law as it now stands, the employee is required to give this notice within 12 weeks of the expected date of her confinement and many of our slightly-built local young ladies display distinct evidence of their condition at a much earlier time.

This has given rise to allegations by labour groups that unscrupulous employers have dismissed pregnant employees before they fall within the 12 week period and there appears to be some evidence to support these allegations.

This Bill enhances the protection already provided in existing legislation by removing reference to a period of 12 weeks' notice prior to confinement and by stipulating that an employee may give notice of her intention to take maternity leave at any time after her pregnancy has been certified. She will thus be protected from dismissal throughout her pregnancy provided she obtains the necessary certificate and presents it to her employer. This should also give the employer a longer period of notice to enable him to make arrangements to cover the absence of a pregnant employee.

The Bill also provides that an employee whose pregnancy has ceased other than by reason of confinement shall give notice to her employer of the change in her condition as soon as is reasonably practicable. This provision will ensure that an employer is made aware of any change in an employee's intention to take maternity leave and thus enable the employer to update his staffing arrangements.

Sir, the Bill further provides that an employee may not use any part of her maternity leave as a notice period prior to leaving her employer.

This provision is designed to protect employers, particularly those who are obliged to provide paid maternity leave, from the possibility of a pregnant employee giving notice of termination of her employment during her maternity leave and making her resignation effective immediately her maternity leave expires.

Sir, this Bill provides a balanced package of measures which will benefit both employee and employer. In return for greater protection against unfair dismissal, a pregnant employee will give greater notice of her intention to take maternity leave, and, in return for keeping her job open until she is able to return to work, the Bill provides the employer with greater assurances that the employee will, in fact, do so.

The proposals contained in this Bill have been endorsed by the Labour Advisory Board and I commend them to you. I urge that they be enacted as quickly as possible.

Sir, I move that the debate on this motion be now adjourned.

Motion made. That the debate on the Second Reading of the Bill be adjourned.

Question put and agreed to.

COMPANIES (AMENDMENT) (NO.2) BILL 1987

Resumption of debate on Second Reading (24 June 1987)

Question put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

BANKRUPTCY (AMENDMENT) BILL 1987

Resumption of debate on Second Reading (24 June 1987)

Question put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

COMMODITIES TRADING (AMENDMENT) BILL 1987

Resumption of debate on Second Reading (17 June 1987)

(At this point, Mr. CHEUNG Yan-lung, as director of a commodities trading company and Mr. Kim CHAM, for his association with commodities trading and Chairman of Board of Hong Kong Future Exchange declared their interest and abstained from voting.)

Question put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

INSURANCE COMPANIES (AMENDMENT) (NO.2) BILL 1987

Resumption of debate on Second Reading (24 June 1987)

Question put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

PILOTAGE (AMENDMENT) BILL 1987

Resumption of debate on Second Reading (24 June 1987)

Question put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

LIFTS AND ESCALATORS (SAFETY) (AMENDMENT) BILL 1987

Resumption of debate on Second Reading (6 May 1987)

MR. HU: Sir, first of all I would like to declare my interest as a registered lift and escalator engineer and chairman of a corporation which is a registered lift and escalator contractor.

It is timely to update and improve the Lifts and Escalators (Safety) Ordinance which was enacted in 1960 in order to ensure higher standard and better protection of safety for the public.

I note that the principal Ordinance will not apply to lifts and escalators in the public sector which, as the Bill proposes, will include the Housing Authority. Although the Government and the Housing Authority can take administrative measures to ensure compliance of safety requirements by registered contractors and engineers for installations in the public sector, it is doubtful whether disciplinary action or criminal proceedings provided under the Ordinance can be invoked against the contractors or engineers for removal or suspension from register, reprimand, fine or imprisonment. The contractors or engineers concerned can continue to perform lift and escalator work in the private sector and this, in my view, is against the spirit of the Ordinance. I also query whether this Ordinance and indeed other Buildings Ordinance related legislation should apply only to the private sector but not the public sector. I suggest that the Government should give an undertaking to review this complicated issue at the earliest opportunity.

I welcome the introduction of qualifications and experience required for applicants to be included in the registers of lift and escalator engineers. The requirement will further enhance the standard of registered lift and escalator engineers which will help to ensure better protection on safety. However, there are a number of engineers already registered who may not meet the new requirement. In view of the present shortage of registered engineers to deal with a large number of lift and escalator installations in operation now, I suggest that the proposed requirement on qualifications and experience will apply only to new applicants but not to those engineers already in the registers.

There are quite a number of service lifts in use which are not supplied and maintained by registered lift contractors, and the owners of these service lifts may be ignorant of their responsibility under this Bill. It is now the duty of the owners of the service lifts to ensure that the service lifts are properly maintained,

and to comply with the relevant provision of the Building (Lifts) Regulations. I suggest that Government should carry out appropriate publicity campaign to remind the owners of the service lifts of this new requirement.

Sir, subject to these remarks, I support the Bill.

SECRETARY FOR LANDS AND WORKS: Sir, I am most grateful for Mr. F. K. HU and Mr. H. K. CHENG for studying this Bill and for their support for it. Its enactment will lead to improved procedures and higher standards in the examination, testing and maintenance of lifts and escalators which in turn should improve public safety.

I note Mr. HU's concern that registered lift contractors and engineers when working on government and Housing Authority lifts will not be subject to the principal Ordinance. In commenting on this, I would like to point out that this has been the situation for Government since the enactment of the Ordinance in 1960, and that it is consistent with a similar exemption from the Buildings Ordinance. Procedures within Government are such that lift works are done to high safety standards by registered lift contractors and engineers under the supervision of qualified and experienced Government engineers, and that during this period accidents have been very few and minor. The same procedures and standards apply to Housing Authority lifts, although previously they were not exempt from the Ordinance. With this said, Sir, I appreciate that Mr. HU's is a wider and more general concern and I am prepared to undertake a review of this and other building safety legislation to see whether such legislation should apply to the public as well as to the private sector.

On whether or not the proposed qualification and experience requirements for lift and escalator engineers should be applied to existing persons on the register, I can confirm that this will not happen. The requirements will only be applied to new applicants. Even if this were not the case I would not see this as a major problem, since as I mentioned when introducing the Bill to this Council, the requirements proposed for incorporation in the Ordinance are only those that the Director of Electrical and Mechanical Services has been applying in past years in the exercise of his discretion.

Sir, I agree with Mr. HU's final point on the need to publicise the new responsibilities to owners of non-industrial service lifts and will make the necessary arrangements for this to be done.

Sir, I beg to move.

Question put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

SUPERVISION ORDERS (RESIDENTIAL REQUIREMENTS) BILL 1987**Resumption of debate on Second Reading (24 June 1987)**

Question put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

KOWLOON-CANTON RAILWAY CORPORATION (AMENDMENT) BILL 1987**Resumption of debate on Second Reading (24 June 1987)**

(At this point, Mr. CHEUNG Yan-lung, Mr. CHAN Kam-chuen, Mr. LAU Wong-fat and Mr. David LI, as Directors of the Kowloon-Canton Railway Corporation and the acting Financial Secretary, in his capacity as Secretary for Monetary Affairs and thus a Board Member of the Kowloon-Canton Railway Corporation, declared their interest and abstained from voting.)

Question put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

ROAD TRAFFIC (AMENDMENT) BILL 1987**Resumption of debate to Second Reading (24 June 1987)**

Question put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY BILL 1987**Resumption to debate on Second Reading (17 June 1987)**

MR. ALLEN LEE: Sir, on 22 April this year, I delivered a statement on behalf of Hong Kong at the 43rd Session of the United Nations Economic and Social Commission for Asia and the Pacific. I spoke at length on the subject to human resources development and its importance to the future of Hong Kong, if I may, I would like now to take an excerpt from that statement relating to this subject.

Clearly as an economy evolves, the development of human resources is vital as it is important for its people to acquire the necessary skills commensurate with its development needs. This is especially so for a place almost devoid of natural resources like Hong Kong. Last year, I outlined Hong Kong's continuing efforts to upgrade the quality of its education, especially in the technical field. We are very conscious of the need to have a co-ordinated education policy to meet the requirements of our times and to ensure the most effective and efficient use of our limited resources. We are committed to investing in our future. Overall, expenditure on education over the past five years has increased substantially in real terms, from 14 per cent of the Hong Kong Government's total spending to 18 per cent. In an economy such as Hong Kong's, which depends to much on its ability to trade internationally and hence, to remain competitive, education is of paramount importance to our continued success. A well educated community, supported by highly qualified professionals and a skilled labour force, is one of our best guarantees to our prosperity and well being. To expand the education system and improve the quality and range it offers remains a prime objective of our Government's policies. A major boost to the provision of higher education and a demonstration of our Government's resolve in this area will be the addition of a third university, the Hong Kong University of Science and Technology. The new university will be a grouping of professional schools emphasising science, technology, management and business studies. A planning committee is already at work on the complex task of establishing this major new institution, with a view of admission of the first intake of students at the beginning of the 1990s or even earlier.

Since delivering the above statement, I have received a letter from the Executive Secretary of ESCAP, Mr. KIBRIA. He wrote and I quote, 'We have noted with particular interest your statement that a well-educated community, supported by highly qualified professionals and a skilled labour force, is one of the best guarantees of our prosperity and well being. The planned establishment of the Hong Kong University of Science and Technology is a good example of your Government's commitment to human resources development.' End of quote.

Sir, today, I have the greatest pleasure in supporting the Hong Kong University of Science and Technology Bill 1987 before Council. It is this type of commitment that ensures Hong Kong's future. At this point, I wish to express my gratitude to the members of the planning committee and in particular its chairman, Sir S.Y. CHUNG, who have worked so hard and with lightning speed towards the establishment of the Hong Kong University of Science and

Technology. I wish to put it on record that their service to the people of Hong Kong should be much appreciated. The continued prosperity of Hong Kong's economy depends greatly on the development of our human resources. It is this type of development which boosts my confidence in the future of Hong Kong. I have no doubt that Hong Kong will become an even more striking international city in this part of the world.

Sir, I support the Bill.

MR. CHEONG: Sir, I beg to declare my interest as a member of the Planning Committee for the Hong Kong University of Science and Technology. Yet, in commending this Bill to my hon. Colleagues, I am positive that all of us would agree that the establishment of the Hong Kong University of Science and Technology is timely. Economically speaking, Hong Kong has developed and evolved to a level where if we are to move further forward with confidence, and where a continuous supply of well trained specialist graduates will be essential. Our industry must and will move into more sophisticated production processes. Our financial institutions must and will use very high technology intensive equipment in order to meet the challenges and the needs of a renowned international financial centre. Our trading community must and will employ the most up-to-date management methods and know-how in order to take on the opportunities that lie ahead. All these future manpower demands in helping Hong Kong to move to a higher plane of development will surely be partly met by a successful launching of the Hong Kong University of Science and Technology, whose emphasis has been correctly placed on the fields of science technology and management.

Sir, launching a University of Science and Technology is a very expensive exercise: it is estimated at 1987 Dollars that the capital cost alone may well be in excess of HK\$2 billion. This does not even take into account the large annual recurrent subsidy to be paid by Government in keeping the university fully operational. This tremendous commitment by the Government, for the future good of Hong Kong, must be appreciated by all in Hong Kong. Of late, it is all too fashionable for some commentators to label the Government as a lame duck government according to their whimsies and possibly according to their own perceived political fortunes. I certainly pray and hope that such commentators can objectively reflect upon the wisdom of this Government in consciously and positively committing so many resources for our community's future needs. Sir, I submit that, far from being a lame duck government, this Government, which plans so far in advance, which cares so much about our future, is a good, responsive as well as a responsible Government and that her policies, as highlighted by this Bill, are, indeed, worthy of our support.

MR. CHENG: Sir, I must precede my remarks by declaring my interest as the Deputy Chairman of the Planning Committee for the Hong Kong University of Science and Technology.

Sir, I believe the Bill now before Members accurately reflects the desire of the planning committee under the distinguished chairmanship of Sir. S.Y. CHUNG to create a modern technological university which on the one hand has the necessary autonomy and freedom to permit the development of academic excellence, and on the other will be efficiently operated to give the best value invested; for as we all know tertiary education, particularly in the fields of science and technology, is very expensive. I further believe that the planning committee's desire in turn correctly interprets the intentions of the Hong Kong Government as set out in the committee's terms of reference which specify a new university emphasising science, technology, and business administration and management. I therefore support the Bill.

In doing so I should like to make one or two points about the role of this new university in our society. The Secretary for Education and Manpower in introducing the Bill touched upon the need for collaboration between the university and Hong Kong's industry. That the Bill provides for this is certainly a good thing, but to provide for it in legislation is perhaps easy enough—what is all required is a determination not only on the part of the university authorities and academic staff, but also on the part of industrialists to create such collaboration. The need for it is often expressed but to make it happen requires initiatives from those concerned. It is also of great importance that higher education should serve the needs of the community as effectively as possible and, although it is notoriously difficult not only in Hong Kong but all over the world, to identify with precision the needs of the marketplace for trained degree level personnel, it is and will continue to be the constant concern of the planning committee to develop and refine an academic profile for the university which will meet the requirements of the economy as well as the aspirations of the students.

Also included in the Bill is specific provision for the work to be done at the university at the postgraduate and research levels. There is no doubt in my mind that even though the main thrust of the university's work will be at the undergraduate level, particular attention must be paid to postgraduate work and it is the planning committee's firm wish to see a high proportion of the university's resources eventually devoted to such work. It is also important in my view that in the interests of both the university and the community greater emphasis should be placed on research, although I believe that at this stage of our economic development the research should be directed in the main towards commercial exploitation in the interests of our economy; in other words we should be advocating applied rather than pure research.

This Bill, and the institution which it will govern, provide the opportunity for doing all the things I have mentioned and I commend it to Members.

Sir, I support the motion.

SECRETARY FOR EDUCATION AND MANPOWER: Sir, we are all very proud of Hong Kong; and our pride in our achievements can sometimes make us forget the underlying realities of our situation. Basically Hong Kong is a poor place. As Mr. Allen LEE had said, we have no natural resources; we have no mineral wealth; we have not enough arable land to feed our people; we have no water of our own except that which falls as rain and which we so ingeniously manage to trap and store.

Yet all around us we can see abundant evidence of our industrial, commercial, and financial success. We owe all of this to the enterprise and initiative of our people and, if I might dare to suggest, to a system of government which allows that enterprise and initiative to flourish.

Our only natural resource is our people and that, Sir, is the best natural resource of all. Most of the world's territories spend vast sums developing their natural resources: opening their hinterlands, exploiting their riches. So do we. And we do so as Mr. Allen LEE had said, by developing the potential of our people through education and industrial training, preparing them to participate fully in all aspects of the life of this vibrant community. It is no accident, Sir, that education accounts for the largest slice of our Government's expenditure and it is right and proper that it should.

It seems inevitable that the share of public expenditure which goes to education will increase as more students study at a higher level to master the increasingly complex subjects which will be necessary if our economic success is to continue and indeed improve in the highly sophisticated world in which we play an increasingly important part.

The high cost of the Hong Kong University of Science and Technology, of which we have heard this afternoon from Mr. Stephen CHEONG and Mr. CHENG Hon-kwan, reflects the high technology which that institution will bring to our educational and industrial life and represents a massive vote of confidence in the future of Hong Kong.

I am grateful to my hon. Friends, Mr. CHENG Hon-kwan, Mr. Allen LEE and Mr. Stephen CHEONG for their support, and indeed for their enthusiasm, for the university which will be brought to life by the passage of this Bill. I am proud, Sir, to be associated with this project and to have introduced this Bill to this Council.

Question put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

PROTECTION OF WAGES ON INSOLVENCY (AMENDMENT) BILL 1987**Resumption of debate on Second Reading (17 June 1987)**

MR. CHAN KAM-CHUEN: Sir, I rise to support in principle, the Protection of Wages on Insolvency (Amendment) Bill 1987.

An ad hoc group was formed under my convenorship to study this Bill. At its only meeting on 23 June 1987, Members present supported the principle that the Protection of Wages on Insolvency Fund should be extended to cover wages in lieu of notice, in short WILON. However, Members had conflicting views on the maximum amount of WILON to be paid.

As an impartial convenor, I had to call the Administration in to answer the various questions posed by the Members present. There will be six other Members speaking today and you, Sir, will see where the controversy lies.

SECRETARY FOR EDUCATION AND MANPOWER: Sir, I am most grateful to Mr. CHAN for the care with which the ad hoc group which he convened has studied this Bill. I note that the objectives in the Bill have been unanimously supported by the members of the ad hoc group, but that there has been a difference of opinion as to the degree to which these objectives should be implemented.

Question put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

3.40 pm

HIS EXCELLENCY THE PRESIDENT: The Council is about to move into the Committee stage, Members might wish to take a break at this point.

4.05 pm

HIS EXCELLENCY THE PRESIDENT: Council will resume.

Committee stage of Bills

Council went into Committee.

COMPANIES (AMENDMENT) (NO.2) BILL 1987

Clauses 1 to 5 were agreed to.

BANKRUPTCY (AMENDMENT) BILL 1987

Clauses 1 to 4 were agreed to.

COMMODITIES TRADING (AMENDMENT) BILL 1987

Clauses 1 to 3 were agreed to.

INSURANCE COMPANIES (AMENDMENT) (NO.2) BILL 1987

Clauses 1 to 4 were agreed to.

PILOTAGE (AMENDMENT) BILL 1987

Clauses 1 to 6 were agreed to.

LIFTS AND ESCALATORS (SAFETY) (AMENDMENT) BILL 1987

Clauses 1 to 44 were agreed to.

Schedule was agreed to.

SUPERVISION ORDERS (RESIDENTIAL REQUIREMENTS) BILL 1987

Clauses 1 to 5 were agreed to.

Schedule was agreed to.

KOWLOON-CANTON RAILWAY CORPORATION (AMENDMENT) BILL 1987

Clauses 1 and 2 were agreed to.

ROAD TRAFFIC (AMENDMENT) BILL 1987

Clauses 1 to 6 were agreed to.

THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY BILL 1987

Clauses 1 to 25 were agreed to.

PROTECTION OF WAGES ON INSOLVENCY (AMENDMENT) BILL 1987

Clauses 1 to 3 and 5 to 9 were agreed to.

Clause 4

MR. SZETO (in Cantonese): Sir, I would like to propose an amendment to section 4(b)(iv) of the proposed Bill. Under the present proposed Bill, it is specified that wages in lieu of notice should be seven days or \$2,000, whichever the less. I propose that the seven days be extended to not exceeding one month while the original \$2,000 ceiling stands unchanged.

Legally, notification for dismissal and resignation is binding for both employers and employees and equal for both parties. Even if an employee should resign or is dismissed without sufficient notice, then either party would have to compensate the other party in the form of wages. The length of notice is a matter of mutual agreement on both sides. While the shortest notice can be seven days, the rest is normally one month and in some cases, it may even be longer than one month. The period of notification will protect the employer and give him a chance to recruit the necessary replacement. As far as the employee is concerned, he will have enough time to seek an alternative employment and he will not suffer financial hardship because of sudden dismissal.

Because of this provision in our law, an employee who resigns without giving sufficient notice must compensate his employer. However, when an employer announces that he is bankrupt, the employee is immediately dismissed and becomes unemployed. However, because the employer has gone bankrupt, the employee does not get any wages in lieu of notice. So under the present arrangement, it is usually the employees who suffer, and this is already most unfair.

The Protection of Wages on Insolvency Fund has been set up for two years. All along it has been paying employees, on behalf of employers, wages in arrears, while the wages in lieu of notice which the employees are entitled to have not

been guaranteed. Right now we are reviewing this Ordinance to make sure that wages in lieu of notice should also be protected. To what extent should this protection cover? The present Bill only specifies that the notice should be seven days or that the amount be \$2,000, whichever is the less. I propose that the seven days' limit be extended to not exceeding one month, while the ceiling of \$2,000 and the stipulation of whichever is the less remains. Not exceeding one month does not mean that all employees will be compensated with a month's salary. Everything has to follow the contract agreement. If the contract stipulates that seven days' notice is required, then the workers will be paid seven days' wages. If it is one month, then the workers will be paid one month's wages. If the notice is more than one month, the workers will still be paid one month's wages. Moreover, we still have the ceiling of \$2,000. The proposed amendment will only create minor improvements. This is already a most modest request.

The workers are not demanding free lunch. They only want to be paid back the money which is owed to them. They are simply asking for protection of their hard-earned wages. Some people have said that this Bill originally only covers the protection of wages in arrears and now we are extending it to protect wages in lieu of notice. It seems that the labour side is asking for more and more. This is a most inaccurate view. When the fund was first set up, labour representatives already demanded that wages in lieu of notice should also be included. However, the Legislative Council at that time did not accept the request and only promised that a review would be made in due course. Now is the time for review. We already have the means to make the improvements but why are we still haggling so hard with the labour side on these improvements?

Why do I say that we already have the means to extend the seven days' compensation to not exceeding one month? In the first year the fund was set up, it had accumulated a surplus of \$39.5 million. In the second year, the surplus was \$68 million. And in the third year, it is expected that the accumulated surplus will be \$83.1 million. If we extend the seven days' compensation to not extending one month, the expected additional expenditure will only be \$4.4 million. This is simple arithmetic. With the accumulated surpluses for the last three years, we can actually pay for all the additional expenses incurred for the next 19 years. Therefore, based on the financial situation of the fund, objection to my proposed amendment is most unsound and acceptable.

Some people have said that in order to avoid the necessary vetting and to economise on the management and administrative expenses, we should adopt the seven days' limit. We cannot be lazy. If something has to be done, we have to do it. We cannot escape. We cannot avoid doing something because it is too troublesome. We cannot manufacture a very small-sized hat and ask everybody to wear it no matter it fits or not. It is most unreasonable.

Of course wages in arrears have to be vetted. At the same time, the period of notification can also be vetted. Different contracts may have different notification periods. It is more difficult to vet wages in arrears than to vet wages in lieu

of notice. So I do not think there will be very much additional administrative expenses involved. Some people say that it is most unfair for other employers to pay the employees of those employers who have gone bankrupt or to give them wages in lieu of notice, and that it is most unfair to set up this fund. But we must, first of all, find out how much the other employers have to pay. All they have to do is pay \$100 a year which amounts to about less than 30¢ per day, which is not even enough to pay for one cigarette. Does it mean that they cannot afford it?

An employee who earns \$3,000 a month is considered to have a low income in Hong Kong nowadays. For such an employee, if the contract stipulates that the period of notice is one month, then according to the existing proposed Bill, he can only get \$700 of compensation and loses \$2,300 which is good enough for the other employers to pay 23 years of their subscription to the fund. Even if you accept my proposed amendment, he only gets \$2,000 and he already loses \$1,000 which is enough for the other employers to pay 10 years of their subscription to the fund. If you say that it is unfair to the other employers to make such a minimal contribution, then what about those people who suffer grave financial hardship because they become unemployed suddenly and have to suffer even worse losses. Would you call that fair?

Some people have also said that we can first of all pass the existing draft legislation and review it next year. But how many tomorrows can we have?

On 1 January last year, we started the long service payment scheme, and at that time we were promised that a review would be conducted in one year's time. But up till now, no review has yet been carried out. We can expect that by the time we need to carry out the review, people will be haggling hard with labour representatives and creating the free lunch phobia again.

What we should do today we should do it today. If we human beings can walk step by step forward, why do we have to play the role of a turtle and crawl?

Sir, with these remarks, I propose the motion to amend the Bill.

Proposed amendment

Clause 4

The clause 4(b)(iv) be amended:

in new paragraph (e)(i) by deleting '7 days' and substituting the following—
'one month's'.

MR. CHAN KAM-CHUEN: Sir, as a signatory of the Report on the Working Group on Problems Experienced by Workers of Companies in Receivership of June 1983, I suggested that a levy of \$100 per annum per business registration

certificate would solve the problem and I was glad that the good employer representatives voluntarily accepted this in good faith, bearing in mind that they did not owe the workers a cent in wages of the Companies in Receivership. Hence it is a form of limited but swift help to the jobless. However, employers outside the meeting believed that this may be the thin end of the wedge and this levy may be increased substantially to meet more and more demands from employees and to cover other items besides wages.

The fund had extended coverage to the 13th month wages (that is, the Chinese New Year bonus) and now we are debating on the coverage of wages in lieu of notice (WILON). The bone of contention is the payment of seven days' wages or one month's wages.

From experience, the fund board has sorted out directors or partners of bankrupt companies who claim for wages as workers and we have to spend time checking these false claims by paying the minimum notice of seven days. No checking into the archives of some \$2,667,000 is required. If these are destroyed or misplaced on bankruptcy and they all have to be paid one month's WILON automatically under existing law, this not only drains the fund heavily, but also encourages fraud. Alternatively all employers and employees have to be compelled by law to enter into written agreement on employment and send them immediately to the Labour Department and file alphabetically by name, or numerically by identity card numbers for future reference. This will require a lot of manpower and expenses, and would be undesirable both to the public and the private sectors.

As chairman of the fund board, I will stand by the majority view of the board, that is, seven days' WILON should be covered but without increase in levy for the coming year.

The surplus of the fund is made up of the following items:

(1)	six months' reserve collected before date of operation (19 April 1985)	\$16.5 million
(2)	1985-86 surplus	\$23.0 million
(3)	1986-87 surplus	\$28.7 million
	Total:	<u>\$68.2 million</u>

The average claim paid in 1985-86 is \$2,292.02 and in 1986-87, it has gone up by some 12.6 per cent due to inflation and so on to \$2,580.42. Disregarding the seven days' WILON payment and next year's inflation factor, \$68.2 million may be sufficient for some 26 000 persons who may lose their jobs. Apart from the 1997 uncertainties, what goes up must come down and this cycle has happened in Hong Kong's economy. We must have a substantial reserve in the fund to cope with the lean years and do the best we can to cope with the maximum number of jobs. If we open the flood gate like other funds and make the

Protection of Wages on Insolvency Fund insolvent then as fund administrators, our imprudence will be doing injustice to these 26 000 persons and they will have the feeling of the door of relief slam shut in their fact. According to page 2 of the Hong Kong Monthly Digest of Statistics April 1987 issue, the labour force of Hong Kong at the end of February 1987 was 2 667 100. An increase of 1 per cent of the labour force in bankruptcy cases will reduce this giant reserve to a dwarf.

A wealthy industrialist who had some \$400 million lived in a country with about 200 million population. He heard through the grapevine that two of his workers were stirring up the other workers to liquidate him. He called them into his office and admitted to them that his wealth was sufficient to give \$2 each person in the country. He paid the two workers \$4 and told them that they already had their share of the 'liquidation money' and they can get back to their work. If the industrialist is liquidated, how long can \$2 last for each worker's family when the factory is closed? This is not a story but there are many countries adopting policies of eating up their 'seed grains'. Some years ago, pamphlets with this type of childish thinking were distributed in San Po King, but Hong Kong workers were too smart to follow.

In ancient China, shells were first used as money, and I now understand why the Chinese sage who created the Chinese character 'poverty' (貧) meaning dividing the shells.

Improvements of benefits should be made step by step and affordable by the fund taking the future into account. I therefore regret that I cannot support this amendment to one month's wages. And I shall vote 'No'.

MR. CHEONG: Sir, I rise to oppose the amendment as proposed by the hon. SZETO Wah. Although I recognise that each and every Member of this Council has the right to propose any kind of motions or amendments, yet, if this amendment was adopted today, I fear it would certainly have an unsettling effect on the well-trying way through which Members of this Council would monitor, develop, and refine, through general consensus, Government policy proposals. More importantly, however, I believe this amendment, if adopted, runs the risk of contributing towards a faster pace of depletion of the fund. We must not forget that the primary purpose of the fund is to protect as well as to provide prompt relief to our workforce, against the unfortunate situation whereby they may be owed wages by insolvent establishments. The logic deployed in support of expanding the scope of the fund because the fund is now in good financial shape is, in my view, questionable. What would have happened if the fund were not in good financial shape to-date? I really wonder. In any case, as I mentioned before, the adoption of the amendment will certainly have the effect of rendering the fund liable to a faster pace of depletion, as it has been so ably demonstrated by the speech made just now by the hon. K.C. CHAN who happens to be the chairman in charge of the fund.

It has been argued that this amendment is harmless because the \$2,000 ceiling is already in place. This only holds true if every worker seeking relief through the fund were entitled to the maximum. If the majority of the entitlement did not reach the maximum ceiling, then expanding seven days in lieu of notice to 30 days would certainly have the effect of making more payouts from the fund thereby making a deeper dent into the fund's resources. Sir, the fund's experience in the past few years has been gained within a period where our economic climate has been very healthy. Given our externally oriented economy, we must always recognise that in future there may be a possible economic downturn. That is when the original purpose of the fund will be most needed to be upheld. We must always be cautious and alert in the management of fund for the public and I certainly do not believe we should spend just because there is money in the bank.

Finally, Sir, it has been argued that what is demanded by this amendment is only the rightful demand of what has been owed. This argument seems to be fair on the surface, but it has neglected one very important fact. The money that is owed is not from the fund, the contributions of which are from companies that have not gone insolvent. The money that is owed to those unfortunate workers are by the unfortunate companies that have gone insolvent. The plight of the workers are really being partially alleviated by employers who have not had the service of all those unfortunate workers at all. I therefore oppose the amendment.

DR. CHIU: Sir, what I am going to say in the next couple of minutes reflects my personal view.

In the case of insolvency of the employers, workers especially those who lead a 'from-hand-to-mouth' life are encountered with great financial difficulties. The purpose of setting up a wages on insolvency fund is to eliminate as much as possible the immediate hardship of the concerned workers. In this regard, I strongly believe that the more money we can provide to our workers the better. However, we must consider how sound is the financial situation of the fund. If we can afford to pay more, the coverage should extend to claims for up to one month's wages or \$2,000 whichever is less. The question is if, unfortunately, many factories go bankrupt in a short period, the fund which at present seems to appear financially healthy will go broke very soon. If this is the case, it will be a serious matter. Therefore, we have to prepare for rainy days.

Sir, I tend to think that not until the fund is financially healthy and with a handsome amount for reserve purpose, it may not be wise or prudent for us to extend the coverage from one week to one month's wage in lieu of notice at this moment. It has been given to understand by the Administration that a review will be conducted in one year's time. Consideration may then be given as to the extension of the coverage.

Sir, with these remarks, I do not support the motion.

MR. HO (in Cantonese): Sir, I am against the proposal put forward by the hon. SZETO Wah to extend the Protection of Wages on Insolvency Fund to cover one month's wages in lieu of notice.

The provision for a limit of seven days' wages in the present Bill before Council is consistent with the minimum period of notice as stipulated in the Employment Ordinance and this is already applicable to more than 60 per cent of the workers in Hong Kong, that is, the majority.

As you have heard from the Administration, the views of the Labour Advisory Board had been sought. Although the majority of the employer representatives, of which I am now one, were in favour of extending the scope of the fund to cover seven days' wages in lieu of notice, they were not in favour of any further extension on the ground that this went beyond the intention of the original provisions of the Ordinance which limited any ex gratia payment to an amount equivalent to four months' wages or \$8,000 whichever is the lesser. I wish to stress that it never was the intention that workers be paid in full out of the fund, all that may be due to them on the insolvency of their employers.

In fact we are going to provide immediate relief to workers concerned, and wages in arrears should be paid by the employers who have gone insolvent after liquidation. In other words, at a certain time, the workers would be paid any wage in arrears owed to them unless the company has no money left after being liquidated. I would like to make one point clear. The Protection of Wages on Insolvency Fund has considered the hardship faced by the concerned workers and it would like to protect the stability of society in such circumstances. That is the purpose of its establishment. Actually this is not one form of social security as such.

Some hon. Colleagues have already talked about the financial position of the fund. I would not repeat it. I would like to say and hope that the employers and employees would co-operate and be understanding in expressing their views towards the Bill. I also hope that the same spirit would be made use of to tackle any labour disputes in the future.

At any rate, as the matter is to be subject to a review in a year's time, I feel we should wait until then to see whether a further extension is justified.

Under the circumstances and with these remarks, Sir, I object to the motion proposed by Mr. SZETO.

MR. DESMOND LEE: Sir, I support the motion to alter the specification for compensation from seven days' wages or \$2,000 to one month's wages or \$2,000, whichever is the lower.

An employee will have to earn a monthly pay of \$8,000 in order to qualify for the \$2,000 compensation under the seven days' specification. Workers earning anything less will not be fully entitled to the \$2,000 amount. The original Bill is

therefore detrimental to the lower pay workers. It is contrary to the principle of giving less to the wealthy and helping the poor. Furthermore, workers may not be able to find a new job within seven days and a one-month period is more reasonable.

Some business failures and bankruptcies arise from business owners going into risky projects in pursuit of potential attractive returns. If the risk taken turns out to be a success, the reward goes entirely to the business owners and not their employees. If it turns out to be a failure, ending up in liquidation of the business, employees will suffer. In this way, employees stand only to lose and not to gain in risky ventures which their employers may decide to take. For this reason, I would prefer to see better protection accorded to employees.

In any case, there is a ceiling of \$2,000 per person and the total additional expenditure estimated at around \$4 million per year will not constitute any excessive burden on the fund amounting to \$68 million now.

MR. PANG (in Cantonese): Sir, the major amendment in the Protection of Wages on Insolvency (Amendment) Bill 1987 is to widen the scope of wages owed to employees by insolvent employers to include wages in lieu of notice. From this we know for sure that wages in lieu of notice are part and parcel of wages owed.

As for the period of notice of termination, sections 5 and 6 of chapter 57 of the Laws of Hong Kong, that is, the Employment Ordinance, stipulates that under normal circumstances, the period is mostly one month, the exception being where the period of notice is spelled out in a written contract.

The amendment Bill opts for wages for seven days, that is, the minimum period of notice stipulated in the Employment Ordinance or \$2,000, whichever is the less. Such an amendment rigidly stipulating wages for seven days only is incomprehensive because in the same Bill, there is a different formula of calculation. For example, if an employee is owed wages by an insolvent employer, the employee can obtain from the fund, wages for a maximum period of four months or \$8,000—please take notice of that, it is four months or \$8,000 whichever is the less.

We are legislators. We want to have consistent legislations. As legislators, we must be careful when we decide on the figures. We do not want any inconsistencies. Some people say that if a company goes bankrupt, the employees may be left with nothing, but now we have the Protection of Wages on Insolvency Fund. And some people say that now that the workers are protected by the fund, the workers should not make further demands. But the workers in Hong Kong have been industrious; they have contributed to the prosperity of Hong Kong. People are saying that the workers have put in their efforts and have worked hard. If a company goes bankrupt and if the employee does not get the wages owed to him, it will not be appropriate for us to say that this serves him right. However

much money we have in the fund, we must be careful when we decide on the amount of compensation given to the employees. Sir, I do not want to be long-winded. I want to have fair treatment for the workers and to have consistent legislations. We should strike a balance between various pieces of legislation.

Sir, with these remarks, I support the motion.

MR. TAM (in Cantonese): Sir, I support the motion moved by the hon. SZETO Wah.

The first point I would like to make is that the maximum limit of seven days' wages or \$2,000 in lieu of notice payable from the Protection of Wages on Insolvency Fund is inconsistent with the preferential payment of up to one month's wages or \$2,000 provided for under the Companies Ordinance.

Secondly, in nearly 40 per cent of the claims received by the fund in 1985-86, the period of notice required was longer than seven days. As this is a substantial number, the adoption of a minimum of seven days' notice for the payment of wages in lieu of notice in all cases will therefore be unfair to about 40 per cent of claimants.

Sir, the Government has sought to justify this unfair limit on administrative and financial grounds. In response, I wish to make the following comments.

Firstly, the Government considers that if all payments are based on seven days' notice, it will avoid the unnecessary trouble of verifying the agreed one month's notice in ordinary verbal contracts. What I wish to point out is that only those cases claiming one month's wages in lieu of notice will need to be investigated. Moreover, it would not be easy for claimants to hoodwink the Government even if they had the intention. It would be against the spirit of the fund if the Government is to minimise its protection for employees just for the sake of some small gains in administrative convenience.

Sir, as a member of the Protection of Wages on Insolvency Fund Board, I fully realise the healthy financial position of the fund which is well able to bear the increased burden of an extension of its protection to one month's wages. The Government has also expressed what seems to be undue worry about a possible downturn in the economy. This has apparently provided it with a justification for taking a cautious approach towards estimates of the fund's income and expenditure. At present, if claims for one month's wages are to be accepted, annual payments are estimated to cost \$12.8 million, whereas if the seven days' limit is adopted, the cost will be \$8.4 million. The difference is \$4.4 million, which represents only 5 per cent of the accumulated surplus of the fund. If the Government accepts the proposal of OMELCO Members and the workers and exempts it from the payment of administrative fees, the fund should still be able to maintain an annual surplus even if the former limit is adopted. It is therefore difficult to appreciate the anxiety felt by the Government.

Sir, this matter has in fact been discussed time and again by the Protection of Wages on Insolvency Fund Board and the Labour Advisory Board. Labour representatives have expressed unanimous support for extending the scope of protection of the fund to cover wages in lieu of notice and setting the limit at one month's wages and \$2,000. For the above reasons, I consider that such an extension is in fact already a very cautious first step and should provide a fairer protection for employees. I therefore appeal to the Government to give due consideration to the request of the workers.

Sir, with these remarks, I support the motion.

MR. ANDREW WONG (in Cantonese): Sir, I rise to oppose the amendment proposed by the hon. SZETO Wah. The amendment this time actually is to try to extend the coverage from wages in arrears of four months or \$8,000 maximum to cover also wages in lieu of notice, and the suggestion is that the coverage should be seven days' wages or a maximum of \$2,000. Mr. SZETO's suggestion is to amend it to one month's wages in lieu of notice or \$2,000 depending on the contract. I am against this and I have two simple but very strong reasons.

The first one is in relation to the management cost of the fund. If the fund board has to vet the period of notice agreed to at the time the contracts were signed if and when employers are insolvent and to deal with any appeals that may arise, the management cost will definitely have to go up. In this way, the gain will not make up for the loss. Even if this is to be paid by the Government, it is not cost-effective. I wish also to mention in passing that I am against the Government having to pay for the management cost or administrative cost. I think the fund itself should be responsible for it.

The second one is the effectiveness of the fund. When an employer goes bankrupt, and if the fund board has to vet the agreement and to decide on whether the period of notice is one month or seven days, then this will defeat the original purpose of the fund. The purpose is to try and help the employees obtain their wages in arrears when the employer goes bankrupt instead of waiting for the completion of the winding up proceeding which can be very time-consuming. I am sure this original purpose of the Bill was agreed to by both Mr. SZETO and other Members. I support the seven days' wages in lieu of notice or \$2,000 not because I feel that about 60 or 70 per cent of the contracts are for seven days' notice and therefore we can sacrifice the remaining 30 or 40 per cent, but if we do not fix it at seven days or \$2,000, then it will be unfair to the 30 or 40 per cent employees as it may take a long time for them to get their money back and they may be in financial difficulties. Therefore, if we change it to one month, whether for general good or for self-interest, it will not make up for the loss. We must remember that we are trying to relieve the workers of their immediate financial difficulties. We are not trying to pay back everything.

I am now taking the opportunity to try and give my overall view on this particular fund. I know that this is not totally relevant, but I have not spoken

during the Second Reading of the Bill. May I therefore take the opportunity to express my views? We are facing a very complicated legislation. On the one hand, the Bill is to try to give immediate relief to workers whose employers are bankrupt, and at the same time workers will obtain their wages in arrears from the fund after liquidation of the employers' companies. On the other hand, the Bill is involved in the Companies Ordinance and the Bankruptcy Ordinance and such things as 'preferential debts' which include the following:

- (a) wages in arrears;
- (b) severance pay;
- (c) the amount accorded by the Employees' Compensation Ordinance;
- (d) wages in lieu of notice; and
- (e) accrued holiday remunerations.

All these are in fact payment in arrears but the fund only looks after wages in arrears and has now been extended to include wages in lieu of notice. The other 'preferential debts' have not been included.

HIS EXCELLENCY THE PRESIDENT: The amendment please, not on the general principles of the Bill. Could you stick to points about the amendment which is being proposed.

MR. ANDREW WONG (in Cantonese): I beg your pardon, Sir. I am against the amendment because of two major reasons. However I cannot agree to the other arguments put forward too. For example, that there is not enough money in the fund. Basically I feel that even if the fund comes from the levy from the Business Registration Certificates, and even if the commercial sector feels that the levy should not be increased too substantially, I feel that this is not consistent with the principle and spirit of the Bill. Even if we increase the levy substantially to \$200 or \$300 or even \$500, the commercial sector can well afford it. Therefore I feel that the argument that the fund will not be adequate to meet the claims is not really acceptable since we can increase the levy from \$200 to \$300. If, for instance, in future we have a lot of bankruptcies and we cannot therefore cater for the need, then even if we have only seven days' wages in lieu of notice, the fund will not be sufficient. Thus, when we look at this question, we must look at it from a particular angle, that is, this is the protection of wages on insolvency. We should include wages in lieu of notice and if we include this, what sort of arguments can we use to support the view that we must stick to seven days or \$2,000 maximum? Sir, you say that I cannot dwell on general points but I have already expressed myself. So I come back to my original point, that is, I am against the administrative cost and cost-effectiveness and therefore I am against hon. SZETO Wah's proposed amendment.

SECRETARY FOR EDUCATION AND MANPOWER: Sir, the motion proposed by Mr. SZETO Wah, and supported by Mr. TAM Yiu-chung, Mr. PANG Chun-hoi and Mr. Desmond LEE, is based on two propositions. Firstly that the Protection

of Wages on Insolvency Fund has grown from \$39.5 million at the end of its first year of operation, to \$68.2 million at the end of its second year and is projected to grow to \$83.1 million at the end of the present year despite the extension of its coverage to include one week's wages in lieu of notice. I may say, for Members' information, that all those figures appear to be slightly overstated because in the Executive Council paper they were based on an assessed surplus of the fund's operation and now the final accounts, show about \$500,000 less. But this is not directly relevant to the main point. Because of this growth, it is felt that the fund can well afford to be more generous by extending the protection of wages in lieu of notice to one month's wages instead of the proposed one week's wages.

The second proposition, Sir, is that, as the fund's coverage of arrears of wages (four months' wages or \$8,000) is consistent with the limits set for preferential treatment under the Bankruptcy and Companies Ordinances, so too the limit of coverage for wages in lieu of notice should be the same as laid down for a preferred creditor in the event of an employer's bankruptcy.

I shall, if I may, address the second proposition first, because it is the more superficially attractive, offering an apparently logical and consistent approach to the coverage which the Fund could offer to arrears of wages and to wages in lieu of notice. It is, however, based on a false premise that the Protection of Wages on Insolvency Fund was set up to cater for every obligation which an insolvent employer might have to his employees. It was not. As Mr. HO Sai-chu has stressed in his speech, and as Mr. Andrew WONG has reiterated, it is not and never has been the intention that the fund should pay workers, in full, all that may be due to them on the insolvency of their employers.

The fund is intended to be a safety net: to ensure that no employee suffers hardship while waiting for the courts to determine his share of the proceeds of his employer's winding-up and for the receiver to realise the assets.

In the case of wages in lieu of notice, that hardship is defined in the Employment Ordinance which, as Mr. HO has pointed out, stipulates a minimum period of seven days' notice of an employee's dismissal. It is true, as Mr. TAM has said, that some workers are contractually entitled to a longer period of notice. They are fortunate. The vast majority of lower-paid workers, however, are legally entitled to seven days' notice and they can stand as preferred creditors for only this amount. The figures of 60 and 40 per cent that have been referred to are based on actual claims lodged with the fund over the short period of the funds existence. They do not represent necessarily the pattern in our employment as a whole. The vast majority of the lower paid workers are entitled only to seven days' salary in lieu of notice will be covered in full by the proposal in the present Bill. The fortunate minority who are contractually entitled to more, and who tend to be the better-paid employees, will receive the same coverage from the fund and will stand as preferred creditors for

the balance. I can see no justification for the fund being required to discriminate between one worker and another which would be the inevitable consequence of Mr. SZETO's amendment.

I note that Mr. Desmond LEE supports the proposed amendment as he thinks the Bill is contrary to the principle of giving less to the well-off and more to the poorly paid. But the reverse is in fact the case. Two workers are on identical salaries, one with seven days' wages in lieu of notice as contractually stipulated, the other with a month's wages stipulated. One would receive four times the amount which the other would receive from the same public source. And indeed since the worker with a month's wages in lieu of notice stipulated is likely to be more highly paid he could receive six, seven, eight, maybe even 10 times the amount received by the poorly paid worker from the same fund.

The first proposition—I mentioned two propositions underlining this motion—is the more elemental, Sir, as it deals with the cash in the fund's reserves and the uses to which that cash can be put. I can see the force of the argument that as the fund's reserves are increasing, it should be able to extend the protection it gives to our workers to areas not presently covered. This is not necessarily so, however. Wages rise every year and the amount of funds which needs to be available to meet the same number of claims goes up every year. The average payment made from the fund in its second year of operation was \$2,600, which was \$300 more than the average payment in the fund's first year. This trend will inevitably continue and will be exacerbated with every addition to the fund's coverage. In the current year, with seven days' wages in lieu of notice, average payment is assessed at \$3,600 and with the 30 days' wages in lieu of notice proposed by Mr. SZETO it would be over \$4,000.

As Mr. CHAN Kam-chuen has said, the reserves of the fund, at 31 March 1987 were sufficient to meet some 26 000 payments to individual workers, at last year's average rate. With the inclusion of seven days' wages in lieu of notice, the increased reserves projected for 31 March 1988 will only be sufficient for just under 23 000 individual payments, a reduction of 12.3 per cent. With 30 days' wages in lieu of notice, the number of payments which could be met from the fund's projected increased reserves would be well below 20 000, a reduction of 26 per cent in the number of workers who could actually benefit from the fund if the worse came to the worst. And this, Sir, is without any downturn in the economy.

I note that Mr. TAM Yiu-chung considers that we are worrying unduly about a possible downturn in the economy. Perhaps we are. Nevertheless, Sir, economic booms do not continue for ever, not even in Hong Kong. But the need to protect workers' wages from the consequences of their employers' in-solvencies will continue for ever. It is therefore essential, as I said when I introduced this Bill, that the fund builds up a sound reserve during the economy's good years, so that it can protect workers' interests when times are hard.

It is a sobering thought, Sir, that only just over 1 per cent of the workforce would be able to receive a payment of arrears of wages from the fund's current reserves and that this will decrease with the passage of this Bill. Should the number of employers becoming insolvent increase from last year's level—last year economic boom level—by a factor of three, it would be sufficient to wipe out the fund's reserves.

Sir, it is not my intention to be a prophet of doom. I do not envisage a severe downturn in the economy in the immediate future, but it could happen and we must guard against the possibility if we are to genuinely protect workers from the consequences of an employer's insolvency.

Sir, the proposals contained in this Bill represent a very important step forward in the protection which the Protection of Wages on Insolvency Fund will give to workers affected by the insolvency of their employers. The principle has been accepted, as Mr. CHAN Kam-chuen said, unanimously, that wages in lieu of notice should be included in the coverage of the fund. By including seven days' wages in lieu of notice, the liabilities on the fund have been increased by 30 per cent. This is a significant additional burden which the fund appears now to be robust enough to assume.

But this is not the end of the line. As I said in my speech two weeks ago when I introduced this Bill, the reserves available in the fund, and the effect of the inclusion of seven days' wages in lieu of notice, will be kept under review and further extensions of the coverage of the fund will be introduced as circumstances stances permit. We must, however, be cautious if we are to ensure that the protection of the fund is to continue to be available to workers facing hardship as a result of their employers' insolvency.

The object of the Protection of Wages on Insolvency Fund has rightly been to protect the maximum number of workers from the worst effects of an employer's insolvency. I fear that the proposed amendment will act against this objective.

MR. HUI: Sir, having heard all the speeches and pros and cons of the issue, I now wish to support Mr. SZETO Wah's motion as I think this amendment will provide fairer and better welfare for our labour force which has contributed substantially towards Hong Kong's prosperity. Sir, I also believe that our fund for the purpose is beyond doubt adequate. Thank you.

MR. SZETO (in Cantonese): Sir, when the Bill was discussed at the Labour Advisory Board, the representatives of the employers and employees did not come to a concensus and did not reach any agreement. Limiting wages in view of notice to seven days was the opinion of the employers' representatives. My amended motion that the seven days be extended to not exceeding one month is very modest among the many reasonable requests of the employees. The present

proposed Bill however, only accepts the views of the employers' representatives but ignores even the most minor point from among the employee representatives' views. Is this prejudice?

In the first half of this year, Hong Kong's economy performed quite well. In the first five months, exports, compared to the same period last year, increased by 31.6 per cent and entreport trade increased by 50.6 per cent, so gross export had increased by 40.2 per cent. The property market, banking and financial sector, tourist trade, all performed very well. These can be attributed to the contributions of our labour force. And under such financial circumstances, employers need only have to pay about 30 cents every day if the scope of the fund is to be extended. Do you think it is too much? Extending the coverage of the fund would not create the slightest burden anyone but improve the security of the workers. Do you think this is an unreasonable request?

Labour relations in Hong Kong has long been recognised to be very good and in order to maintain this very good relationship, the labour force has always exercised self-discipline. Today, my amendment proposal is just to reflect the results of the self-discipline and hard work of our labour force. I would very much hope that, directly or indirectly, those colleagues who represent the employers' interest would adopt the same attitude so that labour relationships in Hong Kong can further improve and develop.

Recently, someone cry out that 'we only want a good living, we do not care about the electoral system, and at this point in time, we are trying, in the Legislative Chamber, to fight for the minimum protection of a good living'. I do not know the consequences, we have to wait to see. Although I am not the representative of the labour force, I have, however, tried my very best and I can look into my conscience and will not be ashamed. I'd like to advise those persons who utter the slogan to learn a lesson from what happens today and very calmly reflect the matter.

Just now, some Members who opposed to my amendment had cited many reasons, for example, whether the reserve is adequate; whether there would be a downturn in the economy and the administrative cost and so on. However, they also said that a year later, there would be a review. Actually, after a year, the reasons cited by them may also be altered. Would there be an increase in our reserve? Can we predict that there will not be a downturn in our economy in the future? Or would administrative cost be lowered? Actually this boils down to one point—delaying tactics?

Just now, the Secretary for Education and Manpower said one thing which I think is wrong. He said that the fund should not be used to represent the total liability of the employers. Now, actually we are amending it to cover seven days and it is a long way before the fund can assume total liability on behalf of the employers.

Sir, these are my remarks.

The amendment was negative.

Clause 4, as originally drafted, was agreed to.

Third Reading of Bills

THE ATTORNEY GENERAL reported that the

COMPANIES (AMENDMENT) (NO.2) BILL 1987

BANKRUPTCY (AMENDMENT) BILL 1987

COMMODITIES TRADING (AMENDMENT) BILL 1987

INSURANCE COMPANIES (AMENDMENT) (NO.2) BILL 1987

PILOTAGE (AMENDMENT) BILL 1987

LIFTS AND ESCALATORS (SAFETY) (AMENDMENT) BILL 1987

SUPERVISION ORDERS (RESIDENTIAL REQUIREMENTS) BILL 1987

KOWLOON-CANTON RAILWAY CORPORATION (AMENDMENT) BILL 1987

ROAD TRAFFIC (AMENDMENT) BILL 1987

THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY BILL 1987 and

PROTECTION OF WAGES ON INSOLVENCY (AMENDMENT) BILL 1987

had passed through Committee without amendment, and moved the Third Reading of the Bills.

Question put on the Bills and agreed to.

Bills read the Third time and passed.

Adjournment

5.15 pm

Motion made. That this Council do now adjourn—THE ATTORNEY GENERAL.

HIS EXCELLENCY THE PRESIDENT: Five Members have given notice of their intention to speak in the debate, so I propose to exercise my discretion under Standing Orders to allow Members adequate time to complete their speeches and also adequate time for the Official Member to reply to those speeches before putting the question on the adjournment.

Shelter for the homeless

MRS. NG: Sir, the promulgation of 1987 as the International Year of Shelter for the Homeless by the United Nations has such objective 'to improve shelter and neighbourhoods of some of the poor and disadvantaged by 1987, and to demonstrate by the year 2000, ways and means of improving the shelter and neighbourhood of the poor and disadvantaged.' Efforts towards such improvement are an on-going exercise up to the year 2000. The year of Shelter for the Homeless has been so established to focus attention with a view to seeking solution of the various issues relating to shelter for the homeless. Today's debate should serve this purpose. We shall have the benefit of the roles of both Members in this Council and the Secretary for Health and Welfare, and Secretary for District Administration to this international call for concern for the homeless.

The Legislative Council ad hoc group to prepare for the adjournment debate on shelter for the homeless, has identified some six areas of concern for the shelter of the homeless. They are namely, street sleepers; people living in bad space apartments; run away or abused children needing shelters; boat people; squatters living on dangerous slopes and lastly THA tenants awaiting permanent housing.

In searching for solutions to these six categories of people, the group is aware that there are varieties of background for these groups, and the public attitudes to them also vary. For example, on the problem of street-sleepers. One may look with abhorrence the shabby, squalid looking street-sleepers in the Central, but be moved at the plight of the dying old man in cold weather from newspapers reading, and probably infuriated to see some able-bodied street-sleepers fighting for priorities in urban government housing. It should be said that both assistance and deterrents are necessary to dissuade people from street-sleeping. It is a balance between the two that different views might be heard, and I hope the Government would take into account all views expressed and established as sympathetic as well as more clear cut policy to this destitute group of people in our society.

I shall give a brief overview of the problems of these six categories of the homeless and what Government could have done more to relieve the problem. My particular attention however, was focussed on the street-sleepers. This is

because for other problems there are either government plans for them or the other problem was considered not serious.

Firstly, people living in bad spaced apartments. The situation of the large number of people crammed in an apartment gives not only unsatisfactory living environment for the residents but also would pose problems like fire risk or nuisance to other neighbours. But the main crux of the problem is the fact that these apartments are private buildings. Presently, no government department is willing to assume responsibility. I suggest the departments concerned to sit together and to figure out the responsibility of and solutions to this problem.

Secondly, on the run away or abused children needing shelter, the group also enquired the Administration as to whether any problem existed in providing shelter for this group of people. We are pleased to note that the problem of run away or abused children is constantly monitored by Social Welfare Department and that the problem is not considered serious.

Thirdly, squatters living on dangerous slopes. According to the Government, there are a total of 32 000 of such squatters. It is planned to rehouse all these squatters by 1989 to 1990, and to clear all other urban squatters by 1994. This should be welcomed and I hope there should be no delay in rehousing this vulnerable group any more. I am also glad that Housing Authority has approved the extension of the SAI programme for two more years. Such programme are much welcomed by squatters in bringing improvements to their living.

Fourthly, the boat people. According to the Government, there are about 6 500 boat people in total. It is note that plans for rehousing the boat people in Shau Kei Wan, Ap Lei Chau and Sai Kung are at hand for the early 1990s the latest and the remaining by mid-1990s. I hope there would not be delays in all these plans.

Fifthly, the THA tenants which total 120 000 people. In view of the present demand, it is expected that these temporary accommodation would remain a feature of housing in Hong Kong for a rather long time. Hence, we are told that the more recently built THAs are with improved facilities like shops, and that all THAs are provided with independent water and electricity supplies.

Street sleepers. It is not a welcoming sign to see increasing number of street-sleepers for the last three years, from 971 in 1984 to 1 333 in 1986. The number has only steadied at 1 319 in 1987. Indeed Members of this Council have raised questions on street-sleepers almost every year. This perennial problem concerns several aspects. On the one hand, street-sleepers might pose an environmental problem to the neighbourhood and constitute nuisance to general public. On the other hand, they are the most destitute group in the society deprived of human dignity and wanting assistance, both welfare or housing.

The basic solution for the street-sleepers is to provide shelters. I trust the four shelters for street-sleepers in Un Chau Street, Ma Tau Chung Road, Hospital Road and Mother Theresa Home of Love have provided meaningful service. The 1986 survey in studying the street-sleepers' general awareness of such shelters and their usage however, reflected that a lot more is to be desired. 74.8 per cent of the responded street-sleepers had never heard of the shelter for street-sleepers. 8.7 per cent did not know the whereabouts of the shelter for street-sleepers. In short, only 8.5 per cent knew of the shelter for the street-sleepers. Of the various reasons given by the respondents of not going to the shelter for street-sleepers, some quoted short opening hours; too crowded or too far away from present location or estate. This points to the fact that improvements are in fact possible and necessary to encourage more street-sleepers to make use of the shelters and the services provided there.

I have heard of commendations to the hard work of these shelters but inadequate resources bound to be a handicap to further develop the service and to achieve the aim of dissuading people from street-sleeping. Firstly, more such shelters is desired. They should be located in the more accessible places for the street-sleepers. Secondly, adequate manpower and financial resources must be given to these shelters to provide such important counselling service to enable the street-sleeper restore a normal life and esteem and dignity.

Government has so far directed its efforts to identifying and even reaching out to the street-sleepers to offer such welfare existence, which are no more than what the social security system offers, for example old age allowance; public assistance; compassionate housing or special need allowance, so long as they satisfy the eligibility requirements. It is good to see Government has begun to pay attention to providing more of such shelters. This is in the right direction, but the policies should not be mere provision of a place to sleep for the street-sleepers, but more importantly, there should be counselling services to enable them a full recovery, ready to integrate with the rest of the community. Follow-up work is important.

This follows the housing need. I agree that housing priorities should not be upset to make room for the able-bodied street sleepers. Neither will I endorse that the Government should shut its door to those destitute street-sleepers who are in need of shelter.

According to the 1986 survey conducted by the Social Welfare Department, 47 per cent of street-sleepers are able-bodied, but the rest might still be needing shelters. While some might require special institutes like halfway-houses, consideration should be given to offering some form of government accommodation for them so that they may have a place to sleep upon discharge from hospitals or street-sleeper shelters. As in April 1986, 205 applications for accommodation from these street-sleepers were still in process or pending action. Should they be successful, these would help reducing the number of street-sleepers.

In this connection, I suggest the Social Welfare Department and Housing Department to jointly seriously consider options to accommodate these street-sleepers. Perhaps, upon the recommendation of the Director of Social Welfare, Housing Department might relax the age criteria for compassionate housing, for the ill or ex-mentally ill street-sleepers.

Having said all this to assist the street-sleepers in finding a place to live, the group is aware that there might be certain group of them prefer street-sleeping. In this regard, some Members felt more educational measures should be launched to disapprove street-sleeping. I do concur that legislation against street-sleeping might be a bit harsh, but there are always good district efforts to deter street-sleeping, for example, conduct joint clearance operations to clear the street-sleepers black spots. Such efforts are commendable and better co-ordination between departments is desired. Perhaps Mr. John CHAMBERS might wish to brief us how better co-ordination is to be achieved as he undertook to look into this in January this year.

Sir, in preparing for this debate, we have been satisfied that the Government has indeed taken good initial steps to tackle the problem of street-sleepers and also plans for other groups of the homeless. Certainly, there are always room for further development and improvement. The setting up of the Co-ordinating Committee on Street-Sleepers and the proposal to run two-day relief cum temporary shelters are encouraging signs of the Government taking on the issue. I hope the committee will continue to work until the community is satisfied that the problem of street-sleepers has been recently contained.

A last suggestion perhaps is to co-opt some voluntary agency representatives or local people into this committee so as to allow more participation and involvement of the voluntary sector.

MR. CHEONG-LEEN: Sir, I would like to say a few words about street-sleepers reported to be around 1 319, according to the Social Welfare Department's survey as at April this year.

Let me right away congratulate the Health and Welfare Branch and the departments concerned under the establishment of a Co-ordinating Committee on Street Sleepers to step up services for street-sleepers in this year of Shelter for the Homeless.

Of courses, the number of street sleepers in Hong Kong represents only a small proportion of the million or more people who have housing needs and who require public support in one form or another on solving their housing problems.

But the problem of street-sleepers is complicated. Hence the setting up of the special co-ordinating committed comprising representatives of six or more government departments concerned to deal with the different types of street-sleepers.

One proposal which the co-ordinating committee will need to consider is the feasibility of providing two-day relief cum temporary shelters for street-sleepers as well as some basic cleaning-up services for long-haired street-sleepers or those who at first sight seem filthy in appearance and very much in need of a washing up. The nub of the problem is to what extent the procedure should become mandatory in the general public interest and having regard to standards of public hygiene and morality, without gross infringement on the rights and personal needs of the street-sleepers with their very personal and individual problems. Certainly some element of compulsion will have to be considered. However the procedures will have to be carefully drawn up, publicised and accepted by the general public before enforcement.

My own view is that procedures should be devised for long-haired and filthy and very much unwashed street-sleepers to be cleaned up at regular intervals, whether it be by their wish or otherwise, but that they should not be forceably kept off the streets against their will unless they are suffering from mental illness, drug related problems, alcoholism and so on in a manner which would make them a danger to public order.

The Annual Review of Street-Sleepers 1986 prepared by the Social Welfare Department is a revealing document in that it lists out the different types among the 1 300 plus street-sleepers, about half of whom are in normal health.

Special approaches will have to be thought up and special forms of assistance for street-sleepers will have to be improved upon with the eventual aim of providing accommodation off the streets for categories such as the drug addicts, those suffering from mental illness or alcoholism or ill health, the physically disabled, the blind and so on. There is a special category for the handicapped or elderly persons who are exploited for the purpose of professional begging. I urge the co-ordinating committee to look into this intractable problem and come up with a realistic solution, if that is at all possible.

Also, since nearly half the exact number being 581 persons of the street-sleepers surveyed, claim they were forced to be street-sleepers because they could not afford the high rent, I would urge the Housing Department to make available an additional quota if needed to resettle street-sleepers off the streets.

I think at this point of time, street-sleepers deserve increased assistance from Government in view of the fact that 64 per cent of them have lived in Hong Kong for over 20 years and 97 per cent over 10 years.

An important guideline I would urge Government to accept is that wherever possible, the programmes to be implemented to resolve the multifarious problems of street-sleepers, should be farmed out among voluntary agencies which are normally capable of greater flexibility and cost-effectiveness.

The public are particularly concerned about street-sleepers with psychiatric problems and violent tendencies who require regular medical supervision. This is

another area where the specialised and co-ordinated resources of Government supported by voluntary organisations, will have to come into full play.

Finally, Sir, I would like to express my support for the initiative taken by the Social Welfare Department to invite district boards to co-sponsor the Opportunity for Youth Scheme to assist street-sleepers and the homeless during this International Year of Shelter for the Homeless.

MR. HUI: Sir, among the homeless in Hong Kong, comprising squatter dwellers, temporary housing area residents, cage men (that is tenants of bed-space apartment), and street-sleepers, the latter ranks as the most destitute group in exigent need for attention and help. That Hong Kong's perennial social problem of street-sleepers should only be brought into public limelight on occasions such as the International Year of Shelter for the Homeless is an irony for our affluent society. For the heart-rending sight of street-sleepers huddling by the pavements, under flyovers and on staircase landings, has lived with us for so long, posing what some people call an eyesore of the city. This group of unfortunate people always rejected by the public who entertain misconceptions about them, has also been ignored by our social policy planners. According to social studies on this subject, their current needs stem from a series of inflexible government practices and an indifference by authorities concerned to really tackle the problem.

At the moment, various government departments are dealing with the many and varied problems of our street-sleepers, by taking a piece-meal remedial approach. Street-sleeper A in Sham Shui Po, aged 62, unemployed, lives on rag-picking that yields an average monthly income of HK\$1,000 which is slightly more than the public assistance payment. Being a drug addict he often falls ill, and has been lucky enough to receive three weeks' treatment in one of our overcrowded geriatric wards. Upon discharge from hospital, he finds himself confronting with the same old accommodation problem—street-sleeping not being a criterion for compassionate housing, he has to choose between sharing a hostel flat in a public housing estate with two elderly strangers, or moving into a temporary relief shelter with only makeshift facilities. For want of adequate housing, he returns to the streets much to the anguish and frustration of the medical social worker who handles his case. Street-sleeper B in Wan Chai, aged 50, an unskilled worker with primary education, works as casual labourer, hawker and coolie—temporary jobs which earn for him a meagre, unstable income. Apart from employment problem, he has conflicts with his family with whom he still keeps contact. Efforts made by the Social Welfare Department case worker to resolve his family problems however, is interrupted by a clearance operation launched by the Urban Services Department to deter street-sleeping, following which he cannot be located again. The problem of street-sleeper C is even more complicated. Being mentally ill, he has no identity card which bars him from getting different public services, such as public assistance, housing, medical and employment services. These three

cases help illustrate the jeopardy created by outdated, unco-ordinated government policies.

Behind the lack of co-ordination between the government departments is an indifferent official attitude reflected in the setting up of the Co-ordinating Committee on Street-Sleepers last month, 10 years after the recommendation was first made back in 1977. There also seems to be an underestimation by Government of the size of the problem with the Social Welfare Department's figures failing to tally with those produced by the Street-Sleeper Action Committee and a Sham Shui Po District Board survey research. Government's apathy is highlighted by the tendency of various government departments concerned to pass the buck to the Social Welfare Department with the police refusing to pick up street-sleepers who caused no disturbance to the general public. The Social Welfare Department, understaffed, with only eight social workers manning its outreaching teams finds it difficult to cope while voluntary agencies with limited resources are unable to assist. On the other hand street-sleepers themselves acquiesce in their plight, their passive outlook for life being one major finding of the Sham Shui Po District Board study. The study indicates that the majority of street-sleepers have no future plans, believe in fate, and are convinced that the present life style cannot be changed.

Sir, despite the bleak picture I have just drawn, the survey shows that some 75 per cent of the Sham Shui Po street-sleepers want to change their way of living. In view of the nature and complexity of the problems, co-ordination of existing social services alone will not be sufficient to uproot the problem of street-sleeping. The terms of reference of the co-ordinating committee must be widened. The problem must be looked at in its entirety and tackled by a special task force with concentrated efforts and additional resources. To begin with, multi-purpose accommodations must be designed and made available, including compassionate housing for singleton street-sleepers, handled by a special Housing Department unit; hostels at public housing estates in inland urban areas run by voluntary agencies; and shared apartments or rented bed-spaces in private housing for those who can afford the rent. Other service provisions urgently required include intensification of medical and psychiatric services provided specifically for street-sleepers; expansion of Social Welfare Department's after-care service; halfway-houses for mentally ill street-sleepers and street-sleeper shelters and hostels; increased employment assistance for street-sleepers; as well as special support given to street-sleepers without identity cards. For social services to be readily accepted and actively utilised by street-sleepers, it is necessary to plan new, innovative services geared towards meeting their special needs.

Sir, what happens to be a practical scheme however, can easily degrade into a reference document if government departments are allowed to procrastinate as they have done so many times since 1977. Thus, I strongly recommend that the co-ordinating committee be given the role of monitoring action plans for

containing the problem of street-sleepers to be drawn up by various government departments. Only when the co-ordinating committee can ensure that the entire government machinery is working smoothly to provide back-up services to accommodation provisions for street-sleepers can we be sanguine about a concrete solution to the problem in hand. Otherwise the day relief centre cum temporary shelter for street-sleepers proposed by the Social Welfare Department can only be considered putting the cart before the horse.

Furthermore, since the majority, that is 74.8 per cent of street-sleepers do not know about services available and that one major source of referral, that is 54.5 per cent, of the Social Welfare Department's street-sleeper cases was outreaching work, I fully support the recommendation to arrange for Social Welfare Department's outreaching service team in order to provide concrete assistance to street-sleepers. The scope of work of the outreaching team should expand from providing basic counselling and referral services, to intensive care provided through existing and new channels acceptable to the street-sleepers. Here the emphasis is to maintain long-term, frequent contacts made with street-sleepers at neighbourhood level, possibly with the help of volunteer workers. For the outreaching approach to be effective, community care for the homeless at district level is equally important. Efforts made by district boards in districts of high incidence of street-sleepers, by the police in identifying street-sleepers during their normal patrols, and with the mass media in increasing public awareness of issues surrounding street-sleepers together will constitute a positive approach towards solving the street-sleeper problem.

Sir, the combined efforts of the task force and the outreaching team in planning, implementing, monitoring and extending social services to the street-sleepers will go a long way towards palliating the suffering of homeless living in the streets. Public education aimed at cultivating a proper, more tolerant attitude in the community towards street-sleepers will add the last piece that completes the jigsaw puzzle of our solution to the street-sleeper problem. In the light of the increasing number of street-sleepers in Hong Kong, firm commitment by Government and the community to tackle the problem in all fronts is needed to eradicate the social ill that tarnishes Hong Kong's image. Sir, what we do not want are haphazard measures to cover up the eyesore regardless of human dignity just for the year 1987.

MR. DESMOND LEE (in Cantonese): Sir, 'Let the sky be my silken canopy and let the earth be my mattress.' The above quotation is believed to come from Emperor Ju, founder of the Ming Dynasty when he was roaming the streets. This fully shows the heroic spirit and the majestic sentiments of the emperor. I believe historically, he is the most successful street-sleeper in history. Most of the street-sleepers nowadays are poor, sick, handicapped. Many of them are eccentric and deliberately retreat from society. This is a necessary sign of an affluent society. Even in America, you have hippies roaming about. Now with

the small minority of those who opt to retreat from society, most of the street-sleepers are in a most pitiful state, and are in need of help. None of them can match the gallant spirit or the achievements of the Ming Emperor.

Hong Kong is a civilised society and we must respect human rights and freedom. We cannot legislate to ban street-sleeping so we should employ the tact of education and counselling and use field workers to encourage the street-sleepers to reintegrate with society. For those who are sick and poor and handicapped, and who are therefore most in need of help, we should adopt a crisis involvement strategy and make use of compassionate housing flexibly to help these people. The Government has been accused of adopting a rigid approach. On the 16 of last December, the Wan Chai District Board discussed the question of street-sleepers. They were concerned that the number of street-sleepers increased from 60 to 80 in the district and they had asked me to relay their concern to this Council and to show the regret that this long-standing problem had not yet been solved. At the same time, they urged that human rights be respected while we handled the problem.

According to the action committee, the Social Welfare Department estimates that about 40 per cent of the street-sleepers cannot be located, and that about 40 per cent new street-sleepers are registered every day, and that in 1986 we have about 1 300 street-sleepers in Hong Kong. But a survey undertaken by the City Polytechnic and the Sham Shui Po District Board finds that there are about 4 000; therefore there is a very big discrepancy here.

Usually voluntary agencies will provide temporary shelter for the street-sleepers for about nine months before they are given permanent accommodation. In Sham Shui Po, some hawkers chipped in a total of \$3,000 in order to get a street-sleeper into a permanent home for the elderly. There were 10 cases, according to Government, of street-sleepers who died because of lack of care. Many street-sleepers recover from sickness in hospitals but become sick again after they are discharged because they do not have a home of their own.

Even if the Government has formed a co-ordinating committee on street-sleepers, sleepers, there are not enough members on the committee. For example, it is necessary for us to provide street-sleepers with education and counselling services, but the Education Department is not represented. Besides, we should also provide street-sleepers with career counselling, but the Labour Department is also not represented. I think the problem is very complex and the Government should set up special advisory committee, comprising of outreach social workers and relevant district board members so that opinions can be gathered as to how the problem can be tackled. The opinions can subsequently be considered by the co-ordinating committee.

Actually the homeless should not be confined to street-sleepers. It should also be extended to cover those who live in the so-called cages, temporary housing areas and on boats, although we should give top priority to the street-sleepers.

However, to improve the conditions of the caged-men, the dwellers of temporary housing areas and boat people are also necessary. In order to take care of these categories of people, we have to consider not only the supply of housing but also to consider the employment or re-employment needs. For example, when fishermen are re-settled on land, we have to consider questions of reemployment and also the education of the children of these fishermen. If they were to continue with the fishing trade, then housing should tie in with their trade. For example, some trial fishermen who have been re-settled in the Chai Wan Public Housing Estates have demanded that a berthing area be provided in Chai Wan for the fishing boats. The Eastern District Board has discussed this issue many times before a temporary solution can be found. And because of a fire in Ap Lei Chau last December, some records boat dwellers were lost, and therefore they were not given public housing until OMELCO intervened. These two incidents show that co-ordination among government departments should be strengthened, otherwise many citizens will be affected.

Now street-sleepers is a perennial problem. Besides the co-ordinating committee and the above suggested advisory committees, we should also form an executive body with sufficient resources and manpower to tackle the problem of street-sleepers. We should not use compulsory legal measures to solve the problem, but rather we should rely on education and counselling which might take a long time. So I hope the Government will consider setting up the advisory committee and the enforcement executive body to solve the problem.

MR. LI: Sir, I am privileged to serve as Chairman of the St. James Settlement and as a member of the Advisory Board of the Salvation Army.

There are possibly 3 000 street-sleepers living in various parts of Hong Kong, and we as a community condone this growing human despair and humiliation through totally inadequate assistance to them.

Street-sleepers live by the roadsides, under flyovers, in parks and playgrounds, by staircases, even in public lavatories. They are predominantly men whose average age is 49 years old. Most have no families in Hong Kong. While some are in reasonably good health, many are drug addicts, mentally and physically ill, alcoholics, senile and physically handicapped. Some are employed; most are not. All have problems which Hong Kong could solve in the immediate term through the provision of housing and medical care, psychiatric care, counselling, financial aid and jobs. We have the means, but we lack the resolve.

According to the Social Welfare Department's own 1986 Annual Review, people become street-sleepers because they cannot afford high rents; quarrel with their families or are evicted by their landlords. Amazingly, one of the reasons listed in the review is that street-sleepers like to sleep in the street. How can a department which professes to offer assistance and understanding to street-sleepers accept such a reason, apparently without question. To me the

continued inclusion of this reason casts doubt on the validity of the review and on the Social Welfare Department's own ability to understand the mentality of street-sleepers and ultimately to solve their problems. Moreover, it is contrary to other findings.

For instance, over half of the 229 street-sleepers interviewed in Sham Shui Po in January this year for a review conducted by the City Polytechnic and the Sham Shui Po District Board, wished to have permanent housing. None said they like being street-sleepers.

May I recommend that the Social Welfare Department review their review methods as a matter of priority. Having now kept statistics on street-sleepers for six years, what has the department gained from all their information? Why, despite their varied outreach services, is the department failing to contain the growing number of street-sleepers. When can we expect the number to decrease on the basis of the department's current strategies and what is that strategy if any?

In the 1986 Annual Review, the Social Welfare Department tells of passing out notification chits to 197 more vulnerable street-sleepers who were likely to be eligible to welfare services. Through this distribution of chits, they aim to induce some street-sleepers to approach the department for assistance, mainly those over 60 who were disabled, in ill health, drug addicted and earning less than HK\$2,000 per month. The review further reports that only 19 of those street-sleepers, or less than 10 per cent of those who received chits, turned up for assistance. Little wonder.

Distributing chits is not social welfare. It is displaced bureaucracy. It is the Social Welfare Department that must go to the street-sleepers, initiate contacts and follow through, not vice versa. The department had better climb down from their ivory tower, remove their rose-tinted glasses and change their attitude to suit the real world.

Of course, the problem of street-sleepers should not be left to the Social Welfare Department alone. It calls for the planning and implementation by the Government, of an overall long-term policy involving the concerted effort of the Housing, Medical and Health, Urban Services, the Labour Departments, the police, the voluntary agency and our community working together.

For instance, the 1985 Annual Review suggested that for street-sleepers who cannot receive medical treatment due to financial or mobility difficulty, it may be useful if the Medical and Health Department would consider extending its community health service to this particular group of street-sleepers. A sensible recommendation. I enquired whether this suggestion had been adopted by the Medical and Health Department. Their spokesman replied 'We do not extend this service to street-sleepers because they are within the scope of the Social Welfare Department'. It seems the Government need to foster better cooperation and awareness among their own departments.

Later this year, Street-Sleepers Shelter Society will open their fourth shelter situated in Wan Chai. The society will then have facility for about 220. But the society offer only overnight accommodation and only those with identity cards, who are drug free, sober and mentally stable are eligible for accommodation. The society have no choice but to discriminate because they do not have the specialist staff required to deal with drug addicts, alcoholics or mentally ill. The society are performing a valuable service, housing those in need of shelter. Their expenditure last year was a mere HK\$204,000 largely from donation and subvention from the Royal Hong Kong Jockey Club and our Community Chest. Yet last year the Royal Society for Prevention of Cruelty to Animals had an annual income of over HK\$2.4 million including \$341,000 in donations. They found permanent homes for 1 037 animals. Sir, are we a society that values animal more than human beings. Where are our priorities?

Despite limited funds, voluntary workers are doing an exemplary job. Since 1985, a Christian youth service organisation, Youth with a Mission, have operated a six-bed hostel for street-sleepers in Wan Chai. According to a survey they conducted last month, Wan Chai has now over 100 street-sleepers. The majority are drug addicts or alcoholics.

In the 1983 Survey of the Problems and Needs of Mentally Ill Street-sleepers in Hong Kong, the Hong Kong Council of Social Service concluded that no single agency is properly empowered to deal with the problem of street-sleepers either at policy or field work level. As a result, street-sleepers are falling through every existing net. The misery this causes them and the anguish and frustration of the welfare agency trying to help them, has never been examined by Government.

Government inertia in tackling street-sleeper problem could not be for lack of viable suggestions such as those in the survey, including appointment in the Social Welfare Department of a special co-ordinator with overall responsibility for action on street-sleeper issue, more hostels run by voluntary agency with social work support, and a more flexible policy for housing on compassionate grounds. According to the survey, the Housing Department will consider housing street-sleepers only if they are over 60, disabled, being reformed from drug addiction and referred by the Social Welfare Department. Ironically by the Social Welfare Department's own figure, this would disqualify many current street-sleepers whose average age is about 49. On the 211 cases for accommodation considered by the department in 1986, only six were actually referred for housing on compassionate grounds.

One recommendation of the survey was that an investigation be launched into the alleged payment in drugs by a shipping company to some street-sleepers who work on ships. Was such an investigation ever launched, and if so, what were its findings?

As a community, we cannot remain indifferent to the plight of street-sleepers. An educational publicity campaign is needed and the public must be urged to sound the alert to cases of street-sleeping. At present, less than 2 per cent of referrals of street-sleepers come from members of the public. Ultimately however, the Government must be able to respond to such referrals quickly and efficiently. The time for action is now, during this International Year of Shelter for the Homeless.

With these remarks, Sir, I support the motion.

6.02 pm

SECRETARY FOR HEALTH AND WELFARE: Sir, 1987 has been declared to be the International Year of Shelter for the Homeless, with the object of focusing attention on the problems of people in all countries who are either homeless, or who are living in extremely poor housing conditions. According to a recent report by the International Labour Organisation, about 100 million people throughout the world have no proper shelter at all—they live on the streets, under bridges, on vacant lots or in alleys and doorways. While the problem is particularly bad in the poorer Third World Countries, the industrialised nations of Europe and North America are not immune and even the richest countries have significant numbers of homeless or badly housed people. One hundred and thirty-five countries have responded to the United Nations' call for global action and have set up special bodies to co-ordinate their programmes to deal with the problems of poor living conditions.

Hong Kong has during the past 40 years had to deal with a major housing problem, because of a rapid increase in population due both to a high natural population increase in the earlier years and successive waves of immigration from China. In response to this an impressive public housing programme has been implemented, which now provides accommodation for about 45 per cent of the total population, although significant numbers of squatters, boat people and others continue to live in unsatisfactory conditions. The Secretary for District Administration will speak on the housing issues raised in members' speeches.

Mrs. NG and Mr. LEE Yu-tai have both mentioned the problem of the bed-space apartments, the so-called 'caged-men'. While the people who live in such places are not homeless they undoubtedly live in poor conditions, although not necessarily any worse than many others who live in crowded tenements. Perhaps the biggest worry is fire safety, and the Fire Services Department are inspecting all bed-space apartments known to the Government, offering advice and taking action where necessary against fire hazards. In addition, social workers from the Social Welfare Department are visiting all of these places and offering welfare assistance to the residents. The Secretary for District Administration will be saying more about the housing options open to them.

I would also like to assure Members that adequate arrangements exist for providing shelter for abused or runaway children in institution operated by the Social Welfare Department and voluntary agencies.

All the Members who have spoken in today's debate have touched on the particular problems of the street-sleepers, people who for a variety of reasons sleep by the road side, under flyovers and staircases, in parks and playgrounds. Estimates of total numbers vary widely, but every year the Social Welfare Department carries out a systematic survey of street-sleepers throughout the Territory; in March of this year the survey identified a total of 1 319 such people, as compared with a total of 1 333 in 1986. The numbers in recent years have been fairly stable and there is no indication of any significant increase in the numbers of people sleeping in the street.

Most of the street-sleepers are found in the older urban districts such as Yau Ma Tei, Mong Kok, Sham Shui Po, Kowloon City, Wong Tai Sin, Central and Western and Wan Chai. In this year's survey, 34 per cent appeared to be in normal health, 30 per cent were drug addicts, 12 per cent appeared to suffer from some degree of mental illness or handicap, 10 per cent from physical ailments and 8 per cent were alcoholics. Some say that they sleep in the street because they cannot afford the high rents charged for accommodation, but others, mainly the younger, able-bodied street-sleepers, do so apparently because they find it convenient to stay close to their work.

Street-sleepers have often been criticised for causing obstructions and for creating environmental nuisances. To some people they are an eyesore and it has been suggested that there should be legislation to prevent street sleeping which would enable the authorities forcibly to remove these vagrants from the streets. However, in a free and open society such as Hong Kong where freedom of the individual is much prized, I doubt whether such a proposal would receive much public support.

Sir, it seems to me that one thing is clear about the problem of street-sleepers; it is not a straightforward issue which can be dealt with by a single piece of legislation, or even a single policy. There are probably almost as many reasons for street-sleeping as there are street-sleepers and what is required is a personalised approach to individual street-sleepers to find out what their problems are and to provide guidance and help to solve them. This type of service is provided by the staff of the 23 family service centres of the Social Welfare Department which are located throughout the Territory. More specifically, since May of this year special outreaching teams have been formed in four regions to deal with difficult cases. The task of these social workers is to make contact with street-sleepers, to befriend them, to provide them with blankets and other basic items, to help them with applications for public assistance and for identity cards, and to refer them for medical treatment and welfare services where these are required. But I can assure Mr. HUI that the resources of the

department stand behind these teams and there are far more than eight social workers involved in helping street-sleepers.

One of the most important ways in which the Social Welfare Department can help is through financial assistance from the social security system. Of the 1 333 street-sleepers identified in the 1986 survey, 769 have been provided with public assistance, amounting to about \$4.7 million a year. Eighty-four of these street-sleepers also receive special needs allowances totalling \$400,000 a year, while 205 of them now receive rental allowances amounting to about \$615,000 a year; this group of course are no longer street-sleepers. Direct cash payments therefore amount to nearly \$6 million annually; I mention this figure to reassure Mr. David LI that government assistance is by no means limited to distributing chits.

The department is also planning to set up on an experimental basis a day relief centre in Kowloon. This will be operated by a voluntary agency and is designed to help those who suffer from ill health or disability and those who appear to have mental problems. The new centre will provide food and clothing, and personal care such as baths and hair cuts; its staff will liaise with clinics and hospitals to arrange medical treatment and with welfare agencies for accommodation and other longer-term arrangements. Drug addicts will be referred either to the methadone clinics run by the Medical and Health Department or to the voluntary in-patient programme run by the Society for the Aid and Rehabilitation of Drug Abusers. Limited temporary accommodation will be provided by another agency for street-sleepers awaiting medical treatment and other longer-term arrangements. Mr. CHEONG-LEEN suggested that a degree of compulsion should be considered; while I agree that every effort should be made to persuade street-sleepers to use these facilities, I do not think that a mandatory requirement would be acceptable, except possibly in cases where the individual concerned poses a danger either to himself or to others.

It is our intention also to involve the community in helping the homeless. The Social Welfare Department's Opportunities for Youth Scheme this year has adopted the theme 'help the homeless' and youth groups are being encouraged to carry out community service projects of their own to help the street-sleepers. We have also invited the district boards and other local organisations to help in tackling the problem.

I would like to pay a special tribute to the voluntary agencies who play a most useful role in helping our street-sleepers. Mr. David LI referred to two such agencies, the Street-sleepers Shelter Society and Youth With a Mission, but in addition, the Salvation Army, the Missionaries of Charity, Caritas, Helping Hand and others all help in various ways, particularly with providing temporary shelter in the areas where street-sleepers congregate. Nearly 1 000 temporary shelter places are available and I am sure that expenditure on them far exceeds that on animal welfare by the RSPCA, quite apart from \$6 million paid out in direct social security payments.

Members will have realised from what I have said so far that the problem of street-sleepers in Hong Kong, although it does not involve very large numbers, is quite complex and cuts across the responsibilities of a number of government departments and branches. It seemed to me to be appropriate therefore in this Year of Shelter for the Homeless to set up a central co-ordinating committee to review the various policies and programmes and to co-ordinate action to help street-sleepers. This group is convened by my deputy secretary and includes representatives from the Social Welfare Department, the Medical and Health Department, the Housing Department, the Urban Services Department, the Narcotics Division, the police and the City and New Territories Administration; representatives of other departments can be co-opted if necessary. The committee will also be liaising closely with the district boards and voluntary agencies so that a co-ordinated community effort can be mobilised to tackle the problem. I shall ensure that Members' comments and suggestions in today's debate are carefully considered by the committee; in particular it will examine problems of co-ordination such as that referred to by Mrs. Pauline NG.

Sir, street-sleeping is a problem which has a very long history in Hong Kong, and I doubt whether we shall ever succeed in eliminating it completely. But I think it is true to say that in this International Year of Shelter for the Homeless we are making a more concerted effort to help these unfortunate people than has been the case in the past. Some street-sleepers may reject our offers of help, but I feel that our aim should be to ensure that help is available for all those who need it and are prepared to accept it.

SECRETARY FOR DISTRICT ADMINISTRATION: Sir, for over 30 years, Government has been implementing a public housing programme designed to ensure that those who are homeless and inadequately housed, are provided with proper housing at an affordable rent or price. This is achieved through the allocation of public housing units to applicants on the waiting list, clearance and rehousing for squatters, redevelopment of older public housing estates, provision of temporary housing areas and sale of home ownership scheme flats. Today, nearly 45 per cent of Hong Kong's population live in public housing and Hong Kong should be justifiably proud of this remarkable achievement.

On the basis of the Housing Department's 1984 squatter occupancy survey, it is estimated that there are 430 000 land squatters living in the Territory, of whom 150 000 are in the urban areas and 280 000 in the New Territories. Of the urban squatters, 32 000 are living on dangerous slopes.

Good progress is being made in rehousing squatters at the rate of approximately 35 000 per annum. Of this number 11 000 per annum are being cleared from dangerous slopes, at this rate all squatters in this category should be rehoused by 1991. It is planned that all the remaining urban squatters will be rehoused by mid-1990s.

With regard to marine squatters, as recorded in the Marine Department's register, there are approximately 7 000 persons living on licensed dwelling boats within the various typhoon shelters. Over the next two years, 3 600 boat dwellers will be rehoused by development clearances, leaving some 3 400 licensed boat dwellers most of whom are likely to be rehoused through non-development clearances by mid-1990s.

Squatters in the New Territories present a different problem. Living conditions are on the whole better and many of these structures are built of more substantial materials and few are situated on hillsides. The improvements needed are mainly in the provision of basic facilities and these are being provided under various in situ upgrading programmes.

Turning to the redevelopment of our earlier public housing estates, good progress is being made in redeveloping Marks I-II estates and the programme is expected to be completed in 1990. Detailed plans are being worked out to redevelop the Marks III-VI estates and former government low cost housing estates commencing in the 1990s.

Amid these achievements, there are, of course, isolated cases including the very subjects of today's debate—street-sleepers and bed-space lodgers.

There are three categories of street-sleepers:

- (a) the able-bodied, some of whom may already have permanent accommodation;
- (b) the down-and-outs without a place to live; and
- (c) those who appear to be mentally ill.

Those in category (a) are likely to be sleeping on the street because they have a job nearby or are looking for work in that neighbourhood.

Those in categories (b) and (c) who do not have a place to live are offered temporary accommodation in shelters run by the Social Welfare Department and voluntary agencies. There are about 1 000 such places to which street-sleeprs may be referred. Those persons, including singletons, seeking permanent accommodation may be helped under the compassionate rehousing programme, under which 900 flats are reserved each year by the Housing Department for allocation on the recommendation of the Social Welfare Department. This allocation process normally requires no more than three to four months.

Like most people seeking housing, street-sleepers would prefer to be rehoused in the urban areas. However, this is difficult to justify particularly in the case of able-bodied singletons, when many others who have lost their homes in squatter fires have to move to the New Territories for the simple reason that accommodation in the urban areas is limited. Favourable treatment for street-sleepers may have the effect of encouraging others to take to the streets in order to obtain urban housing.

Bed-space lodgers are often referred to as caged-men. According to a survey conducted by the Social Welfare Department in 1984, there were 3 900 residents living in bed-space apartments. 75 per cent of them were aged under 60.

It is understood that a number of bed-space lodgers already have adequate housing outside the urban area. However, they rent bed spaces in certain urban districts in order to be close to their places of work. They are, of course, eligible to apply for public housing through the waiting list. In addition, those who, for various reasons are in particular need, may be referred by the Social Welfare Department for urgent rehousing on compassionate grounds. With respect to those aged over 60, there are, nowadays, a variety of housing options open to them, dependent on their circumstances and the extent to which they can take care of themselves. For example, sheltered accommodation is being provided within many public housing estates. For those who are prepared to share flats, opportunities are provided for them to choose partners. A survey conducted the Housing Department in mid-1986 showed that of the 1 322 single persons rehoused on a shared basis 86 per cent of them said they were living together harmoniously, while 8 per cent said there were occasionally disputes and 6 per cent said disputes were frequent. Where disputes do occur and differences are irreconcilable, Housing Department staff will arrange transfers where possible. As an alternative to public housing, elderly bed-space lodgers can also apply for places in hostels for the elderly or old people's homes.

The Housing Department, Sir, another department concerned, is participating in the central co-ordinating committee referred to by the Secretary for Health and Welfare to work out a co-ordinated effort to tackle the problem of street-sleeping. Housing resources will continue to be made available to help resolve this problem.

Question put on the adjournment and agreed to.

Next sitting

HIS EXCELLENCY THE PRESIDENT: In accordance with Standing Orders I now adjourn the Council until 2.30 pm on Wednesday, 8 July 1987.

Adjourned accordingly at twenty minutes past Six o'clock.

Note: The short title of the motion/bills listed in the Hansard Report have been translated into Chinese for information and guidance only, they do not have authoritative effect in Chinese.