

**OFFICIAL REPORT OF PROCEEDINGS****Wednesday, 13 April 1983****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)  
SIR EDWARD YOUDE, G.C.M.G., M.B.E.

THE HONOURABLE THE CHIEF SECRETARY  
SIR CHARLES PHILIP HADDON-CAVE, K.B.E., C.M.G., J.P.

THE HONOURABLE THE FINANCIAL SECRETARY  
MR. JOHN HENRY BREMRIDGE, O.B.E.

THE HONOURABLE THE ATTORNEY GENERAL  
MR. JOHN CALVERT GRIFFITHS, Q.C.

THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS (*Acting*)  
SECRETARY FOR DISTRICT ADMINISTRATION  
MR. DAVID AKERS-JONES, C.M.G., J.P.

THE HONOURABLE ROGERIO HYNDMAN LOBO, C.B.E., J.P.

THE HONOURABLE DAVID WYLIE McDONALD, C.M.G., J.P.  
SECRETARY FOR LANDS AND WORKS

THE HONOURABLE LO TAK-SHING, C.B.E., J.P.

THE HONOURABLE FRANCIS YUAN-HAO TIEN, O.B.E., J.P.

THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, C.M.G., J.P.  
SECRETARY FOR EDUCATION AND MANPOWER

THE HONOURABLE ALEX WU SHU-CHIH, C.B.E., J.P.

THE REVD. THE HONOURABLE JOYCE MARY BENNETT, O.B.E., J.P.

THE HONOURABLE CHEN SHOU-LUM, O.B.E., J.P.

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

DR. THE HONOURABLE HENRY HU HUNG-LICK, O.B.E., J.P.

THE REVD. THE HONOURABLE PATRICK TERENCE MCGOVERN, O.B.E., S.J., J.P.

THE HONOURABLE ALAN JAMES SCOTT, C.B.E., J.P.  
SECRETARY FOR TRANSPORT

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

THE HONOURABLE WONG LAM, O.B.E., J.P.

DR. THE HONOURABLE THONG KAH-LEONG, C.B.E., J.P.  
DIRECTOR OF MEDICAL AND HEALTH SERVICES

DR. THE HONOURABLE RAYSON LISUNG HUANG, C.B.E., J.P.

THE HONOURABLE CHARLES YEUNG SIU-CHO, O.B.E., J.P.

THE HONOURABLE JOHN MARTIN ROWLANDS, C.B.E., J.P.  
SECRETARY FOR THE CIVIL SERVICE

THE HONOURABLE JAMES NEIL HENDERSON, O.B.E., J.P.  
COMMISSIONER FOR LABOUR

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

THE HONOURABLE ANDREW SO KWOK-WING, J.P.

THE HONOURABLE GERALD PAUL NAZARETH, O.B.E., Q.C., J.P.  
LAW DRAFTSMAN

THE HONOURABLE HU FA-KUANG, J.P.

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

DR. THE HONOURABLE JOHN MORRISON RIDDELL-SWAN, O.B.E., J.P.  
DIRECTOR OF AGRICULTURE AND FISHERIES

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

THE HONOURABLE GRAHAM BARNES, J.P.  
REGIONAL SECRETARY (HONG KONG AND KOWLOON), CITY AND NEW TERRITORIES  
ADMINISTRATION

THE HONOURABLE WILLIAM CHARLES LANGDON BROWN, O.B.E., J.P.

THE HONOURABLE CHAN KAM-CHUEN, J.P.

THE HONOURABLE COLVYN HUGH HAYE, J.P.  
DIRECTOR OF EDUCATION

THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, J.P.

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

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

THE HONOURABLE MARIA TAM WAI-CHU, J.P.

DR. THE HONOURABLE HENRIETTA IP MAN-HING

THE HONOURABLE PIERS JACOBS, O.B.E., J.P.  
SECRETARY FOR ECONOMIC SERVICES

THE HONOURABLE DAVID GREGORY JEAFFRESON, C.B.E., J.P.  
SECRETARY FOR SECURITY

THE HONOURABLE GEOFFREY THOMAS BARNES, J.P.  
SECRETARY FOR HEALTH AND WELFARE

THE HONOURABLE JOHN WALTER CHAMBERS, J.P.  
DIRECTOR OF SOCIAL WELFARE

#### **ABSENT**

DR. THE HONOURABLE HARRY FANG SIN-YANG, C.B.E., J.P.

THE HONOURABLE ERIC PETER HO, C.B.E., J.P.  
SECRETARY FOR TRADE AND INDUSTRY

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

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

THE HONOURABLE IAN FRANCIS CLUNY MACPHERSON, O.B.E., J.P.  
REGIONAL SECRETARY (NEW TERRITORIES), CITY AND NEW TERRITORIES  
ADMINISTRATION

#### **IN ATTENDANCE**

THE CLERK TO THE LEGISLATIVE COUNCIL  
MRS. JENNIE CHOK PANG YUEN-YEE

**Papers**

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

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Immigration Ordinance. Immigration (Vietnamese Refugee Centres) (Open Centre) (Amendment) Rules 1983 .....	92
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Public Revenue Protection Ordinance. Public Revenue Protection (Betting Duty) Order 1983 .....	121
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Public Revenue Protection Ordinance. Public Revenue Protection (Business Registration) Order 1983 .....	123
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 Sessional Papers 1982-83:	
No. 48—Hong Kong Polytechnic Annual Report 1981-82 with Balance Sheet and Income and Expenditure Account for the year ended 31 July 1982.	
No. 49—Supplementary provision for the quarter ended 31 December 1982.	
No. 50—Traffic Accident Victims Assistance Fund Annual Report by the Director of Social Welfare Incorporated for the year from 1 April 1981 to 31 March 1982.	

No. 51—Report of the Finance Committee on the Draft Estimates of Expenditure 1983-84.

### Oral answers to questions

#### Offences created as a result of changes to the law

1. MR. LO asked:—*As a result of changes to existing law and enactment of new law, how many new offences have been created by this Council within, say, the last 24 months?*

THE ATTORNEY GENERAL:—Sir, in the calendar year ending 31 December 1981 63 completely new offences were created by Ordinance which all Members of this Council took a part in passing. A further 106 offences were created by subsidiary legislation laid on the table and were not objected to. The figures for 1982 are respectively 78 and 184 for those two categories.

#### Law enforcement

2. MR. LO asked:—*Will Government describe the process and methodology used in addition to the consultative processes in assessing its enforcement capacity from time to time to ensure in particular that—*

- (a) the law is not brought into disrepute for lack of enforcement; or*
- (b) the public is not left unprotected in important areas for lack of enforcement?*

THE ATTORNEY GENERAL:—Sir, I have taken my honourable learned Friend's question to refer to enforcement of the criminal law and the provisions in relation to that.

The principal agency for law enforcement in Hong Kong is, of course, the Police though there are subsidiary agencies—I.C.A.C., Customs and Excise and some others. The Commissioner of Police monitors enforcement requirements and deploys his resources as appears appropriate to him to meet particular problems facing the community from time to time. This monitoring takes place at least monthly but within the context of his own directive with senior Police commanders on law enforcement priorities and policies. These directives are formally re-examined each year to determine law enforcement policies and priorities that are required and any changes which are required compared with the previous year. Superimposed on this on a five-year rolling basis, there are forecasts which cover enforcement requirements. These are adjusted annually as circumstances dictate, but are principally looking five years ahead and relate to, for instance, what areas require further deployment or pooling of material or other resources in order to achieve a good objective. The most recent Directive issued on 25 February this year sets out the basic policies as they relate to law enforcement to be as follows:

- (a) to ensure an appropriate Police presence throughout Hong Kong, and that means not just physically but in the areas of prisoners and other areas in Hong Kong where it is necessary at some stage to have investigatory or other Police deployment;
- (b) to administer and manage Police manpower and other resources to ensure the best possible return from them; and
- (c) to cultivate and develop public support for the Police Force in the execution of its duties.

And speaking as Attorney General, I would like to emphasize the very great importance of public support for the Police in the areas both of crime prevention—which is an important area on its own—and also of enforcement and investigation. The Directive then goes on to list the priorities of the Force and, naturally, the first priority is the prevention and detection of crime. The Directive requires senior Police officers to keep these policies and priorities under constant review and under their supervision. The Commissioner himself monitors the position constantly and, as my honourable and learned Friend is of course aware, reports each month the situation orally to the Governor in Council. The Commissioner is responsible himself, under the Ordinance, for deciding how and where, with what priority and in which area of crime the public interest requires him to deploy Police resources.

Some other Government departments, as I have mentioned—the Customs and Excise, the Labour Department and Immigration and so on, have responsibilities for enforcing particular Ordinances, and here, too, there is a constant monitoring of the law and its enforcement both at a departmental level (seeing what is going on in practice) and with the respective policy branch reviewing, or adding to, or deleting policies as appears appropriate. This is particularly active during the initial period following the introduction of new legislation that may require enforcement. The 78 new Ordinances that I mentioned a moment ago, when each Ordinance is brought in particular care is taken to see how it is operating and whether or not changes are required.

The Government is alert to the need to keep the total body of the criminal law under review to ensure that those parts of the law that have outlived their usefulness are removed from the statute book. In this context, honourable Members will be aware of the annual Law Revision bills that come before them, many of them concerned with the repeal of out-of-date laws. Then, there is the review of widespread criminal activities to see whether there is a continuing need for certain activities to be regarded as part of the criminal law or whether they can be ‘de-criminalized’. The most obvious recent example and one affecting a lot of people is the decision to allow parking offences no longer to be criminal, but to have attached to them merely a monetary penalty in cases where the parking infringement is admitted. These review activities are conducted by the Widespread Unlawful Activities Committee, which is chaired by the Secretary for Home Affairs; the other members comprise the Commissioner of Police, the Secretary for District Administration, the Commissioner of I.C.A.C. and myself. All attend, in fact, not by delegating but in person.

The sum of these various activities is intended to ensure that the enforcement resources of the Government are deployed in what inevitably is a constantly changing situation so as to achieve the best objectives that we can see open to us.

MR. LO:—*Sir, insofar as my question was not limited to criminal law, is the Government aware of the enforcement responsibility of departments other than the Police?*

THE ATTORNEY GENERAL:—As I mentioned, yes, we are.

MR. LO:—*Would the Attorney General like to inform this Council how these enforcement measures are monitored?*

THE ATTORNEY GENERAL:—Sir, they are monitored at the branch level by the responsible Secretary in charge of the policy branch to see whether the policy is right; at the departmental level by the Head of Department to see whether or not there are discrepancies that ought to be removed in one way or another, or resources deployed in a different way and so on. So the policy is done at the Secretariat and the implementation by the departments. This applies to Labour, Immigration and so on.

### **Air pollution**

3. MR. STEPHEN CHEONG asked:—*Is the Government aware of the level of pollution caused separately by the following—*

- (a) *cooked food stalls;*
- (b) *vehicle repair shops;*
- (c) *Government incinerators;*
- (d) *electricity generating stations; and finally*
- (e) *aircraft taking off?*

SECRETARY FOR HEALTH AND WELFARE:—Sir, the Government is aware in each case of the types of pollution caused—in some of the five examples mentioned there is more than one—but it is obviously impracticable to monitor the precise levels of these in every case on a permanent basis.

#### *Cooked food stalls*

Cooked food stalls produce pollution from the refuse which they generate, and from the grease produced in the cooking process: both of which constitute a disposal problem. They also produce cooking smells, but these do not constitute a measurable source of air pollution. The fuels which they use, L.P.G. or kerosene, because of their low sulphur content, cause only negligible quantities of air pollution and have not been the subject of pollution complaints.



Throughout the territory the policy is to relocate such stalls in properly designed cooked-food centres with adequate facilities for handling the wastes which they generate. Meanwhile, U.S.D. street cleaning teams have instructions to pay special attention to locations in which cooked-food stalls operate.

*Vehicle repair shops*

Vehicle repair shops frequently produce both air and noise pollution in their immediate vicinity and also cause a variety of other inconveniences to the inhabitants of the residential areas in which they often operate. As stated earlier it is not practicable to measure and monitor on a continuing basis the various pollution sources in each repair shop. The concern of Members was expressed by Dr. Ho in a question on 22 December 1982 and the Secretary for City and New Territories Administration, as he was then titled, in his reply outlined the difficulties which the Government faced in trying to accommodate vehicle repair shops in more suitable locations where they would not pose such problems.

*Government incinerators*

Government incinerators are, of course, sources of air pollution. Although they were built to the best U.K. standards prevailing at the time of their construction they are now considered to be in need of improvement, and arrangements are in hand to achieve this. I shall be giving details of this programme in my reply to the next question.

*Electricity generating stations*

Pollution from electricity generating stations can take many forms. Air pollution can arise from coal handling, coal storage, the transportation of ash and from the normal combustion process. Water pollution can be caused by hot water discharges in the cooling process and from poor handling of coal or ash which then finds its way into the marine environment. The older, oil-fired power stations at Tsing Yi, Ap Li Chau and Hung Hom are kept under surveillance by the Air Pollution Control Division of the Labour Department and are generally operating within the limits of the Clean Air Ordinance, which merely controls air pollution arising from the combustion process. New legislation aims to extend our present controls to include air pollution from such sources as coal handling and ash handling. Meanwhile, continuous monitoring of the new coal-fired power stations indicates that international air quality standards are being complied with, and that the marine environment remains satisfactory.

*Aircraft taking-off*

Pollution associated with aircraft taking-off primarily takes the form of noise. Because of the location of the airport there is a ban on all aircraft operations between midnight and 6.30 a.m. although, in exceptional circumstances, a takeoff may be permitted provided the aircraft does not fly over the Kowloon Peninsula. Flights over the Kowloon Peninsula are further restricted between 9.00 p.m. and midnight and between 6.30 a.m. and 7.00 a.m. and are only

permitted when weather conditions or unserviceable navigational aids prevent take-offs via Lei Yue Mun. The introduction of quieter aircraft by international airlines will obviously also help in this regard. I am assured by the Environmental Protection Agency that air pollution from aircraft movements at Kai Tak is not a major problem.

MR. STEPHEN CHEONG:—*Sir, one accepts it is impracticable to monitor the precise levels on a permanent basis and continuous basis, but is it reasonable for the public to be informed what level is acceptable and what is not?*

SECRETARY FOR HEALTH AND WELFARE:—*Sir, I think the short answer to that is 'yes'. The complaints which have been received in connection with pollution generally are surprisingly sparse. When complaints are received they are, of course, analysed. Monitoring is carried on throughout the territory by experts and, in these circumstances, technical matters such as this must be left to those whose job it is to analyse them.*

REVD. JOYCE M. BENNETT:—*Sir, what is the position in regard to the pollution of the atmosphere from, I imagine, the exhaust of aircraft on take-off which can be most unpleasant?*

SECRETARY FOR HEALTH AND WELFARE:—*The position here, Sir, is that aircraft taking off have been assessed as constituting a negligible proportion of air pollution. The factors leading to this assessment are as follows:*

*the actual quantity of aero-engine fuel used in such operations considered as a proportion of the total combustible fuel used in the air-space of Hong Kong is very small; secondly, the high quality and relative purity of such fuel does not lend itself to air pollution; and thirdly, the experience of other cities where analyses have been performed leads us to the view that this is not a major form of air pollution in Hong Kong.*

MR. LO:—*Sir, as the question related to levels of pollution, I recognize the difficulties the Administration has in giving any precise reply to questions, but so far as air pollution is concerned, would it be reasonable to equate one Government incinerator with, say, 1 000 cooked-food stalls? (laughter)*

SECRETARY FOR HEALTH AND WELFARE:—*No, Sir. (laughter)*

MR. ALEX WU:—*Sir, my supplementary relates to the level of noise pollution of aircraft flying over Kowloon Peninsula. Is Government aware that there is a concentration of schools under the flight path and the noise level created by the aircraft could prevent some of the messages from the teachers to the students at just the crucial moment, and what remedies Government is going to offer to such schools?*

SECRETARY FOR HEALTH AND WELFARE:—Yes, Sir. In our development planning studies consideration is being given to limitations on residential, hospital and school development in the areas most seriously affected by airport noise. There is at the moment a specific study on noise affecting schools and this will report shortly. Remedial measures will be devised as a result of its recommendations.

### **Electrostatic precipitators in Government incinerators**

4. MR. STEPHEN CHEONG asked:—*Will Government inform this Council its programme for installing electrostatic precipitators in its incinerators, how much it is going to cost and to what extent will such installations be effective?*

SECRETARY FOR HEALTH AND WELFARE:—Sir, the Government has three incinerators at Kwai Chung, Kennedy Town and Lai Chi Kok.

The Kwai Chung incinerator, which was commissioned about four years ago, already has electrostatic precipitators. These were included in its design. I understand that since its commissioning no complaint has been received from the public.

The Kennedy Town and Lai Chi Kok incinerators are much older plants, and at the time they were built their designed flue temperatures were too high for the electrostatic precipitators of the time to be installed. New technology has now made this possible, and the Government has embarked upon a pilot scheme to install precipitators on two of the five refuse burning lines at Kennedy Town. This has cost \$8.65 million. It is not possible to say conclusively at this stage how effective this will prove, but the initial test results have been satisfactory and the performance of the unit is comfortably within the latest dust emission standards adopted in the U.K. I might add here that Hong Kong has no such standards but follows the U.K. in this particular respect. However, a premature corrosion problem has developed and ways of overcoming this are currently being studied by the staff of the Electrical and Mechanical Services Department together with the assistance of the manufacturer and the staff of the University of Hong Kong.

Assuming this problem can be overcome, and present indications are hopeful, the three remaining units at Kennedy Town will, subject to the provision of funds, be fitted with electrostatic precipitators during the period July 1984 to October 1985 at an estimated cost of \$18 million. The eight units for Lai Chi Kok will also have these fitted between late 1985 and mid-1990 at an estimated total cost of \$116 million. This also allows for additional processing equipment.

The installation programme for these incineration plants is arranged to meet the Urban Council's requirement that only two incineration lines should be shut down at any one time for modification work. In this way an acceptable level of refuse disposal capacity can be maintained.

MR. STEPHEN CHEONG:—*Sir, is it foreseeable in the future that the Government will establish a dust emission standard for Hong Kong taking account of Hong Kong's own unique circumstances?*

SECRETARY FOR HEALTH AND WELFARE:—It is foreseeable, Sir.

### **Illegal structures on building sites**

5. REVD. JOYCE M. BENNETT asked:—*With reference to the confrontation that occurred in Hang On Street, Kwun Tong on 29 March 1983, will the Government inform this Council:*

- (a) why illegal structures were tolerated in a site earmarked for the extension of Ning Po College after a clearance operation in April 1982?*
- (b) what action has been taken since April 1982 by the Squatter Control Unit and other authorities to alleviate the fire and health hazards caused by these structures?*
- (c) what measures will be taken in future to ensure that similar squatting on building sites earmarked for schools which are within the public sector will not occur?*

SECRETARY FOR DISTRICT ADMINISTRATION:—

- (a)* Sir, in February 1979 a clear site was handed over to the school to build an extension. The school was however unable to keep the land clear and illegal structures were built on it and on Crown land in the back lane of Hang On Street. After court bailiffs executing a Writ of Restitution for the school had met with strong resistance from the squatters, the school sought the assistance of the Kwun Tong District Office in clearing the structures, and the structures on the leased land were cleared in April 1982. Unfortunately once again the cleared site was not fenced off by the school and the squatters soon returned to re-build their huts. The situation in the adjoining back lane had deteriorated in the meantime and posed a serious threat to public safety and hygiene of the neighbouring residents. The District Management Committee, with the full support of the Kwun Tong District Board, therefore planned another operation to clear all the structures.
- (b)* Turning to the second part of the question, since the squatter structures had been erected, the only real solution to the fire and health hazards was their complete removal. However because of the commitments of the departments involved, their clearance could not be effected until 29 March this year.
- (c)* Turning to the third question, before a site is handed over to a school's sponsor, the Lands Department arranges with the Housing Department for all illegal structures and other encumbrances to be cleared. Once the site is handed over, the responsibility for maintaining it free from illegal squatting rests with the grantee of the land, which is usually the school sponsoring body.

REVD. JOYCE M. BENNETT:—*Sir, why was the back lane to Hang On Street not cleared earlier since the Unofficials have been informed that the squatter problem is now mainly under control?*

SECRETARY FOR DISTRICT ADMINISTRATION:—*Sir, most of the intensively patrolled areas of Kowloon are the hillsides of Kowloon; and while the hillsides have been intensively patrolled it is true that a squatting problem has arisen on unoccupied pieces of Crown land and on some back lanes in Kowloon. This situation has grown up over the last few years but is now under close surveillance and control.*

REVD. JOYCE M. BENNETT:—*Sir, is the Government not aware that such squatters on land provided to sponsors for school purposes are preventing the Government fulfilling its obligations in providing nine years' free and compulsory education for all children in the public sector? Cannot the Government take earlier and more positive action to help sponsors who may not have adequate funds to fence the whole of their sites?*

SECRETARY FOR DISTRICT ADMINISTRATION:—*Some of that question, Sir, properly belongs to the Secretary for Education and Manpower, but the prime responsibility, once the land has been handed over, is with the sponsoring body. The land, once handed over, becomes private land and the private owners should then look after it. But if Miss BENNETT has special knowledge of schools that are having problems in this regard, I am only too prepared to help.*

MISS DUNN:—*Sir, Mr. AKERS-JONES referred to the complete removal of the squatters not being able to be carried out until 29 March because of other commitments of the department. Doesn't this case in fact demonstrate the limitations in enforcement capacities in non-criminal situations referred to by Mr. LO earlier?*

SECRETARY FOR DISTRICT ADMINISTRATION:—*No, Sir. The department concerned, the Housing Department responsible for clearance once they are identified, was under very severe pressure during the last two years not only by reason of the great increase in illegal squatting on the hillsides of Kowloon, but also because of the great number of fires and the number of victims that had to be housed from those fires, and therefore it was necessary to slow down on clearances of this kind so as to be able to re-house the victims of natural disasters and fires.*

### **Expired vehicle or driving licences**

6. DR. HO asked:—

(a) *What is the number of persons found driving with expired vehicle or driving licences each year during the past three years?*

(b) *Do the statistics show that these offences are on the increase, if so, what action will Government take to curb this undesirable trend?*

SECRETARY FOR TRANSPORT:—Sir, prosecutions in respect of driving with expired vehicle licences totalled 952 in 1980, 921 in 1981 and 1 407 in 1982. Prosecutions for driving with expired driving licences were 1 430 in 1980, 1 739 in 1981 and 3 348 in 1982. Prosecutions for driving without a driving licence amounted to 507 in 1980, 496 in 1981 and 604 in 1982.

There is therefore an undesirable upward trend in driving without a valid vehicle licence or driving licence. The numbers of prosecutions over the last three years indicate that the Police have stepped up enforcement action; and this will continue.

DR. HO:—*Sir, are the persons injured in accidents involving vehicles or drivers with expired licences given sufficient protection by the Government in the event that insurance companies decline to accept responsibility for compensation under these circumstances?*

SECRETARY FOR TRANSPORT:—Yes, Sir, there are two methods in which these unhappy cases are dealt with. The first is the Traffic Accident Victims Assistance Scheme a report on which has been tabled today by the Director of Social Welfare, so I won't go into detail on that. The report sets out what the Scheme intends to do, what it has done, levels of compensation and so on. Second, under an agreement between Government and the Motor Insurers Bureau, the Bureau may pay damages to accident victims who are not covered by insurance in certain circumstances as laid down in that agreement. I will forward to Dr. Ho a copy of the details of that agreement.

(Copy of the relevant Principal Agreement between the Government and the M.I.B. was subsequently supplied and the following written reply provided.)

The Scheme imposes an obligation to compensate on the part of the M.I.B.:

- (a) where there is in existence an insurance policy but it has been invalidated for one reason or another; or
- (b) where there is no policy, or for any reason the existence of a policy is in doubt; and
- (c) where a court judgment has been made in favour of the victim but damages, or any part of them, remain unpaid twenty-eight days after the judgment.

When the driver cannot be traced such as in hit-and-run cases, the M.I.B. at its discretion can make an *ex-gratia* payment to the victim.

MR. CHAN KAM-CHUEN:—*I am interested in the part about those driving with expired vehicle licences. As it is easier to catch parked vehicles than moving*

*vehicles, would officers checking and towing away abandoned cars also check on licences on windshields and tow overdue cars away, in the same way as abandoned or illegally parked cars?*

SECRETARY FOR TRANSPORT:—Sir, I think I understand the question, but I am not quite sure, with respect. If the question is, when an enforcement team goes to remove an abandoned vehicle or an overdue parked vehicle, do they check other vehicles nearby, the answer is, generally, yes.

MR. STEPHEN CHEONG:—*Sir, in respect of driving vehicles on the road without a valid vehicle licence will the proposed trial electronic system, if proven successful, be able to help in arresting the undesirable upward trend?*

SECRETARY FOR TRANSPORT:—Yes, Sir, it would. The system as proposed could identify any vehicle on the road and therefore if a vehicle did not have a valid licence, it would identify that vehicle and report the fact to the central directory.

### **Commercial crimes**

7. MR. WONG PO-YAN asked:—*Will Government inform this Council:—*

- (a) the number of investigations undertaken by the Commercial Crimes Bureau in 1980, 1981 and 1982 respectively, the amount of money involved and the number of cases leading to prosecution;*
- (b) the number of successful prosecutions; and*
- (c) whether existing legislation on commercial crimes are considered adequate?*

THE ATTORNEY GENERAL: — Sir, the number of investigations undertaken by the Commercial Crime Bureau were as follows:

1980— 809  
 1981—1 094  
 1982—1 149

The amount of money reported lost by the complainants by theft or fraud in the aforementioned cases is as follows:

1980—\$108,286,004  
 1981—\$151,299,883  
 1982—\$258,098,082

I ought, for the sake of completeness, to say that though exact figures are not available the figures for the first quarter of this year are considerably up on that, and are something around or in excess of one-and-a-half million. No statistics have been kept on the number of successful prosecutions or unsuccessful prosecutions but a study of the Police files could be undertaken with a view to providing an answer if my honourable Friend so requires. But you may feel that

the Police might be better employed on investigating some of the cases they are investigating now.

The law in a number of areas is currently under review. For instance, the Secretary for Monetary Affairs and the Commissioner for Securities respectively have just reviewed the position under the Ordinances dealing with deposit-taking companies and with commodity trading. The area of the law covering pyramid and inertia selling is also currently under examination and I anticipate that in due course some amendment of the laws will be found necessary in one or other if not all of these fields.

MISS DUNN:—*Sir, can the Attorney General say the main reasons for the increase in the number of commercial crimes during these three years?*

THE ATTORNEY GENERAL:—*Sir, I think the broad reason would be the downturn in the economy leading to more reports. Whether that reflects more actual crime to-day than that there was a number of years ago is, of course, a totally different question. But in this particular area it is, if I may call them dissatisfied customers, who lead to reports rather than satisfied customers who don't know what has gone wrong.*

## **Statements**

### **Report of the Finance Committee on the Draft Estimates of Expenditure 1983-84**

THE CHIEF SECRETARY:—*Sir, laid on the table today is the Report of the Finance Committee on the draft Estimates of Expenditure 1983-84.*

Each year, after the Financial Secretary has delivered his Budget Speech and the draft Estimates of Expenditure for the following financial year have been laid, the Finance Committee convenes in special meetings to scrutinize those Estimates. For the purposes of this examination Members call before them public officers responsible for the service or services for which funds are sought under any head in the draft Estimates. They also consider written replies to certain of their questions. At these special meetings the Finance Committee acts in its classic role as the watch-dog of the public purse—that is to say, it seeks to ensure that the funds requested are no more than is absolutely necessary for the execution of approved policy.

At the request of Members, the meetings this year took place over four afternoons, two more than usual. This enabled Members to examine the draft Estimates in greater detail. Each afternoon was devoted to the examination of a related group of Government services, namely, Law and Order, Social Services, Economic and Community Services, and General Services.

Instead of the precis of the oral and written answers which usually makes up the official report, we have this year provided a much fuller account by



attaching both the oral and written replies to Members' questions as enclosures to the report. This is an experiment which I think will be welcomed by Members, the press and the public. I hope they will agree that this new style report provides a much clearer indication than hitherto of the attention given by the Finance Committee to the examination of the draft Estimates of Expenditure (and, may I add, of the care taken by Controlling Officers and Finance Branch to respond positively to Members' questions).

### **Hong Kong Polytechnic Annual Report 1981-82**

MR. S. L. CHEN:—Your Excellency, among the various papers laid on the table of this Council today is the Report of the Hong Kong Polytechnic for the year ended 31 July 1982. Throughout the latter part of this academic year, Sir, the Council of the Polytechnic took pains to ensure that it escaped the notice of no-one in Hong Kong that this was the institution's 10th anniversary.

It was a gala-year in many respects, marked with a series of public lectures, open-days, shows and exhibitions, special newspaper supplements and a Commemorative Dinner at which Your Excellency graciously consented to officiate as the Polytechnic's new President.

The tabling of the 10th Report of the Polytechnic in this Council today provides, I think, a fitting opportunity to review the performance of that institution not so much over its 10th year, but over the first decade of its existence.

In 1972, the Polytechnic inherited from the former Hong Kong Technical College an enrolment of 1 580 full-time students. Last year's total of 7 506 is nearly five times that number. Part-time day-release students numbered just over a thousand in 1972, and 4 860 now; again nearly a five-fold increase. The number on short full-time courses has increased almost 20 times, from 120 to 2 370.

At the graduation ceremony held on 8 November 1982, 2 590 awards were made; compared with the Polytechnic's first such ceremony in November 1972 when only 531 graduates of the former Technical College received their Diplomas and Certificates.

In 1972, the Polytechnic had eight teaching departments; it has twenty-one now. There has been a similar increase in teaching staff, an increase in the range of subjects, and an increase in the higher levels of awards. There has moreover been a very marked tendency for Polytechnic graduates to be offered starting salaries which each year are substantially higher than those offered the previous year—higher, that is, than the average rate of inflation or salary increases for that year. Despite the recession, the *average* starting salary for all levels across the Polytechnic this year, for example, is over 15% higher than last year, and for the Professional Diploma and Higher Diploma graduates, the largest group, the average starting salary is more than 18% up on the previous year.

These figures, Sir, demonstrate very clearly that Polytechnic graduates are in good demand and that we have not only achieved the unprecedented growth in numbers which was planned, but also the growth in quality—not merely maintaining standards, but improving them.

Last year I reported to this Council that Polytechnic degree programmes were in the offing. This year I am pleased to report that the Council for National Academic Awards in the U.K. has advised the University and Polytechnic Grants Committee that all five degree programmes submitted for scrutiny should be embarked upon. Government has accepted this advice and plans are now in hand to introduce the first of the Polytechnic's degree courses in October this year.

Even at its maximum development early in the next decade, however, this programme of degrees will not account for more than about 30% of the total full-time equivalent students. Moreover these degree programmes will be significantly directed to practical and vocational ends and not merely academic ones. The remaining 70% of the Polytechnic's work will continue to focus on the production of Professional and Higher Diploma graduates, who are vitally important to Hong Kong's economic and social development in the years ahead.

I must apologize to honourable Members, Sir, if my remarks in tabling the Polytechnic's 10th Annual Report are somewhat lengthier than in previous years. Looking back over the decade, however, all of us associated with the Polytechnic share a sense of pride in the achievement of objectives which seemed well nigh impossible at the time they were set. We now have a Polytechnic which is not only very large by any standards, but also a true Polytechnic in the sense that it provides a wide variety of courses, at various levels in different attendance patterns for post-secondary students of all ages. Moreover it is, I believe, Sir, a Polytechnic well-tuned to the needs of the community it serves.

## **Government Business**

### **Motion (in Committee)**

#### **Supplementary provision for the quarter ended 31 December 1982**

*Council went into Committee, pursuant to Standing Order 58(2), to consider the motion standing in the name of the Financial Secretary.*

THE FINANCIAL SECRETARY moved the following motion:—That this Council approves the proposals set out in Paper No. 49.

He said:—Sir, I move the motion standing in my name in the Order Paper.

The schedule of supplementary provision for the third quarter of the financial year 1982-83 covers a total amount of \$530 million. Major items include \$246 million for various salary adjustments for the civil service and staff of subvented

organizations arising from the 1982 pay trend survey; \$124 million to meet a recurrent grant to the Vocational Training Council; \$19 million to meet additional expenditure due to the increasing number of claims from civil servants for reimbursement of expenses for dental treatment; and \$17 million to meet payments of emergency relief grants.

The supplementary provision covered by the schedule has resulted in a net increase of \$246 million in expenditure, the remainder being offset under other heads of expenditure or by the freezing of funds under the two additional commitments votes.

Finance Committee has approved all the items in the schedule. The purpose of this motion is simply to seek the covering authority of this Council.

Sir, I beg to move.

*Question put and agreed to.*

Council then resumed.

THE FINANCIAL SECRETARY reported that the motion had been agreed to in committee without amendment.

*Question agreed by the whole Council pursuant to Standing Order 58(4).*

### **First reading of bills**

#### **BILLS OF EXCHANGE (AMENDMENT) BILL 1983**

#### **ROAD TRAFFIC (DRIVING OFFENCE POINTS) BILL 1983**

#### **MARINE FISH CULTURE (AMENDMENT) BILL 1983**

#### **SHIPPING AND PORT CONTROL (AMENDMENT) BILL 1983**

*Bills read the first time and ordered to be set down for second reading pursuant to Standing Order 41(3).*

### **Second reading of bills**

#### **BILLS OF EXCHANGE (AMENDMENT) BILL 1983**

THE ATTORNEY GENERAL moved the second reading of:—‘A bill to amend the Bills of Exchange Ordinance’.

He said:—Sir, I move that the Bills of Exchange (Amendment) Bill 1983 be read a second time.

The Bill implements the recommendations made by the Law Reform Commission in their Report on Bills of Exchange, copies of which are in the hands of honourable Members. I am sure that all would wish me to congratulate my honourable Friend Mr. F. K. HU and the members of the sub-committee which he chaired, which studied this problem in depth, and which proposed the solution that is in the Bill. I also congratulate the members of the Commission itself for the production of an excellent report.

The Commission found that section 26 of the Bills of Exchange Ordinance which deals with the liability of persons who sign bills of exchange—and all cheques except cash cheques are bills of exchange—and so sign as agent or in a representative capacity had a confused legal history. They discovered that people who sign ‘company cheques’ believe that they are not personally liable on them should their companies for any reason fail to meet the cheques. But under the present law, employees and directors who sign cheques in that way will only be certain that they won’t be personally liable, if the cheques are not paid by the company, if they place on the cheques the words ‘for’ or, alternatively, ‘on behalf of’ immediately after their name and ahead of the name of the company. Merely to sign above the word ‘Director’ or to sign above the word ‘Manager’ is not enough and may very easily not protect them, so that, for instance, if the company becomes insolvent, those who signed cheques in that way will be personally liable to make payment upon them. And honourable Members may be amused to hear that I personally saw a cheque for six million dollars signed, not by a Member of this Council, but signed by a gentlemen in Hong Kong on behalf of this Company where he undoubtedly would be personally liable upon it had this Company been unfortunate enough not to pay it.

The number of cheques issued annually in Hong Kong which fall into that class appears to be something over four million. In some circumstances, it may be that in half of the legal struggle, the signatory might be able to avoid personal liability by proving that his signature was only really on the cheque as an authentication of the Company’s chop as it were. But that would be a matter of debate and even the courts and judges themselves have found difficulty from time to time in deciding which side of the line a particular cheque falls, so that the advise that I would give to people is to write ‘for’ or ‘on behalf of’ on their cheques. I may say I am very grateful to the banks in Hong Kong and the Exchange Banks’ Association which have written to their customers, I understand, pointing out this danger to them.

I should also add, for the sake of completeness—this again may not be generally known—that under section 93 of the Companies Ordinance, every company is bound to have its name mentioned in legible characters on all bills of exchange, promissory notes, endorsements (and, of course, that includes cheques), and that if a director or other agent of the company signs a cheque on

behalf of the company where the proper formalities under section 93 have not been complied with, again the director becomes personally liable.

The purpose of the present Bill is to remove the uncertainty in the law, and to make sure that in the normal course the act of an employee or a director signing a company cheque in good faith and with the authority of the company, and in compliance with the formalities required by the Companies Ordinance, should not attract personal civil liability for the employee or director.

Honourable Members may think that an equitable proposal because when the parties are, as it were, face to face and the cheque is handed over, I think it is generally recognized in those circumstances that it is the company that is being looked to for payment and that the deal is being done by the company.

Clause 3 of the Bill introduces the new section 26A which seeks to achieve these purposes and the manner in which it does this is fully described in the Explanatory Memorandum.

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

*Motion made. That the debate on the second reading of the Bill be adjourned*—THE ATTORNEY GENERAL.

*Question put and agreed to.*

### **ROAD TRAFFIC (DRIVING OFFENCE POINTS) BILL 1983**

SECRETARY FOR TRANSPORT moved the second reading of:—‘A bill to provide for the recording of points in relation to various road traffic offences connected with road safety, for the disqualification from driving of persons in respect of whom a certain number of points have been recorded and for connected purposes’.

He said:—Sir, I rise to move the second reading of the Road Traffic (Driving Offence Points) Bill 1983.

Last year, when moving the Road Traffic Bill 1982, I assured Members that the revision and updating of the Road Traffic legislation were not the only measures in mind to promote road safety.

The significance of the proposed system is that it tackles unsafe driving behaviour directly. Road safety studies worldwide have indicated that most accidents are attributable to the shortcomings of road users, rather than to the highway environment or to faults in vehicles. Nevertheless, road safety improvements have, generally, concentrated on road conditions: for example by improving signs and pedestrian crossings and providing skid resistant surfaces; or by improving the design and maintenance of vehicles, for example through

construction regulations and regular inspections. This approach is natural because these changes are cost-efficient and they can yield fairly quick benefits.

Altering the behaviour of road users, however, is normally a long term process, for example through road safety instruction in schools. The innovative and important feature of the proposed Driving Offence Points system is that it is not only aimed at influencing the behaviour of drivers, but also that benefits should appear in the short term and should persist.

The system should not present a cause for concern to the careful driver, whether he is an infrequent or a regular or a professional driver. Statistics in Hong Kong indicate that under the proposed system, about one-fifth of driving licence holders would accumulate *some* points within the three-year period. Most of these drivers would accumulate less than nine points, and less than 2% would reach the level at which they would be liable to disqualification. These figures underline the object of the scheme: to tackle the *persistent* offender whose reckless behaviour creates dangers and problems for the majority of responsible motorists and other road users. This hard core of irresponsible drivers may seem small, but it is not insignificant. And they are, after all, the very people who should not be allowed to continue to drive, to the peril and anxiety of others. I find it hard to believe that anyone who has thought about the dreadful toll of deaths and injuries on our roads can seriously dispute the justification for disqualifying persistently bad drivers. In 1982, 457 people died as a result of road accidents in Hong Kong; 9 634 people were seriously injured and 14 188 people were slightly injured. This waste of life and pain and loss, Sir, are surely not acceptable to the community.

The system proposed has been kept as straightforward as possible. There are 16 offences only for which points are allocated. These have been carefully selected as having *first* a direct bearing on road safety; and *second* as being as clearcut as possible. I deliberately say '16 offences *only*'; some people consider this too many. A review of Driving Offence Points schemes from other countries shows that generally more offences are included. Singapore has a system covering 23 offences. The U.K. system has 60 headings for offences, and some of these cover a range of unspecified violations, such as an undefined failure to comply with Construction and Use Regulations.

The 16 offences listed in the Schedule to this Bill are drawn from the new (1982) Road Traffic legislation. The points assigned range from three points for offences such as crossing double white lines and failing to give precedence to pedestrians on zebra crossings, to five points for offences such as speeding in excess of 15 kilometres per hour above the speed limit, and to ten points for offences such as reckless or dangerous driving. I do not consider that these levels of points are unduly onerous. Even if a driver is convicted of the offence of reckless driving, he is not *automatically* disqualified under the proposed scheme; and we must not forget that after considering the circumstances of such a case, a court already has the discretionary power to disqualify such a driver for reckless driving. Under the scheme now proposed such an offender would have to

commit another of the more serious offences or two more of the less serious offences before being automatically disqualified.

Members will have noted that both reckless driving and careless driving are included among the offences covered in the Schedule. In this connection, may I repeat the assurance which I gave previously to this Council that an intended prosecution for reckless driving would be most carefully considered within the Police Force, and that the Attorney General's Chambers would be consulted before further action was taken.

The points for a scheduled offence would be accumulated in addition to any penalty imposed by a court under the legislation, following conviction for that offence, irrespective of whether the penalty results from a court decision or the acceptance by the offenders of a fixed penalty fine.

The Commissioner for Transport would be required to keep a record of the number of points accumulated by drivers. On the accumulation of 15 points for offences committed within a period of three years, a driver would be automatically disqualified for a period of three months on a first occasion. His record would thereafter be wiped clean. However, for any subsequent accumulation of 15 points within three years, the minimum disqualification would be for a period of six months.

A provision which I believe to be particularly important is that a driver shall be served notice in writing when he accumulates ten or more points, warning him of the danger of disqualification. This emphasizes the object of the system: not to disqualify as many motorists as possible, but to encourage them to review their driving behaviour and improve it.

Data of the accumulation of points will be stored on a computerized register. Clause 13 provides that any driver may apply for rectification of the register when he considers it is incorrect.

The registration of penalty points occurs administratively, but the decision on disqualification is taken by a magistrate, not by the Commissioner for Transport. Clause 8 provides for procedure for disqualification, including discretion for the court to order a shorter disqualification than the prescribed period; and for discretion not to order disqualification in a case of exceptional hardship, as well as in a case when points were recorded in connection with two or more of the scheduled offences, even though essentially only one act was involved. This latter provision requires some elaboration. If, for example, in driving along one stretch of road a motorist crossed double white lines (three points), failed to give precedence to a pedestrian on a crossing (that is, three points) and drove through a red traffic light (a further three points) he would accumulate in principle a total of nine points. However, in practice the committing of such specific offences in such a time frame is likely to form the basis of a charge for careless driving. Thus when a motorist commits two or more offences in the course of the same act or substantially the same act he would normally be

prosecuted for the more serious offence only, that is, in the example I have given, careless driving carrying a penalty of five points.

However, if exceptionally the act had for prosecution purposes been divided into its component offences and convictions were recorded for each of the offences, this Bill provides the court with discretion to consider and decide whether, notwithstanding that 15 points or more had been accumulated, the motorist should not be disqualified from driving.

The Bill, Sir, is substantially different from the Driving Offence Points Bill which was previously introduced into this Council, and subsequently withdrawn. The previous Bill covered seven offences only, and was cross-referenced with the present Road Traffic Ordinance. The 16 offences in the new Bill are drawn from the Road Traffic Ordinance 1982 and the proposed revised Road Traffic (Traffic Control) Regulations to be made under that Ordinance. It will not therefore be possible to introduce this points system until on or after 1 April 1984, which is the target implementation date for the new Road Traffic legislation.

This Bill has drawn strong objections from professional drivers on the grounds that it will increase the 'psychological pressure on them'. No one would deny that driving in any crowded urban network, including Hong Kong's, is difficult. But I must remind Members and the public that the purpose of this Bill is to protect other road users, and that better driving behaviour must benefit all road users, including professional drivers. 'Psychological pressure' has an emotive ring and I cannot deny that this is an emotional subject—death and injury always is, and I have sought to present this Bill dispassionately: but all drivers must remember that they have under their control powerful machines which, if not properly controlled, are dangerous to other people at least as much as to themselves. The vast majority of drivers conscientiously do remember this. This Bill is aimed at a small hard core of irresponsible, persistently bad drivers, in the interests of responsible road users, both drivers and pedestrians.

Sir, I beg to move.

*Motion made. That the debate on the second reading of the Bill be adjourned*—THE SECRETARY FOR TRANSPORT.

*Question put and agreed to.*

### **MARINE FISH CULTURE (AMENDMENT) BILL 1983**

DIRECTOR OF AGRICULTURE AND FISHERIES moved the second reading of:—'A bill to amend the Marine Fish Culture Ordinance'.

He said:—Sir, I move that the Marine Fish Culture (Amendment) Bill 1983 be read the second time.



In the implementation of the Marine Fish Culture Ordinance it will be necessary to relocate in designated zones large numbers of mariculturists. In effecting the relocation and in subsequently enforcing the Ordinance, it may be necessary to seize and dispose of rafts and other equipment used in mariculture operations. It was originally intended that the initial clearance of mariculturists from non-designated areas would be effected by the Director of Marine in the exercise of his powers of direction under section 6 of the Shipping and Port Control Ordinance, Cap. 313. The Attorney General's Chambers have, however, advised that the proposed clearance operations do not fall within the objects of the Shipping and Port Control Ordinance and that it would be more appropriate to effect these clearances under the Marine Fish Culture Ordinance.

As it presently stands, the Marine Fish Culture Ordinance is not well suited to such large-scale clearance operations. The procedures in the Ordinance and the Regulations made under it are complicated and time-consuming and do not, in general, provide for the immediate disposal of seized items. With its limited resources and storage facilities Government would therefore encounter serious practical difficulties in having to hold and safeguard seized items, while running the risk of claims for damage or loss of property. That problem will be particularly acute in the initial stages of implementing the Ordinance in that large numbers of mariculturists are involved.

The purpose of this Bill is to simplify the procedure for clearing mariculturists by enabling the Director of Agriculture and Fisheries to dispose of items seized during clearance by selling, destroying or otherwise disposing of them as soon as practicable after seizure. The owners of the items so disposed of are entitled to claim the proceeds of sales, if any, after deduction of the expenses incurred. Staff of the Agriculture and Fisheries Department and the Marine Department will be authorized to undertake the clearance of mariculture operations which contravene the Ordinance.

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

*Motion made. That the debate on the second reading of the Bill be adjourned*—DIRECTOR OF AGRICULTURE AND FISHERIES.

*Question put and agreed to.*

## **SHIPPING AND PORT CONTROL (AMENDMENT) BILL 1983**

SECRETARY FOR ECONOMIC SERVICES moved the second reading of:—‘A bill to amend the Shipping and Port Control Ordinance’.

He said:—Sir, I move that the Shipping and Port Control (Amendment) Bill 1983 be read the second time.

The purpose of the Bill is to provide better control over dwelling vessels, and thus to contain the growth in the number of such vessels in typhoon shelters. This is to be achieved by means of a licensing system.

For some time the conglomeration of dwelling vessels in typhoon shelters has posed safety, fire, environmental and hygiene hazards. With an increasing number of dwelling vessels in the shelters, there is less space for working vessels. Control will facilitate the proper use of typhoon shelters as a refuge for working craft when the weather is bad.

The Bill defines a dwelling vessel as a vessel used principally for dwelling purposes and which tends to remain stationary in the waters of Hong Kong (clause 2).

Section 33 of the principal Ordinance empowers the Governor in Council to make regulations, and clause 3 of the Bill seeks to extend the power of the Governor in Council so that regulations requiring the licensing of dwelling vessels in prescribed areas may be made. Under these regulations the Governor may declare any part of the waters of Hong Kong to be an area within which no dwelling vessels may enter or remain.

Initially, four typhoon shelters at Yau Ma Tei, Tsing Yi, Tuen Mun and Cheung Chau respectively will be prescribed under the new regulations. All dwelling vessels present in these four shelters on the date of enactment of this proposed legislation will be registered, and registration numbers will be painted on the vessels. The chief occupant of a registered dwelling vessel will be issued with a licence, on which will be recorded the permitted mooring place of the vessel. The licence is not transferrable save in special circumstances.

Clause 3 of the Bill also enables regulations to be made empowering the Director of Marine, without recourse to the courts, to order the removal of any unlicensed dwelling vessel found in a controlled area and to seize, detain or sell the vessel, and any property found thereon, if the order of removal is not complied with. In addition, the Director will retain the option to prosecute. It is intended that before the Director removes an unlicensed dwelling vessel from a controlled area, the people on board will be evicted. Those who become genuinely homeless as a result will be offered temporary rehousing. They will not, however, be eligible by reason of the eviction alone for allocation of permanent housing.

An *Ad Hoc* of Unofficial Members of this Council under the chairmanship of my honourable Friend Mr. Peter C. WONG has been consulted on the draft Bill and the subsidiary legislation prior to the introduction of the Bill today. The purpose of this consultation was to enable three readings of the bill to be taken at one sitting so that the Director of Marine may be given the powers to exercise control immediately after the scheme is announced. The related subsidiary legislation has been approved by the Governor in Council and will come into effect immediately upon the enactment of the Bill. The

reason for this procedure is that we wish to prevent a sudden rush of vessels into the shelters by owners wishing to beat the deadline.

I conclude by thanking Mr. Peter C. WONG and members of the *Ad Hoc* Group for their careful consideration of the Bill and the regulations. A number of very useful and proper amendments were included as a result.

Sir, I beg to move.

MR. PETER C. WONG:—Sir, the Secretary for Economic Services has eloquently summed up the provisions of the Bill now before Council and the reasons for its introduction.

I confirm that the *Ad Hoc* Group of the Unofficial Members of the Council has considered the draft Bill and the draft regulations in detail and has also met with the Secretary for Economic Services, Director of Marine and other senior Government Officials. We are grateful to them for clarifying the many queries raised by my Unofficial Colleagues.

A number of amendments suggested by Unofficial Members have been incorporated in the Bill gazetted yesterday and will also be reflected in the new regulations which will come into effect immediately upon the enactment of the Bill. We are satisfied that the Bill and the new regulations will provide the Director of Marine with the necessary statutory authority to regulate the growing number of dwelling vessels in the typhoon shelters, which has been the subject of much concern.

As a start, the new regulations will only apply to the typhoon shelters at Yau Ma Tei, Tsing Yi, Tuen Mun and Cheung Chau. This is because existing resources would not permit imposing control on all relevant areas at the same time. However, designating the four most densely populated typhoon shelters as prescribed areas is a good start and it is hoped that control will be extended to other areas as soon as practicable. It is conceded that this has to be done step by step. In the meantime, it is essential that a close watch be kept on areas not brought within the ambit of the new regulations.

At a time when public expectations are noticeably on the increase, our policy to continue with the many programmes designed to further improve the quality of life in Hong Kong is a positive affirmation of Government's determined efforts to meet these expectations. The present exercise is but one facet of this policy, and it is reassuring to note that this difficult but long overdue operation will be implemented in a manner that would cause the least inconvenience and hardship to the boat dwellers. Confrontation should be avoided at all costs. Courtesy and goodwill on the part of the Administration on the one hand and the understanding and co-operation of those affected on the other, will certainly go a long way towards preventing any unpleasant incident which may otherwise occur. These are also necessary ingredients on which the success of this worthy operation will depend.

Finally, a word on a point of procedure. The need to take all three readings of the Bill at one sitting in order to prevent a sudden rush of dwelling boats into the shelters is fully appreciated by my Unofficial Colleagues. However, we would stress that only in exceptional circumstances should such procedure be adopted.

Sir, with these remarks, I support the motion.

SECRETARY FOR ECONOMIC SERVICES:—Sir, I thank Mr. WONG for his support for this Bill, and may I assure him that his remarks concerning the need for courtesy and goodwill on the part of Administration will be conveyed to the staff engaged in this operation. Also, Sir, I am confident that what Mr. WONG said regarding understanding and co-operation will be noted by all those affected.

*Question put and agreed to.*

Bill read the second time.

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

## **APPROPRIATION BILL 1983**

### **Resumption of debate on second reading (24 March 1983)**

*Question proposed.*

SECRETARY FOR EDUCATION AND MANPOWER:—I should like first to thank Mr. S. L. CHEN for what he said generally about provision for higher education and specifically about the provision in the 1983-84 Budget for vocational education and training. The sum of HK\$125 million is, as he remarked, a notional sum and the final figure for the coming year will be put to the Finance Committee of this Council very soon. May I also reassure Dr. FANG that long-term planning in the Rehabilitation field will continue, if I may say so, under his leadership as Chairman of the Rehabilitation Development Co-ordination Committee.

#### *Higher Level Examination and C.U.H.K. courses*

Miss BENNETT has proposed that the Higher Level examination be abolished and the four-year degree course at the Chinese University of Hong Kong be reduced to three years. In my reply to a question in the Council in May last year, I observed that the two Universities and the Polytechnic determine their own entry requirements. Changes to public examination arrangements at the sixth form level, therefore, must be made in consultation with these institutions. This is not to say that commonsense should not prevail and I agreed then, as I do now, that unified entry arrangements at the sixth form level would benefit our school pupils. The Panel of Visitors conducting the Overall Review of

Education, however, also considered this issue and it would be unwise to take any major initiative in this area until the Panel's report has been properly considered.

*Additional teachers*

I am pleased that Miss BENNETT believes that the extra teachers granted to secondary schools for remedial teaching in English and Chinese are already proving useful. This accords with the views which have been expressed to me and, like Miss BENNETT, I feel sure that the additional graduate teacher to be granted in September this year will ensure that this good work will continue. I should point out, however, that the two non-graduate teachers are not committed for September 1984, but for later years, when sufficient trained, non-graduate teachers can be provided by the Colleges of Education.

*The Overall Review*

The Government is *not* going to pigeon-hole the Report of the Overall Review of the Education system carried out by the Panel of Visitors. As I told Miss BENNETT in December last year, it will be submitted to Executive Council and, subject to its views, published. I hope to make an announcement later this month.

*Back-up provided by Government Departments to voluntary agencies*

As regards delays to capital building projects, sponsors planning new school projects are assisted by the Education Department to enable them to complete their projects with all possible speed. Detailed guidelines on procedures to follow are given both to sponsors and to their architects and there is effective liaison between civil servants and the voluntary agencies.

Some problems *are* particularly stubborn and I do not need to remind Miss BENNETT that the recent rugged resistance to clearance by squatters in Kwun Tong arose from the need to extend a secondary school.

The Hong Kong School for the Deaf, has also been delayed, to some extent, because of squatters on private land on which the school was to be reprovisioned. However, the school architect has now confirmed that the project can proceed before the eviction of the squatters, albeit at additional cost.

Of the 24 special school building projects in the current programme, two have been completed, 14 are on schedule and only eight have been delayed. Officers in the Education Department are working closely with the sponsoring bodies to overcome the difficulties holding up these schools.

*Schools in sub-standard premises*

I share Miss BENNETT's concern that we do not have a sufficient number of Government or aided places to meet our requirement to provide free and compulsory education for all at the junior secondary level. Miss BENNETT has acknowledged our problems over the provision of new school buildings, and

with the completion of the remaining 39 schools in the present Secondary School Building programme, bought places in less satisfactory schools will be considerably reduced. A plan for a further stage of the School Building Programme is being examined and, if approved, will enable us to phase out all the less satisfactory bought places, as we should.

#### *Staffing of Special Schools*

I share Dr. HU's admiration for the perseverance and patience required to work in schools for the severely mentally handicapped and I would like to pay tribute to the dedicated staff in these schools. Although the staffing ratio in these schools is one teacher to eight children, this does not take into account the paramedical, social work and other ancillary staff involved in the care and education of these children. If these are taken into account, there is one member of staff for every three children. The staffing of all special schools, including those for the severely mentally handicapped, is now under review.

#### *Government primary and secondary schools*

I cannot agree with Mr. WONG Lam that the provision of Government schools is a waste of public money. Whereas the Government is primarily concerned with the establishment of standards and seeing that they are met, it needs, on occasion, a means for *direct* participation in the education system. For instance, by introducing the activity approach in Government primary schools, it has been possible to demonstrate to others, the benefit of this less structured approach to primary education.

Since 1965, it has been Government policy to expand education through the aided sector. Only when this is not possible are Government schools considered. This policy has been modified marginally by the White Papers of 1978 and 1981 to allow for the building of Government schools in carefully delineated circumstances, principally, to give a wider range of choice to parents.

#### *Adult education*

Turning to Dr. HO Kam Fai's proposal to establish an Advisory Committee on Adult Education, I am afraid that I do not think that such a committee is necessary, nor would it improve the present arrangements. As Dr. Ho pointed out, Government subvention to voluntary organizations offering adult education courses has increased six-fold in the three years the subvention scheme has been in operation. This brief history is one which reflects the amicable working relationship and co-operation established between the voluntary agencies and the staff of the Adult Education Section of the Education Department. The comparison with the Social Welfare Advisory Committee is not really appropriate because it involves a much larger number of voluntary agencies than is the case in adult education. Accordingly the need for a separate Coordinating body hardly arises and policy advice can continue to be provided by the Board of Education, within whose ambit adult education falls.

*Computer Courses in schools*

I agree with Mr. Allen LEE that computer courses in our schools are valuable. It is for this reason that we have embarked on a pilot scheme, in which 30 secondary schools are participating. A pilot scheme is necessary because the computer syllabus in Form 4 and Form 5 is untried and may need to be adjusted in the light of experience before it is generally introduced. By keeping the number of schools participating in the pilot scheme to 30, the Education Department is able to maintain close contact with the schools and is therefore fully aware of any problems arising from the suitability of equipment or curriculum material. Teaching techniques can also be tried out or evaluated quickly, with a view to ensuring that the course is running smoothly before it is extended to other schools. The scheme also includes in-service training for the teachers concerned.

The pilot scheme will run for two years—1982 until 1984—and the first Hong Kong Certificate of Education examination in computer studies will take place in 1984. Later this year, which will be the end of the first year of operation, a full evaluation will be carried out to determine whether the subject should be extended to other schools, and if so, to what extent. The desirability of introducing computer education to junior secondary, primary or sixth form levels will also be considered as part of this evaluation.

I must caution against direct comparison with the United Kingdom. The British scheme aims to promote computer awareness by providing *one* computer for each school, with half the cost being met by Her Majesty's Government. In Hong Kong, each of the 30 schools in the pilot scheme has got at least nine micro-computers, five or more disc drives, a cassette tape-recorder and two printers.

I hope that Mr. LEE will agree that raising standards, which he, and I both advocate, can best be accomplished by providing adequate equipment, properly trained teachers and a syllabus geared to a public examination.

*Student Travel Scheme*

Mr. F. K. HU has suggested that the Student Travel Scheme, although worthy of our support, could be amended in two respects. However, these suggestions were considered and rejected when the scheme was introduced in 1980. It was thought impossible to differentiate between school and extra-curricular trips, given that we have day schools, bi-sessional schools and evening schools. In any event, one of the objectives of the scheme is to encourage students to participate in recreational and other leisure activities outside school hours.

A direct subsidy to students through their schools was rejected because it would be more expensive to administer and provide less control than the present scheme, having regard to the large number of transport permutations and cost calculations involved. There are half a million Student Travel Card holders and the current administrative cost of the scheme, which is about \$2 million, is more than covered by the charge for each card.

*Special Education*

In my reply to Dr. Henrietta Ip I shall confine myself to her remarks about education for handicapped children. Let me make it clear that handicapped children, like their non-handicapped counterparts, are entitled to nine years free education. There are now sufficient school places for *all* blind and deaf children; by 1984-85 over 92% of the estimated number of maladjusted children will be provided with a special school place; and by 1987-88 *all* physically handicapped children will be provided with a place. The only significant shortfall is in the provision of places for the mentally handicapped, as Dr. Ip pointed out.

Although the 1982 Rehabilitation Programme Plan Review gives a shortfall in provision of 6 292, the planned provision will result in an additional 5 620 places for mentally handicapped children in special schools by 1990. It must be remembered, however, that demand figures are based on international prevalence rates. With the coming into use of our Registry for the disabled, these proxy figures will be replaced by more relevant Hong Kong statistics. It is also of immediate practical relevance that there are only 270 children on the present established waiting list for places in special schools for the mentally handicapped and, as Dr. Ip has mentioned, at least that number of places will be provided this year although location and degree of handicap will make matching difficult.

The Government *does* accept responsibility for the education of the handicapped and, in co-operation with the voluntary agencies, seeks to provide the financial and advisory support for this provision.

Sir, I support the motion.

4.00 p.m.

HIS EXCELLENCY THE PRESIDENT:—At this point, Council might like a short break.

4.15 p.m.

HIS EXCELLENCY THE PRESIDENT:—Council will resume.

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—Sir, the matter of fees and charges for the medical and health services is an important area which always generates varied opinions and views and there has been no dearth of advocates for free services from some quarters as well as good advice to charge the full cost from others.

I should like, first of all, to state the Government policy and practice on this matter.

The Government White Paper on the Further Development of Medical and Health Services published in 1974 laid down as one of the two main principles in



its policy that 'there is a need to ensure the provision of medical and personal health facilities for the people of Hong Kong including particularly the large section of the population which relies on subsidized medical attention.' Thus, under this policy, the medical and health services is basically an important social service, particularly for those in need and unable to pay the actual cost. Therefore, different charges for services are levied generally on two main groups of people, i.e., :*(a)* those who are in need of such services but who cannot afford to pay; and *(b)* for those who may be able to pay either in full or in part the cost of the service. For the former, and by far the bulk of our patient, the charges for services in Government hospitals and clinics are nominal and are not at all related to recovery of cost. For the latter, the intention is to recover the full or partial cost of the in-patient, out-patient as well as ancillary and supporting services. Thus, in the classic situation where different advice in opposite directions are tendered to the Government, we are in the enviable position of being able to agree with both as these principles are applicable to different groups of people. Dr. HU will therefore be pleased to hear that his suggestion that those who fall into temporary sickness and out of work do have access to free or inexpensive medical care within our system, while Dr. IP may be assured at the same time that it is the intention and practice of Government to charge those who can afford to pay.

However, Dr. IP is still concerned at the extent to which private patients are subsidized from public funds partly because of an apparent failure to up-date charges in time.

It is therefore necessary for me to comment on the points raised in this connection, particularly on the subject of the costing system and procedures.

However, before anything else, I should like first to refer to Dr. IP's comment that the nominal increases for medical and health services which was coincidentally announced two days before her speech and apparently escaped the attention of my Colleague, the Financial Secretary, when he was presenting his budget. I have the highest respect for the Financial Secretary as he is blessed, *inter alia*, with the gifts of wisdom, thoroughness and, in particular, keen vision to recognize justifiable sources of revenue. Therefore, in all fairness to him, I must say that nothing that concerns charges could have escaped the Financial Secretary's eagle eyes. The fact that he did not mention the charges in his speech was because he was dealing with fiscal measures only and medical charges, even though they are cost related, did not fall into this category. In any case, the charges under reference are related to those for general ward patients who are normally reviewed on a scheduled and cyclical basis and considered independently outside the normal budgetary procedures. It would therefore have been inappropriate for the Financial Secretary to mention these at that time.

My honourable Friend referred to the analysis of the fees and charges review of the Medical and Health Department revenue register based on a computer print-out dated 15 March 1983. This system is computer-based and was only introduced by the Treasury for all departments with effect from 1 March 1983.

The main object is to assist in the review and revision of Government revenue sources on a continuous basis. I have also found such analysis to be a very valuable source of information and until this system became available recently, it was extremely difficult to extract any comprehensive information, particularly when there are more than 600 items of fees and charges to be dealt with in the Department. The immensity of the task, when it was required to be done on a manual basis, could well be imagined.

Dr. IP stated that although up-dated figures for charges have been available for the past two years, the old charges were still being applied. In fact, updated figures were only notified to my Department recently. This is because the costing exercises on charges were done last year based on actual cost figures in 1981, i.e., two years ago, hence, the apparent confusion.

In regard to the falling percentage of revenue as compared to expenditure in my Department between 1979 and 1983, again it should be remembered that the Medical and Health Department is a social services department providing a non-profit making public service. The revenue which is raised from the bulk of our patients who are in the general wards is nominal while only full or partial cost is being recovered from a comparatively insignificant number of private beds. As a result of sheer population pressure particularly in recent years, our first priority is to meet the pressing need by concentrating on providing for more beds in the general wards. Thus, there are now 221 beds for private patients with 10 544 beds in the general wards within the Government hospitals. Bearing in mind the priority needs and the fact that resources are not unlimited, the number of private beds can only be increased at the expense of the beds in the general wards. In the circumstances, it is quite inappropriate to compare the income and expenditure of the Medical and Health Department which is not a business concern.

Dr. IP mentioned some examples of under-costing of services such as those for virus isolation, radiotherapy, chemotherapy, cardiac-catherization and laboratory investigations. In fact, we have been far from being idle in updating charges since and when the cost figures were available. Revision of charges have been in hand for sometime and the new charges are now ready and expected to be gazetted in two days' time.

I agree that costing exercises in fact should be done at appropriate intervals and the review system which has been introduced by the Government for all its departments will in future highlight any costing exercises in Government departments that are not carried out in accordance with the prescribed schedules.

The review of many charges and fees as my Friend has stated is a time-consuming process and is further complicated by the fact that medical treatment and laboratory investigations are continuously changing as new tests and improved techniques are introduced and old ones discarded. For this reason,

charges for some of these items were not updated because it is the intention to cost and update the charges for better and more advanced techniques.

In passing, I should also wish to refer to the zero rating mentioned by Dr. IP. In fact, zero rating means that it was not possible, when the print-out was being prepared, to ascertain the costing of a particular investigation or treatment, but does not mean that the test has been assessed to cost nothing. Such incidences will soon be cleared once the system has been operational for a reasonable period.

My staff and I are very much aware of a need to economize and do care as to how the taxpayers' money is being spent. Afterall, besides being duty bound, we ourselves are among those who contribute very conscientiously to the Government revenue in this way.

As I have mentioned earlier, the new computer based system for reviewing Government fees and charges was introduced on 1 March 1983. While this system will highlight to all Government departments charges which are due to be re-costed and which needs to be reviewed so as to reflect the level of inflation, it will not actually do the work of re-costing and reviewing the charges. Therefore, in addition, a computer system known as L.A.F.I.S. (Ledger Accounting Financial Information System) is also being introduced into my Department on a phased basis. The first phase has already taken effect on 1 April. This system will also assist considerably in being able to identify the expenditure associated generally with fees and charges.

On the question of whether 40% of the patients in the second class wards should be subvented, I am pleased to say that this matter in fact is already under active consideration by Government and a decision should be arrived at soon. Also, public statements have already been made at different times and levels and through the public media regarding the actual cost of the beds as compared to their nominal charges constantly and regularly. Most members of the public as well as the staff are aware of the actual situation.

I may also say that aside from some expectations for modest and reasonable terms and conditions of service, those of us who are providing health care in the Government medical service have done so mainly because of positive incentives such as the challenges which the service has to offer as well as the satisfaction of knowing that we have served the community in a worthwhile way. The fact that an increase in departmental revenue does not automatically benefit directly the departmental budget is an accepted normal practice for all Government departments in Hong Kong and for governments in many parts of the world and do not therefore by itself influence adversely the intention of the health care providers to perform their duties efficiently and in seeking out the best way of providing a cost effective service.

In passing, too, I would also like to mention that our staff working in the Accident and Emergency Departments, i.e., Casualty Departments as mentioned by Dr. IP, do not admit patients into the hospitals lightly, but only when

they are satisfied in their professional judgment and in the interests of their patients, that admission is necessary. I must emphasize that their dedication and hard work, often under very difficult and trying conditions, deserve our utmost admiration.

I agree with Dr. Ip that the poor and the under-privileged would remain Government's priority as this is the principle on which the Medical and Health Department has based its policies when it provides facilities for the community. In so doing, the Department therefore cannot be a self funding business in the same way as a private hospital. Everything possible, of course, will be done to raise revenue when this is justifiable, bearing in mind the needs of the underprivileged but revenue within this policy will have to remain a small portion of the expenditure.

In view of my foregoing comments, I cannot therefore agree that there is evidence of the medical expenditure in my department running out of control as very significant steps have been taken to improve expenditure control in an effective way.

I now turn to the subject of prevention, assessment and rehabilitation for the handicapped.

Few would disagree with the theory that prevention is better than cure and that cure in turn should be complete without the need for rehabilitation. However, in the realities of everyday life, there will always be conditions or diseases which are either difficult to or cannot be prevented and, inevitably, occasions will arise when the curative process has to be complemented by rehabilitative services. Thus, health administrations usually plan for medical and health services under three main groups, namely, (1) preventive; (2) curative and (3) rehabilitative services. The preventive aspect consists of two main elements, firstly, primary prevention when the disease or injury is directly prevented from occurring by some measures. An example of primary prevention may be seen in the comprehensive immunization programme being provided for in our Family Health Services where a series of disabling and even fatal diseases of childhood are being prevented from occurring. The second aspect of prevention may be seen in the case of certain congenital or hereditary conditions which cannot or are difficult to prevent directly but which may benefit from early detection assessment so that remedial measures may be taken in order to prevent further deterioration and, if possible, to increase the chances of restoring full function. These principles in the preventive medicine are applied practically in the provision of our comprehensive Family Health Services and Obstetrical Services where preventive measures to safeguard the health of the mothers and their children are systematically introduced to cover the ante-natal, perinatal and post-natal periods of their lives. Therefore, there is no 'forgotten step' in the preventive aspect, as suggested by my Friend.

Appropriate curative and rehabilitative services are also provided for in order to complete the whole mosaic of a balanced and comprehensive medical and health system.

Dr. IP would like to see a breakdown of the money spent in the preventive, assessment and rehabilitative aspects of the handicapped. However, the cost of the different aspects of the services for the handicapped, while an important factor, cannot be the only one in assessing the effectiveness or in determining whether the proper emphasis is being placed on these different aspects. There is, in fact, little meaning in making such comparisons at any one point or even a short period of time. This is because of the fact that the needs in the health services must and will vary from time to time in accordance with the changing pattern of diseases as well as the advances in medicine in the longer term. It must also be remembered that shifts in emphasis, and, hence, allocation of resources to different aspects of the health services will also occur at different times due to transitions in demographic, social and economic factors and which will ultimately influence the provisions for the different aspects of the services. Thus, money spent on one aspect of the health services at a point in time is only a reflection of the relative need for such services during that time but does not necessarily mean that there has been an unbalanced approach to the overall provision of services in other fields or aspects which may have already been catered for at other times.

Further, in practice, it is extremely difficult, if not impossible, to provide any reliable or meaningful apportionment of the cost of the three aspects of the services partly because of difficulties in identifying the cause and effect of certain preventive and curative measures and partly because of the multiplicity of services provided for in the three big and extensive fields of education, social welfare and medicine. Such an apportionment exercise will therefore expend an unduly large amount of staff time and efforts, quite out of proportion to the usefulness of the information to be derived.

Honourable Members may be assured that it is the policy of the Government to try and attain a golden mean in which the preventive, curative and rehabilitative services are in harmonious balance, the result of which should be a comprehensive and cost effective health care system for the whole community and at a price that we can afford.

However, in practice, the golden mean, like anything else that is perfect and ideal, is difficult to achieve. Nevertheless, I am encouraged by the fact that we are very ably assisted in our attempts in this direction by both the Medical Development Advisory Committee (M.D.A.C.) and the Rehabilitation Development Co-ordinating Committee (R.D.C.C.) which come under the chairmanship of a distinguished and senior Member of the Executive and Legislative Councils. The memberships of the Committees also consist mainly of Unofficials whose expertise and special talents in the relevant fields are such that the Government may be assured of good advice in order to achieve the best possible balance in the three major areas of services within the resources available.

Sir, I have much pleasure in supporting the Motion.

DIRECTOR OF SOCIAL WELFARE:—Sir, I am grateful to Mr. F. K. HU for his kind words in support of the new subvention system for social welfare services which is now being introduced. It is a fundamental principle of the new system that individual services should be ranked either in Category I or Category II in order to determine the nature and extent of Government financial support. The majority of social welfare services have been included in Category I but in any system involving priorities, it is inevitable that some must be placed in the lower category. The services in Category II are largely of a social or recreational nature, rather than those which provide for fundamental human needs.

Mr. HU referred to financial difficulties being faced by some agencies operating social centres and multi-service centres for the elderly. This subject has been discussed on previous occasions in this Council and I can only reiterate that there is no evidence of any real financial difficulties; as a result of the 1982-83 allocations my department received only two appeals from the 30 voluntary agencies which run some 70 social centres for the elderly. Both of these appeals were satisfactorily resolved. Nor is there any indication that the future development of these valuable services will be adversely affected, since the planned provisions for 1983-84 have all been taken up by the agencies.

I shall however be happy to consider an appeal from any individual agency which can show that it is unable to function properly with the funds allocated.

Mr. HU also expressed concern about the adequacy of subventions for the central administration costs of agencies; this service has been placed in Category II partly because a standard cost approach is impracticable, and also because most agencies provide a mixture of Category I and Category II services. Despite this categorization, agencies which provide Category I services only in fact receive 100 per cent support for their head offices. In fact, in 1982-83 all agencies received increased levels of support for central administration. I fully agree with Mr. HU that agencies should be given adequate resources to discharge their central administration and managerial functions and as with social centres and multi-service centres for the elderly, I am prepared to give sympathetic consideration to the provision of additional support to any agency which experiences genuine financial difficulty.

My Colleague the Secretary for Security will be dealing with Miss BENNETT's comments on services for young offenders, but there is one particular point in her remarks on this subject which I feel that I should answer.

Miss BENNETT referred to the schooling provided for inmates in the five correctional institutions operated by my department and expressed her dismay that the Adviser seconded by the Director of Education was advising on 'administrative matters' only. I hasten to assure her that this is not so. The Education Adviser's remit is to advise on the best means of providing a professional teaching service for the department's correctional institutions.

Specifically he is reviewing the educational needs of the inmates, designing an appropriate curriculum in different homes to meet these needs, including academic, practical and pre-vocational programmes, advising on space and equipment requirements and drawing up a staffing establishment for each home. Throughout this work, the adviser has consulted other specialist officers in the Education Department, including those in the Special Education Section. I am naturally anxious that all the expertise available is brought to bear on this important area of our work and I shall be having further discussions with my colleague, the Director of Education, when the Education Adviser's report is received.

Dr. Henry HU urged the Government to be more generous in dealing with those who are unable to look after themselves because of old age or disabilities. We are very conscious of the changing social pattern in Hong Kong, and the plight of many of the old and disabled members of our society as well as the pressures on those families who have to look after them. These are the people who clearly most need help and they are the prime targets both of our social security schemes and of our direct social welfare services.

Sir, I support the motion.

COMMISSIONER FOR LABOUR:—Sir, in his speech to this Council on 23 March 1983, Dr. Ho Kam-fai stressed the importance of harmonious labour and management relations. He said that whilst the Labour Relations Division of the Labour Department has already taken the initiative in helping to create a favourable climate for the growth of more positive labour relations policies and practices, further efforts should be made to expand its promotional and educational programmes as well as to improve settlement of labour disputes. I of course share his concern and endorse his view.

With regard to promotional and educational work, a Promotion Unit of the Labour Relations Division was established in 1980. The objective of this Unit is to promote good labour and management relations through an educational and advisory programme. This Unit has now an establishment of one Senior Labour Officer, five Labour Officers and six Assistants. However, due to shortages of staff, the Unit has so far not kept up to full strength because of the frequent need to redeploy the limited resources of manpower to meet urgent demands for other services provided by the Department.

Nevertheless, much work has been done since the establishment of the Unit. In particular, the Unit ran a one-year Labour and Staff Relations Development Project under the auspices of the United Nations Development Programme in 1981. This project included five workshops and one conference to provide training for employees, trade union officials and management personnel in a wide range of labour relations subjects. In 1982, a total of 303 advisory visits were made to individual establishments, employers' associations and workers' unions, gave 46 talks to some 1 150 participants, organized 30 seminars and workshops for some 1 500 employers and employees, 250 consultations,

answered more than 1 000 enquiries and helped improve employment contracts and employee handbooks at the requests of employers.

For this year, the following programme and targets are planned:

*Firstly*, eight training courses on the Employment Ordinance for up to 700 participants from both management and trade unions.

*Secondly*, two seminars on joint consultation and industrial relations for personnel managers and administrators of large and medium establishments and factories, to enable participants to have a thorough understanding of joint consultative committees and thus facilitate the Promotion Unit's efforts to help selected firms set up such committees.

*Thirdly*, four training courses for management staff on how to prepare employment contracts and the employees' handbook to help reduce conflicts and misunderstanding.

*Fourthly*, four mini-exhibitions/seminars in the main industrial districts such as Tsuen Wan, Kwun Tong, San Po Kong and Chai Wan for the purpose of educating workers in the provisions and fundamental concepts of various pieces of labour legislation, especially the Employment Ordinance and Employees' Compensation Ordinance. To help ensure local interest in these exhibitions, the Promotion Unit would welcome co-sponsorship with the district boards and other district organizations.

It should be appreciated, of course, that the attainment of this ambitious programme depends very much on the response of both management and labour, and whether we are able to keep the Unit fully staffed.

During the year the Promotion Unit will also continue its existing programme of advisory visits to firms and factories. Since June 1980, some 1 000 such visits have been made. Through these visits, my staff can obtain a better knowledge of their style of management, employment situation and the state of management/ labour relations. Suitable follow-up action can be taken in regard to the consultancy service on joint consultation, the preparation of employment contract and employee handbook etc., or whatever steps appear appropriate in their individual circumstances. Apart from answering the many queries addressed to it, the Promotion Unit will also continue to entertain requests from management and trade unions, as well as various professional organizations, for talks and short courses on good management practices and on specific pieces of labour legislation.

Dr. HO expressed concern at the 'declining trend' in resolving labour disputes, basically claims of legal or contractual entitlement, by the Labour Relations Service. The decline in this figure may be attributed to a number of factors. Firstly, though empowered to intervene in disputes under the Labour Relations Ordinance, the Labour Relations Service offers a conciliation service on a voluntary basis, and it is entirely up to employers and employees to decide whether or not to accept our advice or our service. Other major factors that affect case work include the increase in labour legislation over the past decade, the additional employee benefits and entitlements introduced in recent years,



the greater awareness of employees of their legal entitlements, the more legalistic stance taken by some employers in disputes, and the availability of the Labour Tribunal as a means of settling claims definitively. These all contribute, to some extent, to a greater resistance and reluctance of the parties to a dispute to settle their differences by compromise and agreement. In other cases, the nature of disputes, e.g. insolvency of employers, is such that conciliation in itself could not bring about a settlement.

However, the reduction in cases settled in this manner must be seen in its proper perspective. Every case of dispute, whether it is a wage claim or a trade dispute, receives the attention and assistance of the Labour Relations Service, and the rate of settlement, there may be of some general interest, cannot be taken as a measurement of the amount of effort and manpower spent on conciliation, nor of the value of the service being rendered to the public. Indeed, in view of major disputes referred to us not involving insolvency the success rate is very high, since we have so far not had to resort to the special procedures provided in the Labour Relations Ordinance. Nevertheless, I can assure Dr. Ho that the conciliation work methods of the Labour Relations Service are being reviewed for improvement to meet changing circumstances. These would include a review of the existing conciliation procedures and the training requirements of staff, many of whom are relatively new to the Service, in order to enhance their conciliation skills. With an improved staff position, it is anticipated that more could be done to help the parties in dispute to resolve their differences.

We are also considering whether experienced officers in the Labour Relations Service should be empowered, for example, to make rulings on the basis of the facts of the case with regard to wage claims in minor cases subject to appeal. However, as this involves also the area of the jurisdiction of the Labour Tribunal which is a judicial organ, it will need very careful consideration and may be difficult to implement. However, we think, and the Chief Justice agrees, that we should examine the possibilities with a view that these or other improvements may help to promote the speed of settlement, and also to relieve pressure on the Labour Tribunal.

In conclusion, Sir, the overall labour-management relations scene is encouraging and reasonably peaceful. The annual figure on 'working-days' lost due to strikes and lockouts (39 743 in 1979, 21 069 in 1980, 15 319 in 1981 and 17 960 in 1982) is as low as can reasonably be expected. In fact, the figure of 17 960 working-days lost in 1982 compares favourably with the annual average of 22 558 working-days lost in the past ten years (1973-1982) and remains very low by international standards.

Sir, I support the motion.

SECRETARY FOR HEALTH AND WELFARE:—Sir, I should like to thank those Members who have shown their concern by commenting on matters in the medical and social welfare fields. The Secretary for Education and Manpower,

the Director of Medical and Health Services and the Director of Social Welfare have already spoken on a number of social services topics raised by Members. I would wish to endorse particularly the remarks of the Director of Medical and Health Services, in response to Dr. IP, about the prevention of handicap. The importance of prevention is well recognized and I believe that proper emphasis is placed upon this aspect of the Medical Department's functions. I do not intend this to sound complacent, but rather to assure Dr. IP that we are aware of the need for an ongoing balance in the preventive, curative and rehabilitation fields, and that every attempt is made to provide the necessary resources to meet these needs in a sensible manner.

Dr. FANG has asked for an assurance that long term social services planning will continue, and has referred particularly to the importance of projects in the medical, rehabilitation and social welfare fields proceeding as planned. The Secretary for Education and Manpower has already responded in respect of rehabilitation. In turn, Sir, I can confirm that it is the Government's policy to maintain a long term approach to planning in the medical and social welfare fields, and Dr. FANG may rest assured that this will continue, calmly and steadily, to use the Financial Secretary's words, despite any temporary setback. I should like to expand a little on this reference to planning.

#### *Long term medical planning*

Our development programme for medical and health services is planned on a ten-year basis. The programme is reviewed annually by the Medical Development Advisory Committee under the experienced chairmanship of Dr. FANG, and is rolled forward each year. The annual review provides an opportunity for new projects to be added, or the scope of the programme to be revised, to take into account changing needs resulting from any increase or re-distribution of population, changes in disease pattern, usage rates, adoption of new planning standards and so on.

Apart from extensions to existing institutions, the current development programme envisages the building of five new hospitals of over 1 300 beds each and some 20 new clinics and polyclinics over the next ten years.

Every effort is being made to ensure that these projects should proceed as planned; but obviously any capital programme of this magnitude has to take into account the economic circumstances of Hong Kong and the competing demands for available fiscal resources. The number of new capital projects selected for commencement of work in any one year will depend not only on the rate of building construction but also on cash expenditure guidelines and the ceiling on total outstanding commitments.

#### *Long term social welfare planning*

As regards social welfare planning, the White Paper 'Social Welfare into the 1980s' published in April 1979 sets out the Government's aims for the long-term development of social security and social welfare services. An essential corollary

is the Five Year Plan for Social Welfare Development which deals separately with each of the major areas of provision and their programmes of development. The Plan is reviewed annually to monitor progress and to ensure that momentum is maintained. There are also regular reviews of specific programme plans, such as services for the elderly, for rehabilitation and for young people. A key role in overseeing these plans and services is played by the Social Welfare Advisory Committee which also advises the Government on the standard and range of social welfare services that should be maintained.

Examples of forward planning over the next five years are 2 000 new care and protection places for the elderly, 22 new multi-service centres for the elderly, 16 new community halls and 13 000 additional nursery places.

*Government's role in implementing social welfare policies*

I turn now briefly to Mr. WONG Lam's view that the Government should not involve itself with the actual implementation of social welfare policies. No one will deny the skill and dedication with which the voluntary sector has for so long provided social welfare services in Hong Kong, to a greater extent perhaps than in most other communities. The Government attaches great importance to the fine work being done by the voluntary agencies, to their flexibility and to the involvement of large numbers of public-spirited people in community work. However, services provided by voluntary agencies are essentially complementary to the efforts of the Government which, apart from establishing the policies and monitoring their application, is also responsible for implementing an adequate social security system and certain social welfare services, particularly those required by law. There are no plans for the Government to relinquish these services to the private sector. Indeed in certain areas of work it is clearly in the interests of both the Government and the voluntary agencies, as well as the public, that the Government should implement policies directly.

*Contributory social security scheme*

Finally I should like to respond to Mr. Andrew SO who has asked that reconsideration should be given to a contributory social security scheme. I am sympathetic to Mr. SO's motives but must assure Mr. SO and other Members that the proposed semi-voluntary scheme first mooted in the 1977 Green Paper 'Help for Those Least Able to Help Themselves' has been very carefully considered by the Government, and only reluctantly abandoned when it was concluded not to be viable. The reasons for this have been explained in this Council on more than one occasion. Mr. SO may recall that in replying to his question on the same subject on 23 December 1981, Mr. Eric HO, the then Secretary for Social Services, drew attention to the findings of an opinion survey of employers and employees, the actuarial advice obtained and discussions with both sides of industry through the Labour Advisory Board, all of which confirmed that the proposed scheme would be too difficult to apply.

At the same time the possibility of making a social security scheme compulsory was also examined, but it was concluded that such a compulsory scheme

would undermine our well-established non-contributory social security arrangements. Alternative plans are therefore being developed to provide extended sickness benefits and death grants for incorporation in legislation. Meanwhile, the Public Assistance scheme must remain the central pillar of our social security system, as must our approach of concentrating assistance on the more vulnerable groups in our community.

The progress in the provision of our various social services since the end of the Second World War has been enormous, and particularly so in the face of the population increases during that period. Progress will of course continue. But it is imperative that developments in any particular area of these services should have regard to priorities in other areas. And it is equally important that we embark upon no great voyages of social commitment unless we know where we are going and how much it will cost us to get there.

In conclusion, I should like to refer to the footnote on page 3 of the Budget Speech: ‘“Everywhere politicians have been inclined to turn a blind eye to the long-term actuarial consequences of vote-winning social security gestures. The problems of supporting levels of public spending that looked acceptable in a period of economic growth begin to look daunting in a world of flat demand and financial upheaval”. Extract from the Financial Times leader of 28 September 1982’.

Aware, as we are, of the practical difficulties and financial implications of a contributory social security scheme, I believe that our present position in not proceeding further down that particular path is correct.

Sir, I support the motion.

SECRETARY FOR HOUSING:—Sir, I would like to thank my Unofficial Colleagues for their generous remarks about public housing and for their constructive comments and suggestions on housing policies.

#### *Public Housing*

Dr. FANG has referred to housing as one of our most pressing problems and reminded us of the need to continue to provide rental accommodation for those who cannot afford their own housing. I am sure we all agree that, despite the very large output of housing production over the past few years, our efforts in this field cannot be relaxed. I can assure Father MCGOVERN that public housing production will at least be maintained at its current level for the foreseeable future.

In the financial year just completed, public sector production again exceeded the target of 35 000 flats and, owing to the continuing drop in tender prices, we have achieved our target at a much lower cost than originally forecast and this has resulted in substantial savings in the Housing Authority's capital budget.

Both Dr. FANG and Mr. SO see merits in selling public housing flats to sitting tenants who could afford to buy. There are no doubt some financial benefits in

this concept, but its feasibility must be evaluated against a public housing policy which provides flats at extremely low rental while conferring on the tenants almost complete security of tenure. If the terms of purchase were to be made sufficiently attractive, flats including those in the newer estates would have to be priced at a level far lower than that suggested by Dr. FANG. Therefore, even on the assumption that 7% of existing tenants would buy their flats, the revenue likely to be generated would be much less than the estimated \$3.5 billion and would spread over several years.

Another important consideration would be the many social and practical problems associated with managing blocks with a mixed population of private owners and public tenants. Although this could theoretically be overcome by earmarking complete blocks for sale, this would involve moving out families unable or unwilling to buy, leading to much disruption and resentment. The experience with those reluctant to move in the course of redevelopment of old estates during the past ten years has amply illustrated the sort of problems that would arise.

#### *Home Ownership*

However, I entirely agree that well-off public housing tenants should be actively encouraged to buy their own homes, and this was one of the main reasons for the Home Ownership Scheme. The present practice is to set aside 50% of Home Ownership Scheme flats for sale to public housing tenants, and to-date some 10 000 new flats have been sold to this group, thereby releasing a similar number of rental flats for allocation to other families in need of them.

I therefore agree with Mr. F. K. HU and Mr. CHEUNG Yan-lung that in the context of housing priorities, the balance between Home Ownership Scheme and rental flats needs to be reviewed. While there is a continuing high demand for public rental housing, there is also a strong underlying demand for home ownership. The fact that the number of applications for Home Ownership Scheme flats has consistently exceeded by many times the number of flats available clearly demonstrates this trend, and we are examining ways and means by which more flats can be provided to meet the aspirations of those the scheme is designed to benefit.

#### *Middle Income Housing*

Sir, the Financial Secretary stated in his Budget Speech that the continuing need for the Middle Income Housing Programme was under review. That review has since been completed and it has been announced that the programme will be discontinued. This decision was taken against a background of sharply lower property prices and interest rates, and the availability of longer mortgage loan repayment periods, all of which combine to make home purchase more affordable, and thus remove the need for assistance for those whose incomes exceed the limit for the main home ownership schemes.

*Flatted Factory Programme*

Turning to Mr. HU's query regarding the Government's flatted factory construction programme, I should like to report that the Housing Authority has recently completed a review of this programme, and concluded that the large number of vacancies in existing flatted factories should be adequate to meet clearance demand for the foreseeable future. Therefore, for the present no further flatted factories should be built after those blocks now under construction are completed.

Recent experience has been that only a small proportion of factories and workshops which are cleared cannot readily find accommodation in private factories and need to look to Housing Authority flatted factories for reprovisioning. In order to reduce the number of vacancies in these factories, open tenders are now invited on a regular basis, thus meeting the needs not only of factories and workshops displaced by clearance, but also of many other small factory operators requiring purpose-built units.

With these remarks, Sir, I support the motion.

*Motion made. That the debate on the second reading of the Bill be further adjourned*—THE CHIEF SECRETARY.

*Question put and agreed to.*

**INLAND REVENUE (AMENDMENT) (NO. 2) BILL 1983****Resumption of debate on second reading (9 March 1983)**

*Question proposed.*

*Question put and agreed to.*

Bill read the second time.

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

**Committee stage of bills**

Council went into Committee.

**INLAND REVENUE (AMENDMENT) (NO. 2) BILL 1983**

Clauses 1 and 2 were agreed to.

**SHIPPING AND PORT CONTROL (AMENDMENT) BILL 1983**

Clauses 1 to 3 were agreed to.

Council then resumed.

**Third reading of bills**

THE ATTORNEY GENERAL reported that the

INLAND REVENUE (AMENDMENT) (NO. 2) BILL and the

SHIPPING AND PORT CONTROL (AMENDMENT) BILL

had passed through Committee without amendment and moved the third reading of each of the Bills.

*Question put on the Bills and agreed to.*

Bills read the third time and passed.

**Unofficial Member's Bill****Second reading of bill****COUNCIL OF ST. PAUL'S CO-EDUCATION COLLEGE INCORPORATION  
(AMENDMENT) BILL 1983****Resumption of debate on second reading (9 March 1983)**

*Question proposed.*

*Question put and agreed to.*

Bill read the second time.

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

**Committee stage of bill**

Council went into Committee.

**COUNCIL OF ST. PAUL'S CO-EDUCATIONAL COLLEGE INCORPORATION  
(AMENDMENT) BILL 1983**

Clauses 1 to 3 were agreed to.

The Schedule was agreed to.

Council then resumed.

**Third reading of bill**

MISS TAM reported that the

COUNCIL OF ST. PAUL'S CO-EDUCATIONAL COLLEGE INCORPORATION  
(AMENDMENT) BILL

had passed through Committee without amendment and moved the third reading of the Bill.

*Question put on the Bill and agreed to.*

Bill read the third time and passed.

**Suspension of sitting**

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now suspend the Council until 2.30 p.m. tomorrow.

*Suspended accordingly at five o'clock.*