

# OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 24 February 1993

The Council met at half-past Two o'clock

## PRESENT

THE PRESIDENT

THE HONOURABLE JOHN JOSEPH SWAINE, C.B.E., LL.D., Q.C., J.P.

THE CHIEF SECRETARY

THE HONOURABLE SIR DAVID ROBERT FORD, K.B.E., L.V.O., J.P.

THE FINANCIAL SECRETARY

THE HONOURABLE NATHANIEL WILLIAM HAMISH MACLEOD, C.B.E., J.P.

THE ATTORNEY GENERAL

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

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

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

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

THE HONOURABLE HUI YIN-FAT, O.B.E., J.P.

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

THE HONOURABLE DAVID LI KWOK-PO, O.B.E., J.P.

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

THE HONOURABLE PANG CHUN-HOI, M.B.E.

THE HONOURABLE SZETO WAH

THE HONOURABLE TAM YIU-CHUNG

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

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

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

THE HONOURABLE MARTIN GILBERT BARROW, O.B.E., J.P.

THE HONOURABLE MRS PEGGY LAM, O.B.E., J.P.

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

THE HONOURABLE LAU WAH-SUM, O.B.E., J.P.

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

THE HONOURABLE JAMES DAVID MCGREGOR, O.B.E., I.S.O., J.P.

THE HONOURABLE MRS ELSIE TU, C.B.E.

THE HONOURABLE PETER WONG HONG-YUEN, O.B.E., J.P.

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE VINCENT CHENG HOI-CHUEN

THE HONOURABLE MOSES CHENG MO-CHI

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHIM PUI-CHUNG

REV THE HONOURABLE FUNG CHI-WOOD

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE TIMOTHY HA WING-HO, M.B.E., J.P.

THE HONOURABLE MICHAEL HO MUN-KA

DR THE HONOURABLE HUANG CHEN-YA

THE HONOURABLE SIMON IP SIK-ON, J.P.

DR THE HONOURABLE LAM KUI-CHUN

DR THE HONOURABLE CONRAD LAM KUI-SHING

THE HONOURABLE LAU CHIN-SHEK

THE HONOURABLE EMILY LAU WAI-HING

THE HONOURABLE LEE WING-TAT

THE HONOURABLE GILBERT LEUNG KAM-HO

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

THE HONOURABLE FRED LI WAH-MING

THE HONOURABLE MAN SAI-CHEONG

THE HONOURABLE STEVEN POON KWOK-LIM

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

THE HONOURABLE TIK CHI-YUEN

THE HONOURABLE JAMES TO KUN-SUN

DR THE HONOURABLE SAMUEL WONG PING-WAI, M.B.E., J.P.

DR THE HONOURABLE PHILIP WONG YU-HONG

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE HOWARD YOUNG, J.P.

THE HONOURABLE ZACHARY WONG WAI-YIN

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

THE HONOURABLE CHRISTINE LOH KUNG-WAI

THE HONOURABLE ROGER LUK KOON-HOO

THE HONOURABLE ANNA WU HUNG-YUK

**ABSENT**

THE HONOURABLE RONALD JOSEPH ARCULLI, J.P.

THE HONOURABLE MARVIN CHEUNG KIN-TUNG, J.P.

**IN ATTENDANCE**

THE HONOURABLE MRS ANSON CHAN, C.B.E., J.P.  
SECRETARY FOR ECONOMIC SERVICES

MR MICHAEL LEUNG MAN-KIN, C.B.E., J.P.  
SECRETARY FOR TRANSPORT

MR YEUNG KAI-YIN, C.B.E., J.P.  
SECRETARY FOR THE TREASURY

THE HONOURABLE JOHN CHAN CHO-CHAK, L.V.O., O.B.E., J.P.  
SECRETARY FOR EDUCATION AND MANPOWER

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

MR ALISTAIR PETER ASPREY, O.B.E., A.E., J.P.  
SECRETARY FOR SECURITY

MR JAMES SO YIU-CHO, O.B.E., J.P.  
SECRETARY FOR RECREATION AND CULTURE

THE HONOURABLE MICHAEL SZE CHO-CHEUNG, I.S.O., J.P.  
SECRETARY FOR CONSTITUTIONAL AFFAIRS

MR ANTHONY GORDON EASON, J.P.  
SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS

MRS SHELLEY LAU LEE LAI-KUEN, J.P.  
SECRETARY FOR HEALTH AND WELFARE

THE CLERK TO THE LEGISLATIVE COUNCIL  
MR CLETUS LAU KWOK-HONG

## Sessional Papers 1992-93

No. 58 — Li Po Chun Charitable Trust Fund Annual Report  
for the Period 1 September 1991 to 31 August 1992

No. 59 — Trustee's Report on the Administration of the  
Education Scholarships Fund  
for the year ended 31 August 1992

**Oral answers to questions****Abandoned vehicles**

1. MR CHIM PUI-CHUNG asked (in Cantonese): *Regarding the problem of vehicles being abandoned at various locations in Hong Kong, will the Government inform this Council of the following:*

- (a) the latest number of abandoned vehicles and how it compares with that of the same time last year;*
- (b) the departments which are responsible for the disposal of abandoned vehicles and their respective duties; and*
- (c) whether it has any plans to review the existing practice for the disposal of abandoned vehicles and to introduce effective measures to deal with the problem, for example, requiring registered car owners who do not seek renewal of their vehicles' licence upon expiry to prove to the Administration within a specified period that the vehicles have been properly disposed of?*

SECRETARY FOR TRANSPORT: Mr President, on the first part of the question:

- (a) 283 abandoned vehicles were removed in the last quarter of last year, compared with 86 in the same period of 1991.

On the second part of the question:

- (b) Three departments are involved. For vehicles abandoned on government land, the Buildings and Lands Department requires owners to move them by a certain date. If this is not done, the vehicles are towed away. Vehicles abandoned on public roads are handled by the police in a similar way.

In addition, the Transport Department operates two car surrender centres offering a free disposal service for old cars. The department also monitors the activities of a car-crushing yard operated by a government contractor, where abandoned vehicles are delivered for scrapping.

On the last part of the question:

- (c) It is present policy to provide facilities for owners to dispose of old vehicles lawfully when they are no longer roadworthy. This policy works well. Most owners either take their old vehicles to one of the surrender centres or sell them to private scrapyards. Only a small proportion of unserviceable vehicles are abandoned. There are no plans to change the existing practice.

The suggestion that owners be required to prove that their vehicles have been properly disposed of if they do not renew their vehicle licence has been considered before. However, non-renewal of a vehicle licence does not necessarily mean that the vehicle has been disposed of. For example, the owner could be absent from Hong Kong for a long time or the vehicle may be under repair. To establish the reasons for non-renewal of a licence in each case would require time-consuming investigation, which is not justified by the scale of the problem.

MR CHIM PUI-CHUNG (in Cantonese): *Mr President, we learnt from the Secretary's reply that firstly the number of abandoned vehicles in 1992 is 230% higher than that of 1991 and secondly as three departments are involved in the task, it is close to a situation where "everybody's business is nobody's business". Will the Administration make public the practical measures it will take to resolve the problem? I fail to see what has made giving an answer so difficult on such a minor issue when Hong Kong can do so well and is so successful in other areas.*

SECRETARY FOR TRANSPORT: Mr President, I refute the implications evident in the first part of Mr CHIM's question. The departments involved are working under strict regulations and clear instructions. There is no overlapping of work or lack of efficiency. With regard to the first part of the question, the number of abandoned vehicles has increased because of a backlog in the past years. The police mounted a special operation during last year to clear the backlog. This explains the increase in the last year.

MR SIMON IP: *Mr President, our beautiful countryside is being raped by the indiscriminate dumping of vehicles, especially in the New Territories, and this is quite evident when one drives along the roads in the New Territories. Would the Secretary for Transport please explain what is being done to remedy the situation?*

SECRETARY FOR TRANSPORT: Mr President, I believe this is a matter on land use planning and I would defer to the Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President, thank you. There are two situations as regards the use of land in the New Territories for such activities as the dumping of vehicles or other storage uses of this kind. The first situation is that in the areas covered by the 31 development permission areas in respect of which plans have been published in the last year or so, the use of land for this purpose needs to be the subject of an application to the Planning Department. And when applications of this kind are made, if they are made in areas which have been designated for open storage use, they can be approved under conditions which will control the form of the use and such other matters as prevention of environmental degradation. The second category is those dumps which have existed prior to the introduction of the new town planning legislation in the last couple of years, which enables us to impose development permission areas. In these cases where land is already used for the dumping of vehicles — or the storage of vehicles which, I think, is probably the more appropriate description — the existing uses are under the plan and as such they are, of course, not subject to the controls which are now available for new dumps. These existing dumps and other existing uses which require better control cannot be brought under control until we have the next stage of new town planning legislation, which we hope to introduce into this Council within the next year or so.

MR JIMMY MCGREGOR: *Mr President, would it not be more efficient to contract out the entire job of collecting abandoned vehicles wherever they are located and disposing of same by scrapping, as is done through the contractor at present? Would this not free the police from the endeavour of a good deal of collection work, which could be put to good use elsewhere?*

SECRETARY FOR TRANSPORT: Mr President, I believe that at the present time quite a number of operators are already doing the same thing by offering a free pick-up service for disposal of these abandoned vehicles in their own scrap yards. I think the Government will consider whether collection and disposal

need to be further improved and also the possibility of hiving off the operation to these scrap yard operators.

MR WONG WAI-YIN (in Cantonese): *Mr President, I lodged a complaint with the Police last October concerning a long-abandoned container truck. It took altogether four months which was a few days ago for the authority to tow away the vehicle. Is this situation similar to the one referred to in Mr CHIM Pui-chung's question? May I ask how long it will take for a government department to tow away a vehicle once a complaint has been received?*

SECRETARY FOR TRANSPORT: Mr President, under the law, the departments concerned, such as the police, may remove a vehicle within seven days of a notice offering two weeks for disposal of the vehicle. But the practice varies and I would need to find out the relevant statistics and reply to Mr WONG in writing. (Annex I)

### **Independent office to investigate complaints against police**

2. MR WONG WAI-YIN asked (in Cantonese): *Will the Government inform this Council whether consideration will be given to setting up an independent office to investigate complaints against the police; if not, what the reasons are?*

SECRETARY FOR SECURITY: Mr President, we have carefully considered whether we should establish an independent office to investigate complaints against the police. We have concluded that we should retain the present system of investigation by the Complaints Against the Police Office, comprising police officers under a separate chain of command from the rest of the police force.

Complaints against the police usually allege breaches of the criminal law, or of police discipline or procedure. Investigation of these complaints requires a knowledge of police policies and procedures. Professional judgement is required as to whether the actions of the police officer under investigation are justified in the circumstances of the case. Police officers, working for the Complaints Against the Police Office, have the necessary knowledge and expertise to undertake these sorts of investigations.

We do not believe it would be viable or effective to establish an independent office, comprising non-police investigators, outside the police force. It would be difficult to recruit an adequate number of professional, non-police investigators of the right calibre, who would understand the nature of police work sufficiently.

The work of the Complaints Against the Police Office is monitored by the Police Complaints Committee, which is an independent committee appointed by the Governor. The Committee oversees investigations into police complaints closely to ensure that they are carried out impartially. The advice of the Committee is that investigations carried out by the Complaints Against the Police Office have been both fair and thorough. The Committee has recently put forward a number of recommendations to improve the existing system for monitoring complaints and to enhance public confidence in the system. We are now considering these recommendations.

MR WONG WAI-YIN (in Cantonese): *Mr President, this morning I was on duty at the Complaints Division of the Legislative Council, and I was supposed to have an interview with the customs officers assaulted by the police days ago had it not been cancelled yesterday. I do not know if they were "talked into" not making a complaint. In the past, quite a number of people who had lodged complaints with CAPO said to me that, very often when they filed a complaint, the duty officer in CAPO would say to them that "The complaint procedure is very troublesome"; "The complaint will lead you nowhere"; "You are unlucky then"; "Don't bother it or it will just waste your time" in a bid to dissuade or discourage them from lodging a complaint. In fact, some CAPO officers whom I know confessed to me that, most of them are not willing to handle the case for fear that .....*

MR ANDREW WONG: *Point of order, Mr President.*

PRESIDENT: What is your point of order, Mr Andrew WONG?

MR ANDREW WONG: *It is not a question, Mr President.*

PRESIDENT: Well a Member is permitted to make a statement, within reason, to make the question intelligible. I assume you are coming to your question, Mr WONG Wai-yin?

MR WONG WAI-YIN (in Cantonese): *They are afraid of future embarrassment of seeing these fellow colleagues again when they are posted out to district police stations. May I ask the Secretary what can be done to dispel their worries?*

SECRETARY FOR SECURITY: Mr President, the officers working for the Complaints Against the Police Office work under very detailed procedures. They are reminded of the need to seek co-operation from complainants and I do not believe that there can be any question of their trying to put off complainants, either for the reason that Mr WONG alleges or for any other reason.

MRS ELSIE TU: *Mr President, in view of the small percentage of cases admitted to be substantiated by CAPO, would the Secretary for Security agree that justice should not be sacrificed on the excuse that independent experts are difficult to recruit?*

SECRETARY FOR SECURITY: Mr President, I would certainly agree that there should be no excuse for failure to do justice. I believe that justice is being done.

MR SIMON IP: *Mr President, would the Secretary for Security agree that the Police Complaints Committee would be a more effective body if it were allowed to investigate complaints directly or to reinvestigate cases which had already been investigated by CAPO, rather than to conduct paper reviews of investigations carried out by CAPO?*

SECRETARY FOR SECURITY: Mr President, I believe that the procedure of the Police Complaints Committee is very thorough. They review all cases. I accept that the present Police Complaints Committee has made a number of recommendations by which their procedure could be improved and which they think would perhaps increase public confidence in the system. We are now considering these various recommendations.

MR SIMON IP: *I am sorry, Mr President, but my question has not been answered.*

PRESIDENT: Would you repeat the question, Mr IP?

MR SIMON IP: *My question, Mr President, was: would the Secretary for Security not agree that the Police Complaints Committee would be a more effective body if it were allowed to investigate directly complaints or reinvestigate complaints that had been investigated by CAPO, rather than to carry out a paper review of investigations conducted by CAPO?*

SECRETARY FOR SECURITY: No, Mr President, I would not agree. I believe the present system is very effective.

MR ERIC LI: *Mr President, I think the world outside the police force is moving rapidly towards an era of inviting lay members to help matters of professional discipline. The Hong Kong Society of Accountants, for example, is actively pursuing this course and the Operations Review Committee of the ICAC is another shining example. The second and third paragraphs of the reply by the Secretary would seem to imply that only people who have professional knowledge can serve on this committee. Can the Secretary explain whether in his opinion it is beyond the reasonable intelligence of non-force members, for example lawyers, to sit on this committee?*

SECRETARY FOR SECURITY: Mr President, could I ask for clarification as to what committee we are referring to?

MR ERIC LI: *I am referring to the committee that investigates complaints against police. I think in the second and third paragraphs of the answer it is stated that one has to have the necessary knowledge and expertise to undertake these sorts of investigations and the third paragraph goes on to say that it would be difficult to recruit a member with such expertise.*

SECRETARY FOR SECURITY: Mr President, I believe that in many areas, perhaps in most areas, one's peers are often more critical and fairer judges of one's conduct than anybody else and I believe that the police officers investigating the actions of their fellow police officers do so impartially and fairly and that certainly is the advice we have had from the Police Complaints Committee. I believe that the investigation of the sort of complaints that are made against police does require professional investigation knowledge and the police force has the ability to do that. There are, of course, several members from the community, appointed by the Governor, to sit on the Police Complaints Committee to review the investigations and to ensure that they are properly and fairly carried out.

MR STEPHEN CHEONG: *Mr President, can the Secretary advise this Council whether or not the current complaints group, the lay members, have conducted a separate investigation in any of the cases that come under their review? It is because when I was a member of an OMELCO police group, we did at random take cases out and did further investigation ourselves to confirm that the investigation by CAPO had been impartial and that the results were as presented in the report. Would the Secretary advise whether or not the current members of the group who look after the complaints do this? If not, I think the suggestion should be that they should do it.*

SECRETARY FOR SECURITY: Mr President, I do not believe that the Police Complaints Committee or any members of the Police Complaints Committee conduct investigations as such. That is certainly not in their terms of reference. Their terms of reference are to monitor and to review. They do, of course, very often, send a case back for further investigation and further information.

MR MARTIN LEE: *Mr President, bearing in mind that only a tiny percentage of complaints against the police have been substantiated, does the Administration not think that it is in the inherent interest of the great, great majority of the police officers themselves, against whom complaints have been made but which complaints are later dismissed, that they be exonerated from blame, not by their own colleagues in the police force but by independent investigators?*

SECRETARY FOR SECURITY: Mr President, I can only repeat what I said in my main answer that I believe the present system is fair and thorough and impartial and works well.

MR MARTIN LEE: *Mr President, that is a repetition of not answering.*

PRESIDENT: Do you wish to repeat the question, Mr LEE?

MR MARTIN LEE: *Yes, Mr President. Does the Administration not see that it is in the interests of the police officers themselves that they be exonerated from blame by independent investigators so that justice is manifestly seen to be done to them?*

SECRETARY FOR SECURITY: Mr President, I think I have already answered that question. The answer is no.

MR ANDREW WONG: *Mr President, would the Government consider replacing monitoring by the Police Complaints Committee with monitoring by the Commissioner for Administrative Complaints?*

SECRETARY FOR SECURITY: Mr President, I do not believe that the Office of the Commissioner for Administrative Complaints could undertake this job without a complete change in its method of operation and its establishment. I believe that the Commissioner for Administrative Complaints at present deals with about 150 cases a year; there are over 3 000 complaints against the police and they do all require investigation. But the Commissioner for Administrative Complaints is an ex-officio member of the Police Complaints Committee and he does participate in the monitoring and review of the CAPO investigations.

MR ANDREW WONG: *Sorry, Mr President, I think the Secretary has misunderstood my question. I said monitoring of CAPO; I did not say CAPO, but monitoring by the Police Complaints Committee and replacing that monitoring with monitoring by the Commissioner for Administrative Complaints, that is, doing a monitoring role and not really doing investigations.*

SECRETARY FOR SECURITY: Mr President, I am sorry I misunderstood. I thought Mr WONG was suggesting that the investigation should be done by the Commissioner for Administrative Complaints. No, we believe that the Police Complaints Committee is an effective monitoring body but, as I have said, it does have on it the Commissioner for Administrative Complaints, who is an ex-officio member of the Police Complaints Committee.

### **Police suicide**

3. DR HUANG CHEN-YA asked (in Cantonese): *Will the Government inform this Council:*

- (a) *whether the suicide rate in the police was higher than that in other disciplined services in the past three years;*

(b) *of the reasons for such suicides; and*

(c) *of the measures available to prevent police officers from committing suicides?*

SECRETARY FOR SECURITY: Mr President, in the past three years, a total of 15 police officers died after committing suicide. During the same period, there were three suicides in the Fire Services, one in the Correctional Services, one in the Customs and Excise Department and none in the Immigration Department. However, the strength of the police force, at around 27 000, is much larger than that of the other disciplined services. I have given details in the Annex which has been tabled.

Financial difficulties, family problems, interpersonal relationships and physical and mental illness are some of the known causes for these suicides; many result from a combination of factors.

A number of measures are available to help prevent officers from resorting to suicide. Courses on stress and financial management are offered to police officers as part of their training. Officers are also given advice on how to identify suicidal tendencies among themselves, their colleagues and their subordinates.

Police officers, or their families, who require counselling can obtain it from the welfare officers and clinical psychologists in the force. Early intervention is emphasized, before the problems develop to such an extent that they could lead to suicide. The availability of these counselling services has been widely publicized within the force.

Officers whose circumstances suggest that they might be under considerable stress and, therefore, prone to suicide, are given special attention. Appropriate assistance is sought from their families, colleagues or formation commanders. This assistance might include restricting the officers' access to firearms and transferring them to less stressful posts.

## Annex

## Suicide rate of officers in disciplined services

Year	Police			FSD			CSD			C&E			Imm Dept		
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
1990	3	26 980	0.011%	0	6 972	0	0	5 801	0	0	2 801	0	0	3 498	0
1991	3	26 403	0.011%	1	6 995	0.014%	1	5 959	0.016%	1	2 847	0.035%	0	3 491	0
1992	9	26 430	0.034%	2	6 999	0.029%	0	6 391	0	0	2 866	0	0	3 458	0
Average	5	26 604	0.019%	1	6 987	0.014%	1/3	6 050	0.006%	1/3	2 838	0.012%	0	3 482	0

A: No. of suicide cases

B: Strength at beginning of year

C: Suicide rate

DR HUANG CHEN-YA (in Cantonese): *Mr President, apparently the suicide rate in the Police Force is higher than that of the other disciplined services, but the Secretary says that police officers can obtain assistance from the welfare officers and the clinical psychologists in the Force. Can that really solve the problem? Will that, for example, help those out who are in financial difficulties? Are there enough manpower for the task and is enough time given for each interview? All these are very important questions. Can the Secretary inform this Council of the number of counsellors involved, the number of police officers being counselled each month and its success rate?*

SECRETARY FOR SECURITY: Mr President, I think it is difficult to draw too many conclusions from the statistics over a relatively short period of time which I have tabled. It is true that the average suicide rate for police officers is very slightly higher than that of some of the other disciplined services. It is not necessarily higher in each of the past three years. I think that one case in one of the services has a tremendous effect on the figures and I think that we should not draw too many conclusions from them.

Turning to the point about the services available, the counselling service, we believe, is effective in preventing suicides and in helping police officers who have problems. During the past three years, for example, the welfare officers and the clinical psychologists have offered professional assistance to 26 police officers who have attempted suicide and they have counselled many other cases where there may have been an inclination towards suicide. None of these officers have made any subsequent attempts to commit suicide. The Force Psychological Services Group is staffed by two psychologists and they provide a range of services including training courses for stress management, counselling sessions and interviews with officers. I believe that the services they provide are very valuable and are effective, but I also believe that the Commissioner of Police does have plans to increase the unit slightly.

MR STEVEN POON: *Mr President, the police suicide rate in 1992 was 3.4 cases for every 10 000 persons, which is three times the figure in 1990 and 1991. Would the Administration inform us of the reasons for the large increase and how this rate compares with the suicide rate of the general public?*

SECRETARY FOR SECURITY: Mr President, as I have said, I do not think it is very useful to try to draw firm conclusions from the statistics over a limited period. There was certainly a substantial increase in the number of suicides in the police force in 1992 but this may well be only a yearly fluctuation; it cannot necessarily be considered conclusive of any definite trend. There have been similar blips in the past; for example in 1980, there were nine suicide cases in the police force but that figure was then very much less in subsequent years. I am sorry, Mr President, I think there was a second part of the question which I cannot recall.

PRESIDENT: Comparison of, I think, suicide rates among the general population, if you have the answer, Secretary.

SECRETARY FOR SECURITY: Yes, Mr President, the suicide rate among the general population in recent years. I do not have the figures for 1992, but in recent years the suicide rate has been 0.012%, which is slightly below the average rate in the police force, but only very slightly below it. I think I should say also here that I am not sure that one can draw any valid comparison anyway. The figure I have given is a very crude figure for the whole population; it does not mirror the age, sex, educational and other particulars and attributes of the members of the police force.

MR ALBERT CHAN (in Cantonese): *Mr President, the increase in the number of suicides in the Police Force in 1992 is a cause for concern. According to a number of media reports, indebtedness due to gambling is the cause of suicides for some police officers. Can the Administration inform this Council whether assistance has been given to the police officers concerned in the light of this? If so, what kind of assistance is given?*

SECRETARY FOR SECURITY: Mr President, certainly, indebtedness has been a factor in some cases, but heavy indebtedness, including pressure from loan sharks for example, has not been identified as a significant reason for suicides in the police force in recent years. But there are within the Government well established procedures for assisting officers who do get into debt.

MR MICHAEL HO (in Cantonese): *Mr President, in the third paragraph of the Administration's reply, it was mentioned that "courses on stress and financial management are offered to police officers as part of their training". Does this indicate that police suicide is related to financial management, and how can these courses be able to assist police officers to alleviate their pressure that might have led to suicides?*

SECRETARY FOR SECURITY: Mr President, as I said in answer to the last supplementary, certainly indebtedness and worries about finances is sometimes a factor in some of these cases and I think, as I also said in my main answer, that guidance to police officers is given in this respect, both in their initial training and subsequently if they approach the force welfare officer or others for assistance.

MR SIMON IP: *Mr President, is the Secretary for Security able to tell us which of the causes that he has listed in the second paragraph of his answer is the main cause for police suicides?*

SECRETARY FOR SECURITY: Mr President, I regret that I do not know. I think, as I said, it is often a combination of factors and I am not sure that it is possible to identify one single factor. But I will try and give a written answer. (Annex II)

### **Inflation**

4. MR DAVID LI asked: *Will the Administration inform this Council what action is planned to further reduce the rate of inflation in the coming fiscal year, in view of the fact that Hong Kong's inflation rate is still notably high compared with other regionally competitive economies and our major markets?*

SECRETARY FOR ECONOMIC SERVICES: Mr President, my answer will be brief as I do not wish to anticipate the Financial Secretary's Budget speech in this Council next week when he will comment on the state of the economy, including inflation.

The Administration fully share Members' concern over high inflation. But as we have made clear on various occasions, there is no quick and easy cure. We must be careful not to introduce measures that might seem superficially attractive in the short term but which could inflict lasting damage on our economy.

Consumer price inflation has moderated considerably from the peak of 13.9% recorded in April 1991. Although the Consumer Price Index (A) last month climbed to 10.1%, this is likely to be a temporary relapse primarily due to the influence of the lunar new year. The underlying situation has not worsened.

As Members are aware, the measures available to the Government for curbing inflation are limited. We remain committed to keeping public expenditure under control, ensuring adequate supply of labour and land, promoting efficiency and competition, enhancing our human resources through education and training, and discouraging property speculation.

MR DAVID LI: *Mr President, referring back to the Governor's policy address, the Governor stated that improved efficiency is the Government's most useful weapon in the battle against inflation. Will the Administration inform this Council of the results of a search for savings in its efforts to root out waste and inefficiency as part of its plans to reduce the rate of inflation?*

SECRETARY FOR ECONOMIC SERVICES: A point of clarification, Mr President. Does Mr LI refer to measures within the Civil Service?

MR DAVID LI: *Yes, Mr President.*

SECRETARY FOR ECONOMIC SERVICES: Mr President, I am not of course aware of all the details but I can say, generally, that the question of achieving efficiency and achieving savings is a continuing commitment on the part of the Government. We do so by regular reviews of the way in which the Government conducts its business, through public sector reforms and by ensuring that, where possible, privatization is considered in order to improve productivity and efficiency.

MR GILBERT LEUNG (in Cantonese): *Mr President, in the light of the huge surplus in the current financial year, will the Administration inform this Council if it will reconsider freezing the charges of government services in order to curb inflation?*

SECRETARY FOR ECONOMIC SERVICES: Mr President, the Government did, of course, in previous years introduce a moratorium when inflation was relatively high in an effort to curb inflationary pressures. In doing so, we must of course also have regard to the fact that in general we would wish services at least to cover costs, and I can assure this Council that in considering any further increases in government services we will of course very much have regard to its impact on inflation.

DR SAMUEL WONG: *Mr President, in the last paragraph of the reply, the adequate supply of land was cited as one of the measures available to curb inflation. Could the Administration confirm if the current rate of land production is adequate? If not, what is the remedy?*

SECRETARY FOR ECONOMIC SERVICES: Mr President, can I defer to my colleague the Secretary for Planning, Environment and Lands?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President, I think the present rate of land production is adequate.

MR MARTIN BARROW: *Mr President, could the Secretary clarify what she means by an adequate supply of labour? Does she think it is adequate, and what steps does the Government plan to take to ensure that the supply of labour continues to be adequate?*

SECRETARY FOR ECONOMIC SERVICES: Mr President, I am sure Mr BARROW is well aware of the Government's policy on importing labour in order to ensure that there is an adequate supply. The quota for the importation of labour will of course be kept under regular review to ensure that the shortage of labour does not add to inflationary pressures.

MR TAM YIU-CHUNG (in Cantonese): *Mr President, the Administration would set up inter-departmental working groups or invite experts to join such groups when there are difficult problems to resolve. May I ask if the Administration is prepared to do likewise in its efforts to curb inflation?*

SECRETARY FOR ECONOMIC SERVICES: Mr President, the Administration is generally satisfied that its existing channels of communication and source of advice are adequate to ensure that we keep a close watch over the situation.

DR HUANG CHEN-YA (in Cantonese): *Mr President, now that our economy is service industry-led, but inflation in this sector is relatively difficult to contain, does the Administration have any plans to help increase the productivity of this industry so as to reduce its inflationary pressure?*

SECRETARY FOR ECONOMIC SERVICES: Mr President, one of the key solutions to the question of improving productivity and efficiency in the service sector relates of course to the very question that we touched on earlier, that is, the adequate supply of labour. This is a matter that the Government is keeping under regular review, and the importation of labour scheme is designed to relieve the pressure on labour shortage.

MR ALBERT CHAN (in Cantonese): *Mr President, in the last paragraph of the main answer, the Administration mentioned a series of measures to tackle and reduce inflation. It also stated that it would continue to keep public expenditure under control. Has the Administration considered controlling charges (such as licence fees) as far as possible so as to avoid pushing up inflation as a result of such increases?*

SECRETARY FOR ECONOMIC SERVICES: Mr President, as I have said in an earlier answer to a supplementary question, we do keep under regular review the need to increase charges for government services and are particularly concerned that we should keep to a minimum its impact on inflationary pressures. I can also add that in the current round of fee increases this will of course also be uppermost in our minds. But as far as we can estimate at this stage, collectively, anticipated fee increases are not expected to add significantly to the inflationary rate.

MR CHIM PUI-CHUNG (in Cantonese): *Mr President, we all know that there are many factors leading to inflation and they include, among other things, transport and electricity fee increases. In granting franchises in the future, can the Administration reduce to the minimum the permitted return of a franchised company (because the interest rate now is very low indeed)? Has the Administration considered this practicable measure to curb inflation?*

SECRETARY FOR ECONOMIC SERVICES: Mr President, I can assure this Council that in considering any application from a public utility company for a fee increase, we will wish, of course, to be satisfied that there is adequate justification for the fee increase, and in taking into account the adequate justification the impact on inflation will of course also be considered.

MR HENRY TANG: *Mr President, in her main reply the Secretary said that there should be an adequate supply of labour to keep down the pressure on inflation. Does the Secretary have any proof that the importation of labour so far has kept down inflation or actually has reduced inflation?*

SECRETARY FOR ECONOMIC SERVICES: Mr President, I believe that the evidence of the impact of allowing labour to be imported is reflected in the fact that over the past two years the rate of inflation has in fact moderated.

MR FRED LI (in Cantonese): *Mr President, in terms of inflation and the disparity between the rich and the poor, Hong Kong fares worst among the four little dragons in Asia, particularly if one looks at the ever widening gap between the rich and the poor in Hong Kong. Whilst the importation of labour scheme is there to improve efficiency, does the Administration have other measures in hand so that the present almost double-digit inflation rate would not have an impact on the living standard of the low income people?*

SECRETARY FOR ECONOMIC SERVICES: Mr President, I think I have already touched upon the measures on curbing inflation in my principal reply. I think I should at the same time point out that whilst inflation remains relatively high as compared with our neighbouring countries, nevertheless, in real terms, in most sectors real wages are rising faster than the rate of inflation.

MR MARTIN LEE: *Mr President, will the Secretary inform this Council whether the Administration is satisfied with the steps taken so far to reduce inflation which, alas, still remains so high? If no, what further steps does the Administration propose to take? If yes, does it not seem that the Administration is easily satisfied with its own performance?*

PRESIDENT: I think the first part of the question only, Secretary.

SECRETARY FOR ECONOMIC SERVICES: Mr President, I have nothing to add to my principal reply and to my answers to subsequent supplementary questions.

### **Euthanasia**

5. DR CONRAD LAM asked (in Cantonese): *Will the Government inform this Council whether an in-depth study would be carried out to see if it is proper to legalize "euthanasia" in Hong Kong; if not, what are the reasons for not doing so?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, the short answer is: Not for the time being. I will explain why.

Euthanasia, often called mercy killing, is a very complex and controversial subject. It has profound ethical, legal, political, religious and medical implications.

It exists in both active and passive forms.

Active euthanasia is the deliberate act of ending the life of a patient, for example by prescribing or administering a drug which accelerates the patient's death. It is usually at the request of a terminally-ill patient or his close relatives. This would constitute the crime of murder or manslaughter under existing law.

Passive euthanasia means respecting the will of the patient or his close relatives to allow the natural forces of death to follow its course, in the terminal phase of sickness, by not intervening medically to prolong life.

Although doctors in some countries may advocate euthanasia and some overseas court decisions and laws have permitted it, it is still a controversial subject internationally. The World Medical Association has declared it unethical. In Hong Kong, the Joint Ethics Committee of the Hong Kong Medical Association and the British Medical Association (Hong Kong Branch) is also of the opinion that euthanasia is unethical. Following a recent debate on the subject, the Joint Committee recommended no change in the law.

So the existing policy which is reflected in the law is that active euthanasia is illegal. Passive euthanasia, on the other hand, is also generally considered by the medical profession as unethical. Mr President, further government consideration of the matter will depend to a large extent on community views on the issue and expectations. Right now we do not see euthanasia as a subject of

general public concern, though we do sympathize with doctors and patients who sometimes feel forced to confront it as an option.

DR CONRAD LAM (in Cantonese): *Mr President, according to the third paragraph of the Secretary's reply, "prescribing or administering a drug which accelerates a patient's death" is active euthanasia which is an offence under the law of Hong Kong. Many medical and nursing staff however have to use large doses of sedatives or tranquillizers to relieve the pain of terminally-ill patients, and they are well aware of the fact that such large doses and high frequency of administration may accelerate the patients' death. Could the Attorney General inform this Council whether this is a form of active euthanasia that develops slowly and goes undetected; if not, how the interests of these terminally-ill patients can be protected so that they will not leave this world earlier because of over enthusiasm of some medical and nursing staff?*

PRESIDENT: Are you prepared to answer that question, Attorney General?

ATTORNEY GENERAL: Springing to my feet, Mr President, I would say the short answer is that the law looks to intention and not to motive.

MR SIMON IP: *Mr President, is the Secretary for Health and Welfare able to tell this Council whether the authorities or the Medical Council have investigated cases of either active or passive euthanasia, and if so, with what result?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, the short answer is that we have not received any reported cases of active euthanasia. Whether or not there are passive cases of euthanasia has not come to our attention but I would be happy to look into this and consult the Medical Council.

DR LEONG CHE-HUNG: *Mr President, in the last sentence of her reply the Secretary said: further government consideration of the matter will depend to a large extent on community views on the issue and expectations. Could the Administration inform this Council how the Government is going to seek community views and expectations? And furthermore, will the basic feelings of the health care professions be considered?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, we do not intend to actively, for the time being, seek the community's views on an issue such as euthanasia. As I explained earlier, I believe the community considers this as a very controversial subject with social, cultural, legal, medical and

ethical implications. If it does become a matter of public concern, I am sure we will hear about it through both the medical profession as well as through the media.

As to the second part of Dr LEONG's question, we will be continuing to consult the medical profession about their views on this to see whether or not, like in some other countries in the world, the question of euthanasia may perhaps be debated more publicly and whether it has become a matter of genuine public concern.

DR CONRAD LAM (in Cantonese): *Mr President, will the Administration inform this Council if there have been cases of over administration of sedatives or tranquillizers in hospitals here to accelerate a patient's death, and if so, how serious the problem is?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, I am personally not aware of such cases. But since Dr LAM has raised the question, we will look into it.

### **Ambulance service**

6. MR TIK CHI-YUEN asked (in Cantonese): *In the light of a re-organization of ambulance service under the operation of the Fire Services Department, as well as public concern over the issues such as the abuse of ambulance service, will the Government inform this Council:*

- (a) *of the proposed deployment of ambulance service for emergency and non-emergency cases, the criteria and specific arrangements involved, as well as the time-frame for introducing such arrangements;*
- (b) *of the proposed changes to the mode of operation, and whether there are plans to improve the quality of service, such as reducing the response time for emergency calls to meet international standards;*
- (c) *whether there are plans to set up different control centres for emergency and non-emergency services, if so, what measures will be taken to avoid overlapping of responsibilities and problems of command and control; and*
- (d) *what measures will be taken to encourage the public to make proper use of ambulance service and not to abuse the service?*

SECRETARY FOR SECURITY: Mr President, the Fire Services Department operates a fleet of 208 ambulances and 15 Ambulance Aid Motorcycles to provide both emergency and non-emergency ambulance services to the public.

Hospital Authority patients are the main users of the non-emergency ambulance service. Following discussions within the Government and between the Government and the Hospital Authority last year, a phased programme has been worked out for the Fire Services Department gradually to withdraw from the provision of non-emergency services. This will enable the Department to make better use of its resources and to focus on its primary objective as the provider of emergency services.

Under the new arrangement, non-emergency services are to be taken over by the Hospital Authority in stages, starting with Hong Kong Island on 1 October 1993, Kowloon on 1 January 1994 and finally the New Territories on 1 April 1995.

The Fire Services Department will continue to maintain its existing standard of emergency services with a fleet which will reduce eventually to 158 ambulances and 15 Ambulance Aid Motorcycles. The Department will seek to achieve, as far as possible, its target of responding to emergency calls within 10 minutes. This target response time was established in 1987, following the recommendation of an independent overseas consultant, who conducted an extensive review of the ambulance services provided in Hong Kong. There are no international standards on response times, but we are satisfied that our target time is adequate and we have no plans to reduce it. However in order to improve the quality of its emergency services, the Fire Services Department will be introducing paramedic services to upgrade the standard of on-the-spot care provided for patients in emergencies.

The Communication and Control Centre of the Fire Services Department will maintain its command and control of ambulances for emergency calls. The Hospital Authority will make separate arrangements to receive, and to respond to, non-emergency calls. The distinction between emergency and non-emergency calls is quite clear and there should be very little overlap between the two control centres. Liaison and co-ordination between the two should ensure that any problems which do arise are quickly resolved.

In the past three years, the Fire Services Department has responded to an average of about 420 000 emergency and non-emergency calls each year. There was only one proven case of abuse which occurred in 1991. We have, therefore, no reason to believe that abuse of ambulance services is a significant problem.

The main reason for this satisfactory situation is that the Fire Services Department, in consultation with the Hospital Authority, the Social Welfare Department and the Department of Health, drew up a set of "Administrative Guidelines on the Scope of Non-emergency Transfers" in November 1990. Under these guidelines, the use of ambulances for non-emergency transfers

requires pre-booking and must be authorized by a doctor, nurse or social worker. These arrangements have made the frivolous or improper use of ambulance services virtually impossible.

MR TIK CHI-YUEN (in Cantonese): *Mr President, may I ask how the proposed arrangement for separating emergency and non-emergency services will bring improvement to the existing standard of services? Has the Administration considered adopting performance pledges in this regard so as to ensure that patients' rights will be protected?*

SECRETARY FOR SECURITY: Mr President, the main reason for separating non-emergency services is to make better and more efficient use of our resources. Non-emergency services do not require the highly trained staff, the specialized vehicles and the sophisticated equipment of the Fire Services Department. The staff, vehicles and equipment are provided specifically for emergency services. The present arrangement is therefore a wasteful and inefficient use of resources and I believe new arrangements will enable the existing standard to be maintained more economically.

MR MICHAEL HO (in Cantonese): *Mr President, in the second last paragraph of its reply, the Administration said: "There was only one proven case of abuse in 1991". Could the Administration inform this Council how that case was established? Does the Administration have any personnel or unit to monitor the use or abuse of ambulance services? If yes, what is the method of monitoring such that useful information can be obtained for effective monitoring?*

SECRETARY FOR SECURITY: Mr President, the Fire Services Department would monitor the use or abuse of its ambulances and would have detected that case in 1991. I think it is true to say that before the implementation of the existing guidelines in 1990, the extent of abuse was probably slightly higher and that led to the need to review the system and to establish the present guidelines.

MR MICHAEL HO: *Mr President, I would like to have a follow-up. (In Cantonese) It seems that, Mr President, the Secretary has not answered my question. What is the present mechanism in place in the Fire Services Department to monitor the use or abuse of services?*

SECRETARY FOR SECURITY: Mr President, as I said, the Fire Services Department does, on a continuing basis, monitor the use of their ambulances. Certainly, any case in which the ambulance staff felt that the service was being abused would be reported and investigated by the department.

MR SIMON IP: *Mr President, the 10-minute target response time could in practice end up quite a bit longer than that due to, for example, traffic congestion. Is the Government thinking perhaps of employing helicopters in emergency situations?*

SECRETARY FOR SECURITY: Mr President, in recent years the Fire Services Department has responded to over 90% of emergency calls within 10 minutes, and the performance of the department in this respect has been slowly improving. It is now approximately 92% of cases that are responded to in 10 minutes. Helicopters are used in certain cases but primarily from the outlying islands. I think, perhaps, what I should say also is that in cases where traffic congestion is expected, the Fire Services Department does then tend to deploy its motorcycles which of course are able to get through traffic much more quickly. And it is these motorcycle ambulancemen who are being given priority for paramedic training so that they will be able to look after patients until a normal ambulance arrives.

MR TAM YIU-CHUNG (in Cantonese): *Mr President, non-emergency services are more or less like delivery or transportation services. In that case, is it economical to use the ambulances of the Fire Services Department to provide such services?*

SECRETARY FOR SECURITY: Mr President, I certainly do not think that it is economical to use the highly specialized vehicles that the Fire Services Department is now using for this purpose. And that is precisely why we have decided that we should remove this service from the Fire Services and pass it to the Hospital Authority who will be able, I think in many cases, to use a different type of vehicle, not the specialized ambulance that the Fire Services use, and therefore that they will be able to provide this service in the future, I hope, much more economically.

### **Written answers to questions**

#### **Highway and railway programmes**

7. MR LAU CHIN-SHEK asked (in Chinese): *Concerning the Recommended Highway and Railway Programmes as set out in the Second Comprehensive Transport Study Final Report which was published by the Government in May 1989, will the Administration inform this Council of the respective projects which have been completed, are currently underway as scheduled or have been deferred, as well as those which are still under consideration or on which no action will be taken; and what the reasons are for the decisions, if any, to defer or not to pursue certain projects?*

SECRETARY FOR TRANSPORT: Mr President, transport planning is a continuous process and is therefore subject to change from time to time. The Second Comprehensive Transport Study (CTS-2) published in 1989 was based on the assumption that the airport at Kai Tak would be retained. It recommended projects for implementation up to 2001. The study was updated subsequently to take account of the Port and Airport Development Strategy and latest land use plans, and its planning horizon was extended to 2011.

In 1989, CTS-2 recommended the construction, in phases, of three major new highways. These were Route 3 from Hong Kong Island to Yuen Long, Route 7 from the Island Eastern Corridor through Western District to Aberdeen, and a new route from Tsim Sha Tsui to the Kwun Tong Bypass. For the phased implementation of these routes, CTS-2 accorded priority to the Western Harbour Crossing (WHC) and the section of Route 7 connecting this tunnel to Central; the section of Route 3 from the WHC to Tsing Yi; and an extension of the future Hung Hom Bypass via a second airport tunnel under Kai Tak. The first two schemes are now planned for implementation by 1997. The need for a new route through Kai Tak is being reassessed as part of planning for South East Kowloon, as a result of the decision to relocate the airport.

CTS-2 also recommended three rail projects. These were the third cross harbour rail link, an MTR extension to Tseung Kwan O, and a Northwest New Territories/urban link. The Airport Railway will provide the third cross harbour link in addition to serving the new airport at Chek Lap Kok and Tung Chung New Town. As a result of the decision to construct the Airport Railway, all other rail development projects, including those recommended by CTS-2, have been re-examined in the Railway Development Study. The public will be consulted on the results of this study shortly.

### **Public housing projects**

8. MR GILBERT LEUNG asked (in Chinese): *Will the Government inform this Council of:*

- (a) *the number of public housing projects on which agreements have been reached since 1988 between the Administration and the Housing Authority requiring the latter to undertake site formation work;*
- (b) *the specific arrangements in these agreements; whether the Housing Authority has been required to bear substantial additional expenditure because of such arrangements; and*
- (c) *the number of public housing projects for which similar arrangements are still under negotiation to date and the additional expenditure involved on the part of the Housing Authority?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President, land formation works for public housing sites are normally funded by the Government from the Capital Works Reserve Fund Head 707 — New Towns and Public Housing. This has not been changed by the establishment of the Housing Authority in its present form on 1 April 1988. The Government acknowledged in late 1988 that this arrangement did not cover supplementary new sites for public housing purposes in the urban areas however. Following discussions, the Government confirmed in early 1990 that it would reimburse the Housing Authority the costs of forming the supplementary public housing sites in the urban areas for which the Authority had undertaken the works.

Since this agreement was made, a total of four site formation projects have been approved in principle by the Finance Committee for funding on a reimbursement basis. Of these four projects, two are ongoing and two have yet to start. There are no other projects with similar arrangements for which submissions to the Finance Committee are being prepared.

### **Textbook contents**

9. MR ERIC LI asked (in Chinese): *Will the Government inform this Council what regulatory measures on textbook publishers are adopted by the Education Department to ensure that the contents of textbooks compiled are in line with the teaching objectives set out in the curriculum guides and are suitable for use by pupils of the specified class?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President, to ensure that the contents of school textbooks are compiled in line with the teaching objectives set out in the curriculum guides and are suitable for use by pupils of the specified class, textbook publishers who wish to have their textbooks recommended for use in schools are subject to a standard review procedure carried out by the Textbooks Committee and its Textbook Reviewing Panels. Details of this procedure were given in part (b) of my written answer to Mr James TO's question on 17 February 1993.

### **Ocean-going carriers registered overseas**

10. MR ALBERT CHAN asked (in Chinese): *In the afternoon of 27 October 1992, an overseas registered container ship anchored off the Tsing Yi South Bridge listed suddenly and eight containers on board fell into the sea. Will the Government inform this Council of:*

- (a) *the monitoring measures in force in respect of ocean-going carriers registered overseas to ensure that their construction and equipment meet the maritime safety standards of Hong Kong; and*

- (b) *the measure taken by the Government when accidents are caused by unauthorized alterations on board of such carriers?*

SECRETARY FOR ECONOMIC SERVICES: Mr President, as a major maritime centre, Hong Kong follows closely the safety standards set out in various international maritime conventions. The Marine Department is responsible for ensuring that overseas registered ocean-going vessels visiting Hong Kong comply with these standards.

This is achieved by:

- (a) ensuring that all vessels calling on Hong Kong hold valid safety certificates issued by their respective state of registry (flag state);
- (b) inspecting ocean-going vessels in the manner prescribed in the various international maritime conventions (Port State Control). Particular attention is given to passenger vessels and older ships with a history of problems; and
- (c) conducting specific inspections on vessels which have been reported to Marine Department as having safety problems.

If any vessel is found to be significantly deficient, or not to have valid certificates, action will be taken requiring the owner and operator to rectify these deficiencies before the vessel is allowed to leave Hong Kong.

The aim behind these measures is not simply to ensure compliance with international conventions, but to ensure the safety of ships and crews, to protect the marine environment, and to induce a greater sense of responsibility amongst owners, operators and flag states so that older, deficient tonnage is taken out of operation. Internationally, there are moves for Port State Control to target flag states whose ships have a history of being substandard, so as to rid the seas of such vessels.

Marine Department investigates every major accident occurring within the waters of Hong Kong. The flag state and the International Maritime Organization will be advised of the findings of the investigation. This will include cases in which the accident was caused by unauthorized alterations to vessels which contravene international standards, or non-compliance with these standards.

Alterations to overseas registered ships are not covered in Hong Kong law. However, if the alterations materially contravene provisions covered by any relevant international maritime convention, then Marine Department can require the owners and operators to rectify the deficiencies.

**Public Records Office**

11. MRS ELSIE TU asked: *In view of the Government's plan to move the Public Records Office to Tuen Mun, will the Administration advise this Council:*

- (a) of the reasons for and estimated cost of the relocation;*
- (b) whether it is aware that the relocation would inconvenience those who use the office most frequently, for example academics from the universities; and*
- (c) whether reconsideration can be given to leaving the office in situ, or at least relocating it near an MTR station and a public car park?*

CHIEF SECRETARY: Mr President,

- (a) Hong Kong's public records are currently held at five different locations in Aberdeen, Central and Tuen Mun. This is not an efficient way of using limited resources. It is therefore intended to consolidate in phases the five offices into a single operation in government owned premises in Tuen Mun. The new facilities will optimize staff deployment and efficiency, reduce recurrent leasing costs and facilitate management of the records overall. The total cost of reprovisioning all record holdings to Tuen Mun is estimated to be \$30 million, including new provision for equipment, fitting out and transport.
- (b) Any inconvenience caused to those using the consolidated facilities at Tuen Mun will be offset by improved records access and the modern facilities provided. The location of the new premises is not expected to affect the number of people consulting the public records in person which, during 1992, averaged five a day. Most enquiries from scholars in Hong Kong and overseas are received by mail.
- (c) To relocate the Public Records Office other than as proposed would frustrate the objective of utilizing government owned accommodation in a cost-sensitive and efficient manner. To purchase and fit out accommodation for the Public Records Office adjacent to an MTR station would entail expenditure of some \$200 million. The facilities to be provided in Tuen Mun are situated opposite an LRT station. There are also a number of public car parks in close proximity.

**Fire in country parks**

12. MR HOWARD YOUNG asked: *Will the Government inform this Council:*

- (a) *of the total area of vegetation destroyed by hill fires in the 1992-93 fire season, and how much of this lies within the country parks; and*
- (b) *whether the Government will consider imposing a total ban on smoking in the country parks in order to reduce fire hazard?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President, the total area of vegetation affected by hill fires in the 1992-93 fire season so far is 9 401 hectares, of which 2 285 hectares lie within country parks.

The main cause of hill fires is carelessness in the handling of joss-sticks during ancestor worship, in the burning of weeds or rubbish by villagers and in barbecuing outside designated barbecue sites. Smoking is not a major cause of hill fires and there are no plans to ban smoking in country parks at present.

**Chinese medicine report**

13. MR TAM YIU-CHUNG asked (in Chinese): *Will the Government inform this Council of the progress of the work undertaken by the Working Party on Chinese Medicine and when it will finalize its report for publication?*

SECRETARY FOR HEALTH AND WELFARE: Since publication of its Interim Report last year, the Working Party on Chinese Medicine has received over 200 comments from professionals, professional and community organizations and members of the public. It has studied the views received and is now finalizing its recommendations. It is intended that the Final Report of the Working Party will be submitted to the Administration within this year.

**Ten-dollar note**

14. MRS PEGGY LAM asked (in Chinese): *As some members of the public consider that there is merit in allowing the existing ten-dollar note to remain in circulation after 1994 or 1995, will the Government inform this Council:*

- (a) *of the consultative process through which the decision regarding the replacement of ten-dollar notes by ten-dollar coins in 1994 or 1995 was made; and the results of consultation; and*

- (b) *whether it will consider requesting the note-issuing banks to continue issuing ten-dollar notes after the introduction of ten-dollar coins so that both would be circulated simultaneously, thereby eliminating the misconception that these notes have been devalued?*

SECRETARY FOR MONETARY AFFAIRS: Mr President,

- (a) The decision to replace the ten-dollar note by a ten-dollar coin was made on economic grounds, having regard mainly to the objective of providing an efficient medium of exchange in a cost effective way. The ten-dollar note now constitutes over 60% of the total number of notes in circulation. It is so heavily used that it has a very short average life of under two years, while coins last for a much longer time. It is clearly much more economical to replace the ten-dollar note with a ten-dollar coin. There will be substantial savings on the cost of production of new bank notes and destruction of old ones.

In arriving at the decision, the two banks responsible for the issue of bank notes have been consulted. The Secretary of State, who has the authority to approve the minting of new coins, has also been consulted. The precise timing for the introduction of the ten-dollar coin has yet to be determined, along with that for the ongoing replacement of coins of existing designs by those with new designs.

- (b) Because of the large number of ten-dollar notes in circulation and the constraints in production and storage of the ten-dollar coins, the ten-dollar coin will not predominantly take over the role of the ten-dollar note until after a period of at least three years. Even after that, the ten-dollar note will continue to be legal tender. There should therefore be little likelihood of any persistent misconception that the ten-dollar note has been devalued.

### **Community facility information**

15. MR CHEUNG MAN-KWONG asked (in Chinese): *Since one of the arguments put forward by some residents against the establishment of a hostel for the mentally handicapped and an activity centre for discharged mental patients within their district is that they do not have the right to know, will the Government inform this Council of the following:*

- (a) *where local residents can have access to the latest information on future community facilities and environmental planning in their neighbourhood;*

- (b) *whether this information is being kept in a way that is easily understood by the general public and can be made available for their inspection;*
- (c) *whether the District Boards and the District Offices are furnished with such information on a regular basis; if not, whether the Government will consider providing such information to these offices; and*
- (d) *whether the Government will consider releasing any confirmed information on approval of community facilities and environmental planning matters to the District Boards and the public as soon as possible, so as to enhance the people's right to know?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President, on the first question, residents have access to such information in a number of ways:

- (a) land use planning including information on community facilities and environmental planning is shown on statutory outline zoning plans and non statutory development and layout plans. All these plans are available for public inspection at the Planning Information and Technical Administration Unit (PITA) of the Planning Department and gazetted or approved plans are on sale at Government Map Sale outlets;
- (b) residents in public housing estates can approach their estate office for information. They are also informed of planned projects through on-site notices, regular newsletters and as far as possible the mutual aid committee meetings;
- (c) prospective tenants in new public housing estates are provided with general information about the estates, including the community facilities; and
- (d) works programmes and statutory town plans are also available or displayed for public inspection at Public Enquiry Counters at the District Offices.

On the second question, every effort is made to ensure that such information is readily available and easily understood. Enquiry services are provided at PITA, estate offices and District Offices.

Regarding the last two questions, District Offices are furnished with works programmes and statutory town plans on a regular basis for public information and inspection. The District Boards (DB) are briefed or consulted on the town plans, planning briefs for housing estates, departmental

development/works programmes and major community facilities projects. The agenda and minutes of the DB meetings are displayed on DB notice boards. The public also have access to DB discussion papers and DB meetings are open to the public and the press.

### **Voluntary repatriation of Vietnamese migrants**

16. MR MARTIN BARROW asked: *Does the Government accept that an improvement in the Vietnamese economy would encourage Vietnamese migrants to volunteer to return and if so, will the Government inform this Council what specific initiatives they are taking, directly and through Her Majesty's Government, to encourage the new United States Administration to lift their trade embargo against Vietnam?*

SECRETARY FOR SECURITY: Mr President, the Government does accept that an improvement in the Vietnamese economy would encourage Vietnamese migrants to volunteer to return. Our position on the American trade embargo against Vietnam is a matter of public record and is well known to the United States Government. Nevertheless, whenever the opportunity arises we and Her Majesty's Government remind them of it.

### **Overhanging signboards**

17. MR MAN SAI-CHEONG asked (in Chinese): *Will the Government inform this Council:*

- (a) *of its policy on the control, erection and maintenance of overhanging signboards;*
- (b) *what measures it has taken or will take to remove oversized, dangerous or abandoned overhanging signboards which pose a safety hazard to pedestrians and passengers on open decks of double-decker buses and the effectiveness of these measures; and*
- (c) *whether it is aware of the intense neon lights emitted by some overhanging advertisement signboards at night which cause nuisance to residents on the lower floors of buildings and if so, what action it has taken or will take to tackle this problem?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President, the primary concern of the Government as regards overhanging signboards is safety. The policy is to ensure that signboards which may pose a threat to public safety are removed either by the owners themselves or, if necessary, by the Buildings Ordinance Office. Under section 105 of the Public

Health and Municipal Services Ordinance, the Director of Buildings and Lands has the power to remove or to render safe advertisement signboards which are considered dangerous or likely to become dangerous.

When dangerous or potentially dangerous signs are identified, a notice will be served on the owner requiring the sign to be removed or rendered safe. In cases of emergency, the Buildings Ordinance Office may remove dangerous signs without prior notice to the owner. As part of their daily activities in the field of building safety, staff of the Buildings Ordinance Office both seek out dangerous signs and respond to notification through public reports. These measures are adequate in removing the potential safety hazard posed by signboards. Since April 1987, when the Buildings Ordinance Office took on the tasks of dealing with dangerous signs, over 5 700 notices have been served on owners, the majority of which have been complied with voluntarily.

The Government's major concern in respect of neon light signboards is also safety. The Advertisement By-laws under the Public Health and Municipal Services Ordinance require that the Director of Fire Services be notified prior to the erection of any neon, electric or other similar light sign. The Director is also empowered to remove any sign considered to be a source of risk of fire. For similar safety-related reasons, section 9 of the Shipping and Port Control Ordinance provides that the Director of Marine may direct the removal of a light or illuminated sign if it obscures, restricts or interferes with any navigational light or might adversely affect safe navigation.

As regards the possible nuisance effect posed by neon light signboards, under the Multi-storey Buildings (Owners Incorporation) Ordinance, owners corporations may take action to enforce any obligations contained in the Deed of Mutual Covenant for the control of their building, including the removal of unsightly or undesirable signs.

The concern of Members on the safety of overhanging advertisement signs has been conveyed to the Administration previously on a number of occasions. A similar question was asked in this Council only two weeks ago; and the matter has been raised and the position explained at at least four meetings of the Lands and Works and Community and New Territories Affairs Panels of the Council in the past nine months. Members' views have been taken fully into account in reviewing and reaffirming the Administration's current policy on the subject alongside other practical considerations. The policy is effective in achieving safety commensurate with the reasonable deployment of resources having regard to other priorities, both in general terms and in the particular field of building safety. New factors have not been brought to light in recent deliberations.

**Mobile telephones**

18. DR LAM KUI-CHUN asked: *In view of recent reports that holding a mobile telephone too close to a person's head may endanger his health, will the Government inform this Council whether it is aware of:*

- (a) *the kinds of energy emitted by mobile telephones currently authorized for use in Hong Kong;*
- (b) *the levels of the energy so emitted; and*
- (c) *the levels of human tolerance of such energy over a period of time?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, mobile telephones currently authorized for use in Hong Kong emit radiofrequency radiation in the range of 800 to 900 megahertz. They have a power output of less than two watts.

Exposure limits for human beings to radiation at such frequencies are stipulated by the International Radiation Protection Association which promulgates guidelines in co-operation with World Health Organization.

According to the guidelines,

"Exposure to radiofrequency radiation emitted from low power devices, such as citizen's band radio, land mobile and marine transmitters and walkie-talkies, can be excluded from consideration in assessing compliance with the prescribed limit provided the radiofrequency output power of the device is seven watts or less. Such devices generate only very localized fields."

The mobile telephones authorized for use in Hong Kong are well within this limit. They should not pose a health hazard in normal use. The user should, however, always observe the users' instructions provided by the manufacturer.

**Pictures of injured or killed persons**

19. MR LEE WING-TAT asked (in Chinese): *In view of public concern that publication of horrifying close-up pictures of persons who were injured or killed in accidents, gunfights and so on may have an undesirable psychological effect on the readers, particularly children, will the Government inform this Council of its policy or guidelines on the publication of such pictures by the press?*

SECRETARY FOR RECREATION AND CULTURE: Mr President, the Government's policy is that the press is free to publish. The Government does not have, nor does it intend to issue, guidelines on the publication of pictures by the press.

Nonetheless, the publication of articles which consist of or contain material that is obscene or indecent (including material that is violent, depraved or repulsive) is subject to control under the Control of Obscene and Indecent Articles Ordinance (COIAO) Cap 390.

Articles considered to be indecent or obscene may be submitted to the Obscene Articles Tribunal (OAT) for classification. In determining whether an article is obscene or indecent, the OAT shall have regard to standards of morality, decency and propriety that are generally accepted by reasonable members of the community. An obscene article is disallowed from publication under the law whereas the OAT may impose conditions on the publication of an indecent article.

If a reader finds a picture in a news report offensive or repulsive, he can bring the matter to the attention of the Television and Entertainment Licensing Authority who can then seek a classification from the OAT.

The press in Hong Kong are fully aware of the provisions of the COIAO and, generally, their record in this regard is good.

### **Special Branch of RHKPF**

20. DR PHILIP WONG asked: *Will the Government inform this Council of the function of the Special Branch of the Royal Hong Kong Police Force and its achievements over the last 12 months, and whether the need still exists for the maintenance of this unit?*

SECRETARY FOR SECURITY: Mr President, the Special Branch of the Royal Hong Kong Police Force undertakes functions normal to a Special Branch, including VIP protection, counter-terrorism and security duties and has carried out all of these effectively during the last 12 months. There is still a need for this unit to undertake such duties.

### **Oral answer to question**

#### **1994-95 electoral bill**

21. MR SZETO WAH asked (in Cantonese): *The Government has earlier indicated that the bills on the 1994-95 elections would be gazetted and introduced into this Council before the end of February this year. Will the*

*Administration inform this Council whether there is any change to the target; if so, of the reasons for this change?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, diplomatic contacts between the British and Chinese Governments have continued over recent weeks. We have continued to make clear that we are ready to talk at any time and without any preconditions in an effort to reach an understanding on the arrangements for the 1994-95 Elections.

We hope that formal talks between the two sides can soon begin. In order to help this process, the Governor, on the advice of the Executive Council, has deferred so far the gazetting of the Bill on the arrangements for the 1994-95 elections, other than the Boundary and Election Commission Bill. We do recognize that the current uncertain situation cannot be allowed to continue for much longer and that we will need to gazette the Bill if a decision on talks cannot be reached imminently.

MR SZETO WAH (in Cantonese): *Mr President, will the Administration inform this Council how the Administration can avoid, when it comes to policy issues, repeating the incident concerning the Court of Final Appeal agreement reached by Sino-British Joint Liaison Group?*

PRESIDENT: Can you put it more specifically, Mr SZETO Wah?

MR SZETO WAH (in Cantonese): *Mr President, if the talks on the constitutional package should come to any agreement, how can the Administration ensure that it will be approved by this Council?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, unlike the Court of Final Appeal incident referred to by Mr SZETO, since the announcement of the Governor's constitutional proposals in this Council on 7 October, we have had the benefit of a number of motion debates in this Council in which Members' views have been fully and eloquently expressed. We have also had numerous debates within the community, some of them organized by the media. In addition, we have received written submissions from individual Members of this Council and also from members of the public which have been published in a compendium and we are indeed considering the necessity of a supplement to that particular compendium, not to mention the number of polls conducted by newspapers which have consistently shown that, despite heavy criticisms from a number of quarters, these proposals still retain a 2:1 margin of support by the community. Mr President, we will certainly in any diplomatic talks be guided by these opinion and views that have been expressed and indeed we shall remind ourselves that the Legislative Council has

the constitutional power to enact legislation for the electoral arrangements. This we will also firmly bear in mind in any negotiations.

MR GILBERT LEUNG (in Cantonese): *Mr President, will the Administration inform this Council whether the Chinese Government has insisted on some pre-conditions to be met before starting any talks with the British Government, like requiring the Governor to withdraw or abandon his political reform package before they will sit down for talks; and whether the Administration will accept such pre-conditions?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, it is clear that diplomatic exchanges will have to remain confidential. Yet I will, therefore, have to be prudent and discreet in what I have to say in answer to this question. We have said to the Chinese side that we are ready to hold talks on the 1994-95 election arrangements, without preconditions and we hope formal talks between the two sides can soon begin. I think it is neither fruitful nor helpful for any of us to try to impute into this particular exchange as to which side has given way on whatever matter.

MR FREDERICK FUNG (in Cantonese): *Mr President, the Secretary has said in his reply that the Administration intends to defer the gazetting of the Bill as talks will start imminently. Does the Administration already have an idea as to the time limit beyond which the gazetting of the bill cannot be deferred any further?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, it has always been our aim to gazette the Bill as early as possible, certainly by the end of February, if we could. Were we to go beyond that date, there would have to be a very good reason for doing so. It would have to be for reasons which would be well understood by the Legislative Council and by the community.

DR YEUNG SUM (in Cantonese): *Mr President, if the British and Chinese Governments will restart talks on the constitutional package, will the Administration inform this Council how Mr Chris PATTEN our Governor can ensure that the talks and the outcome will be in line with the principle of being "open, fair and acceptable to the people of Hong Kong"?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, I thank Dr YEUNG Sum for reminding us of the guiding principle for those talks. We shall certainly approach those talks, if they come about, with those principles firmly in mind. As I have said, we have had the benefit of a number of debates in this Council and the various information and views that we have gathered.

And I think the Administration will have to make a judgement as to whether any understanding that could be reached at the end of the day will commend itself to this Council and whether it meets those guiding principles.

MR HOWARD YOUNG: *Mr President, the target or deadline for gazetting the Bill in February was set by the Government itself, presumably having regard to the need to have arrangements in place for the 1994-95 elections in good time. Would the Administration advise whether it would be feasible, should introduction of the legislation be deferred, to differentiate between the 1994 elections and 1995 elections and to have some part of the legislation put in place first with the Legislative Council election part being put off to a deadline later than that for the District Boards and Municipal Councils elections, in the interest of having fruitful negotiations with China?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, it is a fact that some parts of the legislation are more urgent than others. For example, the Boundary Election Commission Bill is far more urgent because there will need to be lead time for the Commission to do its job. However, for the remaining proposals, it would be invidious to try to separate them so as to say which bit is more or less urgent, because they are all inter-related. And I would submit, Mr President, that we have to be clear in our minds that the piece of legislation that will eventually emerge will be a complex one and that the Council would wish to have as much time as possible to consider it and to enact it before the end of this current Session.

MR MAN SAI-CHEONG (in Cantonese): *Mr President, what will be the role played by the Executive and Legislative Councils in the Sino-British talks?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, the Executive Council will be consulted at every stage of the negotiations. We will have to, if we reach the stage of arriving at an understanding, recommend the package to this Council and this Council will then have the constitutional duty to study that piece of legislation and to decide for itself whether it should be passed.

MR CHIM PUI-CHUNG (in Cantonese): *Mr President, as the community is most concerned with the issue today, my question will therefore be in greater detail, but the answer can be very brief. The political reform package announced by the Governor in his policy address on 7 October last year in fact proposed changes to nine areas. Two of them have been put into effect: one is the election of the President of the Legislative Council, in which you are elected, Mr President; the other is the separation of the Executive and Legislative Councils, which has been implemented already. As for the rest, one*

*has been set aside, and that is the setting up of the Government-LegCo Committee. Another two are expected to face no great difficulties: one is the lowering of voting age from 21 to 18; the other is the single vote, single seat voting system for geographical constituencies. It is believed that these two will have the support of this Council. As regards the remaining four changes, the Governor will put them to this Council for consideration. In fact when the Governor or the Administration finds it necessary to amend the law, they can do so at any time. They can even withdraw or amend any bill that is put before this Council. My question is whether the Secretary considers the answer to the situations referred to is "yes" or "no"? If the answer is yes, that will be straightforward, but if no, what does he have to add to it?*

PRESIDENT: What is the question there, Mr CHIM? *(Laughter)*

MR CHIM PUI-CHUNG (in Cantonese): *Mr President, my question is to ask the Administration not to mislead the public because it can at any time amend the bill on political reforms that is put before this Council; would his answer be "yes" or "no"?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, I think it is a fact that in respect of any legislation that is proposed to this Council, not only Members have the right to propose amendments, but the Administration also, as I understand it, has a right to do so.

MR NGAI SHIU-KIT (in Cantonese): *Mr President, the Secretary says that as there have been contacts between the British and Chinese Governments and resumption of talks is in the offing, it is necessary to defer the gazetting of the bill. He also says however that it cannot be deferred for too long and that a timetable has to be set. My question is: The Hong Kong and British Governments have time and again said that they are ready to resume talks with the Chinese side at any time and in any place; does the Administration think that pressing for a deadline for the introduction of the bill on political reforms will show a lack of sincerity on the part of the British side to reopen the talks?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, our experience with the processing of Bills, particularly complex ones, tells us that the process does take time in this Council. I would therefore submit that the timetable that we have in mind is a very reasonable one. As to the question of sincerity, it is a virtue, I would suggest, that this Government has practised time and again and we are still practising this virtue. The mere fact that we have delayed gazetting of this Bill for two weeks already fully demonstrates that sincerity. A further point I wish to add is that gazetting of the Bill, and even its

introduction into this Council, does not mean the end of discussions. It merely is the beginning of another process which would be lengthy.

MR ANDREW WONG: *Mr President, I am not sure whether or not this is the right moment to take up a point of order. I am seeking a review of your ruling as to a previous point of order which I raised when Mr WONG Wai-yin asked his supplementary question to Question 2.*

PRESIDENT: As to his making a statement, Mr Andrew WONG?

MR ANDREW WONG: *Mr President, I was saying that he was making a statement and then you ruled that he should be given reasonable lead time into his question. So could I try to elaborate a bit more on my point of order, hoping that you can give me a ruling, perhaps, not at this sitting, but subsequently?*

PRESIDENT: I considered that Mr WONG Wai-yin was entitled to seek to make his question intelligible by a lead-up statement and I do not propose to take it further, Mr WONG.

## **Motion**

### **PUBLIC FINANCE ORDINANCE**

THE SECRETARY FOR THE TREASURY moved the following motion:

"That with effect from 1 April 1993:

- (a) this Council approves the establishment of a special suspense account to be known as the Electrical and Mechanical Services Department Workshop Services Suspense Account ("the Account");
- (b) there shall be transferred to the Account the balance of the Electrical and Mechanical Services Department Vehicle Maintenance Services Suspense Account as at 31 March 1993;
- (c) the Electrical and Mechanical Services Department Vehicle Maintenance Services Suspense Account shall be closed and the resolution of the Legislative Council relating to the account made and passed on 4 March 1992 (Cap. 2 sub. leg.) shall be cancelled accordingly;

- (d) the Account shall be employed for financing the provision of workshop maintenance and ancillary services by the Electrical and Mechanical Services Department;
- (e) the Account shall be administered by the Financial Secretary who may in writing delegate his power of administration to other public officers;
- (f) subject to paragraph (h), the Director of Accounting Services and any public officer duly authorized in writing by him may pay from public moneys such sums as may be necessary for the provision of workshop maintenance and ancillary services by the Electrical and Mechanical and Services Department and debit the payments to the Account;
- (g) the Account shall be credited with any charges paid for workshop maintenance and ancillary services provided by the Electrical and Mechanical Services Department and such other revenue as may be authorized by the Financial Secretary; and
- (h) the Account shall not at any time be in debt to an amount exceeding \$120,000,000 or such lesser sum as the Financial Secretary may determine from time to time."

He said: Mr President, I rise to move a resolution standing in my name on the Order Paper. Its purpose is to establish a special suspense account under section 30(1) of the Public Finance Ordinance. The proposed suspense account will cover all workshop services in the Electrical and Mechanical Services Department (EMSD) with effect from 1 April 1993. It will replace an existing suspense account covering vehicle maintenance services only.

By way of background, Honourable Members may recall that, following a resolution passed in this Council in March 1992 to establish a suspense account for vehicle maintenance in the EMSD, a charging system was introduced on 1 April 1992 for maintenance services provided by the EMSD's vehicle workshops to all government departments, the Municipal Councils, the Housing Authority and the Hospital Authority. This enabled the EMSD to run its vehicle maintenance workshops in line with commercial disciplines. A recent review of the charging system indicates that it has achieved this objective. An information note (FCRI (92-93)20) dated 5 December 1992, setting out the purpose of inter-departmental charging and analysing the performance of the Vehicle Maintenance Operating Services Account, was circulated to the Finance Committee of this Council. The Committee was informed that, given the satisfactory implementation of the Operating Services Account for vehicle maintenance workshops, the next step would be to extend this arrangement to all other workshop services in the EMSD. The resolution before Members seeks to establish a special suspense account for this purpose.

In addition to the Vehicles Section, the EMSD operates other workshops under its Mechanical Plant Section, Electrical Air-conditioning and Refrigeration Section, and the Traffic Aids and Signals Section.

As its name suggests, the Vehicles Section is responsible for the maintenance and continuing roadworthiness of motor vehicles, as well as providing professional advice on procurement and modification of vehicles.

The Mechanical Plant Section and the Electrical Air-conditioning and Refrigeration Section are responsible for maintaining and overhauling all heavy plant and steam installations, such as filtration plants for swimming pools, boilers and other pressure vessels, water and sewage pumps, high masts and other general engineering equipment such as ventilation systems, cremators and various small appliances. Installation of temporary power supplies and 24 hour fault call services are also provided.

The Traffic Aids and Signals Section is responsible for the maintenance of traffic aids, signals and equipment installed throughout the territory. This service is provided largely to the Transport and Highways Departments.

The intention is that, when the proposed special suspense account comes into operation on 1 April 1993, the existing Vehicle Maintenance Services Suspense Account be closed and that the balance be transferred to the proposed account. All workshop expenses incurred by EMSD will then be debited to the proposed account, while the charges paid by user departments and other public bodies will be credited to it. As is the case with the present suspense account, any debit balance in the proposed account will be a charge to the General Revenue. Clause (h) of the resolution provides that the amount of such debt should not exceed \$120 million at any time. This threshold is based on a careful assessment of the financial requirement of the proposed account, having regard to the expansion in its scope to cover all workshop activities.

The aim in establishing the proposed special suspense account is further to promote greater cost-consciousness amongst users of workshop services, and to extend the application of commercial disciplines to the remaining workshops of the EMSD. The account will be monitored by a committee chaired by me.

Mr President, I beg to move.

*Question on the motion proposed.*

MRS ELSIE TU: Mr President, I fully support the concept of making all departments aware of the cost of maintaining their vehicles, plant and equipment. It is encouraging to learn that the productive hours of the vehicle workshops' workforce have fallen by nearly 5%, and that some posts have been deleted or left vacant, indicating that the workload has decreased.

As the representative of the Urban Council, I have checked how this system is working, and I am assured that so far it is working very well and there are no complaints.

Having said that, I would like to sound a word of caution. The document FCRI No. 20 mentions that workshop managers are required to evaluate the efficiency of their units and to be fully aware of the costs of maintaining their vehicles, as well as consciously reviewing the need for sending their vehicles for maintenance and repair.

While this sounds like good management and probably in most cases will be so, I am concerned that some managers in their over-enthusiasm to cut down costs, or their fear of being blamed for overspending, may be tempted to cut down vehicle repair to an unacceptable level. Some departments, like the Municipal Councils, use heavy vehicles which operate almost round the clock. Heavy wear and tear make them more liable to develop mechanical faults, resulting in excessive smoke affecting the environment, or even worse, faulty brakes endangering life and limb.

I just wish to draw the attention of the Government to this possibility, because it is too late to be wise after the event. I trust that all workshop managers will be encouraged to put public safety and the environment before dangerous penny-pinching on repairs.

Mr President, with this word of warning, I support the motion.

SECRETARY FOR THE TREASURY: Mr President, I am very grateful to Mrs TU for showing support for the motion. It is also very gratifying to know that the EMSD's major user client is satisfied with the services currently being provided. I would like to assure Mrs TU that the very fact that we are extending the operating services account to the EMSD's other workshops is designed to reform the financial management of the department's services and to improve the financial relationship between that department and all its user clients. This in no way diminishes the need on the part of the EMSD to continue applying safety and environmental protection standards. Let me reassure Mrs TU that, in drawing up its preventive maintenance schedules, the department pays full regard to safety and pollution control considerations and that it will continue to do so.

*Question on the motion put and agreed to.*

**First Reading of Bills****MERCHANT SHIPPING (LIMITATION OF SHIPOWNERS LIABILITY) BILL****FILM CENSORSHIP (AMENDMENT) BILL 1993**

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

**Second Reading of Bills****MERCHANT SHIPPING (LIMITATION OF SHIPOWNERS LIABILITY) BILL**

THE SECRETARY FOR ECONOMIC SERVICES moved the Second Reading of: "A Bill to provide for and to limit the liability of shipowners and others, and for ancillary matters."

She said: Mr President, I move that the Merchant Shipping (Limitation of Shipowners Liability) Bill be read a Second time.

The purpose of the Bill is to implement in Hong Kong domestic law, two international treaties which provide for and set limits on the liability of shipowners and others. They are:

- the Athens Convention relating to the Carriage of Passengers and their Luggage by Sea, 1974 and its Protocol 1976 (also known as the Athens Convention); and
- the Convention on Limitation of Liability for Maritime Claims, 1976.

Both of these conventions already apply to Hong Kong. They are implemented locally by United Kingdom enactments applied to Hong Kong. It is, however, necessary to enact local legislation to replace these enactments so that their legal effect will continue after 1997. This systematic localization of United Kingdom merchant shipping legislation has been underway for some years and has involved the enactment of primary and subsidiary legislation addressing such issues as marine pollution, shipping safety and the establishment of the Hong Kong shipping register.

The Bill replicates all the substantive provisions in the United Kingdom enactments, with modifications only where necessary to conform to the circumstances of Hong Kong. In essence, the Bill provides that the Athens Convention and the Convention on Limitation of Liability for Maritime Claims shall both have the force of law in Hong Kong. It also includes ancillary

provisions relating to such matters as interpretation, the aggregation of claims, time-barring of actions, notices to be given by carriers, and the prescription of interest rates for limitation funds.

The continued application to Hong Kong of the Athens Convention, and the Convention on Limitation of Liability for Maritime Claims will ensure that disputes involving sea passengers and their luggage are dealt with in Hong Kong in accordance with international practice and that shipowners are entitled to place limits on their liability in Hong Kong, also in accordance with international practice. Since merchant shipping activities make a significant contribution to our economy, it is important that we continue to apply internationally recognized rules to secure the effective operation and development of our shipping industry.

*Bill referred to the House Committee pursuant to Standing Order 42(3A).*

### **FILM CENSORSHIP (AMENDMENT) BILL 1993**

THE SECRETARY FOR RECREATION AND CULTURE moved the Second Reading of: "A Bill to amend the Film Censorship Ordinance."

He said: Mr President, I move the Second Reading of the Film Censorship (Amendment) Bill 1993.

When I introduced the Control of Obscene and Indecent Articles (Amendment) Bill 1991 into this Council on 4 December 1991, I pointed out then that one of the purposes of that Bill was to plug a loophole in the existing legislation by bringing films, already dealt with under the Film Censorship Ordinance, under the regulation of the Control of Obscene and Indecent Articles Ordinance when they were published as videotapes and laserdiscs. Members were, however, concerned that this might lead to double standards as the same article would be subject to classification by two different authorities. Members felt strongly that the classification of the same film for exhibition and publication whether as a cinematograph film or a videotape or laserdisc should be handled by the Film Censorship Authority under the Film Censorship Ordinance to ensure uniformity of treatment and standard.

I had taken Members' advice then and had withdrawn the relevant parts of the Control of Obscene and Indecent Articles (Amendment) Bill at the Committee stage. I had also withdrawn the Indecent Articles (Amendment) Bill at the Committee stage. I had also agreed to bring back to this Council proposals to amend the Film Censorship Ordinance reflecting Members' wishes in plugging the loophole. The Bill I now put before this Council serves to achieve this very purpose. The Bill also takes account of comments made by Members on the need to increase the penalty under the Film Censorship Ordinance, which has not been revised since 1988, in order to achieve the desired deterrent effect.

Under the proposals in this Bill, all films which have been classified under the Film Censorship Ordinance when published as videotapes or laserdiscs would be subject to the same classification given by the Film Censorship Authority and Subject to the control of the same Ordinance. In addition those that were classified as Category III would not be allowed to be sold or hired to persons under the age of 18. Enforcement will be undertaken by the Television and Entertainment Licensing Authority. The admission of juveniles to Category III films exhibited in cinemas is already an offence under the Ordinance. This Bill when enacted will then prevent young persons under 18 from gaining access to videotapes and laserdiscs made from Category III films. The control of articles made purely for publication as videotapes and laserdiscs as opposed to exhibition in a cinema will, however, remain under the Control of Obscene and Indecent Articles Ordinance.

I will now highlight some of the important provisions in this Bill. Under clause 10 of the Bill, approval is deemed to be given to a film to be published as a videotape or laserdisc when a certificate of approval or a certificate of exemption is granted for its exhibition in cinemas. There is no need to seek separate approval for publication. However, when it is published as a videotape or laserdisc, it is required to display applicable classification symbols and warning notices. This requirement is also extended to any related advertising materials. Clause 11 prohibits the publication including the sale, hire or distribution of Category III videotapes and laserdiscs to persons under 18 years of age. Breach of this provision will attract a maximum fine of \$200,000 and imprisonment for 12 months.

At the same time, the opportunity is taken to increase the penalties of existing offences under the Film Censorship Ordinance. This is in line with Members' views expressed previously. Clause 4 increases the maximum cash penalty for exhibiting a film without a certificate of approval or a certificate of exemption from \$50,000 to \$200,000, and clause 11 increases the penalty for exhibiting a Category III film to juveniles from \$10,000 to \$50,000 on the first or second conviction. The penalty for the third and subsequent convictions remains unchanged at \$100,000. Hopefully, these new levels of fines will have a stronger deterrent effect.

In order to allow the industry adequate time to comply with the requirements of these provisions, clause 1 of the Bill provides for delayed commencement. Our intention is that these provisions will take effect six months after the enactment of the Bill. This will also allow time for films previously submitted under the revoked Film Censorship Regulations to be resubmitted for classification under the new arrangements.

Mr President, I feel that the provisions in this Bill strike a balance between the need to allow adults the freedom to access a wider choice of films published as videotapes and laserdiscs, and the need to protect young persons below the age of 18 from being exposed to the undesirable influence and impact of unsuitable, videotapes and laserdiscs. I hope, too, that this Bill will meet with

Members' approval as it fully reflects the views and sentiments of Members previously expressed in this Council.

Mr President, I beg to move.

*Bill referred to the House Committee pursuant to Standing Order 42(3A).*

## **PROTECTION OF WAGES ON INSOLVENCY (AMENDMENT) BILL 1993**

### **Resumption of debate on Second Reading which was moved on 3 February 1993**

*Question on Second Reading proposed.*

MR TAM YIU-CHUNG (in Cantonese): Mr President, employees affected by insolvency of their employers have long been denied reasonable compensation as a result of the low maximum limit for payments from the Protection of Wages on Insolvency Fund.

As far back as the end of 1991, I questioned the Government on the maximum limit for payments from the Protection of Wages on Insolvency Fund. I pointed out at the time that in 1990-91, 33% of the claims for wages in arrears were over the maximum limit of \$8,000 and that 51% or rather 53% of the claims for wages in lieu of notice were over the ceiling of \$2,000. In the light of this, it is therefore evident that a considerable number of affected employees were not given reasonable compensation to which they were entitled. These two maximum limits should have been adjusted long ago.

This Bill proposes to raise the maximum limit for payment of wages in arrears from \$8,000 to \$18,000 (an increase of 225%), and the limit for wages in lieu of notice from \$2,000 to \$6,000 (an increase of 300%). The old limit was set in accordance with wage levels in 1977 when the prevalent median wage then was \$2,000. The maximum limit for payment of wages in arrears was therefore set at four times the then prevalent median wage. The prevalent median wage is \$6,000 now, three times that of 1977. However, the maximum limit for payment of wages in arrears is not raised by a corresponding 300%. In other words, the principle of setting the limit at four times the prevalent median wage has been altered.

The Protection of Wages on Insolvency Fund was set up to protect employees affected by compulsory winding-up, rather than those affected by voluntary winding-up. Compensation for employees affected by voluntary winding-up of companies is calculated according to severance pay provisions under the Companies (Winding-up) Rules of the Companies Ordinance. Generally speaking, voluntary winding-up can be converted into compulsory winding-up by way of certain legal procedure so that employees affected by

voluntary winding-up may be compensated in time with payments from the Protection of Wages on Insolvency Fund instead of waiting until after the complicated and usually time-consuming winding-up processes of the companies in question are completed. However, there have been some problems with this conversion procedure in actual practice. First is the complexity of the procedure. Generally speaking, affected employees are unaware of this procedure. And even if they are aware of it, they do not know how to proceed. Therefore, I hope that the Administration will conduct a study on simplifying this procedure, so that more people can understand this procedure. Secondly, the court would more often than not dismiss applications for conversion from voluntary to compulsory winding-up, given the great number of people involved in voluntary winding-up of some relatively small companies. As a result, the affected employees are only entitled to compensation provided for under the Companies Ordinance. However, the Companies Ordinance provisions in respect of compensation on insolvency have not been amended to synchronize with amendments to the Protection of Wages on Insolvency Ordinance. Under the Companies Ordinance, preferential payments are set at \$8,000 for wages in arrears, \$2,000 for wages in lieu of notice and \$8,000 for severance pay. Is this fair to those affected employees who can only get compensation from voluntary winding-up? I hope the amount of compensation on insolvency provided for under the Companies Ordinance could be amended to draw level with that provided for the Protection of Wages on Insolvency Ordinance. I also hope that the procedure for converting voluntary winding-up to compulsory winding-up can be simplified, so that all employees affected by the insolvency of their employer companies may be given compensatory payments in time. While to advance money from the Fund to pay to affected employees on behalf of insolvent companies subject to compulsory winding-up is a measure of protection for employees, I am worried that employers might use the Fund as a convenient means to shirk their responsibility of paying compensation to employees upon insolvency. Here I hope that the Companies Registry and the other relevant departments will take effective measures to prevent employers from abusing the Fund. I also hope that the Government will raise to reasonable levels as early as possible the maximum limits for payments of wages in arrears and severance pay.

With these remarks, Mr President, I support the motion.

MR LAU CHIN-SHEK (in Cantonese): Mr President, although I welcome the Administration's amendments to the Protection of Wages on Insolvency Ordinance, I have to point out a number of deficiencies in regard to the amendments.

First, on principle. The labour legislation only lays down the lowest protection standard. The lawful rights of the employee should in no way be done away with or curtailed simply because the employer is winding up his business. Therefore, the Protection of Wages on Insolvency Fund should in principle guarantee in full the statutory minimum of wage protection to which

the employee is entitled in case of insolvency. That is why I say that the amendments today do not go far enough. What is especially disappointing is amendments today do not go far enough. What is especially disappointing is that the amendments have not increased the payment ceiling in respect of severance pay and that the raising of the payment limit in respect of wages in arrears to \$18,000 is also inconsistent with the situation now prevailing in Hong Kong. Since the maximum protection available in respect of wages in arrears is four months' pay, if we take \$6,000 as the median wage, the maximum protected amount should at least be \$24,000, which is four times \$6,000. I therefore urge the Administration to increase as soon as possible the protected amount in respect of wages in arrears to \$24,000. Furthermore, the payment ceiling in respect of severance pay should change from the current \$8,000 plus half of any amount in excess of the \$8,000 to \$24,000 plus half of any amount in excess of the \$24,000. Up until March 1992, the Fund has an accumulated surplus of some \$300 million and so there is definitely sufficient financial means to back further amendments.

In addition, I would like to point out a problem, with the hope that the Administration will make remedy to it as soon as possible. Currently, after making payment by way of advance to the employee, the Fund may on his behalf seek to recover the amount from the insolvent company under the Companies Ordinance. However, according to the provision governing preferred debts in the Companies Ordinance, the amount recoverable for wages in arrears is \$8,000, that for wages in lieu of notice is \$2,000 and the maximum recoverable for severance pay is \$8,000. The fact that these amounts are different from those payable from the Insolvency Fund under the Protection of Wages on Insolvency Ordinance means that the Fund cannot fully recover the money advanced, which hinder the steady growth of balances in the Fund. Moreover, this provision on preferred debts in the Companies Ordinance has not been amended for 15 years and clearly cannot keep abreast with the developments of Hong Kong. I therefore propose that whenever the amounts of payments from the Insolvency Fund are revised, the recoverable amounts of the preferred debts under the Companies Ordinance should be correspondingly amended to ensure a healthy financial development of the Fund.

I would also like to remind the Administration of the need to guard against the malpractice of defrauding the Fund and the employees under the guise of insolvency. Some insolvent employers would claim that they were unable to pay the wages in arrears and encourage their employees to apply to the Insolvency Fund, and shortly afterwards, they would start operating again in the name of a new company. Such practice is a blatant act of cheating the employees of their hard-earned money and the Fund of its payments. I urge the Administration to review the relevant legislation and the commercial investigation procedure in order to prevent such frauds from happening.

Mr President, with these remarks, I support the amendment.

SECRETARY FOR EDUCATION AND MANPOWER: Mr President, I am grateful to Honourable Members for their support for the Bill.

The Bill seeks to raise the maximum limit on the amount of *ex gratia* payment payable by the Protection of Wages on Insolvency Fund in respect of arrears of wages and wages in lieu of notice. This improvement will enable the Fund to provide better protection to employees whose employers have become insolvent.

Mr TAM Yiu-chung and Mr LAU Chin-shek have suggested that the maximum *ex gratia* payment in respect of wages in arrears is insufficient. The suggestion was in fact considered in detail during the consultation leading up to the introduction of the Bill. We have concluded that for the moment, it would be appropriate to raise the payment limit from \$8,000 to \$18,000. The new level of \$18,000 represents, on average, more than two months' wages for most of our blue collar and white collar workers. Under normal circumstances, one would not expect workers to tolerate non-payment of wages for more than a month or two. Setting the level at \$18,000 should provide adequate protection for the majority of the workforce; our operational experience indicates that this level of coverage would meet the full entitlement of over 95% of applicants in respect of wages in arrears. Those who do not get their full entitlement are mainly the better paid employees. Having said that, we shall continue to review the maximum limit from time to time to ensure that it remains appropriate.

There has also been a proposal to revise the payment ceiling in respect of severance payment. Since the last increase was only made in June 1991, it would be more appropriate to review the matter later in the year when the impact of the last increase on the financial position of the Protection of Wages on Insolvency Fund could be more clearly assessed. It is the Fund's practice to review its coverage regularly and to introduce gradual improvements, taking into account its financial position and the implications of such improvements for the rate of levy.

On the question of whether or not voluntary liquidation should be covered by the Fund, I can assure Members that the matter has been carefully considered. We are not in favour of further extending the coverage to this area in view of the possibility of abuse and the significant financial impact. In any case, under the existing law, employees involved in voluntary winding-up cases can obtain payment from the Fund provided that they proceed with the presentation of winding-up petitions against their employers. In those voluntary liquidations where there are less than 20 employees and where it is considered by the Commissioner for Labour unreasonable or uneconomic to present a petition for winding-up, payments from the Fund may be made to employees under section 18 of the Protection of Wages on Insolvency Ordinance. In 1992, section 18 was invoked in 56 cases involving payment of more than \$600,000 to 101 employees.

We are aware that passage of the Bill would result in a wider gap between the preferential limits of payment under the Companies Ordinance and the Bankruptcy Ordinance and the maximum payment levels under the Fund. This discrepancy would result in the Fund suffering greater financial loss as it would not be able to have all its payments treated as preferential debts upon realization of the employer's assets. Currently, the Labour Department and the Official Receiver's Office are looking into the matter. If any proposal is identified to narrow or remove the gap, the Protection of Wages on Insolvency Fund Board and the Labour Advisory Board will be consulted.

*Question on the Second Reading of the Bill put and agreed to.*

Bill read the Second time.

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

## **HOUSING (AMENDMENT) BILL 1992**

### **Resumption of debate on Second Reading which was moved on 9 December 1992**

*Question on the Second Reading of the Bill proposed, put and agreed to.*

Bill read the Second time.

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

### **Committee stage of Bills**

Council went into Committee.

## **PROTECTION OF WAGES ON INSOLVENCY (AMENDMENT) BILL 1993**

Clauses 1 to 4 were agreed to.

## **HOUSING (AMENDMENT) BILL 1992**

Clauses 1 and 3 to 16 were agreed to.

Clauses 2 and 17

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr Chairman, I move that clauses 2 and 17 be amended as set out in the paper circulated to Members.

The amendment to clause 2 is to clarify that section 4(2)(eb) of the Ordinance applies to land over which the Housing Authority has control and management, as well as to land owned by the Authority.

The amendment to clause 17 is to validate all acts done before now which relied on the purported exercise of powers under section 4(2)(ia), 4(2A), 7A and 16(2) or 25D of the principal Ordinance as amended by this Bill. Every act done prior to the commencement of this Bill in relation to the provision of financial assistance to eligible households, management contracts, the hearing of appeals, subletting arrangements by operators of commercial premises and the delegation of authority in respect of car parking and vehicle control will thus be validated, provided the act is authorized under the Ordinance as it is proposed it should be amended.

Thank you, Mr Chairman.

*Proposed amendments*

**Clause 2**

That clause 2 be amended, by adding before paragraph (a) —

"(aa) in subsection (2)(eb), by repealing "it" and substituting "or under the control and management of the Authority";".

**Clause 17**

That clause 17 be amended, by deleting subclause (1) and substituting —

"(1) Every act or thing done by the Authority prior to the commencement of this Ordinance that would have been authorized and lawfully done if section 4(2)(ia) or (2A), 7A, 16(2) or 25D of the principal Ordinance (as amended or added by sections 2, 4, 5 and 10 of this Ordinance respectively) had been in force at the time, is hereby validated and declared to have been authorized and lawfully done; and no person shall be liable, whether in civil or criminal proceedings, for any act done pursuant to an authorization purportedly given by the Authority and for which act the person would not have been so liable if those

sections had been in force at the time the authorization was purportedly given."

*Question on the amendments proposed, put and agreed to.*

*Question on clauses 2 and 17, as amended, proposed, put and agreed to.*

Council then resumed.

### **Third Reading of Bills**

THE ATTORNEY GENERAL reported that the

#### **PROTECTION OF WAGES ON INSOLVENCY (AMENDMENT) BILL 1993**

had passed through Committee without amendment and the

#### **HOUSING (AMENDMENT) BILL 1992**

had passed through Committee with amendments. He moved the Third Reading of the Bills.

*Question on the Third Reading of the Bills proposed, put and agreed to.*

Bills read the Third time and passed.

### **Members' motions**

PRESIDENT: I have accepted the recommendations of the House Committee as to time limits on speeches and Members were informed by circular yesterday. The mover of the motion will have 15 minutes for his speech including his reply and other Members will have seven minutes. Under Standing Order 27A, I am required to direct any Member speaking in excess of the specified time to discontinue his speech.

### **TAXI POLICY REVIEW**

MRS MIRIAM LAU moved the following motion:

"That this Council urges the Administration to fully consider the views expressed by the public and those in the trade on the "Consultative Paper on Taxi Policy Review" and ensure that our taxi policy is effective in

promoting quality taxi service and maintaining taxi fares at reasonable levels in Hong Kong."

MRS MIRIAM LAU (in Cantonese): Mr President, in May last year, I moved a debate on taxi service in this Council and urged the Government to conduct a full review of its taxi policy. On that occasion, many Members offered their comments on how to improve taxi service. My purpose in moving the debate today is to give them a chance to respond to the *Consultative Paper on Taxi Policy Review* published by the Transport Advisory Committee (TAC) in October last year.

Ostensibly, TAC claims that this is a taxi policy review, but, in fact, its recommendations touch only on three matters: the taxi licensing system, the taxi fare policy and the quality of taxi service. Indeed, these three matters are related directly or indirectly to the problems of recent years: the speculation on taxi licences and the declining quality of taxi service. While TAC's recommendations do deal with these problems, the scope of the review itself is not broad enough. Taxi policy, in fact, has other aspects. For instance, what role should taxis play among all public transport services? What is the relationship between urban taxis and New Territories taxis? And should they be merged? These aspects, too, need to be reviewed quickly, since our objective is to improve taxi service within the framework of the overall development of public transport services.

In view of the time constraint, I will confine myself to a brief analysis of, and a response to, the recommendations contained in the consultative paper.

#### *Licensing System*

When TAC began its taxi policy review last year, many people drew attention to the fact that taxi licence premium had risen out of sight, the result of the Government's restriction on licence issuance as well as the absence of restrictions on the licence's validity period and transferability. The consultative paper's six recommendations concerning licensing are all directed against real flaws in the licensing system, specifically against licence speculation with a view to stabilizing the licence premium at reasonable and healthy levels. In fact, after TAC began its review, the public's expressed concern about the implications of the licensing system and their proposals for a flexible system have already had an immediate impact on various problems caused by the high taxi licence premium. As a result, the urban taxi licence premium has now fallen to between \$1.6 million and \$1.63 million after peaking at \$1.8 million in the middle of last year, while the New Territories taxi licence premium eased to \$9,200,000 from \$1.05 million. This goes to show that the peak premium reached was inflated by speculation and did not mirror the true value of the licence. The consultative paper's recommendation against a pre-set quota on taxi licence should be effective in curbing licence speculation and stabilizing the level of the taxi licence premium.

The consultative paper recommends limiting each taxi licence tenderer to one application and requiring each tender bid to be accompanied by supporting financial documents. I think that this recommendation, which is intended to prevent syndicates from cornering the taxi licence market, may not be effective or practical. There are two reasons. Firstly, syndicates will be able to continue monopolistic practices by submitting multiple tender bids through dummy companies or front-men. Secondly, how can individuals submitting tender bids come up with the required supporting financial proofs? At present, a prospective taxi-owner has to seek the assistance of a taxi company to get a mortgage from a bank (it is also known as "joining the company" in the trade) because taxi company could provide the necessary collateral. By themselves, individuals who wish to submit tender bids simply cannot find banks that are willing to make such loan commitments.

As for the introduction of new types of taxi licences with certain validity period or other restrictions, I think that issuing a suitable number of such licences will be effective for keeping supply in line with demand in the taxi licence market and thus for stabilizing the taxi licence premium and the taxi rental charge. However, two questions need to be further studied. Firstly, will finance companies be willing to provide loans to finance the purchase of such non-transferable licences with various restrictions? Secondly, when the holder of the new-type licence wants or has to stop operating, what will happen to his licence? Admittedly, as the consultative paper notes, the Commissioner for Transport may waive the transferability restriction under certain circumstances. Still, what if the remaining validity period of the licence is too short to interest prospective transferees? In that case, will the Government buy back the licence and, if so, what will the terms be? The consultative paper is completely silent on these tough questions. I think that, if the proposed licences are to be issued, we must first of all stop letting taxi companies control the banking facilities for individual taxi owners. I think that the financing problem can be solved, and taxi drivers with limited resources can have their own taxis if the Government allows them to pay by instalments for the taxi licences as recommended in Paragraph 3.4.15 of the consultative paper.

Finally, I agree that all taxi licence transactions should be legally executed. Consideration may also be given to the imposition of stamp duty to increase the cost of transactions. This will institutionalize the licence transfer procedure and curb licence speculation.

#### *Taxi Fare Policy and Structure*

I think that the present fare differential of five times between the urban taxi and other modes of public transport is already reasonable enough. The consultative paper says that, if need be, consideration will be given to raising the flag fall charge to discourage passengers for short trips. In fact, taxis have become a form of transport used by the public. They are a necessity and not a luxury. Many commuters need the fast and direct service provided by taxis. Many people take taxis to connect to other modes of public transport so that

they do not have to drive their own cars and add to the traffic congestion. To encourage such taxi use, I do not think that short-trip passengers should be singled out. Besides, the consultative paper notes that short-trip passengers account for only 25% of all taxi users. There is no evidence of unwarranted taxi use by short-trip passengers. Nor is there evidence to indicate that such short-trips cause traffic congestion or deprive other commuters of their chances to take a taxi. Therefore, I am opposed to raising the flag fall charge.

Concerning the baggage surcharge, there is so far no clear guideline on what constitutes the term "baggage" in respect of which the surcharge is payable. This is a common cause of unnecessary disputes between taxi drivers and passengers. The Government should lay down clear instructions concerning the baggage surcharge. Also, taxi operators should be required to have the surcharge instructions posted conspicuously in every taxi for passengers' reference.

I think that a careful approach should be taken to any adjustment of the waiting time charge. In theory, raising the waiting time charge is to compensate taxi drivers for the time that they lose while stuck in the middle of heavy traffic. However, a passenger, in consideration of the high waiting time charge that he will have to pay, may decide to get out of the taxi in the middle of heavy traffic, leaving the driver, who cannot stop the passenger from doing so, trapped in the heavy traffic all by himself. On balance, a higher waiting time charge will not necessarily benefit the driver.

#### *Quality of Taxi Service*

The quality of taxi service is what concerns the public the most. It is something that they encounter daily. Often, during hours when commuters have the greatest need for taxi service, taxi drivers refuse hire or keep the flags covered and pick passengers. This is really too much. Yet we often hear complaints about such happenings. Many Members of this Council, myself included, have had such unpleasant experience. Some drivers overcharge their passengers. This hurts not only the pocket of the affected passengers but also the reputation of Hong Kong as an international city. There were 2 683 complaints against taxis in 1992, an increase of 1 013 over 1991. Complaints about taxis refusing hire increased by 78 instances or by 16.5%. Complaints about overcharging went up by 713 instances or by 157%. Complaints against rude drivers increased by 153 instances or by 43%. Not all the complaints have been investigated conclusively, so the number of complaints merely provides an indication. Still, the increase in the number of complaints is enough to make people worry. Also, there has been a marked increase in the number of prosecutions mounted against taxi drivers for malpractices. In 1992, there were 426 fixed penalty tickets served on taxi drivers for malpractices, a 126% increase over the number for 1991. The number of taxi drivers served court summonses or arrested and charged increased from 678 in 1991 to 869 in 1992. The number of cases involving passenger solicitation increased from 15 to 57. The number of refusing hire cases went up from 231 to 261. The

number of cases involving overcharging increased from 30 to 45. The number of cases involving rude conduct increased from 52 to 80. These were alarming rates of increases. Under current law, the maximum penalty for each of the above offences is a fine of between \$3,000 and \$5,000 plus six months imprisonment. Yet the courts have been meting out punishment averaging a mere fine of between \$300 and \$500. The punishment actually meted out for overcharging is a mere fine of about \$700. Rarely has any driver been sentenced to a prison term. How can such light penalties be an effective deterrent? The consultative paper refers to a revival of the idea to introduce a demerits system. In principle, I agree that such a demerits system can be an effective deterrent on unscrupulous drivers. Still, we should consider the situations and feelings of the majority of the taxi drivers, who are law-abiding. Offenders are only a small minority. In many complaints against taxi drivers, evidence from third parties present at the scene was not available. Also, taxi drivers are already subject to a driving offence points system in the way of their driving skills. To subject law-abiding taxi drivers to an additional points system for conduct will probably be very unfair. Besides, taxi drivers have already been taking active steps to improve the quality of their service. One example is the training class for new taxi drivers. While it is not yet known how effective these steps will be in practice, what is clear is that taxi drivers are sincere in maintaining self-discipline. They should be given a chance. For its part, the Government should give them encouragement and support. Therefore, I feel that, at this stage, the Government should shelve for the time being its feasibility study of the points system. However, it is undeniable that the present penalties for offences in relation to taxi service are too light. While the maximum penalty can be a fine of several thousand dollars, the fine actually imposed is only several hundred dollars. Therefore, the fines meted out by the court should at least be doubled to reflect the seriousness of the offences and to show the community's unhappiness with them. To deal with the more serious offences, such as overcharging and taximeter-tampering, the Government may wish to consider suspending the driving licences of first-time offenders and revoking the driving licences of habitual offenders so that a deterrent effect can be achieved.

As for the recommended re-testing of taxi drivers, I feel that it may not be effective for raising the quality of taxi service. In addition, given that other professional drivers do not have to be re-tested from time to time, it seems to be unfair to re-test taxi drivers alone. A better way is to set a higher standard for the taxi driver's qualifying test. This means requiring those taking the test not only to be familiar with the streets and places but also to have an in-depth understanding of what constitutes proper conduct for taxi drivers. Furthermore, the Taxi Operators Association should organize some training classes to give refresher courses to in-service taxi drivers and should draw up a code of conduct for the trade. This will help to raise the professionalism of taxi drivers.

Concerning the recommendation for making it compulsory for taxi drivers to take physical examinations, I agree in principle that all professional

drivers who are 60 or above should undergo physical examinations for the safety of the drivers themselves as well as for the safety of other road users. However, the Government should make clear what kinds of physical problems make a person unfit to drive. Thus, drivers will understand the scope and the purpose of the physical examinations.

I agree with all the other recommendations contained in the consultative paper, such as simplifying the complaint procedures, relaxing the restrictions on where taxis may stop to pick up and let off passengers, conducting public information campaigns and so forth. I urge the authorities to give these recommendations serious consideration and implement them expeditiously.

Mr President, taxi service is so important to the public that the interests of the public should naturally come first in the taxi policy review. On the other hand, the interests of those in the trade should not be overlooked either. Both the providers and the users of taxi service have a right to expect a policy that is fair, just, reasonable and acceptable to them. Taxi service, as well as its quality, can be improved only through an even-handed approach to the interests of consumers, taxi owners and taxi drivers, on the basis of an overall consideration of the needs of the entire community.

Mr President, with these remarks, I beg to move.

*Question on the motion proposed.*

MR HUI YIN-FAT (in Cantonese): Mr President, in its public transport policy, the Government has never given adequate consideration to the more than 500 000 motion-impaired persons such as the handicapped and the aged. It has been totally indifferent to their predicaments. Worse still, the Government leaves it to franchised public transport companies to decide for themselves whether or not safety facilities should be installed for the benefit of this kind of passengers. These franchised operators, generally myopic, would care only about a good rate of return on investment. This would certainly deprive the handicapped and the aged of their right to use public transport services. This is a reality that I cannot accept. And it is on the basis of "equal participation" that the handicapped take a critical view of this consultative paper.

Among the various modes of public transport in Hong Kong, only a few can offer convenient services to the motion-impaired persons and taxi is one of them. But taxi cannot really satisfy the needs of them, both in terms of their facilities and service. I have personally seen many taxi drivers refuse hire to handicapped persons, particularly those in wheel-chairs, who had been waiting by the roadside for a long time. It is not that these taxi drivers felt no sympathy for them. It is that their taxis are not equipped to help the handicapped to get in and get out. Stopping and taking time to pick up or let off a handicapped person may disrupt the flow of traffic.

As we all know, handicapped or aged persons try to go out as little as possible. When they do have to go out, even if they will not mind paying the higher taxi fare, they cannot obtain taxi service as easily as the non-handicapped. Furthermore, the Rehabus service is available only along a few routes due to a lack of resources. There are simply not enough of them to meet the huge demand. However, the Government, which often talks about the building up of a caring-government image has allowed nearly 10% of the population of Hong Kong to continue being subject to unfair treatment. This is really a disgrace to a civilized society.

Mr President, of course, action and co-operation are needed from all quarters if the handicapped and the aged's transportation problem is to be fully solved. But the first and foremost thing is that the Government must honestly and practically find out what their needs are. In fact, during many previous debates in this Council, I urged the Government to do what other countries had done, that is, to enact legislation or to add franchise stipulations to safeguard the rights of the elderly and the handicapped with regard to the use of public transport services. I believe that, if the Government had given serious consideration to my suggestions, the situation would have been much better than it is now.

With regard to the present consultative paper, it is of course unrealistic to expect that any improvements made by taxi operators could solve the above problems fully. However, there is something that the Government can really do to induce taxi operators to play a more positive role. For instance, I think that, to deal with taxi drivers' mental block that makes them refuse hire to passengers in wheel-chairs, legislation may be enacted to require all taxis, before a certain deadline date, say, within 10 years, to install special equipment to make boarding and alighting easier for passengers in wheel-chairs. The cost of all the required vehicle modifications and equipment installations should be shared by the Government and taxi owners. In addition, the Government may wish to consider licensing a suitable number of taxis for the handicapped. Such taxis, when not being used by handicapped passengers, should be allowed to operate in the streets like the other taxis. Thus, their operators will be able to earn a reasonable level of income.

Mr President, the handicapped's demands are modest enough. Their principle is simply "equal opportunity and full participation" vis-a-vis the rest of the population. In line with such a principle, they want the Government to protect their rights with regard to the use of public transport services which are enjoyed by the able-bodied persons. Their demand is completely fair and reasonable. I sincerely hope that, during the limited remaining years in the latter half of the transition period, the Government will give substantive help to the handicapped and thus be able to project the image of a caring and responsible government. The people of Hong Kong will thus be left with a good impression by something that is done before the transfer of sovereignty.

With these remarks, I support the motion.

MRS PEGGY LAM (in Cantonese): Mr President, I will comment today on two issues: the taxi licensing system and the quality of taxi service.

As we all know, the taxi licence premium has risen sharply in recent years and the buying and selling of taxi licences has practically been reduced to a pure form of speculation. To corner the market, holders of taxi licences submit unreasonably high bids every time new licences are open to bidding. This has the effect of raising, in turn, the value of the licences that they are already holding. As a result, it is even more difficult for taxi drivers to become taxi owners and passengers have to pay higher fare due to the higher premium of the taxi licences. The system not only yields staggering profits for the monopolists but also impairs the interests of taxi drivers and consumers. This situation must be rectified at once to check the unreasonable rise in taxi licence premium.

I support a taxi ownership scheme under which taxi licences would be made available to taxi drivers for their application at reasonable prices. The Government may also consider collecting a security deposit for each licence issued, which will be refunded when the licence is returned for cancellation and from which any traffic offence fines for the licence holder may be deducted. The validation period of such new-type taxi licences could be five years and they could be renewable for five years at a time. Each taxi driver is to hold no more than one taxi licence and the licence is to be non-transferable. Renting or giving the licensed taxi to another person to drive is not to be permitted. When the owner-driver gets old and retires, or when he changes his line of business for any reason, he is to be required to return the licence to the Transport Department. When he, for health or any other reason, loses his ability to drive, the Transport Department is to refund an appropriate portion of the licence premium. To ensure that the above conditions are adhered to, the driver is to show that he is the owner of the taxi by displaying prominently his identification in the taxi, such as by posting a recent photograph of himself. The licence plates of such taxis are to be of a distinctive colour or the taxis are to be identifiable by special external marks. When an owner is found to have transferred his licence or leased his taxi to other operators, the Transport Department could revoke the licence immediately and confiscate the security deposit. I have asked many taxi drivers for their comments on such a scheme. They are all in favour of it. When the licence premium is affordable to the average taxi driver, speculation on taxi licences will naturally cease.

Secondly, the licence quota system should be abolished and replaced with a flexible approach. One cause of the sharp rise in the taxi licence premium is the imbalance between supply and demand. When demand exceeds supply, those wishing to operate taxis have to pay a high premium for the licences. When considering the abolition of the quota system, I studied the three factors referred to by the Transport Advisory Committee: consumer demand, the viability of the trade and the impact on road traffic conditions. I feel that taxi drivers will naturally not apply for licences if there is no consumer demand or if the taxi trade is not viable. Therefore, there would not be a problem of oversupply of licences.

The licences that have already been issued may remain freely transferable. When the two proposed measures above are adopted, the premium for the previously issued licences will come under control. The wild speculation in taxi licences will gradually cease and taxi licences can then be traded under fair and healthy conditions. Of course, speculators will perhaps burn their fingers because of this. But the Government's main consideration should be the interests of the general public and not those of the speculators.

Another issue is the quality of taxi service. This issue has been discussed for many years but no significant improvement has been made. Related statistics have it that there were more complaints in 1991 than in 1990 and the figure went up further in 1992. I believe that a small number of black sheep have brought the taxi trade into disrepute.

Not long ago, somebody complained to me about a new way of overcharging. After a passenger (in most cases an elderly person or a foreigner) has boarded the taxi, the driver will start his taximeter and then ask the passenger, "I am responding to radio call from Mrs CHAN, who offered to pay \$10 extra. Are you Mrs CHAN?" The passenger will then have two choices. She may pay the flagfall charge and get out immediately or she may pay the extra that is demanded. This is very unfair to the passenger. Foreign passengers, who are not familiar with Hong Kong, have thus to pay extra fare that is higher than the radio-call service surcharge. This really hurts Hong Kong's image.

Refusing hire remains a widespread phenomenon. Some taxi drivers refuse hire to cross-harbour passengers. Some refuse hire to passengers wishing to go to a destination in congested areas. Some taxi drivers display a sign on the dashboard saying that they will only go to Kowloon. However, if a passenger makes a gesture indicating that he will pay \$10 or \$20 extra, they will then not insist on going to Kowloon. Actually, when fare rates were set, all such factors as the need to make short trips, to go into congested areas or to make cross-harbour trips had already been taken into consideration. Using them as justifications for refusing hire is unacceptable.

There is a suggestion to introduce a demerits system to improve taxi service. It, too, is unfair. The Transport Department in fact is already using a traffic offence points system that applies to all drivers including taxi drivers. Subjecting taxi drivers to an extra points system will be very stressful and unfair to them. I have asked many taxi drivers for their comments. They all respond that fines may be stiffened for traffic offences and this will not impair the interests of the majority of the taxi drivers, since offenders are only a small minority.

Another kind of complaint is about excessive surcharges. The Transport Department's guidelines on the baggage surcharge and the radio-call service surcharge are not clearly defined. A table of surcharges should be posted

conspicuously inside each taxi. This will help to reduce disputes between taxi driver and passenger in this respect.

As for raising the flagfall charge, we have to take into account the fact that Hong Kong is a small place and if the the flagfall charge is revised by increasing the minimum-distance for a trip, some passengers requiring short trip will be forced to stop using taxi service. This is contrary to the principle of offering taxi service as a form of public transport.

Lastly, I would like to suggest that the Transport Department conduct an extensive publicity campaign and print pamphlets that spell out the rights of passengers. Thus, members of the public will know how to deal with taxi drivers who violate the regulations. This will help to avert unnecessary arguments.

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

MR MARTIN BARROW: Mr President, when I spoke in this Chamber last year I pointed out that the quality and reputation of our taxi service is not simply a matter concerning Hong Kong residents but is also of considerable importance to the tourism industry. The impression of Hong Kong that visitors take away with them is vital if they are to recommend Hong Kong as a place to visit and the service they receive from taxi drivers is crucial in forming this impression. This influence is even more significant now given the fact that the number of visitors using taxis has further increased in 1992. Surveys show that 66% of our seven million visitors use taxis, up from 61% the previous year. We can therefore infer that perhaps 4.6 million people enjoyed, or not, at least one ride in a taxi.

The Hong Kong Tourist Association is therefore pleased that various measures have been put forward for consideration and we are submitting our comments to the Secretary of the Transport Advisory Committee. We support in general most of the points under fare policy and structure and quality of taxi service. I would however like to highlight now a few of our main concerns.

We do not agree with the idea of a flag fall charge to regulate the demand for short trips. It is neither fair nor reasonable. Any lack of taxis is a result of many causes, for example, traffic jams, rush hours, accidents and so on. Users of taxis for such short trips, such as visitors, should not be penalized. It would also complicate the fare structure.

We strongly suggest that the term "baggage" be defined clearly because this can affect visitors even more than local residents.

In addition, for the reassurance of both residents and visitors, we strongly suggest that every taxi driver be required to display identification with name and driving licence number in both the front and back seats.

Also, receipts should be issued, if requested. This would also help in any disputes concerning such malpractices as overcharging, not taking the most direct route and failing to reach a destination.

Regarding another malpractice, we believe that the misuse of the "out of service" sign gives visitors, in particular, a bad impression. This system should be punished severely.

We also believe that the system of surcharges should be kept simple to avoid the confusion of both visitors and residents.

In relation to the standard of English spoken by taxi drivers, it may be useful if some system could be devised whereby the drivers' proficiency in speaking English would be displayed on the windscreen.

All our comments consider the effect that our taxi operations have on visitors and ultimately therefore on the tourism industry, the third largest earner of foreign exchange. At this time when we are competing with other travel destinations around the region it is imperative that our taxi drivers provide an even more efficient and courteous service for our visitors. Our role as the most popular travel destination in Asia could be in jeopardy if they do not. Thank you.

MR MOSES CHENG: Mr President, I rise today to join our honourable colleague, Mrs Miriam LAU, in her continuing efforts to push for an equitable policy to govern the licensing system of the territory's taxis and consequently improve the quality of taxi service to Hong Kong citizens and international visitors. I believe we should be just as committed to support a maximum of free market principle on this issue as we are on others, but the reality of this particular market, and its impact on the public good, beckon us to re-examine, and perhaps ultimately redefine, the rules which govern it. While supporting the fundamental policy of public tendering for licences, measures must be enacted to curb the speculative trends that have dominated this practice and driven licence premia exponentially upward.

In doing so, the objective shall not be to fix or regulate prices, but instead to offer stability to a spiralling market and once again offer incentives for entrepreneurs to own their taxis.

Some may question the correlation between the dramatic rise of speculation for licence premia and the quality of service, but the statistics supporting this claim are clear in unmasking the perils of continuing on the same path.

From 1984 through 1990, the average tender of an urban taxis premium rose gradually, in a healthy range of approximately 10%-20% or slightly ahead of the inflation rate. But in the last two and a half years alone the rate has

skyrocketed to more than 100%, and has locked in a secondary market for financing new taxi licences, which are obviously beyond the reach of any ordinary, hard-working drivers. The total increases for the last nine years has been over 100% and continues on a pace far faster than either inflation or the earnings of taxi drivers.

In the period that corresponds with speculative tendering and sharp rises in premia since 1990 both prosecutions and complaints received by the Transport Complaints Unit have risen disproportionately. Between 1990 and 1991, before the Government's crackdown on taximeter offences, one can see a dramatic rise of nearly 60% in prosecutions echoing the increase in premia. Whether this is an aberration or a natural reaction, it seems to be consistent with the rise of other offences and public complaints during the last three years. For example, through only November of last year, complaints over "refusing hire" rose 15%, "failure to take the most direct route" complaints rose 22%, "misconduct and poor driving manner" 44%, and most troublesome of all, an astounding 164% rise in complaints of "overcharging fares" over this short time span.

The negative aspects of this link, between speculative tendering and quality of service, are clear, and clearly INTOLERABLE!

Mr President, the consultative paper appears to be more a collection of ideas and proposals, rather than a succinct plan. It is pertinent to pull forth the ideas of greatest value. I will concentrate my thoughts here on reformation of the licensing system. With few exceptions, I am largely in support of the current fare structure, and I contend that curbing speculative practices may be the most substantial way to improve the quality of service.

By repealing the pre-set quota and flexibly issuing licences, the Government can begin to erode the certainty that has assisted rampant speculation. With the date and the number of licences confirmed long in advance under current market conditions, tenderings can be dominated by a limited amount of very wealthy speculators, who in most cases are not taxi drivers. In a recent tendering, three-quarters of all licences were successfully bid by a single car company, who had undoubtedly calculated their capital gain well in advance. While the proposal will not hinder the current market forces involved in the tendering, it should hopefully slow them down by limiting forecasts of conditions at the time of tender.

The other recommendation that I would like to focus on involves restoring ownership of taxis to the taxi drivers. It is important that the assets of this industry be not beyond the reach of the people who operate them.

If the industry becomes more affordable, more independent drivers can get licences and be truly in business for themselves. By empowering drivers to master their own destiny within the market, an adjusted policy might encourage

owners to offer their services competitively while decreasing the recent strains caused by financing.

The Transport Advisory Committee implicitly, and occasionally explicitly, acknowledges the value of making the taxi industry affordable to taxi drivers throughout their recommendations, but there is still a need to further develop and adopt plans that have workable impacts. For example, TAC rightly points out the possibility of large companies using multiple "front-men" to make tender bids, if each tenderer is allowed only one application. This is actually more of a "probability" than a "possibility", but the difficult alternatives remain unexplored. Like the recommendations concerning financial proofs, validity periods, and transferability, much is needed through both continued probing and analysis of such innovations and a government response on feasibility. So long as these proposed adjustments do not undermine the fairness and fundamentals that are the original intent of the system, minimize regulatory excesses, and retain market characteristics, they may be worthy of pursuing.

On the question of instalments, for example, we should examine the success or failures of our own experiences to afford adequate analyses. All Hong Kong commercial and residential Crown lands sold before 1 October 1979 and all industrial Crown lands sold before 1 January 1981 could be paid by instalments. So there is a precedent with comparable and larger scale financing, but there are also lessons learned that can shed light on the feasibility of such recommendations. What must be determined now is what will be the role of the Government in helping resolve the problems TAC has outlined and achieve the objectives we all agree on. Whether they are to enter the arena as a counter balancing player or a forceful referee, I hope this resolution serves as a catalyst to get off the bench, and help the taxi industry regain its reputation for providing a high degree of service, safety, and convenience.

With these remarks, I support the motion.

MR TAM YIU-CHUNG (in Cantonese): Mr President, it is the wish of the general public that the quality of taxi service could be promoted while taxi fares be maintained at reasonable levels. However, the public's complaints about taxi service have increased with each year. In May last year, this Council held a debate on taxi policy. In October, the working group of the Transport Advisory Committee (TAC) formed to review taxi policy drew up a consultative paper on taxi policy review, which made several recommendations to improve the taxi policy. However, I have been told by friends in the taxi business that many of the recommendations fail to get to the heart of the problems and that some of them may even hurt the interests of taxi drivers and indeed consumers in general.

In fact, the biggest problem with Hong Kong's taxi policy is the taxi licensing policy. The Government treats taxi licences as merchandise and sells them to competitive bidders. This enables some taxi owners to gain

monopolistic control by holding a majority of the issued taxi licences. Speculators then buy and sell the licences, making them more costly to taxi drivers. Worse still, taxi drivers are not covered by any welfare or retirement protection schemes. Some of them therefore are driven to such unlawful practices as picking passengers, overcharging and refusing hire. Consumers as a result cannot obtain satisfactory taxi service. I quite agree with the Motor Transport Workers General Union's suggestion to substitute a rental system for the tender system for taxi licences. Under the rental system, the Government is to provide taxi licences on a rental basis to taxi drivers selected through lotteries or draws. This will be effective for curbing speculation and monopoly. Regrettably, the consultative paper did not include this suggestion among its recommendations. Its consideration was confined to how to perfect the tender system. It is doubtful that the recommended methods will be really effective for correcting the flaws of the tender system. For instance, one recommendation is restricting each tenderer to one application, as if this would prevent the syndicates from cornering the market. Yet, if a syndicate may use a large number of non-drivers to tender for a large number of taxi licences, the result will similarly be a monopoly. Besides, as long as taxi licences are issued on the basis of bidding, they often can be bought and sold speculatively and the problem will never be solved. The consultative paper's recommendations not only fail to get to the heart of the problems but may even hurt the interests of taxi drivers and consumers. For instance, one recommendation is raising the flag fall charge to discourage short-trip passengers. Yet, according to a recent survey by the Motor Transport Workers General Union, about 40% of all taxi passengers, in the day as well as at night, are short-trip passengers travelling for under three kilometres. Evidently, short-trip passengers are major users of taxi service. If the flag fall charge is raised to discourage short-trip passengers, the earning of taxi drivers will certainly be affected. Also, according to the same survey, many consumers have to rely on taxis for short trips. Now that the other public transport services are still unable to satisfy consumers' short-distance travel needs, taxis remain a popular mode of public transport. Raising the flag fall charge will only add to consumers' burden and will not be the answer for the problem. Rather it will make taxi fare even more unreasonable.

In addition, the consultative paper recommends the use of a demerits system for punishing misbehaving taxi drivers. Under such a system, points will be counted against a taxi driver convicted of an offence and, upon full count, his driving licence will be suspended. In my opinion, the existing regulations for taxi drivers already prescribe penalties that are stringent enough and a flawed demerits system will be very stressful to many taxi drivers. I believe that, though complaints about taxi service have increased, unscrupulous taxi drivers only form a minority. There are now more than 14 600 taxis in Hong Kong. They operate on a two-shift basis. A driver makes about 60 trips a shift. Thus, the quarterly total amounts to about 78 million taxi trips. And there were 663 complaints about taxi service during the first quarter of 1992 according to the Government. This is equal to 0.85 complaint per 100 000 taxi trips. To stiffen penalties just because such a small number of taxi drivers break the law will put all taxi drivers under great psychological pressure.

Besides, some taxi drivers' union representatives told me recently that taxi drivers' offences were sometimes due to language barriers and communication problems between driver and passenger or unclear traffic signs. To count points against taxi drivers for such offences to the point of suspending their driving licences will be unfair.

Also, the consultative paper accepts the Transport Department's suggestion to require all professional drivers including taxi drivers to take physical examinations and renewal of licences for taxi drivers who are 50 or older will depend on whether they pass the physical examination. A questionnaire survey conducted by the Motor Transport Workers General Union in August last year among more than 1 000 professional drivers (including more than 900 taxi drivers) found that the majority of the taxi drivers within the 50 to 60 age group had excellent safe driving records and that most of them worried that the physical examination system would threaten their job security. One must bear in mind that taxi drivers do not have any kind of retirement protection and, given that the taxi licence premium is so high, they are earning just enough to make ends meet. If a taxi driver in his 50s cannot renew his driving licence because of his failure in passing the physical examination, his livelihood would be in jeopardy. I honestly hope that the Government will reconsider such a proposed policy.

Lastly, the consultative paper recommends that licensed taxi drivers be given a new test every three or five years. In my opinion, this is neither reasonable nor necessary. All licensed taxi drivers have already taken and passed stringent tests arranged by the Government. To give them a new test every three or five years will undoubtedly burden them with unnecessary pressure and be wasteful of government resources. Therefore, I am against this recommendation.

In sum, it is a positive move for TAC's working group to prepare a consultative paper as a basis for public consultation on taxi policy. But I feel that the working group, after gathering the comments of all sections of the community, has apparently failed to get to the heart of the problems. Some of its recommendations are indeed disappointing.

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

REV FUNG CHI-WOOD (in Cantonese): Mr President, complaints about taxi service have been rising sharply. It is indeed time to carry out a full review of taxi policy. One taxi operator's association has suggested that fare receipts could be issued to passengers, showing such information as trip distance, fare, waiting time and taxi licence number. This is a very good suggestion. It will help to reduce misunderstanding between driver and passenger. Furthermore, when there is a complaint, the receipt can provide objective evidence, which will make it difficult for either party to stick to his own story.

Another thing is that the Government so far has not precisely defined the term "taxi baggage". It is often a point of dispute between passenger and driver over the size of a baggage for which the passenger is required to pay a surcharge. The Government should act expeditiously to lay down a precise definition for taxi baggage.

With regard to the relaxation of operation restriction to allow taxis to pick up and discharge passengers in restricted zones, it should be handled cautiously because public light buses, too, may make similar request. If green light is given to this proposal, I am afraid, roads will become congested and there will be too many stands for taxis and public light buses. On the other hand, I think it is something worth trying if we lift some restrictions and allow taxis to pick up and discharge handicapped and elderly passengers at certain places in restricted zones.

I would like to respond to the three recommendations on taxi fare. Mr LEE Wing-tat will be discussing the overall taxi fare policy.

Firstly, raising the flag fall charge to discourage demand for short-trip service is not a fair recommendation. People need short-trip service mostly in areas where feeder public transport is lacking, or in emergencies, or because of physical handicaps. It is never a matter of unwarranted or improper demand for such service. Short-trip passengers should not be penalized. Any attempt to discourage demand for short-trip service by raising flag fall charge is undoubtedly just a cover for raising fare. And fewer short-trip passengers are not necessarily good for the taxi business.

Secondly, I am against increasing the waiting time charge to discourage passengers wishing to go to destinations in congested areas. The very existence of the waiting time charge is meant to compensate taxi drivers for the time that they lose in heavy traffic. Therefore, it is misleading to say that the waiting time charge should be increased because traffic jams affect taxi drivers' income. Often, traffic jams are beyond the expectation of passengers. Nor, unless it is absolutely necessary, do passengers in general take a taxi to go into a usually congested area. We therefore have a strong reason for doubting the rationale and effectiveness of such a recommendation. Also, judging from the rising number of vehicles on the roads and from road traffic conditions, traffic jam is not a problem affecting just one or two areas. Passengers going anywhere by any route will very probably pass through a congested area. This being the case, I think the only point of increasing the waiting time charge is to get the passengers to pay more. There is no other valid point.

Thirdly, the fare structure should be as simple as possible. This will minimize any possible arguments between driver and passenger. If there is a surcharge for additional members in the passenger's group, a surcharge for service during the peak hours or a surcharge for service during the New Year holiday and other holidays, passengers not understanding the complex fare arrangements can easily be made to pay excessive fare. Even if taxi drivers

collect only the lawful surcharges, disputes may arise between them and passengers who do not understand the fare arrangements. Therefore, I am against altering the present fare structure.

With these remarks, I support the motion.

MR FREDERICK FUNG (in Cantonese): Mr President, I would like to comment on the licensing issue in this motion debate. Hong Kong is a highly commercialized international city. The pace of life is fast. Taxis naturally have become an essential form of transport in the everyday life of the people. Where taxi service is concerned, people's major expectations are threefold: (1) reasonable fare levels; (2) quality service and (3) adequate taxis service. To the taxi drivers, the most important thing is reasonable remuneration. The Government's taxi policy should be formulated on the basis of these principles.

However, the present licensing system has some loopholes which hurt the interests of the people and taxi drivers alike. The biggest flaw of the present licensing system is that it invites licence speculation and monopoly. Heretofore, it has been possible for the syndicates to successfully bid more than three quarters of all the licenses issued during each tender at the expense of the genuine taxi operators. The market for the newly issued taxi licences during each tender is controlled solely by a few syndicates. The premium paid for a taxi licence rose sharply from \$160,000 in July 1984 to \$1.5 million towards the end of 1991. Taxi drivers who have bought the expensive licences have found it very difficult or even impossible to meet the mortgage payments. It is this burden that causes some taxi drivers to refuse hire and to pick passengers and commit other malpractices. The quality of taxi service has declined as a result. Licence premium persistly maintained at high levels is also a cause of high taxi rental charges and inflates taxi fares as a result. Passengers are the ultimate victim. Nor are the drivers receiving reasonable remuneration.

To improve the situation, the Government should reform the present licensing system and take all possible steps against monopoly and speculation. One feasible step is to introduce a different system of licence tendering. Under this system, bids are to be invited at irregular intervals and there is to be no pre-set limit on the number of licences to be issued. And each tenderer could only submit one application. In this way, the chances of market cornering by syndicates will be minimized. However, when this licensing system is introduced, careful consideration must be given to the public's demand for taxi service, taxi drivers' business conditions and the impact on road traffic. Also, the policy branch must, after the completion of each round of tender, provide the public with an explanation justifying the number of licence issuances and the timing of the tender, and be responsive to the comments of civic groups concerning taxi service's supply and demand.

Another recommendation of the consultative paper on taxi policy review is that tender applications be supported by financial papers. The Association for

Democracy and People's Livelihood and I think that this recommendation, if adopted, will not stop syndicated tenderers. It will only make things more difficult for individual tenderers. This is because the banks at present will not provide documentary evidence of financial arrangements to people who have not yet been a successful bidder. On the other hand, the Government should introduce a taxi ownership scheme by arranging loans for the successful bidders and allow them to repay the loans by instalments so as to encourage taxi drivers to buy their own taxis.

In addition to the taxi licences currently in use, the Government may in fact wish to consider issuing new-type licences which are non-transferable and, which, if necessary, can only be sold back to the Government. The new-type licences should have fixed validity period. Upon expiry, they can be renewed, with the priority accorded to taxi drivers. The Association for Democracy and People's Livelihood suggests that such licences be valid for six years. According to my calculation, the premium for this kind of licence ought not be in excess of \$700,000. I believe that the new-type licences will have a moderating effect on the premium for the old-type licences. However, no matter what step to be taken, the Government should consider slightly increasing the number of licence issuances to bring supply in line with demand in the over-heated market.

Monopoly is very rampant in the taxi business. I believe that it will be very difficult to resolve the problem in a short time. Still, the Government should take steps to improve the above-mentioned situation, thus safeguarding the interests of consumers and taxi drivers.

With these remarks, I support the motion.

MR LEE WING-TAT (in Cantonese): Mr President, last year, this Council already urged the Government to act expeditiously to solve the problem of taxi licence speculation and the problems concerning taxi service. Meanwhile, for a time, the premium for a taxi licence went up to as high as \$1.8 million. The Transport Complaints Unit received a total of over 2 600 taxi service complaints in 1992, an increase by more than 1 000 complaints over 1991. Evidently, no progress has been made in solving the problems in relation to taxi licence premium and taxi service complaints. This is disappointing indeed. The Government must act swiftly to bring about the various improvements.

It is generally considered that the flawed licensing system is mainly responsible for the soaring taxi licence premium in recent years. A taxi driver, given his normal income, cannot afford the monthly mortgage payments if he wants to become a one-taxi owner. As for the drivers of leased taxis, they, too, are carrying a heavy burden because rental charges have risen sharply with the taxi licence premium. In order to earn more, they resort to such malpractices as overcharging, picking passenger and taximeter-tampering. Furthermore, this system also greatly increases pressure for higher taxi fares.

The purpose of taxi licensing is to enable those who are interested in operating taxis as a business to obtain the operating right in fair competition. However, the Government has been practising a licensing system in which a limited number of new taxi licences are granted by tender at any one time. As a result of this, most of the newly issued licences fall into the hands of big taxi companies. And speculation in the licences on the market has sent up taxi premium several times the original investment. This is a departure from the original object of taxi licensing. Any actions taken by the Government to rectify the situation certainly will not constitute interference with the operation of the free market. It will be an action for restoring the original health and fairness of the marketplace.

The first step for regularizing the licensing system is to get rid of the practice in which a limited number of new taxi licences are sold by tender at any one time. The number of new taxi licences to be issued should depend on the changes in the demand for taxi service, the road traffic conditions and the number of potential taxi users. Where it is not known in advance how many new taxi licences will be issued or when they will be put on the market, it would be more difficult for the big syndicates of taxi companies to corner the new taxi licence market. The number of new taxi licences should be set at a level compatible with the actual demand. And this will be good for the community in general.

With regard to the tender procedures, we support the recommendation that each tenderer be limited to one application so as to prevent the big taxi companies from getting too many licences. But I have reservations about the recommendation that bid submissions be accompanied by financial proofs. It is easier for a big taxi company than an individual taxi driver to arrange bank financing. So the requirement for financial proofs will not be very effective against market cornering and speculation. I think that a more effective method is to require each tenderer to produce evidence to show that he is a qualified taxi-driver and does not have a taxi licence. This requirement will make it more costly for a taxi company to submit a tender bid if it is to do so through a front-man.

Apart from the pre-set quota of taxi licence, another contributory factor of the speculation is that licences can be transferred easily for gain. In this connection, to prevent newly issued taxi licences from being obtained by speculators and to safeguard the interests of the genuine taxi operators, the Government may specify a period of time during which newly issued licences may not be transferred. This will naturally moderate the premium for the newly issued licences. Yet it will have no major adverse effects on the genuine taxi operators or on the holders of previously issued licences. In fact, because this arrangement will greatly discourage taxi companies from engaging in licence speculation, it will be good for the genuine taxi operators. We suggest that, to begin with, it should be stipulated that newly issued taxi licences may not be transferred during the first year. If this turns out to be ineffective for discouraging the speculation in new taxi licences, then the Government may

wish to consider lengthening the non-transferability period to 18 months, two years and so forth.

Mr President, many people have talked about a taxi ownership scheme, which involves the issuance of a new type of non-transferable taxi licence that has a limited validity period. The advantage of the scheme is that it will make taxi licence speculation difficult and make the licences less expensive. It will obviate the need for a taxi driver to pay too high a premium for a taxi licence or too high a taxi rental charge. I feel that the suggestion is worth further exploration. The Government can use the new-type licences to bring supply and demand into balance in the taxi licence market. If and when supply exceeds demand, the Government can repossess the licences as their validity expires.

One of the important elements of the taxi policy is the taxi fare policy review, which has a direct bearing on the public. To begin with, the position of the United Democrats of Hong Kong (UDHK) with regard to taxi fare consists of two major points. The first major point is that, if and when taxi fare is adjusted, the public should be given an explanation justifying the adjustment by the way of the publication of actual operating cost figures on the part of the taxi operators. Also, fare adjustments should be made on the basis of the public demand of taxi service and they should be acceptable to the public. The rising taxi licence premium is not a justification for raising taxi fare. It is not a convincing argument if the fares of other modes of public transport are drawn as reference to justify any taxi fare increases on the grounds of widening the fare differential between taxis and other modes of public transport. We believe that the fare differential is wide enough as it is. We do not see many members of the public preferring taxis to MTR or the bus. Nor has the number of taxi users increased significantly. Frequent taxi users are handicapped persons and people living in areas with poor feeder public transport service. These people will bear the brunt of a sharp taxi fare increase and of the many surcharges, if introduced. This will be really unfair to them.

Our second major point is that there should not be a complex fare structure. A complex fare structure is bound to give rise to more unnecessary disputes over fare between taxi drivers and passengers and provide some unscrupulous taxi drivers with more opportunities to rip taxi users off. Therefore, we are opposed to the surcharge for additional heads in the passenger group, the surcharge for going into congested areas, the surcharge for after-midnight service and the surcharge for holiday service. Such surcharges will be confusing to the passengers and will lead to arguments over fare. I hope that the authorities concerned will seriously consider these points raised by the UDHK before approving any taxi fare increases.

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

MR MAN SAI-CHEONG (in Cantonese): Mr President, statistics show that the public filed more than 2 700 complaints against taxi drivers in 1992. Most of the complaints were about overcharging, failure to take the most direct route and refusing hire. These problems should be blamed on the taxi licence premium which has been sustained at high level. And this situation has induced some taxi drivers to risk breaking the law. To increase earning to meet high taxi rental charges or high mortgage payments on taxis, they resort to such unlawful actions as refusing hire, charging a premium for bad weather and on holidays, overcharging and even tampering with the taximeter. Taxi is an important mode of transport in Hong Kong. In view of the year-to-year increases in the number of complaints about taxi service, I think that the authorities must introduce a more effective mechanism for handling complaints and simplify the complaint procedures.

I support the Transport Advisory Committee's recommendations on how to improve taxi service and prevent malpractices on the part of tax drivers. Overcharging and failure to take the most direct route account for most by far of the complaints about taxi service. I think that some new measures may be introduced to prevent unscrupulous taxi drivers from overcharging and ripping passengers off, such as installing tampering-proof taximeters, requiring taxi drivers to produce and show their driving licences and giving passengers the right to demand fare receipts. Then, in the event of a fare dispute between a taxi driver and his passenger, the passenger will be able to file a complaint with the authorities, which, in turn, will be able to serve court summonses on the offending driver and prosecute him successfully on sufficient evidence because the passenger knows the driver's identity and has the fare receipt. I am very much in favour of amending existing law to increase the penalties for offences such as overcharging and taximeter tampering. The penalties should include higher fines and the revocation of the driving licence in the case of drivers who are habitual offenders. This will rid the taxi business of a minority of black sheep and safeguard the good name of the entire taxi trade. Therefore, I think that there is a need to deter misbehaving drivers by imposing tougher penalties.

I favour simplifying the complaint procedures to make it easier for passengers to file complaints against offending taxi drivers. For instance, complaint forms could be placed in the airport, hotels, district offices, banks and other public places for use by members of the public. In addition, the authorities must help members of the public and those in the trade to understand what their rights and obligations are. This will improve relations between taxi drivers and passengers and minimize their mutual misunderstandings. Lastly, I hope that taxi drivers will set up their own trade body to promote quality service, exercise internal supervision and enhance the spirit of self-discipline. This will improve taxi service and help to cut down the number of consumer complaints about taxi service.

I am therefore in favour of the implementation of the recommendations of the *Consultative Paper on Taxi Policy Review* concerning how the mechanism for handling complaints about taxi service could be made more

effective and how the complaint procedures could be simplified to safeguard the consumer rights of taxi passengers.

MR STEVEN POON (in Cantonese): Mr President, for many years, like a taxi, taxi policy has been turning in circles and never managed to get out of the blind alley. Today, with this consultative paper in our hands, we are once again asking the Government to formulate a comprehensive taxi policy to promote quality service and maintain taxi fare at reasonable levels.

I think that the taxi licensing system is the biggest problem of the taxi trade. And this system must be revised if quality service is to be secured and reasonable fare level to be maintained. The reason is: when the taxi licence premium is sustained at a high level, the taxi rental charge would be subsequently pushed up, eroding the net income of taxi drivers. This indirectly affects the quality of service.

Everybody says that the taxi licence speculation in recent years has run wild. The premium for a taxi licence has gone up to as high as \$1.8 million or a double of the 1990 figure. This rate of increase is really staggering. As the taxi licence premium keeps rising, the public will never be able to enjoy quality taxi service. Therefore, we should consider issuing some restricted taxi licences as a way of solving the problems stemmed from taxi licence speculation.

Last year, I made two proposals concerning taxi licensing. I will reiterate my views today. My first proposal is to issue a kind of licence — I call it licence B — that can be held only by a working taxi driver. Licence B is issued through tender to a taxi driver. It cannot be transferred; nor can a licensed taxi be leased to another party. It can be transferred to another working taxi driver only upon the death of the original holder of the licence. This proposal is intended to enable those who drive taxis for a living to become taxi-licence holders so that they can fulfil their wish of being owner-driver.

My second proposal is to issue a kind of taxi licence — I call it licence C — which has a restricted period of validity, say 10 years. When the validity expires, the licence is automatically revoked. Such licences are again obtainable by tender. The difference is that they can be transferred while they remain valid.

As to the present unrestricted taxi licence — I call it licence A — I think we should continue to issue it.

After reading the consultative paper on taxi policy review, I still think that my proposals are suitable and feasible. My purpose in putting them forth is to curb taxi licence speculation, subject, however, to the principle that the interests of the existing licence-holders will not be harmed. And the existing licence-holders will not sustain monetary losses because of the new licensing system. My two proposals have their own merits and both kinds of taxi licences

can be made available in the market at the same time. It is not necessary for the Government to choose any one of them. In other words, the Government can issue the three kinds of taxi licences together and bidders can make their own choice. The premiums for all three kinds of licences will be determined by the market. The consultative paper says that, if licence B cannot be transferred, it would pose difficulty to those taxi operators who really want to get out of the business. Yet, I do not think that this will be a problem. Actually, when a taxi operator decides to tender for a licence B, he will already have taken this kind of factors into account. His bid will then reflect the restrictive nature of licence B. As for licence C, which is valid for only a certain number of years, they must be revoked when their validity expires. If a holder of such a licence still wants to drive a taxi for a living, he can tender again.

I do not agree with the consultative paper where it says that licence C should be renewable under certain circumstances. If such licences are selectively or conditionally renewable, a variety of problems may easily arise. One question is what criteria or principles should be used for determining renewability. Another question is how to set the renewal premium. These are difficult questions to answer. I agree, however, that an operator who has failed to provide satisfactory service should be disqualified from tendering again and that an operator who has proved to be providing good service should be treated preferentially when he tenders again.

The consultative paper argues that, if licence C of finite validity cannot be renewed, licence-holders will probably try to maximize return at the expense of the quality of service during the validity of their licences. I think that this worry is unjustified. In fact, people always try to make more money no matter what the circumstances are. However, if an operator provides good service during the validity of his licence, he will stand a better chance of successfully bidding for the licence in the next round of tender. So I believe that taxi operators will not casually sacrifice the quality of their service. I suggest that the Government refrain from announcing in advance how many licences of each type, A, B or C, will be sold by tender each year. The number of licences actually issued should be based on the bids submitted and the public's demand for taxi service and should be announced only after the bids have been opened.

With these remarks, I support the motion.

MR HOWARD YOUNG (in Cantonese): Mr President, in 1990, the Government put a restriction on taxi licence issuance, limiting annual number of licences to be issued to 400. Since then, the taxi licence premium has been in a continuous upward trend and has even hit the mark of \$1.8 million. Speculative frenzy is one cause of the endless rise of the taxi licence premium. The restriction on issuance has turned taxi licence into a low-risk, high-profit investment vehicle. I think that the most effective way for curbing the speculation and for

stabilizing the premium for licences is to abolish the pre-set quota on taxi licence issuances and to respond flexibly to the market demand for taxi licences.

The Government now sets the quota on annual taxi licence issuance at 400 licences. This gives speculators an opportunity to invest safely and yet profitably. However, if the Government cares to take the step to repeal the quota system, it can practically undermine the mechanism of the present speculation. If we believe in the free market, we should relax the restriction on supply and let the market forces and profit margin find the optimum level for the number of taxis on the streets. Those working taxi drivers who really want to buy their own taxi licences can then submit tender bids to the Government instead of having to buy the licences from speculators. This would effectively bring an end to the speculative activities. Taking the argument one step further, the Government may also issue taxi licences at irregular intervals. If the market cannot base predictions of supply shortages on a known quota on issuances, licence hoarding will be less profitable. Speculators will have to take the risk in terms of the time factor and the supply of the licences, thereby raising the cost but reducing the rate of return on investment. All this will deter speculators.

Another effective way to stop taxi licence speculation is to restrict the transferability and validity period of the licences. Under existing policy, there is no limit on the transferability of taxi licences. This creates an extremely favourable environment for investors and emboldens speculators to buy and sell taxi licences for profit brazenly. Restricting the transferability of taxi licences will greatly reduce the speculators' freedom of action. This would have an effect like turning the licences into flats under the Home Ownership Scheme where there is no speculation at all. It will be difficult for speculators to realize their profits quickly whether they are thinking of leaving the market or of reinvesting. Taxi licence speculation will then be less attractive.

Some people say that a restriction on the validity period of taxi licences will pose a threat to genuine taxi operators' job security. I think that a sound licence renewal system can be helpful to working taxi drivers who are also holders of the restricted taxi licences. For instance, when the holder of a taxi licence that is about to expire applies for renewal, the authorities can use the opportunity to review his particulars. Licence renewal should depend on whether the applicant is a genuine working taxi driver. The authorities may ask to see his annual income tax returns and other documentary evidence to determine his profession. In the long run, this will stabilize the taxi licence premium and be more beneficial to genuine drivers.

What I have been trying to put forward is mainly some positive measures to curb taxi licence speculation. Furthermore, it will have the effect of helping drivers to obtain their own taxi licences. Given that a taxi driver makes not only a living but also a profit, the Government should not subsidize him as it does the buyers of Home Ownership Scheme flats. Among the remaining feasible options, the most flexible one seems to be the provision of assistance by way of mortgage and payment terms. For instance, they may be allowed a

higher mortgage lending ceiling and a longer term of payment by instalment. These would help to achieve the goal of the taxi ownership scheme and yet not violate the principle of giving no subsidy to taxi drivers. Of course, it is the finance companies which handle taxi licence mortgages. However, it is the Government which may allow the high premium for licences to be paid for by instalment.

With regard to the recommendation to limit each taxi licence tenderer to one application, I feel that it will be administratively difficult to implement. Firstly, if taxi licences remain freely transferable, a company circumvents this rule by using different front-men to tender for licences and then buy the awarded licences from them or it can set up a number of companies each of which will tender for one licence. As for the Government, it will have to set up a body to monitor the operation, to screen the applicants and to take action against offenders. Without such a body or adequate monitoring, the effectiveness of the restriction will be doubtful. This recommendation is not one as good as the others discussed above, namely, introduction of non-transferable licences, payment by instalment and abolition of the quota, as a way of checking taxi licence speculation.

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

MR WONG WAI-YIN (in Cantonese): Mr President, taxi licence speculation, taxi fare and the quality of taxi service have been big problems in recent years. They have aroused the public's concern. The Government, too, has come to see the seriousness of the problems and published the *Consultative Paper on Taxi Policy Review* in October last year, which makes some recommendations about the problems and invites the public to comment on them. The consultation period will expire in a few days. The timing of today's debate is exactly right.

The taxi licensing system and taxi licence speculation perhaps are the main concerns of the Government and the public. This may be why the scope of the present policy review is not broad enough. The consultative paper, too, focuses its attention on how to improve the present licensing system. Firstly, the Government has once again failed to define the role of taxis among all public transport services. Secondly, the review has not touched on the impact of taxis on road traffic conditions (especially during the peak hours); nor death with traffic accidents involving taxis. In fact, these are important elements to be factored into taxi policy. Since the paper does not include a review of the role of taxis among all public transport services, it has fallen into a state such that it "sees the trees but not the forest".

Mr President, there is one point that I wish to make in particular. The working group that prepared this consultative paper said in Paragraph 2, Chapter 3, concerning the soaring taxi licence premium, that, in its opinion, the soaring taxi licence premium was brought about by the falling interest rate and indeed by the rising need for investment instruments and not by the licensing

system itself. If this is true, why, then, did the working group make so many recommendations on how to improve the licensing system? And the working group did not give the details of the basis on which the above conclusion was reached. As everybody knows, the main cause of the soaring taxi licence premium is the Government's practice of annually selling a limited number of taxi licences to the highest bidders. Yet the working group failed to review the harmful consequences of the soaring taxi licence premium. Taxi licences are being bought and sold speculatively and the holders of taxi licences are not required to operate taxis. This is the cause of the inadequacy of taxi service. Also, because the taxi licence premium is being sustained at a high level, some taxi drivers have been driven to risk breaking the law to meet the high taxi rental charges or taxi mortgage payments. They try to increase earning by such illegal means as refusing hire, picking passengers, overcharging and taximeter-tampering. Meeting Point thinks that it should indeed be set as the Government's policy objects to discourage speculation, to stabilize the taxi licence premium and to carry out a taxi ownership scheme.

Concerning how to improve the existing licensing system, the consultative paper recommends the repeal of the quota system and increased issuance. However, during a motion debate of 27 May 1992 on taxi policy in this Council, the Secretary for Transport, Mr Michael LEUNG, said in his reply that, from a broad review of taxi policy undertaken by the Government in 1983, it was concluded "that taxis should be limited to what the roads could bear". It was this conclusion that led the Government to decide to curtail taxi licence issuance. Beginning in 1985, a quota was set on annual taxi licence issuances. Will the additional licence issuances, as now being recommended, go against the conclusion cited by the Secretary for Transport? As everybody knows, on average, taxis account for between 26% and 30% of all urban traffic and most of them operate in busy commercial areas where traffic is the heaviest. The present review should have addressed this situation and recommended ways of improvement. Regrettably, the working group did not do so. Given that the roads are congested and there is a limit to what the roads can bear, there is a practical limit to the number of taxi licences that can be issued. Of course, Meeting Point fully agrees that the Transport Department must regularly improve its method of survey to find out if taxi service is adequate in relation to the ever-changing traffic patterns, economic conditions and passengers' expectations. Also, the Government may wish to consider setting up a taxi advisory group with members comprising representatives of consumers, taxi drivers, taxi owners, civic groups and the Transport Department. Better communications among them will help to improve taxi service.

With regard to the introduction of new-type taxi licences, Meeting Point agrees that the transferability of licences should be restricted. For instance, they should be non-transferable for three years. And, after the third year, the transferee must prove that he is a taxi operator. The new-type licence should have finite validity period, which Meeting Point thinks should be five years. A licence, upon expiry, should be renewable for another five years. One condition for renewal should be that the holder of the licence has not committed

serious unprofessional acts. And the Transport Department has the obligation to help the taxi business to draw up a code of practice.

The consultative paper expresses concern that if taxi licences are not renewable, licence holders may try to maximize return during the validity of their licences and this may affect the quality of taxi service. Meeting Point thinks that there is no necessary correlation between licence renewability and service quality. As I have said just now, a code of practice drawn up by the Government and the taxi business, if strictly enforced under supervision, may be a better guarantee of quality taxi service.

Lastly, Meeting Point supports the recommendation of allowing buyers to pay for taxi licences by instalments. As for the licence transfer procedure, Meeting Point favours Option One, which is that, to curb taxi licence speculation, all licence transactions should be legally executed and, if need be, stamp duty should be imposed.

Mr President, these are my remarks. All the four Legislative Councillors of Meeting Point support the motion.

DR TANG SIU-TONG (in Cantonese): Mr President, in Hong Kong's bustling commerce and industry, people try to race against time. With improved living standards but inadequate car parking facilities, the demand for taxi service grows bigger and bigger. Yet, the present taxi policy is always under severe public criticism. It is like a person who is seriously ill and tries to take all kinds of medicine but is still not getting better. This is regrettable and deplorable indeed.

The taxi licensing system now practised by the Government has led to taxi companies' monopoly on the market, speculation in taxi licences, sharp rise in taxi licence premium and higher taxi rental charge and also operating cost which have made it difficult for taxi drivers to earn a living. Such a trend must be arrested. The Government should consider abolishing the present licensing system and instead issuing an unspecified number of non-transferable licences of restricted validity (say five years) and letting taxi drivers, those who intend to drive the taxis themselves, apply for them. Each applicant should be limited to one licence, lest there be people who try to corner the market for such licences. A successful applicant should be required to start operating within a reasonable period of time (say six months), so that people cannot hoard the licences. When a licence holder fails to operate profitably or is unable to operate, he should be allowed to surrender his licence to the Government within a specified period of time at a specified price discount, lest he should lose every penny of his investment.

Though not a cheap form of transport, taxis perform unique functions. They render service to those who need urgent transportation, luggage carriers, those who need to go to remote places and the physically handicapped.

Taxi fare has risen steadily in recent years. This has indirectly driven up the taxi licence premium in the speculative market. And members of the public have to pay more for taxi service. I think that there should not be too wide a fare differential between taxis and other modes of public transport. A differential of three to four times should be a reasonable level. It is not a common practice for a number of unrelated people to take one taxi and share the fare. Different people go to different places. It is not likely for them all to want to go to the same place at the same time. In fact, though they take up road space, taxis are an essential form of transport when life is as fast-paced as it is today.

Indeed, recently there have been many complaints about poor taxi service. The Government should simplify the complaint procedures to bring to justice those black sheep who refuse hire or who pick passengers. And the penalty should be stiffened. A demerits system will be an effective deterrent but will undoubtedly put taxi drivers under enormous pressure. I think that the Government should send out more plain-clothes inspecting officers to investigate such malpractices. To facilitate more convenient taxi service, the Government should relax the restricted zones where taxis may not stop to pick up or let off passengers. With regard to the proposed physical examinations for taxi drivers, they will be of great benefit for the safety of taxi passengers and other road users. But only taxi drivers who are 60 or older should be required to take them.

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

MR JAMES TO (in Cantonese): Mr President, thank you for granting me my eleventh-hour request to .....

PRESIDENT: You have the right to speak, Mr TO.

MR JAMES TO (in Cantonese): to talk about some related situations. Many colleagues have all spoken eloquently and explored the various problems thoroughly.

What I will do now is to share with you my experience as a lowly citizen, the feelings that I had when taxi drivers refused me service or I found them picking passenger. As a Councillor representing Kowloon West, I often go to districts in Kowloon West, such as Mong Kok, Tsim Sha Tsui and Yau Ma Tei, to meet the public or to attend incorporated owners meetings of some buildings. I was refused service by taxi drivers at least five times at Peking Road and Tsim Sha Tsui East. The most serious incident happened after I had got on a taxi. And the driver, refusing me service, told me that, unless I got out at once or within the next minute, he would call his brethren and tell them to beat me to death. Some people in the street, recognizing me, advised me to stop arguing

with the driver. They then found another taxi and stopped it for me. I was very reluctant to leave, but I had to because I had to rush to preside at a meeting. The incident opened my eyes to the seriousness of the problems like refusing hire, picking passenger and overcharging, particularly at Tsim Sha Tsui East, Peking Road and Tsim Sha Tsui. I hope that the police and the authorities concerned will take serious and practical measures to step up patrols in the streets and to stiffen the fines. Where appropriate, the Legal Department should review the sentences and appeal to bring the small handful of black sheep to justice.

On 3 February 1993, in his reply to questions in this Council, the Secretary for Transport gave us the figures for penalties meted out in cases involving refusal of service and overcharging. The figures showed what the average fines were for each of the three years of 1990, 1991 and 1992. We must realize that the figures represented the average fines in dozens or hundreds of cases. It should be an indication. For picking passenger, the average fine for 1991 was \$600 and, for 1992, it was only \$598. In other words, the average fine became lighter. Of course, since the maximum penalty prescribed by law has not been changed, a judge is not bound to impose a heavier fine to bring it in line with inflation. The level of fine for refusing hire fell sharply, from an average of \$596 in 1991 to \$532 in 1992. We are talking about the average fine for hundreds of cases. And we should not take it lightly. The exact amount of the fine naturally varies from case to case. Yet the average is only several hundred dollars. I believe that this is definitely not enough as a deterrent. The maximum fine prescribed by law is between \$3,000 and \$5,000. It can even be as high as \$10,000 for the offence of displaying a sign stating the taxi will go only to a particular area. Actually, as I have learnt from previous cases that the fine imposed is only several hundred dollars or \$1,000 at the most. Certain taxi drivers simply regard the fines as a part of their operation cost when they break the law.

Some have talked about the introduction of a demerits system. This is a very controversial issue. Actually, under existing law, if a taxi driver is convicted of the same serious offence repeatedly, the court has the power to revoke his driving licence. In other words, even if we do not practise a demerits system that quantifies each offence, there are now means in place to revoke the driving licences of the small handful of black sheep as the maximum penalty under existing law.

In any case, I hope that the Government, after an overhaul of its taxi policy, will pay attention to the effective enforcement of law to enable consumers, the general public and foreign tourists to receive a fair and proper service. Thank you.

MR GILBERT LEUNG (in Cantonese): Mr President, the daily passenger volume of taxis in 1991 was 1.25 million, accounting for 12.7% of the total daily passenger traffic volume of all forms of transport. Evidently, taxis are an

indispensable form of transport to the public, especially to the physically handicapped and to foreign tourists. Therefore, the Government must make sure that the quality of taxi service is acceptable to the public. The *Consultative Paper on Taxi Policy Review*, published late last year, is primarily a review of the taxi licensing system, the taxi fare policy and the quality of taxi service. It also contains many recommendations.

Concerning the licensing system, the Government's sale of licences to the highest bidders and the rigidly fixed number of annual licence issuances have undoubtedly fed taxi licence speculation. The taxi licence premium has increased at an alarming rate. And the result is that the average taxi driver cannot afford to buy a taxi licence. To them the goal of achieving taxi ownership seems unattainable. During last year's motion debate on taxi policy, many colleagues in this Council urged the Government to institute a flexible licensing system directed against irrational taxi licence speculation. With a view to stabilizing the taxi licence premium at a reasonable level, the working group, in the consultative paper, made a recommendation to drop the current practice of establishing a pre-set quota on licence issuances. This is really encouraging. I believe that if the companies that now control the market are not sure how many new licences the Government will issue, they will be unable to push the taxi licence premium up to the level that they desire. For its part, the Government may wish to set the annual number of licence issuances realistically on the basis of the public's demand and the capacity of the roads. I believe that this will be a more flexible and more effective way for striking a right balance between supply and demand where taxi service is concerned. Therefore, I think that the flexible licensing system will kill several birds with one stone.

With regard to how the quality of taxi service could be improved, the consultative paper recommends a demerit system whereby the driving licence of an offending taxi driver will be suspended when a certain number of points have been counted against him. The purpose of the demerits system is to subject the conduct of taxi drivers to closer scrutiny. However, the Government must give consideration to the views of those in the trade. I think that, apart from looking after the interests of taxi passengers, the Government should also give consideration to the concerns of taxi drivers as well. As far as possible, the Government should avoid being unfair by gratifying one party at the expense of the other party. I had a recent discussion of this recommendation with representatives of Taxi Operators Associations of Sai Kung and Tseung Kwan O. They are opposed to it. They feel that there is already a traffic offence points system for all drivers and that it will be very unfair to subject offending taxi drivers to the double punishment of the existing points system and the recommended demerits system. The consultative paper fails to provide detailed explanations with respect to such a policy. I think such a recommendation will only add to taxi drivers' anxiety. Also, taxi service is one-on-one service from the driver to the passenger. In most cases, when a disgruntled passenger files a complaint, there are no third parties to supply objective evidence. Under the circumstances, we can appreciate taxi drivers' anxiety because some passengers may file unwarranted complaints against them. In fact, what the Government

can do is to consider stiffening the penalties for the black sheep among the taxi drivers. But the most important thing is to step up enforcement and prosecution.

Mr President, I would also like to talk about the matter of merger between New Territories (NT) taxis and urban taxis. When the decision was first made years ago to have three categories of taxis, the consideration was based on the geographical differences of the NT, the urban areas and Lantau Island. The intention was to ensure that there would be adequate taxi service everywhere throughout the territory. However, the NT have developed rapidly over the past 10 years or so. Other public transport services for suburban and rural areas have been improved significantly. The so-called gap between town and countryside is now much narrower than it was before. Some areas that used to be parts of the NT have evolved into new towns, such as Tsuen Wan, Sha Tin and Tseung Kwan O. But they are now out of bounds to NT taxis. This is very unfair to the operators of the NT taxis. No wonder 10% of the NT taxi licences are now not activated. I fear that if this situation continues, the quality of taxi service in the NT will be affected.

The policy that was laid down during the 1970s is becoming more and more out of date. If and when the airport's core projects are completed, Lantau Island will no longer be separate from Hong Kong Island and Kowloon. Therefore, the Government should use the coming few years to make preparations and plans for merging NT taxis, urban taxis and Lantau taxis to cope with the needs of future development. The merger will be a great convenience to members of the public, who will no longer have to take connecting taxi rides. This will increase overall cost-effectiveness.

Mr President, I hope that the Government will give full consideration to public opinion and views of those in the trade concerning the consultative paper and lay down a taxi policy that is fair, acceptable and appropriate for the times.

With these remarks, I support the motion.

SECRETARY FOR TRANSPORT: Mr President, I am most grateful to Members for their views and suggestions on taxi policy raised in this debate. These have made useful contributions to the public consultative document under the Transport Advisory Committee.

In the past 10 years we have reviewed our taxi policy regularly to meet the changing requirements of the travelling public. The last major review was conducted in 1988 which resulted in a number of improvement measures in taxi services. It also confirmed the role of taxis as a personalized form of public transport service, complementary to other transport modes. Such a policy was subsequently incorporated in the *White Paper on Transport Policy* in 1990.

Under the current policy taxis are uneconomic road users compared to the mass carriers. Their number at any one time is carefully controlled, having regard to the overall capacity of our road system and the need to give priority to the mass carriers. To ensure that taxis are used as personalized transport, a suitable fare differential is maintained in relation to the mass carriers and other modes. Taking account of these policy objectives, taxi fares are set at a level which is acceptable to the public and yet provides incentive to the taxi trade to maintain and improve services.

Finally, the distinction between New Territories and urban taxis is maintained. To remove such distinction will encourage the former to operate in more lucrative urban areas thereby depriving New Territories residents, particularly those in the remote or rural areas, of much needed service.

Despite these latest improvements, taxi service in Hong Kong has continued to attract public comments and suggestions. In particular, passengers have raised increasing complaints to the Transport Advisory Committee's Transport Complaints Unit over the past three years. While this is not unexpected of any public transport service, given the rising public expectations, it does underline the need to address such issues and concerns and make further improvements.

With this in mind, the Transport Advisory Committee appointed a working group in December 1991 to review the present policy. The first round of public discussions took place in early 1992 to obtain suggestions from the public and the taxi trade on three main aspects of policies, namely, licensing system, fare policy and structure and the quality of taxi service. Comments received from the public and the trade and those made by Members in this Council in May last year were carefully considered. A number of measures were then identified as benefitting further deliberations. These were incorporated in the document issued on 30 October 1992 for public comment. The period of consultation will end at the end of this month. Response so far has been very encouraging. The Transport Advisory Committee has, up till yesterday, received a total of 113 written and 295 telephone submissions from various sectors of the public. In addition, Transport Advisory Committee members have attended over 30 meetings, seminars, workshops, radio and television programmes, including 17 District Board meetings. Four workshops were held with the taxi trade in this period. These occasions have enabled the proposals to be explained and clarified in a number of ways.

I should stress, Mr President, that the Transport Advisory Committee has not yet completed its consultation before it finalizes recommendation to the Government. It will not therefore be appropriate for the Government, at this stage, to take a view on these proposals. Suffice it to say that the Government will be mindful that our taxi policy must continue to be effective in promoting quality service and maintaining fares reasonable to the public, the operators and the drivers concerned. I am encouraged by the support from Members for this motion debate and the concern on a number of issues. I am grateful for these

suggestions. Reservations on problems of implementation will also be considered and taken careful note of. I am sure the Transport Advisory Committee will study all these views carefully before it finalizes recommendation to the Government. I look forward to receiving its deliberations within the next few months. Thank you.

PRESIDENT: Mrs LAU, do you wish to reply? You have 2 minutes 44 seconds.

MRS MIRIAM LAU (in Cantonese): Mr President, I should like to thank the Members who have spoken in this debate. I believe they have provide many constructive and useful opinions to the Transport Advisory Committee (TAC). Summing up their remarks, it can be clearly seen that there are a number of mainstream views held by Members in respect of the proposals set out in the consultative paper.

Firstly, in regard to the licensing system, nearly all Members support a flexible licensing system. There is also a definite measure of support for the introduction of a new restricted taxi licence. However, the details and feasibility of this new type of licence need careful study.

Secondly, as regards taxi fare policy, nearly all Members are opposed to an increase in the flag fall charge. But they also consider that surcharges have to be defined clearly to keep the fare structure simple.

Thirdly, in regard to the qualify of taxi service, the majority of Members oppose the demerits system and regular test of taxi drivers.

I hope that the TAC will pay attention to the above opinions which clearly indicate how Members of this Council are disposed towards taxi policy.

Despite the numerous proposals put forward, the consultative papers, as several Members have said by way of criticism, is still not comprehensive and has failed to cover many aspects, let alone the crux of the matter. However, it is an indisputable fact that the proposals in the consultative paper remain broad principles only, and details have yet to be formulated. This is one of the reasons for the strong, initial reaction from among the taxi industry upon publication of the paper.

Another round of consultation may be needed before the TAC decides which principles should be adopted first and what details should be formulated. This will be a total waste of time and effort. In fact, I feel that if only the working group under the TAC had conducted some sort of feasibility study on the mooted proposals before publishing the consultative paper and had explained within that paper details of the respective proposals, people to be affected by these policy proposals would then have had a clear understanding of the policy

objectives and their scope, thus making the discussions in relation to these proposals more refined, in-depth and meaningful as well as avoiding many unnecessary misunderstandings. I hope that the TAC can take reference from this.

Mr President, taxi policy involves the interests of many parties including the public, passengers, taxi owners, drivers and needless to say, the Government. There will certainly be difference of opinion when the parties concerned try to defend their own individual interests from their respective positions. I hope the TAC will consider all opinions carefully, balance the interests of all parties concerned, and then formulate as soon as possible a taxi policy that could protect the rights and interests of the public, cater to their individual needs and accommodate the reasonable demands of members of the taxi industry.

Thank you, Mr President.

*Question on the motion put and agreed to.*

## **SHORTAGE OF NURSES**

MR MICHAEL HO moved the following motion:

"That in view of the shortage of nurses, which has resulted in some hospitals being unable to go into full operation and affected the quality of medical services, this Council urges the Government to promptly establish a special working group comprising the Health and Welfare Branch, Department of Health, Hospital Authority, Civil Service Branch, Finance Branch and the Education and Manpower Branch, to conduct a comprehensive review of the policies on nurses' education, their conditions of service and the allocation of financial resources, and to formulate proposals to solve the problem of shortage of nurses."

MR MICHAEL HO (in Cantonese): Mr President, I move the motion under my name in the Order Paper. Medical service is of great significance in the Hong Kong community because it concerns everyone's life and health. And medical staff are the mainstay in the provision of this service, and their service can make a difference to the quality of medical services.

The shortage of nursing staff is by no means a new problem. It has already posed a hindrance to the upgrading of the quality of our medical services. Shortage of nurses has led to heavy night shifts, increase in workload and accumulation of unused leave and so forth. The problem has become very critical nowadays. A number of hospitals, including Tuen Mun Hospital, Sha Tin Infirmary and Convalescent Hospital, Ruttonjee Sanatorium (New Wing) and Pamela Youde Hospital which is scheduled to open next month, will only be

able to go into full commissioning after a relatively long time as there are not enough nurses.

At present, the new hospitals mentioned above can provide medical services only half of their full capacity because of staff shortage. As a result, residents in the areas in question are not served adequately. The waiting time with regard to consultation or admission is subsequently lengthened, subjecting patients to more unnecessary pain.

These hospitals involved a construction cost of some \$3 billion but half of the facilities just stand idle, thereby achieving a mere 50% cost effectiveness. Three billion dollars are by no means a small amount. As Legislative Councillors who are responsible to oversee government expenditures, I am sure none of us would find a cost effectiveness at such low level acceptable.

The shortage of nurses not only affects the provision of adequate services, it also seriously erode the service quality. At present, the staffing ratio in most hospitals are not up to the standard set by the defunct Medical Development Advisory Committee (MDAC) and that is to say, our staffing ratio today still lags behind the standard proposed many years ago. According to a recent survey conducted by the Association of Hong Kong Nursing Staff, a large number of patients who require intensive care could only receive care at the level of an ordinary ward. Those patients should have in fact been attended by nurses at a one-on-one ratio. The patients include those who are in coma, supported by respirator or in critical condition. On the very day when the survey was conducted, 10 patients supported by respirators in Tuen Mun Hospital could only receive medical attention in the ordinary ward. Such staffing ratio would very likely lead to a situation where the seriously ill may not be able to receive sufficient care should their condition deteriorate rapidly. That is really unfair to the patients and the situation presents real hazards for them. Moreover, this would exert tremendous pressure on the nurses as they have to attend to patients who need intensive care under a staffing arrangement of a nurse/patient ratio of an ordinary ward and would only accelerate the wastage, resulting in a vicious circle.

Before I moved the motion, I wrote to Governor Mr Chris PATTEN late last year to urge him to set up an inter-departmental working group to address the problem of shortage of nurses. Unfortunately, in his written reply in last December, Mr PATTEN indicated his disagreement to such proposal, and even claimed that shortage of nurses was not the reason behind the failure to commission the hospitals. Although later in his second letter, Mr PATTEN indicated the "intention" of setting up a group to study to matter, yet the matter had to wait till after the Hospital Authority had submitted its proposals in this area. I am extremely dissatisfied with the reply. In fact, there is simply no reason why the Government has to wait for the Hospital Authority to submit a report and does not instruct the relevant departments to work together. The Hospital Authority is merely an executive body. Though it certainly performs the function of making proposals to the Government, the Hospital Authority

could by no means formulate policies, change the outdated nurses training programme which suffers from a problem of falling enrollment, nor represent the position of the Department of Health. The proposals of its report will not necessarily answer all the questions arising from the shortage of nurses, nor would it be necessarily accepted by the working group which is to be set up. Now I give you an example. Last Saturday in a meeting with the Hospital Authority, I raised the issue on nurses training courses but somebody pointed out that it went beyond the terms of reference of the Hospital Authority. Under such circumstances, I very much doubt whether the Hospital Authority could submit a report two months later or whether it could make proposals which would be effective in solving the problem.

The wastage of nursing staff is mainly due to the bleak promotion prospects, poor working environment and inefficient management. Difficulties in recruitment are attributable to factors like a shrinking population of young people, more places in degrees courses and the growing professionalism in various industries. Therefore, the present student nurse courses or other hospital-based training courses could not possibly attract more young people to join. We have to work out solutions to the wastage and recruitment problems, with the above factors in mind.

The purpose of setting up an inter-departmental working group is such that the departments involved would pull together to hold face-to-face discussions and to solve the problems promptly. I do not want to see the departments shirking responsibilities amongst themselves and treating the issue as if it is other department's problem. This would not help to bring an end to the problem. More importantly, the shortage of nurses is not an isolated problem. It involves, *inter alia*, government funding, service conditions, nursing education and health policies. It requires the joint efforts of various government policy branches, resource branches, the Hospital Authority and the Department of Health. The establishment of an inter-departmental working group is thus an absolute necessity. It is an extremely urgent matter and does not allow any delay. I hope the Government could deal with the problems concerning the shortage of nurses with sincerity, make positive efforts to work out measures and put them into effect so that health care facilities throughout the territory can go into full operation.

Other members of the United Democrats in this Council would also speak on the topic. Mr Martin LEE will speak on the staff/patient ratio of the Pamela Youde Hospital and Rev FUNG Chi-wood on hospital services in the New Territories. Dr HUANG Chen-ya will touch on health care education. Mr James TO will give his views on the attitude of the Government and some of the existing problems.

Mr President, I beg to move.

*Question on the motion proposed.*

MR HUI YIN-FAT (in Cantonese): Mr President, the acute shortage of nurses is an indisputable fact. But the most worrying of all is that the continuous problem of shortage of nurses has inevitably affected the quality of medical services and hampered medical development in Hong Kong. As a result, newly completed hospitals cannot be put into full operation and there is an astonishingly high unoccupancy rate of hospital beds.

However, the above is not the main reason for me to participate in this debate. As a representative of the Social Services Functional Constituency in this Council, I am bound by duty to draw the Administration's attention to the effect of shortage of nurses on welfare services. This is an area which I believe has not been widely noticed.

In the field of social welfare, many types of services are provided with the assistance of enrolled or registered nurses. Services requiring a greater support from nurses include rehabilitation services for the disabled and services for the elderly, such as those offered in care and attention homes and homes for the aged. Given the shortage of nurses, I am concerned how the Administration can introduce a licensing system in future to monitor the quality of services rendered by private care and attention homes.

As we are aware, employees of voluntary agencies, though having similar educational qualifications, salary scales and working conditions as civil servants, do not enjoy any fringe benefits at all. Even under normal circumstances, there is tension between these subvented organizations and Hospital Authority over the nursing issue. Since the shortage of nurses is getting more serious in the next few years, it will not be unsurprising to see an exodus of nurses from voluntary agencies to the Hospital Authority. If the Administration fails to come up with measures to deal with the matter, the services of voluntary agencies are bound to be greatly affected.

I therefore call upon the Government to keep a close watch on the matter. Since the Hospital Authority will launch a major recruitment exercise to fill the numerous nurse vacancies, the Government should take early steps to ease the tension between both sides. This is particularly necessary when the supply and demand of nurses have yet to reach an equilibrium. In view of the above, I support the request that the Government should promptly establish an interdepartmental departmental working group, so that the proposed review and its findings will not place too much emphasis on one particular area and neglect others.

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

MR MARTIN LEE (in Cantonese): Mr President, it is the Hong Kong Government's responsibility to build hospitals and to improve the standard of health care services. In recent years, the Government has spent over \$3 billion to build quite a number of hospitals, such as Tuen Mun Hospital, Sha Tin Infirmary and Convalescent Hospital, Ruttonjee Sanatorium (new wing) and

Pamela Youde Hospital (that is, Eastern Hospital) and this is commendable. However, the opening of new hospitals does not necessarily imply an improvement in medical services in Hong Kong. What we also need is sufficient medical and nursing staff. It is a pity that many of the new hospitals display the so-called "shell hospital" symptom because of the severe shortage of nurses. Just take Tuen Mun Hospital as an example. Its rate of unoccupied beds is as high as 40%. The situation is even worse with Sha Tin Infirmary and Convalescent Hospital which has more than 50% of unoccupied beds. Furthermore, the new department in Ruttonjee Sanatorium on Hong Kong Island also faces the same problem. I would like to ask: confronted with a territory-wide problem of shortage of medical and nursing staff, has the Government ever taken the matter seriously and sought improvement measures?

As a directly elected member of Hong Kong Island East, I am particularly concerned about the impact of the medical and nursing staff shortage on medical services within the Eastern District. At present, the population of Hong Kong Island East (that is, from Tin Hau to Chai Wan) has reached 560 000, equivalent to 45% of the total population on the Hong Kong Island. Moreover, the population of the Eastern District on the Island has increased by nearly 20% in the past decade, topping the population growth rate among all the constituencies on the Hong Kong Island. Unfortunately, there is not a single general hospital nor a well-equipped accident and emergency department in Island East to date. According to the information of the Hospital Services Department in 1990-91, there were only four government clinics in the Eastern District. That means if a resident in the Eastern District needs to go for emergency consultation, he will have no choice but to go to the poorly equipped Chai Wan Accident and Emergency Department. Should his condition be serious, he would have to go all the way to Queen Mary Hospital in Pok Fu Lam. We can thus see how unprotected the lives of the residents in Island East are.

After years of hard work and striving by the medical services concern groups of the Island East, the Eastern Hospital is expected to provide services for the residents in the near future. As I have learned recently from government officials, the Eastern Hospital is expected to formally start operation by October this year. According to the original schedule of the Government, commissioning of the hospital was to have been by six phases to reach full commissioning in 1996. However, with the closing of the Nethersole Hospital in Western District, more medical and nursing staff could be transferred to the Eastern Hospital. The Government has therefore agreed to compress the six-phase schedule into a two-phase one, and so the Eastern Hospital will be able to go into full operation in 1994, that is, two years ahead of schedule. This is indeed a piece of good news to our residents who have been waiting for such a long time. Nevertheless, I cannot accept the point that the Eastern Hospital would only provide 16 hours' accident and emergency services per day during the first phase. As the name suggests, "accident and emergency" caters to emergency cases and emergencies could happen during night time. A patient would not read the "Chinese almanac" to choose when to have an emergency. Therefore, if there is no accident and emergency

department nearby, medical attention would be delayed and the patient's life endangered. This is contradictory to the intention of setting up the Eastern Hospital. In this regard, I hope the Government will implement a 24-hour accident and emergency service during the first phase.

Mr President, one point I would like to stress is that the Eastern Hospital is in fact a very special and fortunate case. It is due to the special circumstances of Nethersole Hospital closing that the Eastern Hospital can have sufficient nurses to cope with the demand of 400-plus beds in the first phase. The current number of nurses and student nurses can in no way meet the demand of the Eastern Hospital and, at the same time, we must bear in mind that the transfer of staff described above is but of a temporary nature. When Nethersole Hospital reopens in Tai Po in 1996, it is expected that some of the nurses will be transferred back to Nethersole Hospital. It is therefore quite possible that the Eastern Hospital will again experience a shortage of nurses by then. Though in view of the demand for nurses in the first phase of operation of the Eastern Hospital, I am confident that the Hospital Authority can cope with it, I am still very much worried about the second phase. Though in recent discussions with the Government, Hospital Authority officials gave an oral assurance that there should not be any problem during the second phase in 1994, regarding the adequacy of medical and nursing staff, yet there will be more than 5 000 vacancies for nurses in 1995 in Hong Kong according to the Government's estimate. How would the Government balance or satisfy the

Mr President, as long as the problem of shortage of nurses exists, we need a criterion or standard to decide whether a hospital is short of staff. In fact, from 1974, the Medical Development Advisory Committee has adopted a standard of nurse/patient ratio. For instance, the ratio for general medicine was one nurse to seven patients and for surgery was one nurse to six patients. However, the newly formed Hospital Authority does not adopt such a standard and even alleges that this standard is already outdated. But the problem is that in between the giving up of the old system and the establishment of a new one, the man in the street can in no way tell whether the patients in each hospital are adequately looked after. I admit that the old system lacks flexibility, but I do not think the Government should have no standard to stick to because of this. Since there is no standard to speak of, how on earth are we going to have new and further "performance pledge" as mentioned in the Governor's policy address? I therefore urge the authorities concerned to work out a flexible ratio and let it become an objective standard to which the public could refer.

Mr President, I am therefore in support of Mr Michael HO's motion and I hope the Government will set up an inter-departmental working group as soon as possible to deal with the issue of strengthening the recruitment of nurses and reduce the dropout rate. If this problem is not solved within these few years, I am afraid that the rate of unoccupied beds would show a further rise. I

sincerely hope that the problem of shortage of nurses can be solved as soon as possible.

With these remarks, Mr President, I support the motion.

MR TAM YIU-CHUNG (in Cantonese): Mr President, the shortage of nurses has been a long-standing problem which has many implications. I am of the opinion that we should dig into the root of this problem from different perspectives and that we should map out effective strategies from different angles as well.

Looking at the demand side, the increase in medical services and the construction and expansion of hospitals have undoubtedly resulted in a growing demand for nursing staff. Moreover, with the promotion of primary health care, emphasis on patients' rights and development of the concept of health care, the workload and responsibilities of the nurses have increased accordingly. Today, nurses are no longer only charged with the duties of assisting doctors to treat the patients. Rather, their work can be considered as independent. Apart from traditional health care duties, they are also involved in health education, consultation and counselling. Both in terms of the vacancies and additional duties, it is clear that there is a pressing demand for more nurses.

Are there enough nurses to relieve the pressure of demand? According to figures released by the Government, the shortage of nurses will get worse in the coming few years. It is also revealed that poor results in recruitment exercises and high wastage rate are contributing factors to this phenomenon. What are the reasons for failing to recruit the necessary nurses? Why is the wastage rate of nurses so high? All these issues need an in-depth study, as the ultimate solution to the shortage of nurses lies in the retention of serving nurses and attracting more young people to join nursing service.

From a macro point of view, the change in our education policy provides more opportunities for young people to study in the tertiary institutions. Conversely, the professional status of nurses has not raised. It is thus understandable why the profession has become less attractive. In this connection, I think that it is necessary to raise the status of the nursing profession. This is not an arbitrary policy. As I have mentioned briefly just now, given the development of its objective, concept, knowledge, responsibility and moral values, the nursing profession indeed deserves a higher status.

Another point I would like to reiterate is management. It is well known that efficient management could save manpower and money. Are the nursing staff so well deployed that all the human resources are now fully utilized? We have to probe thoroughly into this aspect. According to the Nurses Branch of the Hong Kong Chinese Civil Servants' Association, the size of the nursing staff in public hospitals has been frozen at the 1991 level after the takeover of the

hospitals by the Hospital Authority. As a result, even though there are needs to recruit more nursing staff in the hospitals and there are candidates available, the hospitals just cannot recruit them. I do not understand why such rigid system should exist. Are the authorities concerned blind to the pressures both from the long-standing shortage of manpower and from the ever-increasing new demand for services? To say the least, it is very unwise of the authorities concerned to freeze the staffing level before any means are devised to substantially maximize the efficiency of the nurses. The existing system would make heavier a burden on the serving nurses and would even deprive them of the opportunity to attend in-service training courses. It has far-reaching effects on, and immediate implications for, the health care quality.

At the moment, apart from clinical care, nurses have to take administrative and educational duties as well as a considerable amount of clerical work. Though in the wards there are staff charged with clerical duties, their working hours cannot cope with the specific need of the wards. After office hours, the nurses have to take up clerical duties. It is hoped that the authorities concerned would not equate a ward with an office when reviewing the situation. They should remember that it is necessary to provide 24-hour clerical services in the ward and make corresponding arrangements where staff deployment is concerned to cater for the special situation in the ward.

Furthermore, I wish to see a set of more detailed guidelines pertaining to the deployment of nursing staff. The present practice of deploying staff in proportion to the number of beds could easily lead to wastage. I deem it desirable to flexibly deploy staff on the basis of the nursing need of the respective specialties and hope that the authorities concerned will do a follow-up to see whether this is technically viable.

The establishment of a working group for a comprehensive review of the shortage of nurses is a must, but it may take a long time to achieve any results. Is it possible to adopt some workable short-term measures to ease the problem instantly? A possible measure could be to assess the standard of overseas nurses residing in Hong Kong and take on those qualified to the public hospitals. As a related issue, at present a group of nurses from the Kang Wu Hospital of Macau are subject to unfair treatment. They have to serve as trainees without pay for a period irrespective of their previous nursing experience and the fact that they have passed the assessment examination. Though I have no objection against strict control of the quality of nurses qualified in overseas institutions, I oppose to any discriminatory treatment against qualified nurses. I think this practice is most inappropriate and would only do more harm than good to the improvement of the quality of our nursing services. I hope that the authorities concerned could work out some practical solutions to deal with the shortage of nurses. They should also treat the overseas nurses fairly.

With these remarks, Mr President, I support the motion.

6.36 pm

PRESIDENT: I shall suspend the sitting for half an hour.

7.17 pm

PRESIDENT: Council will resume.

MR MARTIN BARROW: Mr President, I believe it is important to accept that solutions to sectoral shortages, such as in the nursing profession, cannot be looked at in isolation. We are all aware that shortages exist throughout the private sector and in other areas of the Civil Service, such as in the police. The overall labour shortage has been the subject of frequent debate in this Council over the past five years and there is no need to repeat all the points that have been made.

Solutions lie in productivity increases, automation, higher labour participation rates, which have unfortunately fallen in recent years, and in allowing a limited number of people to come into Hong Kong from China and elsewhere. If the Hong Kong consumer is to be provided with an improved level of service in hospitals, as well as in many other sectors, the Government must tackle the root cause of the problem, which is the imbalance of manpower supply and demand.

As I have said many times in this Council, I am not suggesting indiscriminate importation of labour. All I am asking for is greater flexibility by the Government in ensuring that we have straightforward and non-bureaucratic ways and means of bringing a few more people into Hong Kong in parallel to efforts to increase productivity and labour participation. Naturally the legitimate rights of Hong Kong people must be protected but I do not see how allowing a tiny percentage of our workforce to be from overseas can possibly affect local living standards. In fact, I would argue the opposite as the objective is to improve service standards. Nor am I suggesting necessarily that we should bring nurses from China. But if we have a better overall balance in the workforce, it will be easier to recruit more people into this profession which is so important to the well-being of our people. However I do recommend that the Government review the possibility of easing the registration of qualified nurses from outside of Hong Kong and give greater recognition to other qualifications.

I urge the Government to pursue solutions to the overall imbalance in the manpower market. Thank you.

DR LEONG CHE-HUNG: Mr President, nursing shortage is a global issue and Hong Kong is no exception. Perhaps Hong Kong is not in the worst position. Experience and data show that in certain areas of China, for example, there are more doctors than nurses. My colleagues in this Council have so far described, and I am sure others will further outline, all the statistics to indicate that we are in a crisis situation. I do not therefore propose to ponder in the same pool, but rather to take this opportunity to look at the issue of nurse manpower in another perspective.

With respect, most of us are looking at the problem of nurse shortage in a wrong direction. To put it rudely, we may well be "barking up the wrong tree". Too much and too many have been said about the crisis in the shortage of nurses, but the attention has so far been focused only on the nurses in the Hospital Authority (HA) hospitals. What about the manpower problems in private hospitals or private clinics, in the Department of Health and in those welfare voluntary services? Let us not forget there are some 11 private hospitals serving the need of some 20% of hospitalized patients and there are many private clinics that cater for 80% of Hong Kong people that seek primary health care.

Furthermore, Mr President, when we say more nurses are required, are we just looking at the numbers to do the work between that of the doctors and the ward attendants in hospitals; or are we looking at manpower to do the professional "nursing duties" against manpower to do "ancillary nursing related duties"?

Let us pause for a moment and look at the saga of the current HA situation first. Here I will have to state my strongest disappointment in the unfair way in the determination of government budget for the HA which was based heavily on the actual staff strength at the takeover date of the HA.

Put it simply, the funding for HA is only enough to pay for the exact number of staff then. No consideration was given to include the actual need of staff, nor the shortfall.

In the case of nurses, many are employed then with a view to deploy to new hospitals once these are commissioned. If shortfall existed then, it is inconceivable to even think that there will be enough to help out the new hospitals.

The Director of Operations of the HA must be a very brave man to announce the commissioning of 400 to 450 beds of the Pamela Youde Hospital by October this year, and another 450 beds by 1994-95. He is indeed a brave man to make these commitments knowing very well that more than 50% of the beds in the Tuen Mun Hospital are left idle due to the lack of staff. But of course, Mr President, there are patients to be served, at the expense of the exploitation of the staff, especially nurses.

What then, Mr President, is the solution? I would like to propose that four areas need to be considered and these are: areas to be considered by the nursing profession; areas to be considered by the policy makers; areas to be considered by the HA; and areas to be considered by other end users.

(I) Areas to be considered by the nursing profession

Mr President, I have always been a strong advocate of professional autonomy. Only the professionals themselves would be in the position to determine their own standards, their own needs and their own professional future. It is imperative therefore that the nursing profession should come out on their own in the following areas:

- (a) Their own assessment of the basic manpower needs in relation to professional standards.
- (b) The actual role of the nursing profession in their management of patients and the amount of nursing ancillary support they would require. In other words, to define professional nursing duties and propose the establishment of ancillary nursing grades.
- (c) The way ahead in relation to nursing education policy. In other words, whilst nobody would dispute the issue that nursing education should move towards a college-based degree course, how is this to integrate with the current hospital-based apprentice style nursing education?
- (d) The need for postgraduate specialized nursing education and accreditation. There is at this point in time, Mr President, no recognition of nurse specialists and no structured vocational post-graduate training for nursing.

Mr President, whilst the medical professional is establishing the Academy of Medicine to conduct these procedures for doctors and dentists, no such moves are being made to provide for post-graduate training needs of the nurses nor allied medical professions.

It cannot be overly emphasized that the health care service can only improve with all the team members improving simultaneously. It would be a set back to the service if the nurses and the allied health care providers were to advance out of step with the medical profession.

(II) Areas to be considered by the policy makers

Having received a package from the nursing profession, it is a duty of the government policy makers to consider their recommendations, assess the feasibility and propose a timetable for implementation. Two areas must be addressed without delay:

- (a) The flexibility in relation to recruitment and retention of nurses

With the possibility of nursing education moving towards a university degree course and with the opening of many new fields in the market for young men and women, will there be a recruitment problem? Will there be a satisfactory number of the right age joining this profession? And with the establishment of management posts in many health care sectors, how many qualified nurses will seek these possible greener pastures, and how many will still retain and remain to practise their professional skills?

- (b) The financial implication of degree nursing and post graduate specialized nursing training programmes

I therefore echo and strongly support the establishment of an inter-departmental working group without delay. This working group will also be charged with considering the future balance in the supply and distribution of nurses from the university-based degree course stream, and those from the current hospital-based apprentice style stream.

(III) Areas to be considered by the HA

Being the "largest user", HA's input is obviously essential and HA should come out with a few recommendations:

- (a) A formula by which HA would base its calculation of the number of nurses (registered or otherwise) required to comfortably provide its targetted services.
- (b) Suggestions on career prospects to promote professional staff retention.

(IV) Areas to be considered by other end users

For similarly, the Department of Health and private hospitals will have to come out with their own suggestions too.

Mr President, I started this address by saying as far as nursing manpower needs are concerned, we are barking up the wrong tree. May I end by saying that when it comes to the study of health care manpower needs, we are in the game of "passing the buck". The Government has repeatedly said.....

*The buzzer sounded a continuous beep.*

PRESIDENT: You have to stop, I am afriad, Dr LEONG.

DR LEONG CHE-HUNG: Sorry, Mr President, I support the motion.

MRS ELSIE TU: Mr President, I do not claim any expert knowledge in the field of nursing. All I can say is that there has long been an outcry about the shortage of nurses and the poor conditions under which they work in the more overcrowded hospitals.

If we want to encourage young people to enter this strenuous and sometimes unpleasant profession, we must make sure that they are given the prestige they deserve by offering them further education, and higher skills to meet the demands of present-day technology in the field of medicine. Having given them higher training, we should not waste it by giving nurses non-professional duties that can be performed by stewards and other non-clinical staff.

The Association of Hong Kong Nursing Staff have long made their requests known, but only now have they been promised a review on medical manpower planning and nursing education policy. The review will then be followed by the setting up of a study group in May this year. Surely all this could have taken place simultaneously with the setting up of the administrative side of the Hospital Authority, because the need was already well known.

When the Hospital Authority was set up, the public was led to believe that enormous progress would be made in getting rid of camp beds and the consequent harassment they posed on nurses. So far this does not seem to have happened.

I realize that we outside the profession cannot see the whole picture, but we are at least an eager audience waiting for the curtain to go up on the hospital scene. So far it does not appear to have moved. Perhaps we could be given information as to when we may expect to see something of the grand finale we have been led to hope for.

Mr President, I support the motion.

REV FUNG CHI-WOOD (in Cantonese): Mr President, the shortage of nurses has led to the inadequacy of medical services throughout the territory. And the situation in Tai Po and North District is particularly worrying. There is no hospital in Tai Po. The Government is constructing the Tai Po Nethersole Hospital, scheduled to be completed in 1996-97. In North District, there is only one hospital, that is, Fanling Hospital with 100 beds. And it is a convalescent hospital. Its emergency department's facilities are not on a par with those of large hospitals. In case a patient's open wound needs a suture, he would have to be transferred to the Prince of Wales Hospital in Shatin by ambulance. At the moment, patients often have to wait up to three-odd hours before they could receive treatment at the emergency department of the Prince of Wales Hospital.

Nevertheless, the Government is yet to see the need to apply to this Council for funds to construct the proposed North District hospital. In 1989, the then Hospital Services Department proposed to build a 1 200-bed North District Hospital to be completed by 1998-99. In July 1992, after conducting a review on medical services in Hong Kong, the Hospital Authority again recommended that the North District hospital be constructed as soon as possible. However, the proposed size of the hospital was scaled down to 600 beds only. The North District residents and I have repeatedly urged the Government to take action so that funds would be allocated in 1993-94 to construct the hospital. We are now staging a marathon sit-in strike but the Government is yet to give an unequivocal reply. If funds are not made available in 1993-94, the date of completion for the North District hospital will certainly be behind the original schedule of 1998-99. I doubt very much if the Government really cares for our livelihood.

However, I know that without sufficient nurses, the North District hospital, even if we succeed in having it built, will merely stand idle, incapable of providing services to the local residents. It is obvious that at present several hospitals such as the Tuen Mun Hospital, the Ruttonjee Hospital (New Wing) and the Sha Tin Infirmary and Convalescent Hospital are only partly commissioned due to shortage of nurses. According to information provided to Members of this Council by the Health and Welfare Branch last year, the shortage of nurses will get worse from 3 600-odd nurses in 1991 to 5 200-odd in 1995. The worsening shortage situation really makes me extremely worried about whether sufficient nurses could be deployed to the Tai Po Nethersole Hospital and the North District hospital.

Last Saturday when a group of North District residents and I petitioned at the Government Secretariat for the expeditious construction of the North District hospital, we happened to encounter a group from the Association of Hong Kong Nursing Staff who were petitioning the Government to address the shortage of nursing staff. North District residents feel that positive actions should be taken swiftly to relieve the shortage and to ensure that adequate nurses would be deployed when the North District hospital and the Tai Po Nethersole Hospital complete and go into operation.

The level of services now offered by the Sha Tin Infirmary and Convalescent Hospital is only half of its capacity due to insufficient nurses. Consequently, the hospital is unable to share the workload of the Prince of Wales Hospital or to help to ease the latter's overcrowded situation. It is really regrettable. In the 1 607-bed Tuen Mun Hospital, only 693 acute ward beds are commissioned but among them, 281 are for accommodating patients of the Siu Lam Psychiatric Centre and the Pok Oi Hospital. Of the 12 operating theatres in the Hospital, only six have been commissioned. These problems are entirely attributable to the shortage of nurses. The Hospital Authority has kept telling the public that there is no problem about the strength of nursing staff in the hospital simply because it has in fact considered the large number of student nurses as staff. But according to a hospital-wide survey conducted by the

Association of Hong Kong Nursing Staff in this month, the findings show that the number of nurses in terms of ratio in the hospital is still far from satisfactory. For one thing, in wards where student nurses are deployed, the ratio between registered nurses and student nurses is found to be 9:7.5. This reveals that nearly half of the nurses in the hospital are student nurses who have not yet completed their training.

Why are services of the hospital rendered by so many student nurses who are still under training? Besides, suppose a student nurse performs half of the duties of a registered nurse, then in this case, the ratio between nurses and patients is as low as 1:10 which lags far behind the ratio between 1:6 and 1:7 proposed by the now defunct Medical Development Advisory Committee. In other words, the hospital now has only got about two thirds of the necessary manpower.

Mr President, I earnestly urge the Government to take immediate action to solve the shortage of nurses rather than to look on with folded arms.

With these remarks, I support the motion.

MR FREDERICK FUNG (in Cantonese): Mr President and colleagues, in recent years the media have been focusing their attention on the management problem of the Hospital Authority or the patients' rights when reporting health care issues. And the issue discussed today is seldom touched on. In fact, what we are debating today is closely linked with the two issues mentioned earlier, as the nursing shortage is a reflection of the possible problems encountered by the Hospital Authority in its operation. The shortage problem is not confined to the nursing profession. Other related medical staff, such as physiotherapists or pharmacists, also suffer from the same problem. The fact that the Government is reluctant to face up to the problem does not mean that the situation is not serious. Under growing working pressure, the medical staff would naturally be unable to take good care of all the patients. And the standard of quality service simply cannot be maintained. This may naturally lead to a curtailment of patients' rights. If the Government is still reluctant to look squarely at the shortage problem, it will deliver a further blow to the already chaotic health care system.

The information I gathered shows that since 1988, the wastage rate of registered and student nurses in public hospitals has become increasingly serious. For the last three years, the rate has been fluctuating at a level higher than 10%. It is also indicated that the recruitment rate fell below that of the wastage rate. In view of Hong Kong's uncertain future and the chaotic system of the Hospital Authority, the nursing staff will leave the service one after another unless the Government is prepared to take a hard look at the shortage problem and set up an inter-departmental working group to delve into the issue. According to the information made available to us by the Government, the number of nursing vacancies will exceed 5,000 in 1995. I wonder if the

Government wants to wait till then before working out some measures to solve the problem!

My understanding is that the underlying reasons for the shortage of nurses include poor working environment, unattractive pay, lack of promotion prospects, professional status not properly recognized, insufficient training courses and the Hospital Authority's unsatisfactory management. The external reason is the brain drain problem generated by the uncertainties shrouded over the future of Hong Kong. All these have aggravated the problem of nursing shortage.

To cope with the difficulties mentioned above, the Hospital Authority's present strategy is to create some posts such as ward manager and department operation manager. At the same time, however, it has abolished some existing posts. Obviously, such practice would seem to suggest concoction of various pretexts and in reality fails to improve nurses' promotion prospects. Although camp bed is no longer a sight in any hospital, it does not necessarily mean that health care services have improved. This is merely a major rearrangement of beds in hospital wards. It tends to mislead the public that no camp bed in sight means an improvement in health care services. In fact, the nursing staff's workload has become heavier because they have to attend to patients in various wards, resulting in a further drop of the service quality.

Another point is that due to the problem of resources, the Hospital Authority has put its emphasis only on the recruitment of student nurses at the expense of the experienced registered or enrolled nurses. Yet, the recruitment rate simply lags behind the wastage rate. When the recruitment rate fails to catch up with the wastage rate, the medical staff have no choice but to struggle on. It is not uncommon for them to have their compensation leave and basic leave deferred. If this is not to be rectified, their morale would certainly be further undermined.

The Association for Democracy and People's Livelihood and I share the view that the present problems of the medical and health sector are similar to those in the 1970s. There is a great deal of red tape in the allocation of hospital resources. The management often fails to appreciate the grievances of the frontline staff. The medical professionals have thus lost confidence in the management of the Hospital Authority. In view of this, we have come up with some suggestions as follows:

Firstly, the roles of the Hospital Authority should be reviewed. Now the Government tries to link medical fees to patients' financial status. This means that the well-being of the lower income group will be given less attention and the poor will be less protected. Experience tells us that medical equipment is always under greater inflationary pressure than general commodities. If the Government is still not serious in making the necessary financial commitment and allocating more funds, there will only be two scenarios: (1) the general public will have to assume increasingly the heavy burden of medical expenses;

and (2) the lack of financial commitment on the part of the Government plus the rise in the cost of medical equipment will prevent the Hospital Authority from making comprehensive improvement in medical services, including easing the shortage of nurses. The Government should therefore keep on investing more resources in this sector and leave the the administration and monitoring to Hospital Authority.

Secondly, at the moment, the number of hospital beds is disproportionate to the population size. Take the northeastern New Territories as an example. The said constituency has a population of nearly one million but only 1 000 plus beds are available in the Prince of Wales Hospital. The Hospital Authority has recently been making the most of its efforts to improve its allocation of resources. One of the measures is to do away with camp beds. On the face of it, it is done in the interests of the patients. However, my opinion is that the move backfires in the sense that the hospital beds available could hardly meet the demand. The wards are thus crammed with patients of all ages, who are suffering from different illnesses. With the shortage of manpower, the nursing staff have to bustle about and work under heavy pressure. As a matter of fact, the quality of service has deteriorated when compared with the camp bed days. The patients' minimum rights are not safeguarded but undermined. We therefore propose that the Hospital Authority reassess the pros and cons of hiding the camp beds to see whether the problems are stemmed from a shortage of resources.

In the short run, the Government may consider inviting nursing staff to go back to work in their respective wards during their off-days on a voluntary basis and remunerating them. Another suggestion is to attract those who have already quitted or who are reluctant to be bound by a long-term contract to rejoin the service and offer them the options of a short-term contract, which runs, for example, two or three years. After they have completed their contract, they may be granted a gratuity equivalent to a certain percentage of their annual salary, for example 25%. This may help the Hospital Authority to recruit more nursing staff.

In the long run, I think it is a must to raise the status of the nursing profession in order to retain them in the workforce. The Hospital Authority may perhaps consider upgrading the nurses training department by separating it from other administrative departments. Furthermore, the medical assessment by the nurses of the condition of the patients under their care should be formally incorporated in the operation of medical service. Their professional views should be respected and recognized.

I support Mr Michael HO's motion.

DR HUANG CHEN-YA (in Cantonese): Mr President, in a medical team to treat a patient, both doctors and nurses are members playing complementary roles to one another. And the performance, the professional quality and the number of

the nurses involved would have a decisive effect on the result of the medical treatment. The rapid advancement of medical knowledge and the growing complexity and variety of medical equipment and implements have effectively had a greater demand on the professional quality of the nurses. Apart from traditional duties, nurses are also required to understand the ever-changing monitoring system and laboratory reports so as to make quick and appropriate decision. Furthermore, they have to take up new responsibilities like public education and medical work. When serving in the intensive care unit or attending critically ill patients, very often they have to use strong drugs or carry out technologically complicated treatment on their own.

Recently I asked Professor MA Ho-kei, Dean of the Faculty of Medicine, the University of Hong Kong, about the reason why the university was planning to develop nursing courses at degree level. She pointed out clearly that a lack of knowledge would lead to inflexibility in approach and lowering of efficiency and that a medical system could be a success only when nurses are equipped with updated knowledge and necessary training. In other words, when we are talking about the shortage of nurses, we must appreciate that this is not only a problem of quantity but also quality. Hong Kong not only needs a sufficient number of nurses, but also well qualified nurses.

To provide nursing training courses at degree level is important for upgrading the quality of nurses and this can ease the shortage of nurses as well. It is commonly known that nursing shortage is directly resulted from difficulties in recruitment. Why is it particularly difficult to recruit nurses? One of the reasons is of course the demographic change. The last decade has seen a steady shrinkage in the percentage of youngsters aged between 15 and 24 in the total population. While the applicants for nursing courses all come from this age group, naturally the number of young people applying for such courses has declined. However, an even more important cause is that with the change in social environment, there has been a tremendous increase in the number of degree courses available. Other non-degree courses offered by various tertiary institutions are also on the rise. Secondary school leavers are therefore given more chances to further their studies. When opportunities for college education are ample, the hospital-based nursing courses are of little attraction to the young people of this generation. In the past, to be a degree holder was almost a vain dream for young people but it is no longer the case now. It is now much easier to pursue a degree course. In contrast, the hospital-based semi-apprentice style stream still sticks to the old model which has been in existence for several decades. This model certainly cannot keep abreast of time and adjust itself to the changing needs of our society. No wonder such primitive courses are not popular amongst young people and there is difficulty in enrollment as a result. Try to think of it: in the current three-year nursing course only 30 to 42 weeks are assigned for classroom teaching. And the so-called learning is to work in wards as a cheap labourer. How can such a training programme gain the necessary competitive edge on other tertiary studies in attracting young people to enter the nursing profession?

It would ease the recruitment problem if the nursing training courses are upgraded to degree level. Furthermore, according to overseas surveys, the wastage rate amongst nurses with a degree is far lower than that of nurses who received their training from the hospital stream, indicating that the provision of degree courses for nursing training is also of help to relieve nursing shortage. The University of Hong Kong conducted a survey in January 1992. Of the 1 000 nurses in the sampling population, 46.9% responded to the survey. Amongst the respondents, 97% indicated that they are interested in pursuing a nursing degree and the reasons given included improving their working performance and their career prospects. It could thus be seen that a majority of nurses yearn for training of a higher order. At the moment, the Chinese University of Hong Kong and the Hong Kong Polytechnic are offering a total of 80 part-time and 50 full-time degree places whereas the University of Hong Kong is planning to provide 40 part-time degree places after this summer. Nevertheless, the places available could only satisfy part of the demand, as only a portion of the registered nurses would be able to receive degree training. Though this may bring a positive effect on reducing wastage rate, boosting morale and improving working performance, it cannot have an immediate effect on attracting youngsters to join the service. In order to achieve this purpose, we must give young people the chance to pursue a nursing degree in tertiary institutions. Another point is that currently the University and Polytechnic Grants Committee is not funding the nursing education and thus the tuition fee for a part-time three-year degree course amounts to \$100,000. The survey also found that only 13% of the respondents could afford the fee. In this connection, it is only through the Government's positive commitment and provision of sufficient funds could the large-scale nursing degree system be achieved.

Mr President, both medical and nursing professions ask for the development of nursing degrees to meet the demand for quality and quantity of nurses so as to lift the standard of nursing, mitigate the recruitment difficulties and reduce the wastage rate. The Government should not drag its feet and hold things up any more.

With these remarks, I support the motion.

DR LAM KUI-CHUN (in Cantonese): Mr President, a special feature of this debate is to suppose a contentious issue to be a well-known established fact and then direct our attention at its solution. The claim that there is a shortage of nurses has all along come from the nursing profession itself and it is no exception today. The Government has never agreed that we suffer from nursing shortage. Strange enough was that at a recent meeting with the Council's health services panel, the Secretary for Health and Welfare suddenly admitted that we did have a chronic shortage of nursing staff and she even promised to set up an inter-departmental working group to deal with the problem. At that time I thought the controversy over whether we had a shortage of nurses was finally put to a rest. However, when I approached the Hospital Authority, I was told the following;

1. The Hospital Authority does not have a pre-set target number of nurses. In an absence of such a target, it is hard to say whether there is a shortage or not.
2. The service targets set by the Hospital Authority have all been met. The Hospital Authority did not encounter any difficulties in providing sufficient services due to any shortage of nurses and therefore it does not see any problem in that area.
3. In its recent recruitment exercises for nursing staff, the Hospital Authority had all the vacancies filled. For 1992, the number of nurses joining service exceeded the wastage by more than 300. This shows that there is no difficulty whatsoever in recruiting nurses.
4. Notwithstanding an adequate supply of nursing staff and services, if the Government wishes to grant additional funds, the Hospital Authority will be more than happy to accept it and strive to improve the quality of the nurses. It seems to suggest that the Hospital Authority would be able to recruit as many nursing staff as it liked.

When I questioned further why the Pamela Youde Hospital was still unable to provide 24-hour casualty service, the officer of the Hospital Authority responded by saying that it needed time for a new hospital to run in. Once the hospital ran in smoothly, it would be able to operate round the clock without any need for extra staff.

In view of the Hospital Authority's response, I just wonder if it is futile for the Legislative Councillors to debate an issue which might not be in existence in the first place. I personally would look at the question from the perspective of the public or the service users. In my opinion, the public would definitely feel that the waiting time for public medical services too long. Also, the most important contributory factor for the bottleneck symptom is the shortage of doctors and what comes next is inadequate supply of equipment. And the other factors may not be clear to the public. They may regard the shortage of nurses as merely one of the shortages in public health services and even if more nurses or resources are provided, it is more like giving an added grace to what is already beautiful than satisfying a pressing need.

If we are really short of nurses, I suggest that the people concerned should first look into the causes and deal with them with proper measures. I know of a few points in relation to the problem:

First of all, the falling birth rate in Hong Kong has resulted in a decrease in the number of young people. The number of entrants to the service industries has dropped and the nursing profession is no exception. At a time when bank tellers and flight attendants are being recruited from China, the nursing profession does not allow their counterparts in China to serve in the

territory. Another factor is that many young job-seekers in Hong Kong want to land ostentatious and easy jobs, with the high hope of making rapid promotions in their career. To be a nurse, one has to be tender-hearted and patient. For these reasons, it is getting as less popular among young people to enter nursing profession as becoming a Catholic priest or a nun. Even amongst the first-year student nurses, the dropout rate is more than 20%. The nursing shortage has become a global issue. With this in mind, I do not fancy any change in the social climate in Hong Kong or the global trend even if the Government sets up an inter-departmental working group. The situation may change only if the Government contemplates importing foreign labour.

In view of the recruitment difficulties, the next step we should consider is to reduce the wastage rate. However, when I enquired the Hospital Authority about why nurses quit, the officer concerned claimed that there was no reliable or more comprehensive information available. I had asked some of my nurse friends and found four major reasons behind nurses' resignations, that is, "unwillingness to work night shifts", "families need them at home", "migration" and "the present work offers no job satisfaction". In fact, the Hospital Authority can do something about properly arranged duty roster and lack of job satisfaction.

Nevertheless, if the above-mentioned measures fail to reduce the wastage rate, what can be done? As a matter of fact, the nurses have been taking up administrative duties such as arranging duty roster, general duties like making beds and clerical duties like filling out shift form, book-keeping and copying. All of them are non-nursing duties. After all, no matter whether there are enough nurses or not, the number of clerks and other administrative staff should be increased in the wards so as to release the limited nursing staff for taking up more nursing duties.

Looking at this issue from some basic facts, one would realize that it is the nurses' own choice to join the nursing profession and a fresh graduated nurse can enjoy a salary higher than that of a fresh university graduate. Likewise, the decision to quit the profession is also entirely their own. And now it is the nurses themselves who raise the outcry that there is a shortage of manpower. It is the nurses themselves who should best understand their own situation. Naturally they should put forward some proposals to combat the problem and see whether the Government or the public would find their proposals acceptable. The crux of the matter is not to ask the Government to set up an inter-departmental working group and hope that it could solve the problems completely.

Mr President, my colleagues of the Co-operative Resources Centre have discussed whether there is a shortage of nurses and come to a conclusion that if such a problem does exist, it should be the main duty of the nurses, the Hospital Authority and the Health and Welfare Branch to work out a solution. The establishment of an inter-departmental working group may have some help. However, we must bear in mind that we should avoid a situation of more hands,

less speed. We should also avoid a scenario where various departments passing the buck to one another. The Health and Welfare Branch should be the one to co-ordinate and be held responsible, ultimately. The ultimate object should be to provide sufficient nursing services to the public and not just keeping an eye on the absolute size of the nursing team.

MR JAMES TO (in Cantonese): Mr President, as the legal adviser to the Association of Hong Kong Nursing Staff, I have access to more first-hand information on the shortage of nurses and am in a better position to appreciate the nursing profession's problems. The wastage rate of the nursing profession highlighted by Mr Michael HO today is really a very pressing issue and we must deal with it head-on.

According to statistics from the now defunct Medical Development Advisory Committee, it was projected that for the 10 years from 1985 to 1994, the number of nurses joining the profession and the wastage in total would be 15 600 and 8 090 respectively. In other words, with every two nurses joining the profession, one nurse will quit. It was again pointed out in a paper released in 1988 that the situation in 1996 would remain the same and the ratio between the number of recruits and wastage would be 2:1. We can, therefore, see from the above-mentioned information paper that the wastage of nurses does not pop up all of a sudden but is a long-term problem. It means that the problem has been noticed for a long time but the Government's attitude towards the issue indeed has been disappointing. It is more so in view of the Secretary for Health and Welfare's reply to a question raised in this Council on nurse wastage on 23 October 1991: "In terms of training capacity, we are going to increase the present 2 400 by some 300 places in order to attract more nurses into the training field and also there will be university degrees to attract people with an inclination to specialty. We have revised the pay scale last year." Judging from the Secretary's reply, it seems that the Government's policy is simply to increase the number of nurses without addressing the fundamental question of wastage at all. I would like to ask the Secretary whether the Government is only concerned itself with the provision of nursing staff and turns a blind eye to the wastage. However, we should bear in mind that what we are losing are highly experienced nurses once with enthusiasm. In this connection, it is imperative for the Government to identify the causes why they are leaving the service. I strongly urge the Government to set up an inter-departmental working group to find solutions to the problem.

Why is the wastage of nurse so acute? I have met some nurses and discussed the problem with them. I find that there are three major contributory factors: training, working conditions and promotion prospects.

Dr HUANG Chen-ya has talked about the training aspect just now. I am going to cover mainly the area of working conditions.

Take for an example the hospital in my constituency, that is, the Queen Elizabeth Hospital. After the Hospital Authority took over management of the Queen Elizabeth Hospital, camp beds did become a thing in the past, a seemingly significant improvement. However, nurses working with the hospital told me that the disappearance of camp beds also saw a reduction of nursing staff at the same time. That is to say, the ratio between nurses and patients had not raised nor improved. On the contrary, without camp beds, nurses always have to make arrangements for patients to be discharged or to change wards so as to vacate beds for new patients. Such kind of transfer of patients has considerably increased nurses' workload because it requires them to scrutinize all medical records in detail before making a decision which patient is to be transferred or whether to admit a new one. As a consequence, they are under heavy work pressure and have even less time to look after their patients.

Furthermore, improving the facilities of the hospitals would help to improve the working environment. The installation of air-conditioners and heaters in hospitals is a basic requirement. As a matter of fact, without these facilities, many patients cannot have good rest either in cold winter days or hot. And this would affect their condition. Therefore, improvement to hospital facilities is a must. But efforts should be made to avoid making the same mistake as in the case of the Caritas Medical Centre where approval has been given to the installation of air-conditioners for years but not the necessary funds.

In terms of conditions of service, a large majority of nurses ask for due remuneration to be given to their colleagues who are required to work shifts and perform night shift duties. At the moment, the remuneration is made in the form of a single salary point applicable to all nurses including those who are required to work shifts and those not required to do so that they receive equal pay. No wonder nurses are leaving the Hospital Authority and apply for posts in the Department of Health because staff in the Department of Health work from nine to five and are not required to work shifts. The Government may in fact draw references from other parts of the worlds. For example, in the United Kingdom, there is a salary differential of 30% to 60% between shift-workers and non-shift-workers. This measure should be adopted to encourage nurses to perform shift duties.

Another major reason for nurses leaving the profession is the bleak promotion prospects. For this reason, the Government should carry out a comprehensive review on the structure of the nurse grade at once. The practice of creating a few higher rank posts to give a lick and a promise in the past has proved to be unworkable.

In conclusion, if we are determined to address the shortage of nurses, it will not work merely by increasing the number of nurses without dealing with the wastage. To tackle the wastage problem, concerted efforts from all sectors concerned are called for. Therefore, it is a very pressing task to set up a special working group comprising representatives from the Health and Welfare Branch,

the Department of Health, the Hospital Authority, the Civil Service Branch, the Finance Branch and the Education and Manpower Branch to study and look into the shortage of nurses.

Mr President, I fully support Mr Michael HO's motion.

MR WONG WAI-YIN (in Cantonese): Mr President, a student nurse at Tuen Mun Hospital jumped to her death the other day but the incident had not aroused too much attention. However, a similar incident happened 20 years ago in which a student nurse committed suicide by jumping from a height because of heavy homework and pressure from work and it caused widespread concern from the Government and the community. The Government then appointed a nursing consultant, Miss Margaret LAM, to look into the case. Subsequently in July 1974, a *Report on the Training and Educating of Nurses in Hong Kong* was released. The report made a number of recommendations, but to our regret, some of the recommendations in this report which may find their place in the museum of history on account of their being made years ago have not been implemented to date. Please allow me to quote a few simple examples here.

First, in chapter 2 of the report, it was recommended that more regular meetings should be convened, for instance, between nurse tutors of nursing school and nursing supervisors, between nursing officers and staff of other grades or between student nurses and nursing supervisors as a means to enhance their communication. Furthermore, through the discussions on the workload of the nursing staff, they would build up a team work spirit. Unfortunately, this proposal has not been put into practice to date due to a lack of human resources.

Second, it was recommended in chapter 4 that the ratio between tutors and nurses should be lowered from 1:70 to 1:30. However, the current ratio is around 1:40 which means we have failed to act on a recommendation put forward 20 years ago. The report also recommended that more advanced courses be introduced, but then again the nursing course has not been upgraded to degree level up till the present moment.

Third, chapter 7 highlighted the need to boost the morale of the nursing staff. According to a recent survey conducted by a trade union of the nursing profession, 90% of the nursing staff felt that the morale was low. This is indeed an alarming figure. And low morale is one of the major reasons for the wastage. Of course, there are other reasons such as unattractive remuneration, bleak promotion prospects, lack of advanced courses, heavy work pressure and too many night shifts.

Let us look at the current three-year course for student nurses. In fact during the three-year period, the students spend less than one third of their time in class while more than two thirds is devoted to practical training. The so-called practical training in fact requires one to work as a full-time nurse. According to the training programme, a student nurse should be under the

guidance of an experienced nurse when he/she is receiving training, but because of a nursing shortage, student nurses have to work under little or even no supervision. This situation, coupled with pressure of heavy workload, affects their morale and leads to wastage.

Mr President, due to poor response in recruitment exercise and high wastage rate, the nursing profession is plagued by persistent shortage and, as a consequence, the provision and quality of medical services are affected. Take New Territories West, my constituency, as an example, where Tuen Mun Hospital is a regional hospital while Pok Oi Hospital serves as a district hospital in Yuen Long. It has been three years since the opening of Tuen Mun Hospital in March 1990, yet the hospital has still not been fully commissioned. In her reply to an oral question by the late Councillor Mr Stephen NG during the Legislative Council sitting on October 23, 1991 the Secretary for Health and Welfare, Mrs Elizabeth WONG, said that the biggest obstacle to the full operation of Tuen Mun Hospital was shortage of manpower, especially the nursing staff. We can thus see that the Government has all along been aware of the problem of manpower shortage. It is not a problem surfaced recently as what Dr LAM Kui-chun described just now. The Secretary for Health and Welfare forecasted in July 1990 that Tuen Mun Hospital could be fully commissioned by the end of 1992. However, in October 1991, it was announced that full operation would be deferred to the middle of this year. Now it is only a few more months away before the middle of the year but I do not see any miracle in sight. I guess we will have to wait again.

Mr President, the nursing shortage at Tuen Mun Hospital may manifest the gravity of the problem. There should be 1 556 registered nurses in the establishment of Tuen Mun Hospital but now their strength is merely 847, signifying a shortage of nearly 50%. The number of beds, if in full capacity, is 1 606 but at this moment, only 974 are in service, including 693 acute beds (of which 81 were moved from Pok Oi Hospital in Yuen Long and 200 from Siu Lam Psychiatric Centre). Of the 12 operation theatres, only six are in use. The waiting time for general surgeries is as much as 10 months. This has significantly undermined the quality of service. Apart from poor recruitment result and high wastage rate, heavy workload and psychological pressure are also some of the contributing factors. In fact, this phenomenon is very much to do with the assessment in relation to the adequacy of staff. It comes to my knowledge that since the Hospital Authority took over the management of hospital affairs, the hospitals only received one lump sum for nurse recruitment. There is no such thing as a standard establishment. And the number of nurses which the hospital are allowed to recruit is subject to that lump sum. Hospitals are, as a result, generally manned by fewer staff members than before. Heavier workload means that the nursing staff are under greater pressure. And staff may quit when the situation drags on without any improvement. Let us look at the situation of Pok Oi Hospital in Yuen Long. Last year the hospital in question applied for a recruitment of 132 registered nurses but merely a fund just big enough for 88 registered nurses was granted. Understaffed by as many as 44 nurses, why should there not be an increase in the workload of the existing

nurses? One may conclude from these facts that we do have a problem of nursing shortage and this is undeniable. We hope that the Government will face up to the problem by setting up an inter-departmental working group to conduct an overall review and to work out solutions to the problem as soon as possible.

Mr President, with these remarks, the four legislators of Meeting Point, namely, Mr Fred LI, Dr LEONG Che-hung, Mr TIK Chi-yuen and I support the motion.

8.00 pm

PRESIDENT: It is now eight o'clock and under Standing Order 8(2), the Council should now adjourn.

ATTORNEY GENERAL: Mr President, with your consent, I move that Standing Order 8(2) should be suspended so as to allow the Council's business this evening to be concluded.

*Question proposed, put and agreed to.*

DR TANG SIU-TONG (in Cantonese): Mr President, just now many honourable colleagues pointed out the shortage of nurses. This is in fact a long-standing problem plaguing the health care sector for a number of years. As a result of the shortage of nurses, the expansion programme of the Tuen Mun Hospital and the commissioning of the Eastern Hospital has to be delayed. For instance, many beds in a newly commissioned hospital are unoccupied as a result of the shortage of nurses. This is a waste of public funds, not to mention the fact that many citizens are not getting the medical attention they need.

The Administration has not in fact tried to cover up the seriousness of this problem as it estimated that we were short of 4 000 nurses in 1991 and has forecast a shortage of 6 000 by 1995. The Government has in recent years tried all means to recruit nurses. The measures have included raising the salary for nurses, organizing more nurse training courses that use Chinese as the medium of instruction, employing part-time nurses, introducing degree courses in nursing in tertiary institutions and attracting trained and qualified nurses from overseas to work in Hong Kong, and so on. These measures have however failed to achieve the intended results. One then cannot help asking: Where does the problem lie? According to statistics, the wastage rate of nurses has been continually rising since 1986. The rate stayed at over 10% over the last several years. The Administration has reviewed the causes of the shortage of nurses and cited the following reasons: a drop in the territory's population in the 18-22 age group, job nature and working hours of nurses, unattractive career prospects, increased opportunities for tertiary education, and competition from other trades for manpower resources. The inter-departmental review suggested

by the Honourable Michael HO is undoubtedly desirable in that it can probe in-depth how seriously the problem has been affecting people's livelihood.

The shortage of nurses is an indisputable fact. However, I feel that relaxing the entry requirements for nurses might be a flexible way of competing for manpower resources.

In addition to professional knowledge, the service provided by a nurse quite often includes helping the patient out of love, showing sympathy for the patient's plight and tending to the patient with care, so as to bring into play the lofty spirit of Florence NIGHTINGALE. A nurse can sometimes assimilate professional knowledge through actual practice and personal experience. Practice is therefore a very important process in the training of this profession. In practical terms, improving the conditions of service and various allowances for student nurses will make young people intent on seeking exalted professional knowledge choose the nursing profession as their life-long career, while the introduction of degree courses in nursing will provide outlets for further studies for people who have several years' experience and intend to receive specialized nurse training. With the advance of medical science, we can hardly do without providing courses for further studies.

Moreover, nurses who have completed their training outside Hong Kong should be allowed into — rather than discriminated against — the local nursing profession provided they have been tested and found suitable. It will be fair to say that the nursing profession is in a disadvantaged position when it comes to competing for manpower resources in present-day society where industry and business are thriving. My suggested measures might be ones that suit the practical situation, just as the saying goes: "Poverty gives rise to a desire for change, and change helps pull one through adversity." I hope the Administration will give careful consideration to this.

Mr President, I so submit.

SECRETARY FOR HEALTH AND WELFARE: Mr President, first, let me join Honourable Members in paying tribute to our dedicated nurses. We owe much to their consistent hard work and quiet contribution — though somewhat more vocal today — in maintaining a high standard of medical care for the patients in Hong Kong. As Dr HUANG pointed out, it is a widely recognized fact that in a patient's healing process, nurses play a key role in providing care, comfort and encouragement.

But Mr President, while nursing is a rewarding and highly regarded profession, it is also an increasingly demanding profession. As Honourable Members have suggested, a new direction is clearly needed to meet changing needs of both nurses and the community. With rapid advancements in medical technology and rising expectations from an ageing community, I reassure Mr James TO that we must ensure we have not just an adequate number of

nurses but the type and quality of nursing to cope with the needs of hospitals, clinics as well as welfare and rehabilitative services. We must at the same time ensure adequate training and sufficiently attractive terms and conditions to keep our nurses working happily.

Meanwhile, let me first respond to the doubts expressed by Members about the adequate supply of nurses in Hong Kong. In terms of statistics alone, Hong Kong compares favourably with other countries in the region. We have a ratio of 4.85 nurses per 1 000 population, compared to 3.18 in Singapore, 2.08 in Korea, and 1.9 in Taiwan. Of course, these figures alone cannot allay Members' concerns about nursing shortage in reality. But then, what are the actual numbers practising the profession these days? Whilst nursing shortage is apparent are we really short of the numbers of nurses that Members have repeatedly suggested? I have looked to the Nursing Board for an answer, but the nurses register there cannot offer one. It does not fully reflect the movement of nurses in and out of Hong Kong, or in and out of the profession. The system of registration is badly in need of change. Until this is done, there will always be a perceived shortage of nurses whatever the reality is. I hope that the newly appointed members of the Nursing Board will soon put forward proposals on how best to address this problem of updating the register. Only then can we accurately assess the number of nurses that we have versus the number that we need.

I would now respond to the suggestions made by some Members that nursing shortage alone has unduly delayed the commissioning of hospitals. This is quite misleading. Members have heard in this Council before that since hospital projects of the size of the Tuen Mun Hospital and the Shatin Infirmery cater to long-term demands, they are designed to proceed in phases. The phased commissioning enables the proper testing of equipment and better organization and co-ordination of services, including the availability of professional personnel. The Hospital Authority assures me that the commissioning of both these projects is now progressing on schedule. I have every confidence that the Hospital Authority will have sufficient qualified staff at all levels to meet the planned commissioning programmes and to render satisfactory service to the patients.

Let me further assure Members, in particular, Dr LEONG Che-hung that we do recognize the importance of boosting recruitment and retention of nurses. We have modified entry requirements, improved the salary scale and career prospects, increased the number of nursing degree places and introduced additional conversion programmes for serving staff. More recently, we introduced a residential allowance to Student and Pupil Nurses, intensified our recruitment efforts and accepted 335 mature Student Nurses for training. The Hospital Authority also engages 140 part-time nurses to provide an average service equivalent to 74 full-time nurses. In addition, it is improving the nursing career path, so that nurses can aspire to take up senior positions in nursing management, and in clinical and education streams.

As a result of all these concerted efforts, the strength of the nursing staff in Hospital Authority alone has shown a net increase of 470 since the management transfer in December 1991. The wastage rate has been arrested at 10%. This is no mean feat, but again we do not intend to rest on our laurels.

Mr President, developments in medical technology and practice present challenges to nursing and do require a rethink about nursing roles, education requirements and career paths. I do agree with Honourable Members on this. Therefore, apart from improvements in salary structure and career prospects, we have introduced measures to rationalize duties and to conserve professional expertise. 167 Ward Stewards now assist in non-professional duties in hospitals. In addition, suitable supporting staff assist and will gradually replace nurses working in Nurses Quarters and the Central Sterilized Supplies Units. We will continue with these efforts and introduce other more effective measures as necessary to relieve nurses of non-nursing duties.

Nursing education. This is a particularly important element in helping nurses meet new demands in their profession. With the Government's support, the Hong Kong Polytechnic launched the first nursing degree course in 1990-91 with an annual intake of 42. Since then, three other nursing degree courses have been introduced at the Hong Kong Polytechnic and the Chinese University, providing an additional 94 degree places. By the year 1994-95, the total intake will increase to 150. This represents a 250 increase in the number of degree places for nurses in five years. I do not think we are standing still.

In addition, both the Hospital Authority and the Department of Health sponsor nurses to attend in-service training courses and conversion degree programmes. Other training opportunities include overseas clinical speciality courses, in-service speciality training, a range of overseas and local management programmes, and special part-time courses. This is enough to make me persuade my daughter to join the nursing profession. We will also increase the training capacity for Student Nurses and Pupil Nurses to 5 376 this year. All these efforts will strengthen nursing research, education and management opportunities as well as raise the professional status of nurses.

Of course, I agree the above measures have so far only managed to contain the problem. I also agree with Dr HUANG and Mr TAM Yiu-chung that owing to competition new initiatives are required to attract our decreasing number of young people to join the nursing profession as a long-term career. It is time to review the whole nursing issue, to lay down a long-term policy and to map out the way forward including such issues, important as they are, of manning ratios. In this connection, I can confirm that the Health Panel of the Legislative Council was informed at its meeting on 8 February 1993 that an inter-departmental group involving all the relevant policy branches, professionals and academic institution representatives will be set up to formulate an overall strategy and a comprehensive plan of action for the nursing profession. But before we do this, I must stress, Mr President, that the Hospital Authority, our biggest employer of nurses in Hong Kong, has already formed a

Working Group on Nursing Services. It is looking at the overall provision and shortfall of nurses, and measures to alleviate the shortfall. It is also looking at nursing education and training opportunities, the career structure of nurses, redefinition of nursing duties and development of professional standards, procedures and guidelines. It will come up with proposals later this year. These will serve as a firm foundation for further action. And I propose, Mr President, that we must await the outcome of this Working Group before forming the new inter-departmental group. Otherwise, there may be duplication of effort and too much is at stake for us to get things wrong at this stage. Whilst I understand Mr Michael HO's concern for urgent action, let us give it a few more months and then let us get it right.

Mr President, I am most grateful to all Members for the constructive comments and suggestions made today, including Mr Martin BARROW's and Dr LAM Kui-chun's rather imaginative suggestions on more flexibility in finding solutions. We will certainly bear those in mind. What I can say now is that there are a number of valuable points that I will refer to the Hospital Authority for consideration and action, and that we are committed to improving the nursing situation. Coming back to the inter-departmental group, we intend to come up with the report by the end of the year and I hope Honourable Members will give us the much needed support when proposals for additional funding come before them. They will give our Florence Nightingales, and their male counterparts, the boost that they very much deserve.

Thank you, Mr President.

PRESIDENT: Mr Michael HO, do you wish to reply? You have seven minutes.

MR MICHAEL HO (in Cantonese): Mr President, first of all I would like to thank my colleagues for their enthusiasm in speaking on this motion and for their valuable opinions. I would also like to thank many health care organizations for their support.

I would like to start by responding to the reply of the Secretary for Health and Welfare. The Secretary has quoted a host of figures. She has also said that the staffing situation of nurses in Hong Kong compares favourably to many other places. I do not know whether the figures quoted include student nurses or relate solely to registered nurses. I would like to be provided with some more precise figures.

As regards the Nursing Board, I, as a new member of the Board, will definitely apply myself to it with diligence and vigour. I would also like to briefly respond to the point that it is not due to shortage of nurses that hospitals cannot provide sufficient beds. The relevant authority has informed Members of this Council that the Pamela Youde Hospital will be fully commissioned in 1994. It will be just a little over one year before 1994 and there will be a

shortage of 5 000 nurses. So are we going to have a magic wand that can "produce" all those nurses then needed?

In the reply given to us just now, the Secretary said that the authority concerned had done a lot which included increasing the accommodation allowance for student nurses and revamping the staffing structure of nurses. But I am sorry to say that these were in fact measures taken three years ago. However, two years ago, the authority concerned referred to these measures in its reply; last year in its paper submitted to this Council, the authority concerned mentioned them again, and in his letter to me this year, the Governor was still talking about these measures. Are there not any new measures? I agree that the Administration has done something. But if the outcome of it is not appropriate or satisfactory, the Administration should keep up the effort until a satisfactory result is achieved or until the problem is solved.

I would also like to respond to the point raised by Dr LAM Kui-chun. He said that the Administration had never admitted the shortage of nurses. In fact, if Dr LAM had been observant, he would have noticed that the Secretary for Health and Welfare answered a Legislative Council question on shortage of nurses in 1991, and that the problem was clearly set out in the paper submitted to the Health Services Panel by the authority concerned in 1992. Since the Hospital Authority has told Dr LAM that there is no shortage of nurses, I would like the Authority to clarify this point. It is very deplorable that the Hospital Authority does not even know the reason why there are so many resignations by nurses. To solve the problem of shortage of nurses, the nursing profession should of course bear responsibility, but the Administration should definitely share this responsibility. It is not true that the nursing profession has not made any proposals in the past, only that the Administration has turned a deaf ear to them.

I would like to thank Dr LEONG Che-hung for the copious advice he has given. He has mentioned the staffing situation and the role of nurses, and the compilation of a duties list. As a matter of fact, the nursing profession has all along been striving to give their professional autonomy an effective play. I would also like to take this opportunity to let Members know that it is not that the nurses have not tried, but only that their effort has not been successful. So I and the nursing sector are appealing to the public today. We want Members to understand what enormous powers the executive possesses under this executive government. Let me take the education policy as an example. As early as 10 years ago, the Association of Government Nursing Staff told the Administration clearly that they would like the Administration to modify the nursing course such that it would develop into a tertiary course of education. The views of the nurses were unequivocally expressed. However, the policy branch concerned would usually consult the user department, which was the Medical and Health Department. If the department said they thought it unnecessary and were unwilling to change, it would mean the end of the relevant proposals. Being a doctor, Dr LEONG may not be fully aware of this situation. Why is it that doctors can influence the decisions of the executive but

nurses cannot? I can only answer by saying that whether it is now or in the past, whether it is in the former Medical and Health Department, or the Hospital Authority of today, the influence of the medical profession has always been much greater than that of nurses. It may be due to the achievements of the forebears of the medical profession that the influence of the profession has become entrenched.

Now let us look at the role of nurses. They have indeed considered the matter of role setting. But their employer has always told them, by way of administrative means, which is in accord with the relationship between employers and employees, that this is what they as employees should do according to their duties list. Let me illustrate by an example. When the then Medical and Health Department decided that hospital administrators did not have to return to hospitals after office hours for handling the belongings of patients, the nurses made repeated protests, but the final decision of the authority was: As everyone was off duty in the evening except the nurses, they should be responsible for handling the belongings of patients during that time. In addition, the nurses had requested that the ward attendants should undertake clerical duties and work outside the nine to five office hours. But if ward attendants were required to work in an added morning shift or afternoon shift or even during public holidays, the authority concerned had to employ more people or pay extra allowances. This was exactly the reason why the nurses wanted the Administration to set up an interdepartmental working group. What they wanted was the authority's decision to allocate more fund for this purpose.

Furthermore, I would like to respond to the issue of imported nurses raised by Mr Martin BARROW and Dr LAM Kui-chun. The nursing sector think that there are human resources available in Hong Kong; so the correct way is not to import nurses, but to make nursing a profession in order to attract more people to join this sector and to retain existing nurses.

I would also like to respond to Dr TANG Siu-tong's proposal of lowering the entrance requirements for nurses. This is utterly unworkable, because it will prevent our nurses from progressing in step with the advancement of medical science. The nurses should only move forward and not backward!

Finally, I would let the nursing sector know that this motion is only a beginning. There is still a very long way to go.

*The buzzer sounded a continuous beep.*

PRESIDENT: You have to stop, Mr Michael HO.

MR MICHAEL HO (in Cantonese): Thank you, Mr President.

*Question on the motion put and agreed to.*

## **INTERPRETATION AND GENERAL CLAUSES ORDINANCE**

REV FUNG CHI-WOOD moved the following motion:

"That the Road Tunnels (Government) (Amendment) Regulation 1993, published as Legal Notice No. 2 of 1993 and laid on the table of the Legislative Council on 12 January 1993, be amended -

(a) by repealing section 2(a) and substituting -

"(a) under the respective subheadings of "Aberdeen Tunnel" and "Shing Mun Tunnels" by repealing "\$6" and substituting "\$5"; and"; and

(b) in section 2(b) by repealing "\$3" and "\$4" and substituting "\$4" and "\$3" respectively."

REV FUNG CHI-WOOD (in Cantonese): Mr President, I move the motion standing in my name on the Order Paper.

The Road Tunnels (Government) (Amendment) Regulation 1993 raised the tolls of the Aberdeen, Shing Mun and Tseung Kwan O tunnels by \$1. The new tolls were \$6, \$6 and \$4 respectively on and from 10 January 1993 onwards. In this regard, Members of the Legislative Council set up a sub-committee to look into the matter, and I am the chairman of the sub-committee.

Members of the sub-committee scrutinized the explanations given by the Government on the issue and realized that the Government expected the tunnel tolls to generate a reasonable rate of return on the average net fixed assets. The target rate of return was set at 15%. The four tunnels run by the Government recorded an actual rate of return of 5.2% for the two financial years 1991-92 and 1992-93. The Government considers this rate of return unsatisfactory. With the increase of \$1 in tunnel toll, it is expected that the rate of return for 1993-94 would reach 10.1%. Assuming that the tolls remain unrevised in the ensuing years, then it still has to take some years after 1997 before the pre-set 15% target return can be achieved.

In fact, government tunnels are in essence public utilities which should serve the purpose of promoting traffic flow, given that their construction was financed by taxpayers. They should not be operated on a commercial basis so as to generate a sizable return. Otherwise, taxpayers have to pay for the construction costs on the one hand and shoulder the 15% return rate on the other. It is unfair that they have to make such a double payment. Once a

precedent is set, there is every likelihood that all social service investment projects in the future may set their target rate of return at 15%. This being the case, it will impose a heavy financial burden on the people. Therefore, members of the sub-committee are against setting the target rate of return at 15%. I hold that the size of the tunnel tolls collected should not be larger than what is necessary to cover the construction costs and the operating expenses. The Government should not regard it as another opportunity to make profits. When the officials like the businessmen are striving for profits, the miserable general public will be placed at their mercy. In view of this, the Government should abandon its policy of setting the return rate at 15% for public utilities. As a matter of fact, even if the tolls were not recently raised by \$1, it is estimated that the rate of return in the next year will increase from 5.2% in 1992-93 to 8.1% in 1993-94. Besides, the existing capacity of the three tunnels has not yet reached saturation and the fare increase may drive away motorists, especially in the case of the Aberdeen and Tseung Kwan O tunnels. Tunnels are constructed primarily to adjust traffic flow, to reduce travelling distance and to save energy and time. Unfortunately, an increase in tolls may result in some motorists using other roads instead of the tunnels. Mr President, that is to say, taxpayers cannot enjoy public utility services. It is totally ridiculous and unjustified.

Now I would like to state my own opinions and those of the United Democrats. Members' opposition to the increase in tunnel tolls by the Government should have made the Administration realize that the existing toll policy is not as perfect and sound as it has assumed. On the contrary, a comprehensive review should be carried out and the justification of its toll policy be made public.

It is obviously an unreasonable policy for the Government to follow some private organizations' example and seek a 15% return on the fixed assets as the return rate for government-run tunnels. In reality, the high profit margin of the utilities run by private companies has long been criticized by the public. And it is the Government which approves such a high permitted rate. Now the Government is going to adopt the profit margin of the private sector utilities to try to justify the profit margin of the government-run tunnels. It seems that the officials and businessmen are acting in collusion to raise the profit margin (in fact, the Government announced in 1991 that the profit margin for the KCRC would be set at 12%-15% of the fixed assets, a rate obviously based on the profit margin of the private sector).

I am against the Government's move to set the return rate of public utilities at such a level as high as 15% for three reasons. First of all, it would lead to an unnecessary increase in charges. Take for an example the tunnel toll increase this time. It is not due to an increase in costs but merely to widen the profits margin. Secondly, a high rate of return would necessitate the service charges to be set at an unreasonably high level. Thirdly, the obvious attempt by the Government and commercial operators of utilities to justify their high profit margins on the basis of each other's profit margins would give the commercial

operators the excuse to go on claiming that their current profit margins are reasonable. And this is unfair to the public and the users.

I support that the Government should carry out a comprehensive review on the return rate of the tunnels and its tolls policy. The scope of the review should be extended to cover all public utilities (including the Post Office, the Water Supplies Department and the Airport), government charges (such as school fees) and the public corporations (such as the three railway corporations). Meanwhile, relevant ad hoc groups of the Legislative Council should discuss the matters and join forces with the Government to carry out the review so as to render more reasonable the Government's policy on public utilities and the setting of service charges.

Mr President, the sub-committee set up to scrutinize the Regulation holds that it is unjustified to raise the tolls of the three tunnels at this stage. The sub-committee committee members are unanimously opposed to the increase and propose to reverse the tolls of the Aberdeen, Shing Mun and Tseung Kwan O tunnels to the level before the \$1 increase imposed on 10 January.

Mr President, if this Council succeeds in overruling the Government's toll increase proposal this time, it will carry a more significant meaning whereby the Government would be reminded not to abuse its administrative power and impose unreasonable increases in charges. The Legislative Council is a watchdog body to monitor government departments and safeguard the interests of the general public. This is why we are trying to block an unreasonable increase in tunnel tolls.

Mr President, with these remarks, I beg to move.

*Question on the motion proposed.*

PRESIDENT: There has been no Standing Order 27A recommendation in this case. But I am sure Members would wish to observe their own internal rule as to Members limiting themselves to seven minutes.

MR MARTIN BARROW: Mr President, I rise to express my disagreement with the proposed reversal of the increase in tunnel tolls. I believe that Members of this Council must very carefully consider the implications of the proposal. I do, of course, fully support our legitimate role in monitoring charges of this sort but I fear that this action is likely to open up a Pandora's Box of debate on all sorts of government charges.

There is no need to reiterate the need for the Government to take the lead in avoiding a rapid rise in charges at a time when reducing inflation is a priority. But these increases cannot by any stretch of the imagination be seen as contributors to inflation. Furthermore, there has been no major public protest

nor indeed any great general interest shown in the issue. The last increases for one of the tunnels was three years ago and for the other two it was about two years ago. The returns remain moderate and I see no logic in holding down the charges, the proceeds of which will benefit other areas which require government expenditure.

I urge Members to reconsider their opposition to the increase. But I do agree that the Government should review the whole question of appropriate returns and brief us on the outcome of that review.

Mr President, I oppose the motion.

MRS MIRIAM LAU (in Cantonese): Mr President, no one likes price rises. But if the rise is justified and reasonable, I believe the public will accept it. The principal problem with the toll increase of the three tunnels lies not in the increase of \$1, but in the Government's pricing policy for public utilities behind this \$1 increase.

The Government admitted frankly that, in operating government tunnels, it has drawn reference from the criterion used by the private sector in setting the rate of return of 15% on the average net fixed assets and has adopted prudent commercial principles. The Government stated that this policy has been in use for a number of years, but I only learnt about it in the present toll rise question. However long this policy has been in use, no matter whether or not Members are aware of the existence of this policy and no matter whether it will be accepted as sound by Members eventually, the core of the issue is that this policy has never been discussed or analysed by this Council. In this respect, the Legislative Council Panel on Transport, together with the Panels on Economic Services and Public Utilities and other relevant panels, will follow up this question and study the policy concerned.

In the light of initial explanation given by the Government, I think that the adoption by the Government of the private sector rate of return and *modus operandi* as a criterion for operating tunnels is open to question. The tunnels are built to improve traffic, so that the public can reach their destinations more quickly, thus relieving congestion on the roads. It is the Government's responsibility to provide the public with this kind of facility, especially when this is in keeping with the government programme of developing new towns. Of course, the operation, maintenance and improvement of these tunnels incur costs. While there is nothing improper about the Government recovering these costs, I think we need to have strong reasons to support the deriving of a profit from the public on top of recovering costs. An outright adoption of the private sector practice is hardly convincing. It is because, in the final analysis, the Government is to serve the public while a private sector company has to make profits for its shareholders. Besides, private sector companies need sufficient profits to implement development programmes, repay debts and yield returns on investment made by shareholders. But the Government faces no pressure in

this regard. Therefore, the criterion used by private sector companies may not be suitable for the Government. For the tunnels are built with the taxpayers' money; it is only natural that "what has been taken from the people should be used for the benefit of the people". But it would need a base which can be justified in terms of circumstances, reason and the interest of the public if the Government should "solicit something extra from the people". At the current stage, I fail to see that the present toll increase is built on such a base. I therefore cannot support the increase.

With these remarks, Mr President, Members from the Co-operative Resources Centre and I support Rev FUNG Chi-wood's motion.

MR JIMMY MCGREGOR: Mr President, if the intention of the Honourable FUNG Chi-wood is to question the policy of the Government in allowing a target return of 15% of average net fixed assets in regard to income from government tunnels, or indeed in the wider sense of other government utilities and services, then I think he is going the wrong way about it. If that is his motive then the policy itself should be challenged through the appropriate Legislative Council panel, then in the House Committee and finally through specific debate in this Council. Debate would then concentrate on the level of return which should be permitted in such enterprises and allow detailed examination of the level of actual return, which has been and is being recorded year by year.

The Government, supported by the Executive Council and the Legislative Council, has through specific action over many years agreed that a 15% return on average net fixed assets should be the upper level of return permitted. These facilities, of course, are owned by the Government and therefore by the people of Hong Kong. I therefore find it difficult to understand why tunnel tolls have been singled out for criticism and why there should be a motion to set aside very moderate increases, which have already been put into effect, and which are in fact inside the policy already agreed by both the Executive and Legislative Councils. These increases follow the policy established many years ago that they should be as gradual as possible and not be conducive to inflationary pressure.

The tunnel tolls are low by any criterion one wishes to apply. They compare very well indeed with those for similar tunnels in other countries. Try these in Europe and in North America. They have negligible inflationary effect with an assessed impact of not more than 0.04% of Consumer Price Index A. It cannot be suggested that such an increase is inflationary. Increases in the price of many other products and services would have a greater inflationary effect.

I do not, therefore, believe that this motion has merit. Tunnel tolls are low; the increases keep them low; there has been no outcry from the transport industry, from car owners or from the public. The increase in the return to the Government from the toll increases lifts the average from 5% last year to 10% this year and projects to only 15% by 1996-97. The overall return to taxpayers

over the next four years is therefore a long way below the permitted level of 15%. I can see nothing wrong with a 15% return on average net fixed assets in regard to government tunnels and other government facilities and services. Almost invariably the tolls and charges do not achieve this target figure, sometimes staying well below 10% for years on end.

Why should facilities owned by the public as taxpayers not aim at a return comparable to private sector operations? The return by way of income from the operation of the utilities feeds back into the general revenue where it is used *inter alia* for social improvements.

As far as the tunnels are concerned, I do not see why motorists should be subsidized by taxpayers and why motorists should not help to pay for the general well-being of Hong Kong people. The present tolls, in my view, should remain in place and the tolls generally should be increased in line with inflation every two years to avoid unnecessary alarm.

Mr President, I am surprised that this motion has been brought to the Council and I cannot support it.

MR LEE WING-TAT: A point of elucidation, Mr President.

PRESIDENT: Yes, Mr LEE.

MR LEE WING-TAT (in Cantonese): Mr McGREGOR said that the policy of allowing a return of 15% on the average net fixed assets in regard to government facilities (tunnels) had been discussed and agreed by the executive and Legislative Councils. As I am a new Member, I did not take part in the discussion. May I ask Mr McGREGOR which year the discussion took place. It seems that some veteran Members have no knowledge of this, for they are shaking their heads. Could Mr McGREGOR inform us of the year the policy was discussed and agreed by this Council? Thank you, Mr President.

PRESIDENT: Mr McGREGOR, it is up to you whether you elucidate.

MR JIMMY McGREGOR: Yes, I would like to reply, Mr President. I think it is a general understanding of the Executive Council and the Legislative Council over the period of the last 25 years, as far as I can recall, that this 15% has been mentioned a great many times both in terms of the Budget and in terms of questions being asked in this Council. And I think there is a strong sentiment that the Government should confirm this later on, and perhaps right now, that this is in fact the policy and has been the policy for a great many years.

MR ERIC LI: Mr President, I would like to speak against the amendment proposed by the Honourable FUNG Chi-Wood.

Two of my good honourable colleagues, the Honourable Vincent CHENG and the Honourable Simon IP, have bravely given me permission to state for the record that they support the general sentiments of my speech.

I would have no disagreement with the Honourable FUNG Chi-wood and the Honourable Miriam LAU if the issue before us was purely one of transport matter. However, there are other important fiscal considerations that we must not miss before joining the bandwagon to call for a no toll increase.

Firstly, the tunnel tolls under examination are not imposed to serve as a control measure for a transport purpose. It is sought primarily to fulfill a financial objective for the Government, a financial objective, which, though being given a rather confusing account of right now, seems to have been established by this very Council some years ago. The Administration is therefore correct, I think, after all these years of forbearance, to bring the matter before us. They owe us a duty to apply this established policy consistently. Members of this Council in turn owe a duty to the public in keeping these policies under review. We must do so by full and open debates taking into account all the underlying principles and implications. But once a decision or policy has been reached, it should bind the Administration as well as this Council until the policy is reversed by the same process.

In the present case, we are seeking to ignore a policy decision which has been well established before a proper debate. Even though this may be an isolated case I fear that we may have put ourself on record to have wrongly put the cart in front of the horse.

Secondly, I fear that we have again missed the point by arranging a full discussion only after today's vote in the Transport Panel. In my view, the responsibility for this debate rests more squarely with the Finance, Monetary Affairs and Taxation Panel. The point is that a regular review of the Government's fees and charges is essential if we are to maintain the real value of an important source of government fiscal revenue. This source of fiscal revenue is extremely stable, levied at low rates and is very simple to administer. It is mainly borne by those who can obviously afford it. In short, it is one of the best sources of fiscal revenue available which helps to pay for other expensive and loss-making public services.

The Administration has indicated to the press that the fees and charges affected by the target return on average net fixed assets, ANFA policy in short, amounted to some 13% of the entire revenue base of the Government. It is obviously an important part of our overall fiscal plan and strategy and any fundamental change must not be taken lightly and without the participation of the relevant panels of the Council.

I will not hesitate to accept the good civic intentions behind the proposed amendments. In the light of high inflation, a generous target return rate of 15% and the bulging fiscal surpluses, it is tempting to accept the reasons so convincingly presented by the subcommittee. There is little question that the ANFA policy ought to be re-examined. But before we eagerly flex our new found political muscles to vote in favour of no toll increase, I implore Members to exercise caution and self discipline. To indulge in an impulsive move to take up this small, risky proposition before a critical analysis would ultimately mean saying no to responsible management and public finance. Saying no to maintaining the real value of one of Hong Kong's best and most significant source of public revenue. Saying no to what might still be a well proven and successful fiscal policy.

MR WONG WAI-YIN (in Cantonese): Mr President, there are now five road tunnels contracted out for management by three private contractors. We have always thought that contracting out the management of these government tunnels to private contractors could reduce the costs while improving the efficiency. Unfortunately, what we are seeing now, however, is that the Government is seeking to raise the tunnel toll to increase revenue, rather than thinking of ways to reduce the operating costs. If this is the case, I do not see any merit in contracting out the management of these government road tunnels.

Based on traffic management considerations in the light of serious congestion at the Lion Rock Tunnel, the Government raised the tunnel toll from \$3 to \$6 in April 1990. As a result of underutilization by vehicles, the rate of return from these three tunnels has failed to reach the target expected by the Government. Another increase in tunnel toll is therefore being proposed by the Government. It gives the public an impression that toll is to be raised no matter whether the tunnels are underutilized or overutilized. How could the public cope with this?

The rate of return, especially for public utilities, should be viewed in a long-term perspective. We would not wish to see return on investment being viewed in a myopic perspective. Besides, the rate of return from these tunnels will be increased from the current 5.2% to 8.1% next year even without the proposed increase of toll. According to the Transport Department's forecast, the utilization rate of these tunnels will experience a marked growth. It is believed that the future rate of return will have a satisfactory level of growth.

Here, I should like to remind the Government that it might lose much more than it set out to gain if it were to use a raise in tunnel toll to reach its target rate of return. It is because an increase in toll will make some long-time users of the tunnels switch to the toll-free roads, thus giving rise to two undesirable consequences: (1) intensifying the congestion of the toll-free roads, and (2) if the toll increase should lead to a drop in the number of vehicles using the tunnels, hence reducing the income of the private contractors concerned, they might claim damages from the Government by way of legal action.

The Government may have thought that the increase in question is only \$1. But the rate of increase is some 20% to 33%. When a motorist considers using the tunnels or the toll-free roads, he is not considering \$1, but the difference between \$4 or \$6 and not having to pay at all. The Government is therefore wrong in thinking that an increase of only \$1 will not lead to users switching to the toll-free roads. A switch of this sort will only lead to increased congestion at the toll-free roads, while reducing the revenue from the tunnels.

Finally, I would like to stress that the building of tunnels is meant to divert and relieve congested traffic. The tunnels were built not for profit-making, nor as a tool for making money.

With these remarks, Mr President, the four Members from Meeting Point support the motion.

MR FREDERICK FUNG (in Cantonese): Mr President, I speak to express my opposition to the toll increases and my support for Rev FUNG Chi-wood's motion. As we know, the toll for both the Aberdeen Tunnel and the Shing Mun Tunnel has risen from \$5 to \$6, which constitutes an increase of 20% while the toll for the Tseung Kwan O Tunnel has gone up from \$3 to \$4, representing an increase of 33%. My remarks will cover two points as follows: (1) the motive of the increases (2) the level of the increases.

I remember some government officials, after the increases had been put into practice, spelt out the criteria of such increases. Now I quote what they said, "Apart from water supply, the return rate of government investments on public utilities is set at 15% of the average net fixed assets to bring it in line with that of other large-scale private sector utilities." Mr Andrew WELLS, Principal Assistant Secretary (Treasury), elaborated the point by quoting the China Light & Power Company (CLP) and the Kowloon Motor Bus Company (KMB) as examples when he attended a meeting held by the Ad Hoc Group of this Council set up to study the bill. Yet, I still have a fresh memory of our heated debates taken place after we joined the Legislative Council last year on the level of increase with regard to the profit margin of the franchised public utilities. As the franchise of KMB will expire in 1997, I believe it will arouse relatively heated debate at that time. In the year before last, the renewal of CLP's franchise stirred up a bitter controversy in this Council and met with opposition by a considerable number of Members. In fact, the Government scrapped the scheme of control for KMB the year before last. It is, therefore, really controversial to set the return rate at the level of 15%. Also this particular policy is not formulated according to the global trend. As a result, if we endorse the increase today, it will indicate two things:

- (1) It goes against the policy now in force;

- (2) This policy, if endorsed, will invite the private sector utilities, which are going to set their charges, to copy the Government's example or model themselves on the Government's practices. And it will be all the more difficult to revise this policy in future. I also believe that these private sector utilities will, because of the Government's example, find it imperative to follow suit. For this reason, it is extremely risky to support the Government in raising the tolls since this would set a precedent.

I oppose the level of these increases. As we all know, the runaway inflation has again reached a two digit figure this month. Does the Government still consider the two digit figure too low and try to take the lead to drive it up by 20% to 33%? Secondly, why is it necessary to set the return rate at 15% instead of 10%, 5% or zero? Why cost recovery is not used as one of the basis criteria? As Rev FUNG said just now, the return rate for 1992-93 was 5.1% and the return rate for 1993-94 will reach 8.1% at current growth rate even if there is no toll increase. If the Government's target return rate of 15% is adopted, the current tolls are practically being doubled. Such a level of increase is intolerable and also enables the Hong Kong Government to make exorbitant profits while setting a very bad example.

In this connection, I am opposed to the implications of these toll increases as well as the scale of the increases. I hope the relevant panel of this Council will give this policy more thought and step up the monitoring of the Government in this aspect.

Mr President, I support the motion.

MRS SELINA CHOW: Mr President, I was not going to speak, but having heard some of my colleagues I feel that I have to. I was amazed to hear Mr BARROW suggest that by voting no to the Government's requests we would be opening the Pandora's Box. I would imagine it is very much the duty of legislators here to examine each and every request that comes forward. So opening the Pandora's Box does not come into it at all; what comes into it is the merits and demerits of such requests as and when they come forward.

Mr MCGREGOR referred to the policy, and later on the understanding, reached in the Executive Council and the Legislative Council. I certainly do not recall such understanding reached in this Council. But even if they have been reached in the past I think policies are made and should be reviewed from time to time. And if we have a policy which has lasted for 25 years I would imagine that it should be reviewed quite regularly to see whether it is in keeping with the times and that, quite obviously, the present one does not seem to be, as legislators see it, in keeping with the times. Sometimes, if the bureaucracy reacts too slowly, it falls within the Council's responsibility to react appropriately.

As some of my other colleagues have said, government services are different from commercial services. Government services should not be operating on purely commercial principles. I myself personally, and I am sure many of my colleagues also, have questioned from time to time why government services should operate on commercial principles alone. It should not. Why should it be a matter of course that fees and charges and prices for government services should be raised regularly just because they are operating as the private sector is operating when there is really no need for such increases to be implemented? Should we not question whether there is a need instead of keep saying that there is a policy? Surely that is the bureaucratic way of going about it. Should we not be asking whether such increases would not fuel inflation or would not add more to the already embarrassing surpluses? Do we need to charge more from the public in that way?

I agree with Mr Eric LI that there should be a debate on the wider issue, the fiscal policy and so on in this Council. And I think it is timely that some of us should consider moving a motion very soon on this. At the end of the day I think it is not up to this Council to ensure that the Government does not overspend; but it is up to this Council to ensure that the Government does not overcharge.

PRESIDENT: Yes, Mr FUNG.

MR FREDERICK FUNG (in Cantonese): Mr President, I misquoted an example in my speech just now. I would like to make a clarification.

PRESIDENT: What is your point, Mr FUNG?

MR FREDERICK FUNG: Point of clarification, Mr President.

PRESIDENT: You want to clarify yourself. (*Laughter*) I am sorry, but you have got to bring yourself within Standing Orders. Have you been misunderstood and you wish to clarify a misunderstanding that has occurred?

MR FREDERICK FUNG (in Cantonese): I misquoted a word in the example I gave a while ago. Could I rectify it?

PRESIDENT: That would not be within Standing Orders, Mr FUNG. I cannot allow you two speeches.

SECRETARY FOR THE TREASURY: Mr President, the effect of the Reverend FUNG's motion would be to reverse increases, approved by the Executive Council and implemented on 10 January, to tolls payable at certain government tunnels. I should like first to explain why I consider that the increases were fair and reasonable and, secondly, to deal with the issues raised by Honourable Members in relation to the Government's policy on government utility charges in general and tunnel tolls in particular.

The Government has for some 20 years, yes 20 years, had in place a system through which the management and accounts of all its utility-type undertakings are kept under regular review. Under this system, the level of government utility charges is reviewed annually by the relevant departmental operating accounts committees. When the accounts committees find a case for adjusting upwards these utility charges, they put a case to the Executive Council. As Mr MCGREGOR has quite rightly pointed out, reference has been made to the target return of 15% on average net fixed assets, not only to the Executive Council, but on many occasions to this Council. And reference was made either in the context of debates over the Budget because there have been occasions when these utility charges form feature in our annual budgets, or in the form of subsidiary legislation submitted to this Council, and accepted by this Council in silence. In the case of government tunnel tolls these were reviewed annually by the Government Toll Tunnels Accounts Committee. This committee includes representatives from the Transport Department, the Transport Branch as well as the Finance Branch. If the committee considers that amendments to tunnel tolls are justified, as I mentioned earlier, recommendations are then put to the Executive Council. In the present case, the Executive Council decided to increase the tolls paid at the Aberdeen, Shing Mun and Tseung Kwan O tunnels by \$1. No increase was recommended for the Lion Rock tunnel.

A significant factor in deciding to go forward with this modest increase was the need to improve the rate of return being achieved by the Government on its toll tunnel utility. The target rate of return for toll tunnels is 15% of average net fixed assets. The rate of return actually achieved in 1991-92 was only 5.2%. The increase would have had the effect of improving this dismal performance to 10.1% in 1993-94. Thereafter, the rate of return would gradually rise to about 13.3% in 1996-97, and this is still appreciably lower than the target rate of 15%.

The accounts committee also took into account the need to maintain the real value of the tolls. The tolls for the Aberdeen and Shing Mun tunnels have not been adjusted since 1 April 1991, nearly two years ago. There has been no change to the Tseung Kwan O toll since the tunnel's commissioning in 1990. While it is true that the increase in percentage terms in the case of the Tseung Kwan O tunnel was somewhat higher than that of CPI(A) over the same period, there would have been practical collection difficulties in raising the toll for that tunnel from \$3 to, say, \$3.71.

Before recommending the increase, the accounts committee also considered carefully its potential effect on traffic management. It was our assessment that the effect on tunnel usage would be negligible, and this assessment has since been confirmed by my colleague, the Secretary for Transport.

A further factor we took into account was the impact of the \$1 increase on the motorist and on inflation in general. It was our view that an increase of \$1 would make no significant difference to motorists and that there would be minimal adverse public reaction to the increase. This assessment has also proved accurate. There has been very little, if any, adverse comment outside this Chamber, and indeed on several occasions today when I have been entering this Chamber I have seen banners about the shortage of nurses and about taxi policy; but I have not seen angry motorists gathering outside this building today. Let me then say that that is because the total effect of the increase on the CPI(A) is estimated to be no more than 0.04%.

Finally, the accounts committee also took fiscal considerations into consideration. Should the increase now under discussion be reversed, the cost to General Revenue would be approximately \$45 million in 1993-94 and about \$250 million over the period up to 1996-97. This is money that would then have to be made up from other sources.

I hope I have made it clear that careful consideration was given to all relevant factors before the increase was implemented. The key factors were: established government policy on the rate of return, the need to maintain the real value of government fees, the impact of the adjustment on traffic flow and management, its effect on inflation, likely public reaction and its contribution to General Revenue. I can assure Honourable Members that no recommendation to increase government utility charges, by however modest an amount, is ever taken lightly.

All this said, I detect from this debate that Honourable Members' concerns are focussed not so much on the appropriateness of what the Government has done under established policy, but on the policy itself and whether it should be reviewed.

There is, first, the philosophical argument advanced by the Reverend FUNG that because the Government has funded these tunnels through taxation, it should not seek any return on their use — above what it can legitimately recover in terms of operating and maintenance costs. The fallacy of this argument is that it fails to recognize the distinction between those services and facilities which are provided to the general public and which have to be heavily subsidized as a matter of public policy, on the one hand, and those business or utility-type services which are provided to certain users and which do not need to be subsidized, on the other. Road tunnels fall into the latter category. In the case of toll tunnels, the general taxpayer is the equivalent of the shareholder and he has the right to expect a fair rate of return on his capital investment. Not to

achieve that return would mean the general taxpayer having to subsidize the motorist, in circumstances where the Government has no intention of subsidizing the motorist in the first place. Providing the motorist with a subsidy would have the effect of reducing the amount of resources available for those services and facilities which by their nature will always need to be heavily subsidized, for example the social services.

Not only this. As we have explained to Honourable Members in the context of introducing legislation on trading funds, the effect of maintaining a moderate profit guideline for government utilities is to encourage civil servants, who are not always renowned for their business sense, to make sure that they do not allow operating costs to exceed what an operation could be expected to raise after allowing for a modest profit. That the public revenues can make a modest profit, thanks to a utility being well run, is not, in my option, morally wrong.

There is, secondly, the argument that even though some form of cost or investment recovery might be appropriate, the Government should not be seeking a return on fixed assets comparable to that achieved by private sector utilities.

I accept that a government utility is not in precisely the same situation as a privately-owned one. It is essential that factors other than the rate of return are taken into account when adjusting tolls or fees. As I have explained in the case of toll tunnels, this is in fact what happens, and this is why, in practice, we rarely achieve our target levels of return. This is also why we review the accounts of toll tunnels and other government utilities annually, to ensure that all relevant policy considerations as well as economic factors and public acceptability are taken into account.

Thirdly, the question has been asked why this particular increase could not be forgone, given our present high level of reserves. The danger that comes from taking this attitude with our recurrent revenues at a time of economic strength is that our revenue sources will become destabilized. Can any Honourable Member guarantee that we shall always be so well-off? If there was a downturn in the economy, would Honourable Members be prepared to approve the very substantial increases needed to restore such fees and charges to their original levels in real terms? Or would Honourable Members seek to put all the burden of supporting our social spending during an economic downturn on the business sector in the form of, say, increased profits tax? Would doing that be a sensible strategy in the face of economic difficulties?

Let me put this very clearly: government utilities contribute about 7% of total recurrent revenue. If this motion is passed, Honourable Members will have started to erode this very important area of revenue. If this Council lacks the courage from time to time to allow the Government to introduce unpopular increases to fees and charges (let alone the present case, which has aroused little public feeling at all outside this Chamber), Hong Kong's revenue from these sources can be severely weakened.

Finally, one important point that has not so far been made in this debate is the fact that we are seeking to encourage private sector investment in major transport infrastructure. The Western Harbour Crossing is a case in point and there are, I am sure, other major examples. It is important not to cast any doubt on our willingness to see reasonable rates of return on such projects. A too austere view of the profitability of government utilities can only seriously discourage much needed private sector participation in public transport utilities.

In conclusion, our policy of achieving a reasonable rate of return for government utilities is, in my view, both philosophically sound and fiscally necessary. But I accept Honourable Members' view that a careful study to determine whether some adjustments should be made to the specific target rates, both for toll tunnels and for other government utilities, may now be called for. I am prepared to undertake such a study, and to share its findings with Honourable Members. But I submit that to block the individual, modest increase being considered today is neither a rational nor desirable way to begin such a review.

Mr President, in all the circumstances I would urge Honourable Members to allow the approved toll increases to continue in force, by rejecting the motion.

REV FUNG CHI-WOOD (in Cantonese): Mr President, just now the Secretary for the Treasury has mentioned that such an increase is a modest one. As a matter of fact, an unreasonable increase is unreasonable no matter what. Even if the tolls are not increased now, the return rate is already 8.1%. And it will amount to 10.1% after the toll increase. Why does the Government have to raise the return rate further by 2%? Is the Government so much in need of this sum of money? If the Government really needs the money badly, it should, and indeed can, generate it from other revenue sources.

Moreover, the Secretary for the Treasury has made a point that road tunnels, which only serves the motorists, belong to the second category of government services. As a matter of fact, the Secretary for the Treasury has neglected the interests of some other people, that is, those living in the New Territories. Take the Tai Po residents as an example. No matter what kind of vehicles they take such as buses or taxis, they invariably have to make use of the government tunnels except when they travel on the KCR. And the Government seems to have come to the view that we can arbitrarily increase charges for facilities that only serve a certain group of people. If the Government, in the context of raising tunnels tolls, is targeting on the motorists only and thinks that they ought to pay more, then the Government can certainly obtain the money through other means, for instance, an adjustment of vehicles' licence fees.

Members of the subcommittee object to the proposed increase not because of the toll increase nor whether it is a reasonable or modest increase, but rather because of the underlying principle. Why do the government tunnels have to be

operated on commercial basis and to yield a fixed return rate of 15%? As government utilities, they should make it their business to serve the public, not making profits.

For these reasons, I hope that Members would support the motion and reject the proposed increases.

*Question on the motion put.*

*Voice vote taken.*

THE PRESIDENT said he thought the "Noes" had it.

MRS MIRIAM LAU: Mr President, I claim a division.

PRESIDENT: Council will proceed to a division and the division bell will ring for three minutes.

PRESIDENT: Would Members now please proceed to vote?

PRESIDENT: Are there any queries? If not, the results will be displayed.

Mr Allen LEE, Mrs Selina CHOW, Mr SZETO Wah, Mrs Peggy LAM, Mrs Miriam LAU, Dr LEONG Che-hung, Mr Albert CHAN, Mr CHEUNG Man-kwong, Rev FUNG Chi-wood, Mr Frederick FUNG, Mr Michael HO, Dr HUANG Chen-ya, Miss Emily LAU, Mr LEE Wing-tat, Mr Gilbert LEUNG, Mr TIK Chi-yuen, Dr YEUNG Sum, Mr WONG Wai-yin and Dr TANG Siu-tong voted for the motion.

The Chief Secretary, the Attorney General, the Financial Secretary, Mr TAM Yiu-chung, Mr Martin BARROW, Mr Jimmy McGREGOR, Mrs Elsie TU, Mr Vincent CHENG, Mr Simon IP, Mr Eric LI and Mr Roger LUK voted against the motion.

THE PRESIDENT announced that there were 19 votes in favour of the motion and 11 votes against it. He therefore declared that the motion was carried.

**Adjournment and next sitting**

PRESIDENT: In accordance with Standing Orders I now adjourn the Council until 2.30 pm on Wednesday 3 March 1993.

*Adjourned accordingly at twenty minutes past Nine o'clock.*

*Note:* The short titles of the Bills/motions listed in the Hansard, with the exception of the Merchant Shipping (Limitation of Shipowners Liability) Bill and Protection of Wages on Insolvency (Amendment) Bill 1993, have been translated into Chinese for information and guidance only; they do not have authoritative effect in Chinese.

**WRITTEN ANSWERS****Annex I****Written answer by the Secretary for Transport to Mr WONG Wai-yin's supplementary question to Question 1**

According to police records for 1992, the average time taken to remove an abandoned vehicle after receipt of a complaint was about 25 days. The actual period varied from nine days to 60 days, depending on resource availability and other operational commitments and priorities. But every effort is made to remove the vehicles quickly where they cause an obstruction to traffic or pose a danger to the public.

**Annex II****Written answer by the Secretary for Security to Mr Simon IP's supplementary question to Question 3**

As I said at the Legislative Council sitting, suicides of police officers, as with those committed by members of the public, are often caused by a combination of factors. Following a recent study on police suicides, the Force Clinical Psychologist has reported that it is very difficult to determine the single most important cause leading to a particular suicide.

On a purely statistical basis, financial difficulties including indebtedness appears to have been the main cause in the 15 cases of suicide of police officers in the past four years. However, it is not possible to draw firm conclusions from the limited number of cases over a relatively short period.