

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 21 June 1995

The Council met at half-past Two o'clock

PRESENT

THE PRESIDENT

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

THE CHIEF SECRETARY

THE HONOURABLE MICHAEL SUEN MING-YEUNG, C.B.E., J.P.

THE FINANCIAL SECRETARY

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

THE ATTORNEY GENERAL

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

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

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

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

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

THE HONOURABLE SZETO WAH

THE HONOURABLE TAM YIU-CHUNG

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

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

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

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

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

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

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

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

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

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE VINCENT CHENG HOI-CHUEN, O.B.E., J.P.

THE HONOURABLE MOSES CHENG MO-CHI

THE HONOURABLE MARVIN CHEUNG KIN-TUNG, O.B.E., J.P.

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHIM PUI-CHUNG

REV THE HONOURABLE FUNG CHI-WOOD

THE HONOURABLE FREDERICK FUNG KIN-KEE

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

THE HONOURABLE MICHAEL HO MUN-KA

DR THE HONOURABLE HUANG CHEN-YA

THE HONOURABLE SIMON IP SIK-ON, O.B.E., J.P.

DR THE HONOURABLE LAM KUI-CHUN

DR THE HONOURABLE CONRAD LAM KUI-SHING, J.P.

THE HONOURABLE EMILY LAU WAI-HING

THE HONOURABLE LEE WING-TAT

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

THE HONOURABLE FRED LI WAH-MING

THE HONOURABLE MAN SAI-CHEONG

THE HONOURABLE STEVEN POON KWOK-LIM

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

THE HONOURABLE TIK CHI-YUEN

THE HONOURABLE JAMES TO KUN-SUN

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

DR THE HONOURABLE PHILIP WONG YU-HONG

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE HOWARD YOUNG, J.P.

THE HONOURABLE ZACHARY WONG WAI-YIN

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

THE HONOURABLE CHRISTINE LOH KUNG-WAI

THE HONOURABLE ROGER LUK KOON-HOO

THE HONOURABLE ANNA WU HUNG-YUK

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

THE HONOURABLE ALFRED TSO SHIU-WAI

THE HONOURABLE LEE CHEUK-YAN

ABSENT

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

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

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

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

IN ATTENDANCE

MR HAIDER HATIM TYEBJEE BARMA, I.S.O., J.P.
SECRETARY FOR TRANSPORT

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

MRS KATHERINE FOK LO SHIU-CHING, O.B.E., J.P.
SECRETARY FOR HEALTH AND WELFARE

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

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

MISS JACQUELINE ANN WILLIS, J.P.
SECRETARY FOR EDUCATION AND MANPOWER

MRS LESSIE WEI CHUI KIT-YEE, J.P.
SECRETARY FOR FINANCIAL SERVICES

THE CLERK TO THE LEGISLATIVE COUNCIL
MR RICKY FUNG CHOI-CHEUNG

THE DEPUTY SECRETARY GENERAL
MR LAW KAM-SANG

PAPERS

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

Subject

Subsidiary Legislation	L.N. No.
Road Traffic (Public Service Vehicles) (Amendment) (No.3) Regulation 1995	236/95
Road Traffic (Public Service Vehicles) (Amendment) (No.4) Regulation 1995	237/95
Telecommunication (Amendment) (No.2) Regulation 1995	238/95
Supply of Services (Implied Terms) (Exclusion) Order 1995	239/95
Rating (Effective Date of Interim Valuation) Regulation	240/95
Official Languages (Alteration of Text) (Matrimonial Causes Ordinance) Order 1995.....	246/95
Medical and Related Professionals (Registration) (Miscellaneous Amendments) Ordinance 1995 (34 of 1995) (Commencement) Notice 1995	247/95
Rating (Amendment) Ordinance 1995 (22 of 1995) (Commencement) (No.2) Notice 1995	248/95
Builders' Lifts and Tower Working Platforms (Safety) (Fees) Regulation	250/95
Official Languages (Authentic Chinese Text) (Matrimonial Causes Ordinance) Order.....	(C)47/95
Official Languages (Authentic Chinese Text) (Rating Ordinance) Order	(C)48/95

Sessional Paper 1994-95

No.97 — Securities and Futures Commission
Annual Report 1994-95

ORAL ANSWERS TO QUESTIONS

Park-and-ride Facility

1. MISS EMILY LAU asked (in Cantonese): *Will the Administration inform this Council whether it will actively consider the park-and-ride concept by building multi-storey car parks near Mass Transit Railway (MTR) and Kowloon-Canton Railway (KCR) stations in an attempt to take cars off the road and to relieve traffic congestion?*

SECRETARY FOR TRANSPORT: Mr President, the concept of park-and-ride is to encourage car owners to use trains to continue their journeys into the urban area, thus relieving pressure on the road system. I am pleased to be able to assure Honourable Members that the Administration is actively examining how park-and-ride facilities can be provided. Indeed during our recent consultation exercise on measures to address traffic congestion, there was public support for the provision of more parking facilities in the vicinity of railway stations, in the New Territories.

A start has already been made. I have agreed to earmark \$60 million as the government contribution towards a Mass Transit Railway Corporation (MTRC) proposal to develop a transport interchange at Choi Hung MTR Station, which will incorporate park-and-ride facilities. This will involve the redevelopment of the existing Ping Shek Estate Bus Terminus into a modern transport interchange. The redevelopment proposal will soon be put to the Town Planning Board. Thereafter, the Finance Committee will then be invited to approve the government contribution for this scheme.

I can also assure Honourable Members that very careful consideration will be given to incorporating park-and-ride facilities at or near some stations along the three priority railway systems announced in the Railway Development Strategy. For example, the MTRC will examine the feasibility of park-and-ride facilities at Tseung Kwan O as part of the proposed MTR extension. I shall, likewise, ask the Kowloon-Canton Railway Corporation (KCRC) to see whether such facilities can be provided as part of the Western Corridor Railway project and the Administration will also bear this in mind for the proposed Ma On Shan-Tai Wai line.

MISS EMILY LAU asked (in Cantonese): *Mr President, I am glad to hear that the Government is actively examining how park-and-ride facilities can be provided. Can the Government confirm that when the MTR was under construction, consideration had been given to the development of a transport interchange at Choi Hung MTR Station but at that time the proposal was abandoned? In view of this, is it true that the Government has now changed its policy, indicating a negation of its previous idea, that is, the Government was*

unwilling to build more multi-storey car parks for fear that more car parks would encourage more people to have their own cars? But now this concept has proved to be totally wrong and so it will try its best to build more multi-storey car parks?

SECRETARY FOR TRANSPORT: Mr President, as far as the proposal at Choi Hung Estate is concerned, indeed the MTRC has sometime ago begun to look into the feasibility of providing park-and-ride facilities, but because the cost of this project was quite enormous, from their point of view and taking into account Town Planning Board difficulties, the MTRC has approached the Administration. I have discussed this with the Chairman and that is why the Government is prepared to fund part of the interchange which will incorporate park-and-ride facilities at Choi Hung.

Insofar as parking policy is concerned, Mr President, the Administration does not hold the view that the provision of more parking spaces will necessarily solve the parking problem or the congestion problem, particularly in the urban area, because there are really two schools of thought. On the one hand, the argument is that more parking in central downtown areas will encourage more people to drive their cars to town and this may in fact aggravate the situation. But on the other hand, obviously we must provide adequate parking spaces. The Transport Department has undertaken a transport-parking study and this should be completed by September this year.

Insofar as admittance to the rights or wrongs of our previous policy, I think, Mr President, with respect, hindsight has 20/20 vision and obviously we must learn from our mistakes and plan ahead.

MR EDWARD HO: *Mr President, I am very glad to hear the Secretary for Transport say that the Government is actively examining the park-and-ride concept and how that can be done.*

I wanted to ask him whether he considers that to be effective car park charges should be reasonable to really attract motorists to park-and-ride and if so, how would he propose to make these parking charges reasonable?

SECRETARY FOR TRANSPORT: Mr President, the policy is not, of course, to subsidize parking, either at government car parks or elsewhere. Insofar as park-and-ride is concerned, of course one of the difficulties is the very point that the Honourable Member has highlighted — that we must make the parking charges attractive, otherwise no one would be encouraged to park-and-ride. I think one way of doing this, an approach that I will be exploring with the railway corporations, is to see whether there can be some sort of discount for those who park-and-ride on producing their railway tickets. But the details of this will have to be worked out.

MR LAU WAH-SUM asked (in Cantonese): *Mr President, I raised the same question some 10 or 20 years ago when the discussion on the MTR project began. At that time, sites were still available for park-and-ride facilities. But now, other buildings have been built on many of these sites. Can the Government buy back or get back these sites with the \$60 million? The most crucial thing is to have the park-and-ride facilities close to the MTR stations so that people need not take a long walk. Can the Government buy back these developed sites? Is the \$60 million sufficient for this purpose?*

SECRETARY FOR TRANSPORT: Mr President, the \$60 million which I have referred to will only be in respect of one specific project, that at Choi Hung. I am not saying that \$60 million will be all the money that we will set aside for future park-and-ride projects. It is only for Choi Hung. Obviously, Mr President, in the urban areas in particular sites are hard to come by but we will have to take this into account in competing for sites for park-and-ride.

MRS PEGGY LAM asked (in Cantonese): *Mr President, the Secretary in his reply mentioned that in order to encourage car owners to take MTR and KCR trains, more car parks will be built so that they can park their cars and then take the mass transit carriers. Will the Government consider building car parks near ferry piers so that car owners can take the ferries after parking their cars and thus relieve traffic congestion on the roads?*

SECRETARY FOR TRANSPORT: Mr President, again it is a question of whether or not suitable sites are available. As I said in reply to a question last week in this Council, near ferry piers there are transport interchanges. We plan to provide taxi stands and facilitate other modes of transport but, of course, if there is opportunity to provide car parking spaces this will be done.

MRS MIRIAM LAU asked (in Cantonese): *Mr President, the Secretary for Transport in his reply only mentioned that consideration will be given to constructing parking facilities along the railway systems scheduled to be built, such as the Western Corridor Railway and the Tseung Kwan O extension. But in fact, the building of car parks along the existing railway systems will be the most crucial measure to relieve congestion pressure and to encourage people to take the mass transit carriers. Does the Government have any concrete plan for building additional car parks and where will the location of these car parks be, apart from the one at Choi Hung? If no, is the Government undertaking a study on this? And when will a concrete plan be submitted to this Council?*

SECRETARY FOR TRANSPORT: Mr President, the scheme at Choi Hung is the immediate one that we are planning and I have also mentioned that we will be looking at the Tseung Kwan O extension. But apart from that, we have no other immediate plans. But it would be wrong, Mr President, to suggest that in fact at existing MTR or KCR stations there are no parking spaces. For example, in Central there are a lot of parking spaces in multi-storey car parks and indeed for the new Hong Kong terminal of the Airport Railway, adequate parking spaces will be provided.

REV FUNG CHI-WOOD asked (in Cantonese): *Mr President, I would also like to follow up on this issue. I am rather disappointed because some sites along the KCR, such as Sha Tin and other districts could have been considered for the construction of multi-storey car parks in order to encourage car owners to park their cars there and take the trains to continue their journeys. I hope that the Transport Branch will consider the feasibility of providing additional parking facilities along the KCR.*

SECRETARY FOR TRANSPORT: Mr President, I thank the Honourable Member for his suggestion and obviously I shall ask the KCRC, in particular, to see if they can come up with any suggested sites for park-and-ride and we ourselves will also look at the possibility of finding additional sites. I believe, Mr President, that some time ago the possibility, for example, of using the Jockey Club grandstand was considered but there were various difficulties, such as the question of scheduling special trains to the racecourse station. But I shall be happy to pursue this again with both the Club and with the KCRC to see if some practical arrangements can be arrived at.

MR WONG WAI-YIN asked (in Cantonese): *Mr President, the Secretary for Transport in his reply mentioned that additional car parks will mainly be provided along the MTR and KCR. Will the Secretary consider the provision of more multi-storey car parks in the vicinity of the entrances to the existing or future tunnels in order to facilitate the use of other public transport by motorists?*

SECRETARY FOR TRANSPORT: Mr President, we can of course examine the possibility and the feasibility of finding such sites, but I think the difficulty should not be underestimated because obviously in the vicinity of the entrances and exits to the tunnels, we need space for ingress and egress and also insofar as the existing tunnels are concerned, there is really no land available. Probably the priority insofar as sites nearby tunnels are concerned would be to earmark these for bus interchange facilities. I think that is more important than car parks.

DR YEUNG SUM asked (in Cantonese): *Mr President, the policy of facilitating parking by motorists and encouraging them to use the mass transit carriers deserves our espousal. However, the bus terminal at Ping Shek Estate is busy enough and the noise generated is quite serious. If the Government plans to convert it into a modern transport interchange, will it pay special attention to the problems of environmental pollution in order not to undermine further the hygienic conditions of nearby residents?*

PRESIDENT: Are you able to answer, Secretary?

SECRETARY FOR TRANSPORT: Yes, Mr President. As with all major projects, the Environmental Protection Department of course is consulted on noise abatement and other environmental aspects, and indeed in the project briefs, these particular aspects will have to be examined in detail and, of course, where necessary the Advisory Committee on the Environment will be consulted.

Redevelopment of the City Hall Car Park

2. MR JIMMY MCGREGOR asked: *Taking into account the shortage of car parking spaces in the Central District, will the Government inform this Council whether there are any restrictions on the rebuilding and reconstruction of the City Hall Car Park to multiply the parking spaces available to the public by several hundred per cent; if so, whether these restrictions can be removed by negotiation in the public interest?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President, the City Hall Car Park is a government-owned car park. The site is zoned "Government/Institution/Community" on the current draft Central District Outline Zoning Plan and is not subject to statutory planning restrictions on the number of public parking spaces to be provided.

However, the car park site together with the City Hall complex forms part of a plan to redevelop the Central District under Phase III of the Central Reclamation Project. The planning proposals are only at a preliminary stage and are subject to further discussions within the Administration and with the Urban Council. But in the meantime, we do not consider it prudent to proceed with any redevelopment of the car park on its own.

MR JIMMY MCGREGOR: *Mr President, I have to say that my first question has not been answered. I asked whether there are any restrictions on the reconstruction of the City Hall Car Park? I refer, Mr President, to any agreement or any understanding with any company in Hong Kong that there is a height restriction on that building?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President, I do believe I answered the first part of the question. I said that there is no statutory planning restrictions on the number of car parking spaces at the current site. There is also no restriction on the development potential of the current site. However, since the site is affected by parallel planning on the long-term usage of the area, we do not think it would be prudent to build on the car park or redevelop on its own at the moment.

MISS EMILY LAU (in Cantonese): *Mr President, I believe what Mr McGREGOR wants to know is why there are not enough parking spaces in Central. Very often we find it strange why many commercial buildings are not required to provide several storeys for parking spaces. Can the Secretary for Planning, Environment and Lands inform us whether it is the case that as a result of certain policies of the Government, the situation has been such that even though these buildings are tens of storeys high, they are not required to provide several storeys for parking spaces, thus causing serious traffic congestion in Central?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Mr President, I think it would be more appropriate for the Secretary for Transport to answer part of this question. However, I would like to point out that the standard of parking spaces provision for buildings put up on the newly reclaimed land that will be available in Central will be one parking space in a building for every 240 sq m of floor area. As to whether there are enough parking spaces in Central, very often experience has it that traffic in an area will be worse the greater the number of vehicles travel through it. But for the moment, the Transport Branch and other institutions have conducted some surveys which show that the majority of people who travel to Central do so by means of public transport, and it is believed that these people account for more than 90% of the total. In fact, strictly speaking, not many people have to go to other places via Central, and many people go to Central only by public transport. So does it really affect the traffic whether or not we have many parking spaces? Just as what the Secretary for Transport has said, the Transport Branch is carrying out a study on the demand for parking spaces, we will look at the final result of the study before we decide on the future arrangements.

PRESIDENT: The question relates to the City Hall Car Park. Can we keep it confined to that point please?

MR CHIM PUI-CHUNG (in Cantonese): *Mr President, in his reply, the Secretary for Planning, Environment and Lands has almost confirmed that the City Hall Car Park will be eliminated. However, since there are not enough parking spaces, is the Government having another planning proposal in mind to build a car park on another site in place of the City Hall Car Park, so that even when there are not enough parking spaces, we shall at least have some for use?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Mr President, we have a conception for the planning of the new City Hall in Central as well as other relevant plans, which is to demolish the present car park but build a new car park in the vicinity of the new City Hall. According to our current plan, a total of 2200 parking spaces will be provided, a number that is far greater than the 158 parking spaces provided by the present City Hall Car Park.

MR JIMMY MCGREGOR: *Mr President, will the Secretary confirm, positively, whether there is any agreement between the Hongkong and Shanghai Bank and the Government as to the height of buildings in front of the bank to the sea? In other words, it is generally believed, widely believed in Hong Kong, that the Hongkong and Shanghai Bank, in providing the land for Statue Square to the Government, entered into some arrangement or had some assurance from the Government that the area in front of that to the sea would not be built upon to a greater height than a particular height. And I am just asking whether in the planning of the Government, that kind of assurance exists and if so, whether it has to be taken into effect?*

PRESIDENT: In restricting the height of the City Hall Car Park?

MR JIMMY MCGREGOR: *Yes, Mr President, for that site. Any building appearing on that site, in other words, should not be restricted by any agreement or assurance entered into with the Hongkong and Shanghai Bank.*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President, personally I am not aware of such an agreement. I think it is all a matter of intention in the past of the planning proposals and general development of the area which provides an open corridor from Statue Square. I think the intention is not to restrain Statue Square in an enclosed area rather than not to block the view of the Hongkong Bank. Based on this principle, when we plan for the future redevelopment of the area, we will provide a much larger open space in the Central District to the tune of six hectares, extending the open space from Statue Square to the waterfront. I hope this answers the question.

Assessment of CSSA Eligibility

3. MISS CHRISTINE LOH asked: *In response to a question asked on 22 February 1995 in the Council, the Secretary for Health and Welfare stated that when assessing eligibility for social security assistance, the Health and Welfare Branch will take into account the "non-housing expenditure required to maintain a reasonable standard of living for households of different sizes". In her reply to a follow-up question, the Secretary stated that the standard rates for Comprehensive Social Security Assistance (CSSA) "are based on the needs of a person, or a family, for food, clothing, fuel and other household expenses." In this connection, will the Government inform this Council of:*

- (a) *the breakdown of the amounts assumed for food, clothing, fuel and other household expenses in the calculation of the current CSSA standard rates for a family of four with two able-bodied adults and two able-bodied children receiving regular schooling;*
- (b) *the total amount of non-housing expenditure assumed in the calculation of the current CSSA standard rates required to maintain "a reasonable standard of living in Hong Kong"; and*
- (c) *the number of families consisting of two adults and two children with a monthly income, excluding the CSSA allowance which includes a rent allowance below the level required to maintain a reasonable standard of living?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, before I give an answer to this question, I would like to set the record straight. In response to a question asked in this Council on 22 February 1995, I did not say that my Branch, in assessing eligibility for social security assistance, would take into account the "non-housing expenditure required to maintain a reasonable standard of living for households of different sizes". What I said was that in the case of public housing, income criteria for assessing eligibility were set by reference to the cost of renting accommodation in the private sector and the non-housing expenditure required to maintain a reasonable standard of living for households of different sizes. I also said that in view of the costs of housing in Hong Kong, it was not surprising to see that income eligibility criteria in this field were different from those used for assessing social security assistance.

The CSSA standard rate for a family of four with two able-bodied adults and two able-bodied children currently stands at \$5,100 a month. If the two children concerned were at school, then the family would also be eligible for school-related special grants. The total average CSSA payment to a family unit of this composition is currently \$7,200 per month. I should add that of the 3200 four-member CSSA households only 9% or 300 households is of this composition. Most CSSA households of this size contain only one able-bodied

adult and three dependents. The average CSSA payment to such households is higher, at \$8,200 per month.

As for the standard rate element of the overall payment, I do not have a breakdown of the amount for specific items of food, clothing, fuel and other household expenses assumed in the calculation of this rate. I should like to explain why this is so. When the Public Assistance Scheme was set up in 1971, its basic rates covered only the cost of food based on recommendations originally made by the Hong Kong Council of Social Service as to what was required for an adequate diet based on nutritional advice.

The basic rates were then substantially improved in 1972 to take into account other essential items of household expenditure on, for example, fuel and light, clothing and footwear, durable goods, transport and services. The method then used was to relate the cost of these items to the cost of food according to the weighting given to each item in the then Modified Consumer Price Index which showed the expenditure pattern of low income families in Hong Kong. By using the index weightings, an amount for these items proportionate to the amount provided for food was then worked out.

Since then, the rates have been adjusted to take into account inflation when necessary. Various supplements to the rates have been introduced to meet the needs of clients. When we introduced the CSSA Scheme in 1993, most of these supplements were then subsumed into the standard rates. Real increases to the rates have also been made which have resulted in the CSSA standard rates for a single able-bodied adult and a single able-bodied elderly person being increased by more than 16 times and 24 times respectively since 1971, whereas inflation, as measured by the Consumer Price Index (A), has increased by less than seven times over the same period. As a result of the subsuming of supplements into the standard rates and these substantial real increases in rates, the relationship between the standard rate payment and costs in regard to the range of specific needs originally identified has been lost over time.

Since, as I said earlier, CSSA rates are not fixed by reference to maintaining "a reasonable standard of living in Hong Kong", it is not possible for me to respond fully to the second and third parts of this question. But it is important to note that CSSA payments comprise not only standard rates but also a range of special grants for rent (up to \$2,858 per month for a family of four), educational expenses (which on average amounts to \$1,680 per child a year), water charges, telephone charges, medical expenses, special diets (ranging from \$350 to \$670 per month), expenses on child care (which can be up to \$3,560 per month for day creche or \$1,745 per month for a day nursery place) and travelling, and so on. Any consideration of their adequacy must take these special grants fully into account.

MISS CHRISTINE LOH: *Thank you, Mr President. I think we may have an answer as to why the CSSA rates today, or the basis for those rates, are grossly outdated. In paragraph four of the reply, we are told that the method then used was to relate the cost of these items to the cost of food according to the weighting given to each item in the then Modified Consumer Price Index for low income families and upon that basis it seems like the rates are then projected forward with inflation. Surely, I think unless the Secretary can convince us, that the weightings or the ratios of those weightings in 1971 are the same as today, then we might assume that the amounts are enough. But I have two questions to put to the Secretary.*

The first one is, whether the Secretary actually thinks that the amounts given out today are sufficient to maintain a modest standard of living in the 1990s?

Now secondly, the Secretary has told us before in this Council that there is a review of the CSSA rates going on right now. What I would like to know is, whether the yardstick of a reasonable standard of living is being used to review the rates? If not, what yardstick is being used?

SECRETARY FOR HEALTH AND WELFARE: Mr President, we are at present considering the detailed methodology for establishing new CSSA payment levels. Our broad intention is to examine carefully the special data being produced by the Household Expenditure Survey currently underway and to establish the expenditure patterns of income groups just above those currently entitled to CSSA. We shall also retest the relevance of the standard rates in terms of the costs of the basic needs for food, for clothing, for fuel and light. The results of both approaches will be taken into account along with affordability of new rates before any final recommendations are made.

PRESIDENT: Miss LOH, not answered?

MISS CHRISTINE LOH: *No, Mr President. My question was really quite simple. Is there any yardstick like a reasonable albeit modest standard of living that will be used? And I do not think the Secretary is even prepared to answer that question.*

SECRETARY FOR HEALTH AND WELFARE: Mr President, as I said in my main reply, the CSSA rates are not fixed by reference to maintaining a reasonable standard of living in Hong Kong. It should be noted, however, that the objective of our Scheme is to meet both the basic and special needs of those who are in need of financial support. CSSA comprises, not only standard rates, but also other supplements and a wide range of special grants as I have described in my main reply. And over the years, the Scheme has been

improved to ensure that payments are better tailored to meet the needs of our clients. It is inflation-proof and real increases have been made.

MR FRED LI (in Cantonese): *Mr President, I understand that a sum will be reserved in the 1996-97 Budget for the purpose of improving the Comprehensive Social Security Assistance (CSSA) Scheme because it is envisaged that the Survey will be completed by the beginning of next year and the sum is to be reserved for the financial year 1996-97 to meet the recommended adjustments expected in the Survey. Can the Secretary inform us of the size of the sum reserved for meeting the adjustments to be made to CSSA payments in 1996-97 and of the methodology for arriving at the sum?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, the exact amount which will be necessary to implement new CSSA payment rates for 1996-97 is still under consideration at the moment within the Central Government.

MR LEE CHEUK-YAN (in Cantonese): *Mr President, it is mentioned in the main reply that of the 3200 four-member families receiving CSSA, 2900 are single-parent families and the remaining 300 are families with two adults and two children. This reflects that only a minority of families with two adults and two children apply for CSSA. However, in view of the prevailing high unemployment rate, it is believed that many four-member families have to sustain a living with none of the family members working. Would the Government agree to the proposition that only a minority of families of this composition applying for CSSA is attributable to the lack of publicity on this service, for example, Radio Television Hong Kong has never produced any announcements publicizing the availability of CSSA service? Would the Government concede that applications are scanty because publicity efforts are lacking?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, social security in its various forms has been in place since 1971. It is generally well known that the Government provides a form of assistance to support families who are in need. The Social Welfare Department, through its various offices, provide general publicity to clients going into these offices. Leaflets and other publicity material are also available in the District Offices of the Home Affairs Department. In addition, there is also general publicity through the electronic media from time to time. I do not think it is a matter of the public not knowing that such assistance exists.

The reason that there are so few four-member households with a composition of two adults and two children reflects the needs of Hong Kong families. The majority of family households who are on CSSA are one adult and three dependants. The three dependants might be three children, it might be two children and one elderly parent, or it could be two elderly parents and one child. So it is not true that the composition of our CSSA clients reflect the lack of publicity of the Scheme.

Retraining Programmes for Retail Industry

4. MRS SELINA CHOW asked (in Cantonese): The Government announced earlier this year that the number of vacant positions in the retail industry stood at a high of 7,151. In view of this, will the Government inform this Council:

- (a) whether retraining programmes catering for the needs of the retail industry have been offered with a view to relieving the acute labour shortage in the industry;
- (b) of the total number of workers trained by the Government under the retraining programme to enter the retail industry; and
- (c) whether consideration has been given to providing pre-work counselling to those participating in the retraining programmes?

SECRETARY FOR EDUCATION AND MANPOWER: Mr President,

- (a) The Employees Retraining Board (ERB) offers both classroom-type retraining courses and On-the-Job Training (OJT) which are designed specifically to equip workers with skills required of jobs in the retail industry. Nine classroom-type retraining courses have been sponsored by the ERB. Most of these courses are on general salesmanship training, covering the basic principles of retailing, sales techniques, customer service techniques, basic communication techniques, telephone skills, social skills, and use of languages such as English and Putonghua.

As regards the OJT Scheme, under this arrangement employers are offered financial incentives to hire employees aged over 40, in the form of reimbursement of up to one-third of the monthly wages of each retrainee for up to the first three months of employment. So far, 137 employers from the wholesale and retail industry have participated in the OJT Scheme and the retraining covers areas such as selling techniques and customer servicing.

- (b) A total of 930 trainees have participated in courses specifically designed for the retail industry. Of this number, 481 retrainees have attended classroom-type retraining courses offered by the ERB and 449 persons have been placed with employers in the wholesale and retail industry under the OJT Scheme.
- (c) The retraining programmes for the retail industry already provide pre-work counselling for the retrainees which last for one or two days. For example, in addition to teaching sales techniques, the course "Salesmanship Training" also includes sessions on developing positive working attitudes, self-confidence and enhancing communication skills. This sort of counselling is usually provided by social workers employed by the training bodies or the course instructors themselves, who possess considerable experience in career counselling and knowledge of the relevant industry.

Pre-work counselling is also offered to retrainees who enrol in the Job Search Skills Course as an integral part of the course content which aims at motivating retrainees to adopt a positive working attitude, improving their communication skills and interviewing techniques, and informing them of the latest changes in the job market.

In addition, the ERB also makes arrangements for employers and personnel managers to contribute to pre-work counselling by giving career talks during the course of the retraining programmes. Visits to actual places of work are also arranged wherever possible to allow retrainees to acquire first-hand experience of the actual working environment.

MRS SELINA CHOW (in Cantonese): *Mr President, most of the employees in the retail industry are women. Concerning the On-the-Job Training Scheme, the Government has only offered financial incentives to employers for employing workers aged over 40, but we have heard complaints from many women that they have difficulty in getting a job after 30. Does the Government have any plan to extend the financial incentives to employers who would employ those over 30 so as to enhance the job opportunities for women aged between 30 and 40?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President, when the OJT Scheme was first initiated, the age criteria for eligibility for this type of training was for those aged 30. But following a review a year later, in 1994, it was found that such incentives were not required to induce employers to employ those between the age of 30 and 39 and it was for that reason that the age limit was raised to 40 under the OJT Scheme.

The ERB intends to conduct a review of its training. I could certainly refer this particular point to the Board for consideration.

DR HUANG CHEN-YA (in Cantonese): *Mr President, according to the figures provided by the Government, only 930 trainees have attended the courses for the retail industry. Actually, the present unemployment rate in Hong Kong is very high. Will the Government inform this Council, why are there only 930 retrainees attending these courses? Is it because of the limited number of places available in the retraining programmes? If this is the case, is it possible to increase the number of places? Or is it because of inadequate publicity or the ineffectiveness of these programmes that result in the low attendance?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President, the number of 930 trainees who have participated in training programmes specifically for retail industry does not mean that there are not other trainees who have attended other types of training who might have joined the retail trade. Obviously, all trainees, when they participate in this scheme, decide on the basis of all the training programmes which are available, including other types of training like the job search skills which are very popular.

As regards publicity, the ERB in fact publicizes every month the training courses which are available and takes out advertisements in the media. In addition, that information is also made available in, for example, the offices of the Labour Department and all the District Offices, as well as all the training centres themselves. Posters are also put up by the training centres in respect of particular courses they run. There is no lack of publicity.

Insofar as the effectiveness of courses, these are reviewed regularly by the ERB and courses which do not attract sufficient enrolment will be discontinued. Some of the courses provided under this Scheme for those interested in the retail industry have not attracted many people to attend and they have been discontinued.

PRESIDENT: Last three supplementaries.

MR LEE CHEUK-YAN (in Cantonese): *Mr President, it is mentioned in the main reply that nine classroom-type retraining courses are on skills related to the retail industry. And in Annex I of the reply to question 16, I can see that six out of these nine courses have been discontinued. In 1995-96, only three courses have remained. Two are on Putonghua training and the other one is on sales techniques. Out of these nine courses, six have been discontinued and only three have remained. Is it because of the existence of age discrimination in the retail industry that these retraining courses have no effect at all and so they have to be discontinued?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President, as I said in my reply to the earlier supplementary, each of these training courses will be reviewed. Training courses are normally started on a pilot basis. Out of the nine, five have been discontinued. These were discontinued in some cases after several classes were organized and in each instance the number who have enrolled were less than 50% of the potential size of the class. In view of the low enrolment, these courses were discontinued. The remaining courses are very popular and will continue to be provided.

MR MICHAEL HO (in Cantonese): *Mr President, my question mainly is what kind of courses would the Government provide in view of the shortage of manpower in the retail industry? Will the Government inform this Council, according to the Government's information, what is the situation of manpower shortage in the retail industry? Can those 480 retrainees secure a job in the retail industry? Also, would the Government consider abolishing the quota for the retail industry under the importation of labour scheme?*

PRESIDENT: Let us not widen the question.

SECRETARY FOR EDUCATION AND MANPOWER: Mr President, we do not keep specific statistics on placement of retrainees. However, feedback from employers to the training body suggests that those who have benefited from the training do enter into the retail industry.

As regards the importation of labour scheme, as Members are already aware, we are currently reviewing that scheme. I cannot pre-empt the outcome of that review.

MR FRED LI (in Cantonese): *Mr President, it is mentioned in the main question that the number of vacant positions in the retail industry stood at 7151. However, many department stores have recently started to lay off their employees and close down their shops. Will the Government inform us the latest figure of vacant positions in the retail industry? Is the number still as high? As the Honourable Michael HO has just asked, would the Government further freeze the importation of labour in the retail industry because of the closure of so many department stores?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President, may I ask for the last part of the question to be repeated.

PRESIDENT: Yes, Mr LI.

MR FRED LI (in Cantonese): *According to information, many department stores have closed down recently and they have also laid off their employees. The number of vacant positions in the retail industry should drop drastically. In view of this, will the Government further reduce the quota under the importation of labour in the retail industry?*

PRESIDENT: Are you able to answer, Secretary?

SECRETARY FOR EDUCATION AND MANPOWER: Yes, thank you. The information on vacancies is conducted by the Census and Statistics Department on a quarterly basis. The next quarterly survey should be coming out shortly. I do not have more up-to-date figures than that already included in the Honourable Member's question today.

As regards whether we will be reducing the number in the quota under the importation of labour scheme, I have already indicated in my reply to an earlier supplementary question that we cannot pre-empt the outcome of that review.

Non-disclosure of Criminal Records by Company Directors

5. DR HUANG CHEN-YA asked: *In view of the negative effects on shareholders and the status of Hong Kong as a financial centre brought about by recent repeated discoveries of non-disclosure of past criminal records by the directors of some listed companies, will the Government inform this Council what measures have been put in place by both the Government and the Securities and Futures Commission to safeguard the interests of small shareholders; and what steps will be taken to restore the confidence of investors?*

SECRETARY FOR FINANCIAL SERVICES: Mr President, the Securities and Futures Commission (SFC) and the Stock Exchange of Hong Kong Limited have, since the recent discoveries of non-disclosure of past criminal records by some directors of some listed companies, formed a working party to consider the existing rules for disclosure of information with a view to determining whether changes need to be made. The main issues under consideration are:

- the appropriate scope of offences that have to be disclosed so as to include all relevant offences, particularly those relating to fraud or dishonesty or breaches of securities, companies and related legislation;

- the appropriateness of existing due diligence requirements on sponsors and underwriters; and
- the appropriateness and sufficiency of the disclosure requirements for prospectus under the Companies Ordinance (Cap.32).

The working party will soon release a document for public consultation.

DR HUANG CHEN-YA (in Cantonese): *Mr President, in fact I had a meeting with Mr Michael CARTLAND, Secretary for Financial Services, last Monday and therefore he should have understood what I have asked. I asked what measures have been put in place by both the Government and the Securities and Futures Commission (SFC) to safeguard the interests of small shareholders. However, today the Financial Services Branch has replied that the working party formed by the Stock Exchange of Hong Kong and the SFC would release a document for public consultation. The reply did not say how the Government would tackle the matter. Is the Government telling us that the Financial Services Branch is considering "closing down its business" and handing its jobs over to the SFC and the Stock Exchange of Hong Kong and therefore would not attend to the matter? If so, will the Government inform us how much money could be saved in terms of its expenditure on salaries?*

SECRETARY FOR FINANCIAL SERVICES: Mr President, we believe that this is properly a matter for the regulators and unless there is indication that the regulators are not doing their job properly, and we have no indications to that effect, it is not appropriate for the Government to intervene at this stage. And, of course, the Financial Services Branch is in close liaison both with the SFC and the Stock Exchange of Hong Kong to keep ourselves briefed of developments.

MR CHIM PUI-CHUNG (in Cantonese): *Mr President, the last part of the main question asks what steps will be taken to restore the confidence of investors. I have received many complaints from small investors who said that there had been a lot of interventions in the market by the SFC. Hence, will the Financial Services Branch inform this Council whether it is true that the confidence of investors has not been affected merely because the chairmen or directors of some listed companies have omitted to disclose their past criminal records or because the Stock Exchange of Hong Kong has not taken any subsequent action, but rather that the SFC should really be responsible to a certain extent?*

PRESIDENT: What is the question, Mr CHIM?

MR CHIM PUI-CHUNG (in Cantonese): *Mr President, the last part of Dr the Honourable HUANG Chen-ya's question concerns steps to restore the confidence of investors. My question is, whether the Financial Services Branch considers the intervention in the market by the SFC to be a much more significant factor affecting the confidence of investors than the omission to disclose past criminal records by the chairmen and directors of listed companies?*

PRESIDENT: Mr CHIM, this goes way beyond the question and you are asking for an opinion.

MR JAMES TO (in Cantonese): *Mr President, according to the reply given by the Secretary for Financial Services, the SFC and the Stock Exchange of Hong Kong will consider the existing rules for disclosure of information. The existing rules are not laws and they are nothing more than promises made by the companies when they were listed. That being the only point made by the Government, is there an implication that the Government has already decided that such matters as the disclosure of past criminal records should not be stipulated by an enactment of legislation and that it would suffice for such information to be disclosed under the existing rules of the Stock Exchange of Hong Kong? Has the Government reached such a conclusion?*

SECRETARY FOR FINANCIAL SERVICES: Mr President, the working party has still to release its document for public consultation and at this stage, I cannot pre-judge the recommendations and findings of the working party. But I would just add that it is quite common worldwide that the securities and futures market are regulated through a system of legislation as well as codified practices, so this is not a situation peculiar to Hong Kong.

PRESIDENT: Yes, Mr TO, not answered?

MR JAMES TO (in Cantonese): *Mr President, I think perhaps the Secretary for Financial Services has not understood my question. The point is, there is the enactment of main legislation and subsidiary legislation. However, the rules mentioned in the main reply are, according to my understanding, internal rules of the Stock Exchange of Hong Kong which require listed companies to disclose information. These rules do not have any legislative effect. The main reply says, "to consider the existing rules for disclosure of information with a view to determining whether changes need to be made". In other words, any changes to be made are to the existing rules. Has the Government concluded that it would not require the disclosure of information to be stipulated by legislation and would only seek changes to the existing rules?*

SECRETARY FOR FINANCIAL SERVICES: Mr President, as I said, the working party has not released its document for consultation and I cannot pre-judge what recommendations it will make; whether it will involve changing the existing rules or whether it will recommend going beyond changing the existing rules.

DR HUANG CHEN-YA (in Cantonese): *Mr President, the Government is telling this Council that basically, it has to look into the effectiveness of the self-regulation by the Stock Exchange of Hong Kong and therefore it has to consider the recommendations of the working party. Does the Government know what punitive actions have been taken by the Stock Exchange of Hong Kong and the SFC over the last three years against directors and sponsors who have manipulated the stock market, who have exaggerated their assets or profits in the prospectus and who have issued prospectus which contained incorrect information? Does the Government consider these punitive actions to be sufficient to the extent that it is unnecessary to go further and take legislative measures as a deterrent to these bad elements?*

PRESIDENT: How is that related to your main question, Dr HUANG?

DR HUANG CHEN-YA: *It relates to my question in the sense that including false declarations and other matters which might affect the interests of minority shareholders. Is the self-regulation by the industry sufficient to the extent that the Government no longer feels that it is necessary to take legislative measures to protect the shareholders?*

PRESIDENT: Your question was predicated on these recent repeated discoveries of non-disclosure of past criminal records. You are seeking to go beyond that.

DR HUANG CHEN-YA: *Yes, this includes this and others. If the Government wishes to limit it just to the extent of false declarations or that kind of thing, perhaps the Government might like to answer that also.*

PRESIDENT: Are you able to answer within the scope of the question, Secretary?

SECRETARY FOR FINANCIAL SERVICES: Mr President, I will try. Well, we believe that the SFC and the Stock Exchange of Hong Kong have been working very closely insofar as listing of companies is concerned. Of course, the function of listing is a matter for the SFC and the Commission has delegated this function to the Stock Exchange of Hong Kong Limited. But the SFC has retained reserve authority, that is to say, if the Commission considers that the Exchange is not performing its function properly, it can withdraw the delegation.

DR HUANG CHEN-YA: *I was asking for information as to the number of cases and the actions taken by the Stock Exchange against directors who have provided false information or other kinds of behaviour which might have affected the interests of minority shareholders; and whether the Government thinks that those actions taken were sufficient to stop further action by other bad people? And the Government has not given me any answer on that question, the Government has just reiterated the powers of the SFC.*

PRESIDENT: I am going to limit that question to what the original question was about, Dr HUANG, and that is "the recent repeated discoveries of non-disclosure of past criminal records". Do you want to know what action the Government is taking?

DR HUANG CHEN-YA: *I want to know whether the Government felt that the actions taken by the Stock Exchange in regard to those kind of cases was sufficient to the extent that no legislative measures are necessary to prevent future occurrences?*

SECRETARY FOR FINANCIAL SERVICES: Mr President, insofar as the recent cases are concerned, the Stock Exchange has taken different disciplinary action in different cases but regardless of the nature of the action taken by the Stock Exchange, it has led, in most cases, to the resignation of the directors concerned from the company. So to that extent, I consider that the action by the Stock Exchange has been effective.

DR CONRAD LAM (in Cantonese): *Mr President, the Secretary for Financial Services mentioned in the main reply that a working party would be set up mainly to examine the three issues referred to in the reply. Considering the series of incidents which have occurred recently, does the Secretary for Financial Services think that there will be areas of omission for the working party to examine the three issues? If so, what steps will the Government take to stop these loopholes?*

SECRETARY FOR FINANCIAL SERVICES: Mr President, the three issues under consideration are the main issues. There are other minor issues such as procedural matters. The working party has in fact examined and considered a whole range of other issues as well. Of course, as I said in my main reply, there will be a document for public consultation. If Honourable Members, on reading the consultative document, consider that there are areas which fall short of expectations, the working party of course welcomes views and comments.

Trade Effluent Surcharge on Catering Industry

6. MR JAMES TIEN asked: *Following the implementation of the Sewage Services (Trade Effluent Surcharge) Regulation on 1 April 1995, the water bills to be paid by various operators in the catering industry have increased significantly. The increase, which can be as high as 100% for some restaurants, will seriously affect the development of the catering industry and tourism. In order to avoid the closure of restaurants as a result of soaring water charges, which would aggravate the territory's unemployment problem, will the Government inform this Council:*

- (a) *whether consideration will be given to exempting the catering industry from the newly levied effluent surcharge or reducing the surcharge imposed on the catering industry as much as possible, and whether assistance will be given to restaurant operators in the installation of suitable effluent treatment facilities so as to reduce the extent of pollution caused by the discharged effluent;*
- (b) *whether it will consider granting a grace period; and*
- (c) *whether the procedures for the laboratory tests of waste water can be revised to allow the 8000-odd existing operators of restaurants to arrange laboratory tests for the effluent discharged by their establishments on a collective basis, so as to reduce the expenses and the time spent by the entire industry on the waste water testing procedures?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President, in answering this question, I believe it would be useful for me to first recapitulate the background to the charging scheme.

Members will recall that, since this Council held an adjournment debate on the "Strategic Sewage Disposal Scheme" in December 1991, the "polluter pays principle" has received wide support in this Chamber. This support was echoed during the public consultation on sewage charges in the autumn of 1993, and reaffirmed by this Council during a further motion debate on the charging scheme on 1 December 1993.

When the Sewage Services Bill, which provides for the sewage charges, was introduced into this Council in July 1994, and subsequently, when the Regulations setting out the precise rate and method of charging were tabled in February this year, there was further scrutiny of the "polluter pays principle" and the precise charging scheme by which we proposed to give effect to this principle. To say that the discussions on the Bill and its Regulations were thorough is an understatement. The Bills Committee met on seven occasions; the Regulations Committee on five occasions. The outcome of these discussions, which was widely reported in the media, was broad agreement that the charging scheme is fair, reasonable, modest and affordable for all.

Members will recall also that sewage charges seek to recover only the operating costs of sewage services, not the capital costs; that the basic charging rate for sewage services is set at \$1.2 per cu m, as against \$4.58 per cum for water supply; and that the Trade Effluent Surcharge (TES) was agreed to by industry. Moreover, this Council formed a subcommittee in March 1995 to consider how the charge for heavy water users could be further alleviated. Consequently, the Administration agreed to amend the Sewage Services (Sewage Charge) Regulation to reduce the discharge factor to 70%.

Turning to the Honourable Member's question:

On (a), the Chemical Oxygen Demand (COD) value, discharge factor and TES rate are stipulated in the law and will be applied fairly to all waste water dischargers who are obliged to pay the TES. The Government cannot therefore reduce or exempt the payment in respect of any particular sector of the community. To do so would violate the "polluter pays principle" and be unfair to those industries who have agreed to pay. However, it is possible for restaurant operators themselves — and indeed all operators subject to the TES — to reduce the charge by reducing the amount of pollution they discharge — this is in accordance with the "polluter pays principle" and not complicated, such as by reducing water consumption; by reducing the strength of their effluent through properly installing and maintaining on-site treatment facilities; and by properly maintaining grease traps. How these measures will help is explained clearly in a simple pamphlet which the Environmental Protection Department (EPD) has made available to restaurant operators since 1993. It is now being redistributed. We have also held several briefings for the restaurant operator representatives. Under the present legislation, operators can also apply for a review of the COD value or the discharge factor applicable to their effluent by producing evidence to the Drainage Authority. Assistance can also be given to restaurant operators for installing treatment facilities. This assistance is available from the Drainage Authority, which operates an enquiry hotline service; from the EPD's Local Control Offices, which give advice on appropriate effluent treatment facilities; including a booklet on properly designing, installing, and maintaining grease traps; from the Industry Department's Development and Support Division, from the Hong Kong Productivity Council, and from the Centre for Environmental Technology.

On (b), the present Sewage Services Ordinance does not allow for a "grace period". The Ordinance makes it clear that the Drainage Authority has a duty to issue a bill for TES and that the bill must be paid by the consumer or agent.

On (c), which refers to laboratory tests, at a meeting between the Administration and restaurant operators on 16 June 1995, the Administration agreed that the trade could carry out a sampling survey to confirm their COD value and discharge factor of their effluent. The trade was also prepared to fund the survey. Details are still being discussed.

MR JAMES TIEN (in Cantonese): *Mr President, regarding the charges, I feel that the Government has not done enough in its consultation with the catering industry and in sample testing. At the outset, the Government randomly picked 26 restaurants from 8000 of them for sampling. Because no waste water could be obtained from the sewage mains in the sampling process, samples were taken for testing from grease traps in dishwashers. The results of the tests revealed that effluent from most of the restaurants had Chemical Oxygen Demand (COD) values ranging from 4000 to 4900. So, a surcharge of \$3 to \$9 per cubic metre of water was levied. Of the \$300 million plus effluent surcharge, almost \$270 million was paid by the catering industry. Naturally, I was delighted to learn from the Secretary's reply to paragraph (c) that at last, the Administration and restaurateurs had a meeting on 16 June, at which the Administration agreed that the trade could carry out its own sampling survey and then discuss with the Administration. Will the Government inform this Council whether it will take an active part in the survey to be conducted by the catering industry so that accurate levels of effluent can be determined, thus producing accurate calculations and reducing the sewage charges?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Mr President, to begin with, I need to explain that the report concerning the sampling survey on those 26 restaurants did not give a full picture. In conducting the research, we had discussed with our consultant and concluded that if we chose only one restaurant or fast-food shop and obtained samples from a single discharge of its effluent for analysis, the results would certainly be unsatisfactory. Therefore, in accordance with the consultant's advice on the research, we selected the 26 restaurants from different categories in the catering industry, such as Chinese restaurants, western restaurants or fast-food shops. Samples were taken from the effluent discharged by these restaurants every 15 minutes on a certain day. As taking a single random sample of effluent would get us nowhere, we took over 2000 samples, not 26, for analysis. After making mathematical and statistical adjustments, we could have an overall picture of the sewage discharged by restaurants, large or small, all over Hong Kong. On the whole, the current position of the effluent discharged is that we have a COD value of 3600 grams per cubic metre. Having clarified this point, we had a discussion with restaurateurs on our

intention to monitor the methods they would be using throughout their sampling survey to make sure it is unbiased. If their sampling survey produces results different from the standards prescribed under current legislation, we are prepared to amend the existing statutory charges by way of amendment tabled before the Legislative Council. However, before such survey is conducted, we must regard our survey as very accurate. In fact, as provided for in the existing legislation, recently some restaurants had appointed their own laboratories to test their effluent. Some of them made payments shortly after those tests. This proves that in some cases, our charges and testing standards are quite close to their own calculations.

DR LAM KUI-CHUN (in Cantonese): *Mr President, the restaurant industry is now in the doldrums. Will the Government inform this Council whether it has estimated, from the performance of restaurants, how many of them have already closed down their business in the past several months or will do so in the next few months due to the added burden of effluent surcharge imposed? If so, what is the total number? If all of these restaurants refuse to pay the effluent surcharge, what measures will the Government adopt in response?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Mr President, we do not have the figures on restaurants which closed down their business because of the effluent surcharge. Nevertheless, I would like to refer Members to the 16 June 1995 issue of the Hong Kong Economic Journal, in which there was a report on an interview with the vice chairman of an organization of restaurant managers. At the interview, he said the major problems encountered by the restaurant industry emerged around the middle of last year. These problems are economic recession, high inflation, high shop rentals, and a drop in the number of visitors to the territory from China. They have caused a decline in business in the industry. I would like to point out that while many restaurants were considering closing down or reducing their operations in the light of the above problems, we had not yet sent out the bills for the sewage charges. We began sending out such bills on 1 April, and we only sent them to heavy water users. Of the 8000 plus restaurants in Hong Kong, only 1000 are heavy water users. The remaining 7000 are small consumers who naturally only have to pay lower sewage charges and we have not sent out the bills to them yet. Among the 1000 heavy water user restaurants, 840 of them have to date paid their sewage charges for the first two months. Only about 160 of them have not paid their bills.

We have conducted a number of economic surveys to study the operating costs of various industries and learned that the sewage charges levied according to current legislation will only increase the operating costs of the industry by at most 1.2%. Many restaurant operators compared the sewage charges with their net profit rather than their operating costs when interviewed by reporters. Thus, a larger percentage was obtained. I think this is not fair. Using a less than 1.2% increase in operating costs as an excuse for dismissing employees is, I

think, not fair to the workers. Under the existing laws, the sewage charges not paid shall be a debt due to the Government, who is entitled to order a surcharge to be paid or a disconnection of water supply.

MRS ELSIE TU: *Mr President, is the Government aware that no restaurant can be licensed without having a grease trap installed and that these are inspected monthly by the Urban Services Department inspectors? The Government's reply appears to suggest that they do not know about this requirement.*

Admitting that some careless restaurants may deposit other effluent through the drainage system, would the Government explain whether it checks each restaurant individually for effluent or whether it just slaps the same trade effluent surcharge on all 8000 restaurants according to water usage without checking which does and which does not produce the effluent discharge? And in any case, how can a restaurant using \$45,000 worth of water a month now be given a bill totalling \$134,000 of which \$77,000 is for trade effluent surcharge? I have got the bills here if you want to see them. I think there is a difference in our supporting "the polluter pays" and "the polluter pays through the nose".

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Mr President, I once worked in the Urban Services Department some 16 or 17 years ago; so I do know that in applying for a licence from the Urban Services Department or the two municipal councils, a restaurant must install grease trap facilities. But what I am talking about is the need for overall sewage discharge facilities to comply with the existing water quality control laws in Hong Kong. I daresay that the present requirements are more stringent than the simple requirements stipulated by the two municipal councils for grease traps to be installed. Regarding the checking of restaurants to ascertain whether grease traps are used, the current practice is that licensed restaurants are, in theory, visited by health inspectors who would check the grease traps. If a restaurant is situated in a water control zone, officers from the Environmental Protection Department will also check to see whether the effluent it discharges is within set standards. Mrs TU just now cited a case for an individual restaurant. According to current legislation, any restaurant or even factory which believes the pollution or volume of waste water it discharges is different from or below the prescribed level (usually by 15%), it may appoint a laboratory to conduct testing to prove its case, and then present the test results to the Government, which may vary the sewage charge it has to pay on the merits of the case. Nevertheless, it is the polluter who should prove that the discharge is below the prescribed level. Mrs TU also asked why some restaurants needed to pay sewage charges as high as \$75,000 per month. A restaurant which needs to do so must be a large one, which probably have 100 to 200 employees. As a matter of fact, a restaurant with about 100 employees usually needs to pay around \$20,000 per month for water charges, or an extra \$22,000 when the sewage charge is added. Therefore, in the case cited, the taps might be left running non-stop and so the volume of water consumed and the

effluent discharged are high. The restaurant in question may make certain improvements to reduce the amount of pollution it discharges and that of the water it consumes, thereby reducing the payments required of it. If Mrs TU has other specific examples, we will be glad to send some people to inspect those restaurants.

PRESIDENT: We have overrun considerably.

WRITTEN ANSWERS TO QUESTIONS

The Hague Convention on the Civil Aspects of International Child Abduction 1980

7. MR SIMON IP asked: *Will the Administration inform this Council:*

- (a) *whether, and if so when, it intends to extend to Hong Kong the Hague Convention on the Civil Aspects of International Child Abduction 1980;*
- (b) *whether any consultation with interested bodies or organizations will be conducted; if so, with whom and when; and*
- (c) *what are the necessary formalities and procedures for extending the Convention to Hong Kong and how long these will take?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, the purpose of the Hague Convention on the Civil Aspects of International Child Abduction 1980 is to provide an effective international mechanism for ensuring the speedy return home of a child abducted to a place overseas in violation of a custody order. About 30 countries, including the United Kingdom, are parties to the Convention.

We are actively considering the question of the need for this Convention to be extended to Hong Kong. The Law Society of Hong Kong, family judges in the District Court, the Family Section of the Legal Aid Department, and some private practitioners in family law have already been consulted on this matter.

The Convention may be extended to Hong Kong by the United Kingdom under Article 39. It would be necessary for Hong Kong to enact domestic legislation prior to the extension in order to be able to discharge obligations in accordance with the Convention. As the extension would create new international rights and obligations affecting Hong Kong, consultation with the Chinese side of the Joint Liaison Group would also be required. It is difficult to assess how long consultation with the Chinese side might take and the time

which would then be needed to draft and pass related domestic legislation in view of other legislative priorities, were a decision taken to proceed with the extension.

Vacant Public Housing Flats

8. MR FRED LI asked (in Chinese): *According to the latest information provided by the Housing Department, 40% of the 11200 vacant public housing flats have been vacant for more than six months while 1257 flats have been vacant for over one year. In this connection, will the Government inform this Council:*

- (a) *of the total loss in rental income incurred by these vacant flats in the 1994-95 financial year;*
- (b) *whether the Housing Department has any plan to allocate these vacant flats to overcrowded families in the near future; if so, what the detailed plan is; if not, why not?*

SECRETARY FOR HOUSING: Mr President,

- (a) At the end of March 1995, there were 11200 lettable flats left vacant for different reasons, and the vacancy period varied from one month to over a year. Arithmetically, the loss in rental income in 1994-95 was about \$6 million.
- (b) Vacant flats are earmarked for allocation to different categories of applicants, including people on the General Waiting List, overcrowded families living in public housing estates and families affected by the Housing Department's clearance and redevelopment exercises. In 1995-96, a quota of 3000 flats is reserved for transfers and relief of overcrowding from sitting tenants: 1000 for inter-estate applications and 2000 for intra-estate applications.

Hospice Care to AIDS Patients

9. DR CONRAD LAM asked (in Chinese): *Regarding the allocation of additional funds to provide hospice care to an additional 400 patients this year, will the Government inform this Council:*

- (a) *whether terminal AIDS patients are eligible to receive hospice care under this additional quota; if not, why not;*

- (b) *what are the differences, if any, between the hospice care available to AIDS patients and that available to other terminal patients; and*
- (c) *of the Government's short-term, medium-term and long-term strategies of providing hospice care to AIDS patients, as well as the resources required ?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, hospice care in public hospitals is provided on a referral basis. It has hitherto catered for terminal cancer patients who constitute the bulk of the terminally ill. The need to expand hospice care services to other patients is recognized, and in view of the present small number of AIDS patients, the Hospital Authority is planning to designate initially one hospice care unit to take care of these patients.

Given the nature of the illness, carers providing hospice services to AIDS patients require special training and preparation to cater for the fluctuating medical conditions and specific needs of these patients. It is expected that AIDS patients would also require more home-based services as well as psycho-social support and counselling.

Whilst in the long term the provision of hospice care will be extended on a need basis to all hospice units in public hospitals, the AIDS Trust Fund provides a source of funding for non-profit-making organizations to develop service initiatives in this relatively new area.

Legal Aid Cases Assigned to Private Barrister

10. MRS ELSIE TU asked: *Will the Government inform this Council of the following details concerning a junior barrister in private practice who is the husband of the Deputy Director of the Legal Aid Department:*

- (a) *how many times (if any) this barrister has been assigned in civil and criminal legal aid cases during the period 1 January 1994 to 1 May 1995;*
- (b) *what was the duration originally contemplated in each of these civil and criminal assignments;*
- (c) *whether the nature of the assigned civil and criminal cases included mitigation, and/or appeal against sentence or conviction or against both; and*
- (d) *what remuneration was paid in respect of each civil and criminal case ?*

CHIEF SECRETARY: Mr President, the barrister in question has some 30 years' professional experience. During the period from 1 January 1994 to 1 May 1995 he was assigned 17 legal aid cases, and the remuneration paid on these cases up to mid-June 1995 amount to \$820,300. Detailed answers to questions (a) to (d) are set out in the following table:

<i>Types of cases</i>	<i>(a) No. of cases</i>	<i>(b) Duration originally contemplated in assignments</i>	<i>(c) Nature of cases</i>	<i>(d) Remuneration paid</i>
Civil cases	1	1 day	) All Personal Injury	\$10,000
	2	1 day	) cases. In civil	\$24,000
	3	Advice only	) cases, there is no	\$11,700
	4	Not known	) mitigation, and/or	So far no payment has been made
	5	Not known	) appeal against	So far no payment has been made
	6	Advice only	) sentence or conviction.	So far no payment has been made
Criminal cases	7	about 4 weeks	Trial	\$144,400
	8	about 1 week	Trial	\$20,500
	9	0.5 day	Magistracy appeal	So far no payment has been made
	10	about 1 week	Trial	\$84,500
	11	about 1 week instructed on very urgent basis	Trial	So far no payment has been made
	12	less than 1 week	Trial	\$29,100
	13	3 months	Trial	\$415,000
	14	0.5 day	District Court appeal	So far no payment has been made
	15	0.5 day	Magistracy appeal	\$11,500
	16	Advice only	Advice only	\$6,000
	17	about 1 week	Trial	\$63,600
Total				\$820,300

Overseas Visits by Department Heads

11. MR TAM YIU-CHUNG asked (in Chinese): *Will the Government inform this Council:*

- (a) *of the number of overseas duty visits made by the Postmaster General since he assumed office in May 1992, as well as the total number of days spent and the amount of expenses incurred on such visits;*
- (b) *whether the Government has any system in place for scrutinizing applications for overseas duty visits from heads of departments; if so, what the system is;*
- (c) *if the answer to (b) is in the negative, whether the Government will consider requesting heads of department to submit their plans on overseas duty trips to the relevant policy secretaries for scrutiny and approval each year; and*
- (d) *what criteria will be taken into consideration in determining whether it is necessary for heads of departments to attend overseas conferences?*

SECRETARY FOR ECONOMIC SERVICES: Mr President, the Postmaster General made a total of 18 overseas duty visits since he assumed office in May 1992. On five other occasions, the Postmaster General had undertaken duty visits while on vacation leave. The number of working days involved is 164, and the expenses incurred are \$1.1 million.

Expenses for overseas duty visits made by heads of department and other departmental officers are subject to scrutiny by Policy Secretaries through the examination and endorsement of Departmental Expenses in the context of the annual Draft Estimates. Policy Secretaries also monitor departmental expenditure through the regular Programme Reviews with Controlling Officers. Where acceptance of an advantage or sponsorship is involved in the visits, approval from the Civil Service Branch is required.

In determining whether it is necessary for heads of department to attend overseas conferences or undertake overseas duty visits, the following criteria will be taken into consideration: the nature of the event, its relevance to the work of the department, the appropriate level of representation required, and whether the visit is essential to pursue or protect Hong Kong's interests.

Begging Activities

12. MR TIMOTHY HA asked (in Chinese): The number of beggars at busy locations in the territory is on the increase. The presence of these beggars, some of whom have come from other places, greatly affects the tidiness of the territory. In view of this, will the Government inform this Council:

- (a) whether a survey has been conducted to find out the age, sex, nationality and methods of begging of beggars; if so, what the results are;
- (b) whether measures have been put in place to curb begging activities;
- (c) of the number of prosecutions instituted in the past three years together with the percentage of successful prosecutions;
- (d) whether the Social Welfare Department has provided sufficient assistance to beggars so that they will give up begging; and
- (e) whether the Immigration Department has taken steps to prevent those who have come to the territory as tourists from begging; if so, what these steps are; if not, why not?

SECRETARY FOR SECURITY: Mr President,

- (a) The Government has not conducted any surveys to find out the age, sex, nationality and methods of begging of beggars in Hong Kong.
- (b) It is an offence to beg for alms, or to ask for alms in a threatening manner, under sections 26A and 26B of the Summary Offences Ordinance (Cap.228). The police may take enforcement action against people begging, but such action is normally only taken on receipt of a complaint and usually takes the form of a warning in the first instance.
- (c) The number of persons prosecuted under sections 26A and 26B of the Summary Offences Ordinance (Cap.228), and the results of prosecution for the past three years are set out below:

	1991	1992	1993	1994 (Jan to Jun)
No. of persons prosecuted	11	21	11	2
Persons convicted	9	19	7	1
% of successful prosecutions	82%	90%	64%	50%

- (d) Caseworkers from family services centres operated by the Social Welfare Department offer assistance to beggars in their districts from time to time. Apart from counselling them to give up begging, other social welfare services such as financial assistance, housing assistance, institutional care (for the elderly and the disabled) and employment assistance will also be provided to assist them to give up begging.
- (e) All visitors have to satisfy an immigration officer on their arrival at the point of entry that they have the necessary means of support during their period of stay in Hong Kong, before they are permitted to enter. In addition, the police inform the Immigration Department of the personal particulars of any visitor prosecuted for begging; consideration will then be given to denying his entry in future.

Penalty Tickets for Parking Offences

13. MR TAM YIU-CHUNG asked (in Chinese): *Will the Government inform this Council:*

- (a) *of the number of Fixed Penalty Tickets for parking offences issued by law enforcement officers in each of the past 18 months;*
- (b) *of the criteria adopted by law enforcement officers in deciding whether a penalty, ticket should be issued; and*
- (c) *whether such criteria have been changed in the past 18 months; if so, what the reasons were?*

SECRETARY FOR TRANSPORT: Mr President,

- (a) Figures on the number of fixed penalty tickets issued for parking offences in the past 18 months are annexed.
- (b) If a police officer or traffic warden observes that parking offences have been committed, then they may issue fixed penalty tickets. However, officers are encouraged to use their discretion where circumstances so permit, and to warn offenders rather than issue tickets. Such discretion may be exercised, for example, where:
 - (i) the nature of the offence is trivial; or
 - (ii) there is no intent on the offender's part to commit an offence (for example, a genuine mistake or misunderstanding).
- (c) There has been no change in policy or in the criteria for issuing fixed penalty tickets in respect of parking offences.

Annex

Monthly Figures on Numbers of
Fixed Penalty Tickets Issued for Parking Offences
December 1993 to May 1995

December/1993	191753
January/1994	194811
February/1994	151942
March/1994	188165

Monthly Figures on Numbers of Fixed Penalty Tickets Issued for Parking Offences December 1993 to May 1995	
April/1994	174736
May/1994	193017
June/1994	159651
July/1994	161993
August/1994	165144
September/1994	166970
October/1994	174287
November/1994	174802
December/1994	171588
January/1995	173669
February/1995	152926
March/1995	175371
April/1995	161303
May/1995	168964

Cross Harbour Tunnel Passage Tax

14. DR SAMUEL WONG asked: *According to the Government, the inclusion of the government passage tax in the Cross Harbour Tunnel tolls is intended for raising funds to build future cross-harbour tunnels so as to reduce tunnel traffic. Will the Government inform this Council:*

- (a) *how much government passage tax has been collected from the date of the opening of the Cross Harbour Tunnel to 31 March 1995; and*
- (b) *how the government passage tax collected is put to use having regard to the fact that the Eastern Harbour Crossing was built by the private sector and that the Western Harbour Crossing project will also be constructed by the private sector at its own expense?*

SECRETARY FOR TRANSPORT: Mr President, the passage tax at the Cross Harbour Tunnel was introduced in June 1984, as a traffic management measure to alleviate congestion and not, as the Honourable Member has suggested, to raise funds for the construction of future cross-harbour tunnels per se. The tax collected becomes part of General Revenue but, in proposing the passage tax in his 1984 Budget speech, the Financial Secretary firmly indicated that whilst "it would be improper to accept any strict hypothecation", the increased revenue would be "especially available for transport purposes".

The answers to the specific questions are as follows:

- (a) the total passage tax collected up to 31 March 1995 amounted to \$2.04 billion;
- (b) huge sums have been invested in transport infrastructure in recent years, for example, over \$17 billion in the past five years. This far exceeds the amount of passage tax collected. Looking ahead, \$30 billion will be spent on new roads in the coming five years. Whilst the Eastern Harbour Crossing and the Western Harbour Crossing are privately built, the Government has still invested very substantial sums in land formation for these projects as well as road connections to these tunnels.

Compassionate Rehousing

15. MR FRED LI asked (in Chinese): *According to the existing policy on compassionate rehousing, the Housing Department (HD) reserves, as from 1994-95, a quota of 2000 public housing flats each year to be used by the Social Welfare Department (SWD) for compassionate rehousing purpose. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of flats in the compassionate rehousing quota used by the SWD in 1994-95 and 1995-96 (from 1st April up to the present);*
- (b) *of the breakdown of the number of cases approved in 1994/95 and 1995-96 according to the applicants' living conditions (such as living environment, income, family background and so on) and their health conditions (to be supported by medical certificates) which are the two main eligibility criteria for compassionate rehousing adopted by the SWD ;*
- (c) *whether there is a set of standardized guidelines commonly used by SWD staff in examining applicants' eligibility; if so, what the guidelines are; if not, what criteria the SWD staff adopt in the screening process;*

- (d) *whether the HD will, upon receiving compassionate rehousing cases referred by the SWD, re-examine such referrals, or simply assist the SWD in allocating public housing flats to the applicants; and whether the location of flats offered for rehousing is decided by the SWD or HD; and*
- (e) *whether there are clear internal guidelines within the HD and the SWD delineating the responsibilities of the two departments in implementing the policy on compassionate rehousing?*

SECRETARY FOR HEALTH AND WELFARE: Mr President,

- (a) In 1994-95, 2021 flats were allocated under the compassionate rehousing scheme, exceeding the original quota of 2000 flats reserved for the scheme. In the first two months of 1995-96, 216 flats were allocated for compassionate rehousing, against the full year quota of 2000 flats.
- (b) The aim of the compassionate rehousing scheme is to help individuals and families who have a genuine and immediate housing need because of specific circumstances and personal factors. Applications for compassionate rehousing are assessed according to a set of criteria which include an assessment of the housing need, family, financial and residential status and relevant social and medical grounds. The applications approved for compassionate rehousing are not categorized in terms of the applicants' living and health conditions and such a breakdown is, therefore, not readily available.
- (c) There are standardized guidelines for processing applications for compassionate rehousing which are followed by staff of the Social Welfare Department (SWD). The guidelines cover the eligibility criteria, completion of requisite forms and time limits for processing the applications.
- (d) The Housing Department (HD) will not re-examine an applicant's eligibility for compassionate rehousing if the application has been recommended by the SWD. In line with the standard allocation procedures for public housing units, the HD will only conduct a simple check and pre-letting interview to confirm that an applicant is not currently receiving any other form of public housing benefit, and to ascertain his/her identity and choice of district. Subject to the availability of public rental flats, the applicant's choice of district will be entertained as far as practicable.

- (e) There is a clear division of responsibilities between the SWD and the HD in implementing the compassionate rehousing scheme. While the SWD is responsible for assessing the applications and recommending eligible cases for compassionate rehousing, the HD is responsible for the allocation of flats. There are mutually agreed working procedures and channels of communication between the two departments to ensure the effectiveness of the scheme in helping needy clients.

Employees Retraining Scheme

16. DR HUANG CHEN-YA asked (in Chinese): *Regarding the Employees' Re-training Scheme, will the Government inform this Council:*

- (a) *of the total amount of expenditure on "training allowance" in 1994-95 and how does this amount compare with that of 1993-94; and what is the estimated expenditure in 1995-96;*
- (b) *whether the Employees Retraining Board ("the Board") is considering to reduce the amount of allowances granted for attending day and evening courses; if so, what factors will be taken into consideration; and when the result will be released;*
- (c) *of the duration (in terms of hours) of each of the re-training courses currently offered by the Board; and how do these figures compare with those in 1993-94 and 1994-95 respectively;*
- (d) *of the numbers of applicant waiting to attend full-time and evening courses at present respectively, as well as the normal waiting time required; and*
- (e) *whether the Administration has any plan to shorten the training period of such courses so as to increase the number of courses on offer; if so, could the Administration provide a list of the courses whose duration will be shortened, together with the respective periods to be shortened, and a list of the titles and duration of the courses which will be increased as a result?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President,

- (a) The total expenditure on retraining allowance was \$21 million in 1993-94 and \$51 million in 1994-95. The estimated expenditure on retraining allowance for 1995-96 is \$62 million.

- (b) The training allowances are reviewed annually and will be considered by the Employees Retraining Board (ERB) at its next meeting. In its review, the ERB will take into account the purpose of the allowances. In the case of full-time day courses, the amount per month for each retrainee is pitched at one-half of the overall median monthly employment earnings of Hong Kong's local labour force computed by the Census and Statistics Department. The retraining allowance for part-time evening courses was designed specifically for the purpose of covering the costs of meal and transportation incurred by retrainees who attend these courses. The result of this year's review on the amounts of retraining allowance is expected to be announced by the ERB after its Board meeting later this month.
- (c) The duration of the 144 retraining courses currently offered by the ERB is summarized at Appendix I. The duration of the courses offered throughout the past two years has remained generally unchanged.
- (d) The number of applicants waiting to attend full-time and part-time (both evening and half-day) retraining courses are 4033 and 8301 respectively. The waiting time for attending the Job Search Skills Course is one week. For Job-Specific Skills Courses and the General Skills Courses, the average waiting time ranges from two weeks to four months depending on the popularity of the courses and the places available.
- (e) The training period required for each retraining course varies according to the course content and the level of skills of the retrainees. The duration of the retraining courses is regularly reviewed by ERB. It has no plans to shorten the training period of any retraining courses for the time being.

Appendix I

List of Retraining Courses and Their Duration

Course type	Current (1995-96)	Course duration (hours)	
		1994-95	1993-94
?. Normal Retraining Programmes			
A. Core Course			
1. Core Course on Job Search Skills	35	35	35
B. Job-specific Skills Course			
2. Junior Cook (Roasted Food)	308	308	140
3. Basic Techniques for Waiter/Waitress in Chinese Restaurant	-	-	70

List of Retraining Courses and Their Duration

	Course type	Course duration (hours)		
		Current (1995-96)	1994-95	1993-94
4.	Hotel Housekeeping (Cleaning Service)	190	190	190
5.	Computerized Chinese Typesetting	656	656	656
6.	Print Finishing	-	-	152
7.	Basic Retail Sales Techniques	-	-	76
8.	Basic Stock-keeping	-	-	152
9.	Fast Food Auendant	190	190	190
10.	Warehousing Operations	-	-	90
11.	Housekeeper Service	160	160	160
12.	Buildings Caretaker	160	160	160
13.	Receptionist and Office Assistant	320	320	320
14.	General Clerk and Chinese Computer Application	320	320	320
15.	Pre-Job Training on Office Practice for Housewives	180	180	180
16.	Decorative Painting	600	600	600
17.	Decorative Joinery	600	600	600
18.	Construction Purchaser and Storekeeper	800	800	800
19.	Junior Account Clerk	105	105	280
20.	Waiter/Waitress (Western Restaurant)	-	-	160
21.	Chinese Bookkeeping	140	140	140
22.	Shipping and Documentation of Clothing Industry	440	440	440
23.	Preparation of Production Order	-	-	528
24.	Sample Making	528	528	528
25.	In-Line QC Inspection	-	-	176
26.	Garment Fitting Alteration	264	264	264
27.	Offshore Quality Control	-	-	528
28.	Security Guard Training	78	78	-
29.	Personal Care Workers and Janitorial Workers for the Elderly and Attention Home Training Seminar	3	3	-
30.	Personal Care Workers for the Elderly Care and Attention Home Training Course	48	48	-
31.	Janitorial Workers for the Elderly Care and Attention Home Training Course	40	40	-
32.	Estate Management Trainee Training	160	-	-
33.	Sampling for Knitwear	-	-	528
34.	Clothing Materials Planning and Purchasing	352	352	352
35.	Computer Aided Sketching, Grading and Marker Laying	528	528	-
36.	Basic Apparel Merchandising	528	528	528
37.	Basic Pattern Making	528	528	528
38.	Basic Clerical Training	400	400	400
39.	Office Assistant Training	320	320	320
40.	Chinese Dim Sum Maker	-	160	160
41.	Course on Import and Export Procedure and Documentation Foundation	21	21	21
42.	Course in Retail Service	-	12	12
43.	Job Re-entry Program for Displaced Workers	-	240	240
44.	Introduction to Desktop Publishing	170	170	170
45.	Computer Art Work and Desktop Publishing	170	170	170
46.	Training on Basic Office Skills	120	120	120
47.	Course on Self-employ	75	75	75
48.	Estate Attendant Management Course	100	150	-
49.	Tutor Training for Primary School	56	56	-
50.	Public Maxicab Driver Training	20	20	-
51.	Housekeeping Training	190	190	190
52.	Caretakers Training	70	70	-
53.	Restaurant Workers Training	12	-	-
54.	Housewives Chinese Paging Operator Training	75	80	-
55.	Salesmanship Training	90	90	-

List of Retraining Courses and Their Duration

	Course type	Current (1995-96)	Course duration (hours)	
			1994-95	1993-94
C.	General Skill Courses			
56.	Office Mandarin	27.5	27.5	24
57.	English for Waiter/Waitress	-	-	24
58.	Office English	27.5	27.5	36
59.	Practical English	30	60	120
60.	Practical Mandarin	30	40	-
61.	Practical Japanese	50	50	-
62.	Job Search Orientation and Basic English	-	-	64
63.	Computer Operator Training	42	42	-
64.	Mandarin for Retail Business	44	44	-
65.	Introduction to Typing	33	33	36
66.	Chinese Computer Application	30	30	-
67.	Chinese Data Entry and Introduction to Computer	97.5	97.5	350
68.	Foundation Course for Adults-Elementary	-	300	300
69.	Foundation Course for Re-employment-Elementary	-	300	300
70.	Computer Application Software	-	200	144
71.	Typing and Chinese Computing Input	36	48	48
72.	Computer Chinese Word Processing Speed Training	16	16	-
73.	Job Orientation Course for the Housewives	-	63	-
74.	Computer Data Processing Operator Training	60	60	-
75.	Verbal/Communication Skills Training for Service Industry	10	-	-
76.	Sign Language Training for Supervisors	12	12	-
D.	Skill Upgrading Courses			
77.	Local Knowledge for the Oral Exam leading to Local Master Cert (up to 300 tonnage)	36	36	36
78.	Mould and Tooling Craftsmen and Technicians Retraining	376	376	376
79.	Auto CAD training for existing draughtsman	90	90	90
80.	Retraining for Mechanical Craftsmen and Technicians	340	340	-
81.	MicroStation training for existing draughtsman	90	90	90
82.	Diecasting Shopfloor Operatives Training	189	189	-
83.	Skill Upgrading Program for Product Design and Development Personnel	175	175	-
84.	The Chartering Practice and Charter Parties Course	60	60	-
85.	The Liner Service and the Law Course	60	60	-
86.	Ship Sale and Purchase Law and Practice	60	60	-
87.	Salesman Mandarin for new learners for existing salesmen	60	60	-
88.	Skill Upgrading of Electroplating Operatives	195	195	-
89.	Skill Upgrading of Sign Making Operatives	95	95	-
90.	Skill Upgrading of Plastic Machinery Operatives	195	195	-
91.	Law of Contract Upgrading Course	60	60	-
92.	Fleet Operations and Management Upgrading Course	60	60	-
93.	Upgrading Course on Electricity Ordinance and Skills	40	-	-
94.	Upgrading Course on the Testing Skills for the Completion of Electrical Installation Work	16	-	-
95.	First Aid at Sea Upgrading course	36	-	-
96.	Upgrading Course on Design for Marketing (Ladies' Shoes)	18	18	-
97.	Upgrading Course on Production Management (Sports Shoes)	30	30	-
98.	Upgrading Course on CAD/CAM for Pattern Design and Grading	12	12	-

List of Retraining Courses and Their Duration

	Course type	Current (1995-96)	Course duration (hours)	
			1994-95	1993-94
II	Tailor-made Programmes for Elderly			
A.	Job-specific Skills Courses			
99.	Courier Training for the Elderly	75	75	-
100.	Junior Clerk Training for the Elderly	150	75	-
101.	Convenience Store Assistant Training for the Elderly	-	40	-
102.	Paging Operator Training for the Elderly	150	150	-
103.	Assistant Electrician Training Seminar	1.5	1.5	-
104.	Assistant Electrician Training Course	216	216	-
105.	Supermarket Store Assistant Training	-	30	-
B.	General Skills Courses			
106.	Job Orientation Course for the Elderly	75	75	-
107.	English for the Elderly	60	60	-
108.	Fundamental Mandarin for the Elderly	60	60	-
109.	Comprehensive Training for the Elderly	42	42	-
III.	Tailor-made Programmes for Disabled			
A.	Job-specific Skills Courses			
110.	Basic Office Assistant Training for Mentally Handicapped	912	912	912
111.	Basic Food and Catering Training for Mentally Handicapped	912	912	912
112.	Cleaning Service Training for Mentally Handicapped	912	912	912
113.	Desktop Publishing Training for Physical Handicapped	54	54	54
114.	Acupressure and Massage Training for the Blind	500	1350	1350
115.	Pre-job Training for Visually Impaired Paging Operators	144	144	144
116.	Reception and Clerical Work Retraining for Physical Handicapped	369	369	-
117.	Skill Training in Making Ceramic Wares for Physical Handicapped	420	420	-
118.	Stationery Shop Training for Recovered Mental Patients	-	910	-
119.	Cleaning Service Training for Recovered Mental Patients and Mentally Handicapped	912	912	912
120.	Office Practice Training for Recovered Mental Patients	120	120	-
121.	Integrated Computer Course for Office Practice for Physical Handicapped	60	60	48
122.	Security Service Training for Recovered Mental Patients	15	15	-
123.	Introduction to Autocad Training for Mentally Handicapped	24	-	-
124.	Office Assistant/Messengerial Training for Mentally Handicapped	420	-	-
125.	Tele-marketing and Tele-market survey Training for the Blind	32	-	-
126.	Chinese Paging Operator Training for Physical Handicapped	108	108	-
127.	Ticketing Teller Training for Handicapped	36	36	-

List of Retraining Courses and Their Duration

	Course type	Current (1995-96)	Course duration (hours)	
			1994-95	1993-94
B.	General Skills Courses			
128.	Pre-job Training for Mentally Handicapped	180	180	420
129.	Comprehensive Retraining Scheme for Recovered Mental Patients	455	455	175
130.	Pre-job Training for Physical Handicapped	96	96	-
131.	Interpersonal Relationship and Working Attitude Training for the Deaf	8	8	-
132.	Chinese Computer Training for the Deaf	90	90	-
133.	English for Office Practice for the Deaf	72	72	-
134.	English for Physical Handicapped	27	27	-
135.	Back to Work Course for physical Handicapped	-	84	-
136.	Chinese Computing Training for Physical Handicapped	60	60	-
137.	Home Based English and Computer Training for Physical Handicapped	210	210	-
138.	Pre-job Training for Recovered Mental Patients	96	96	-
139.	Computer Training for Chronic Illness Patients	840	-	-
IV.	Tailor-made Programme for Industrial Accident Victims			
140.	Pre-job Training for Industrial Accident Victims	-	35	35
141.	Preparation for re-entry to work for Industrial Accident victims	15	-	-
V.	Regular Training Courses			
142.	Regular Training Courses offered by Vocational Training Council	266	266	266
143.	Regular Training Courses offered by Construction Industry Training Authority	560	560	560
144.	Regular Training Courses offered by Clothing Industry Training Authority	660	660	660

CSSA for the Unemployed

17. MR LEE CHEUK-YAN asked (in Chinese): *As the current unemployment rate in the territory is the highest recorded in nine years will the Government inform this Council of:*

- (a) *the number of applications for Comprehensive Social Security Assistance (CSSA) made by people who are unemployed, as well as the total amount of CSSA payments in respect of such cases in the last financial year; and*
- (b) *the anticipated amount of CSSA payments to those applicants who are unemployed in the current financial year?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, for the purpose of this reply, "unemployment cases" among applications for Comprehensive Social Security Assistance (CSSA) are defined as being those cases involving able-bodied persons aged 15 to 59 who are in normal health but are unemployed and in need of financial support.

In the 1994-95 financial year, about 3700 applications for CSSA, representing about 7.4% of all applications made, were classified as "unemployment cases". Such cases received about \$110 million in CSSA payments in that year, representing about 3.2% of the total CSSA payments made.

Based on past trends and taking into account the various improvements to CSSA rates including adjustments for inflation with effect from 1 April 1995, the amount of CSSA payments for "unemployment cases" estimated to be needed for the current financial year is about \$150 million (about 3.7% of the estimated total payment).

SFC's Authority to Impose Penalty

18. MR CHIM PUI-CHUNG asked (in Chinese): *Regarding the authority of the Securities and Futures Commission (SFC), will the Government inform this Council whether, apart from its power to impose penalties stipulated in the relevant legislation, the SFC has the power also to penalize the persons concerned under its own regulations; if so, whether those regulations are legally binding?*

SECRETARY FOR FINANCIAL SERVICES: Mr President, the statutory functions of the Securities and Futures Commission (SFC) include, among other things, the enforcement of the law relating to securities and futures trading; the safeguarding of the interests of investors, and the suppression of illegal, dishonourable and improper practices in securities and futures dealings. For discharging these statutory functions effectively and transparently, the SFC has promulgated non-statutory codes and guidelines which lay down standards of practice and behaviour for securities and futures transactions in Hong Kong. Some of the codes and guidelines provide for sanctions such as private reprimand and public censure.

The codes and guidelines do not have the force of law and in that sense are not legally binding. They are instruments which the SFC uses to discharge its statutory functions, and have been promulgated after consultations with the market.

Religious Activities in Hong Kong

19. MR WONG WAI-YIN asked (in Chinese): *Regarding the activities of religious groups in the territory, will the Government inform this Council:*

- (a) *of the number of various religious groups in the territory of which the Government is aware, together with a breakdown of their names and countries of origin;*
- (b) *of the criteria adopted by the authorities concerned in deciding whether to allow a particular religious group to operate in the territory;*
- (c) *whether it is aware of individual religious groups (one of which is from Japan) which do not allow elderly followers who are sick to consult the doctor, and instead ask them to offer all their money before curing their illnesses by "performing supernatural acts"; and*
- (d) *how the authorities concerned will handle the problem mentioned in (c) above?*

SECRETARY FOR HOME AFFAIRS: Mr President,

- (a) As provided for under the Societies Ordinance (Cap.151), any society organized and established in Hong Kong or having its headquarters or chief place of business in Hong Kong is required to send a written notification to the Societies Officer setting out the name and object of the society and other related information on establishment. According to the Societies Officer, 310 societies engaged in religious activities have notified him of their establishment. They can be categorized by religion into 10 groups. The names of these societies and their respective religious categories are given at the annex. There is no requirement under the Societies Ordinance for information on the country of origin of the society concerned.

It should be noted that a religious group can register as a company under the Companies Ordinance (Cap.32). If it does so, there is no need for it to inform the Societies Officer of its establishment. We do not classify companies by their activities. It is therefore not possible to provide a list of companies engaged in religious activities.

- (b) All religious groups can operate freely in Hong Kong unless their operation is prejudicial to the security of Hong Kong and public safety and order. No special criteria are applied to societies or companies engaged in religious activities.

- (c) The Government is not aware of any religious groups as described in part (c) of the question operating in Hong Kong.
- (d) On receipt of information concerning religious activities that may endanger public order or individual safety, the police will conduct thorough investigations to see if any offences have been committed.

Annex

Category by Religion

R1	Sikh
R2	Islamic
R3	Catholic
R4	Hindu
R5	Buddhist
R6	Taoist
R7	Christian
R8	Shiah Asna Ashri
R9	Tenrikyo
R10	General

Reg. No.	Name of Societies	Nature
00391NCE	Sham Shui Po Gospel Campagin	R7
04788REG	Khalsa Naujarvan Sabha (Sikh Youth Association)	R1
03488EXS	Christian Fellowship Centre	R1
00224REG	Khalsa Diwan Hong Kong (Sikh Temple)	R1
06867REG	Yuk Quong Kwong Benevolence Society	R10
05460REG	United Muslim Association of Hong Kong	R10
04974REG	Muslim Personnel Centre	R10
04647EXS	Wednesday Lunch	R10
03191REG	Hong Kong Fuk Tak Association	R10
02911REG	St Martin's Association	R10
02045REG	World Union of Marist Ex-students Hong Kong Division	R10
07117REG	Cheung Chau Sai Wan Ma Sing Temple Management Association	R10
01258NCE	Tuen Mun Lam Tei Area "Yu Lan" Association	R10
01300NCE	International Supreme Master Ching Hai Meditation Association - Hong Kong Centre	R10
01343NCE	Sukyo Mahikari Hong Kong	R10
01466NCE	Eckankar Hong Kong Society	R10
01595NCE	Genbukan Hong Kong Shibu	R10
02430NCE	Idara Minhaj-ul-quran, International, Hong Kong	R10
06311REG	Mumtaj Mahal Club	R2
06223REG	Shalimar Club	R2

Reg. No.	Name of Societies	Nature
05451EXS	Islamic Movement Hong Kong (Tehrik-e-islamic Hong Kong)	R2
04987REG	Anjumane Burhani Hong Kong Dawoodi Bohra Association	R2
04446EXS	International Islamic Society	R2
04095REG	Hong Kong Islamic Youth Association	R2
01711NCE	World Assembly of Muslim Youth (Hong Kong)	R2
06904EXS	Prince of Wales Hospital Catholic Association	R3
06840EXS	Saint Luke Orthodox Church in Hong Kong	R3
05575EXS	St Stephen's Society	R3
05142EXS	Hong Kong Diocesan Chinese Priests Association	R3
04976EXS	Hong Kong Catholic Board of Education	R3
03369REG	Ladies' Guild of St Joseph's Church of Hong Kong	R3
03095EXS	Caritas Lok Hcep Club	R3
02505EXS	Association of Salesian Cooperators	R3
02488REG	Hong Kong Catholic Nurses Guild	R3
02465EXS	Chi-rho Maria Mission Helpers	R3
02396EXS	Serra Club of Hong Kong	R3
02207EXS	Hong Kong Federation of Catholic Students	R3
01829EXS	Hong Kong Central Council of Catholic Laity	R3
00162EXS	Confraternity of St Joseph Wan Chai	R3
00398EXS	Sodality of Children Mary	R3
00537EXS	Catholic Cathedral Choir	R3
00538EXS	Hong Kong Altar Boys Association	R3
00540EXS	Children of Mary	R3
00553EXS	Sportleship of Prayer	R3
00554REG	Catholic Truth Society of Hong Kong	R3
00591EXS	Altar Boy's Society	R3
00595EXS	Children of Mary	R3
00633REG	Confraternity of the M H Sacrament Men's Section	R3
00744EXS	Legion of Mary (Hong Kong Comitium)	R3
00745EXS	St Margaret Mary's Church Altar Boy's Association	R3
00767EXS	Confraternity of the Most Blessed Sacrament	R3
01155REG	Guild of St Luke St Cosmas and Damian	R3
07127REG	Alay Kapwa Catholic Group	R3
07415EXS	Volunteers of Suffering	R3
00680REG	Canossian Couvent	R3
02177NCE	Little Brethren of Mary	R3
02406NCE	Tulay Ng Tagumpay (Hong Kong) Foundation	R3
05767REG	Hindi Video Caseue Exchange Library	R4
05321EXS	Hindu Swayamsevak Sangh	R4
00570REG	Hindu Association	R4
04456EXS	Elan Vital Foundation of Hong Kong	R5
03478REG	Chung Un Benevolent Society	R5
03445REG	Tak Kow Tin Tak Benevolent Society	R5
03444REG	Hong Kong Tak Kow Chi Tak Benevolent Society	R5
03390REG	International Buddhism Research Association	R5
03315EXS	Chiu Fat Association	R5
03265REG	Buddhist Women Fraternity Association	R5
03029REG	Buddhist Youth Centre	R5
01930REG	Fa Kai Yuen Ming Buddhist Association	R5
00362REG	Confucian Society	R5
07106EXS	Hong Kong Buddhism Promotion Association	R5
07225EXS	Mahayana Buddhist Association	R5
07485REG	Yin Moon Buddhist Follower Association	R5
07763EXS	Shinnyo-En Hong Kong Society	R5
07835EXS	Natural Buddha Association	R5
07963EXS	Sambodhi Buddhist Society	R5
08053EXS	Right Path Foundation Association	R5
08578EXS	Tak Kow Po Hing Oi Tun Tai Wong Yeh Temple Benevolence Society	R5
00081NCE	Hing Sau Lotus Relegious Association	R5
00159NCE	Dharmakosa Buddhamussaii Society	R5

Reg. No.	Name of Societies	Nature
00283NCE	Kam Tin Pat Heung Tai Kong Po Chiu Kiu U Shing Wui	R5
00330NCE		R5
00470NCE	Buddha's Pasture of Hong Kong	R5
00713NCE		R5
00648NCE	Jen Foo Chung Shih Shan Tang	R5
00611NCE	Hong Kong Pu Zhao Tang	R5
01193NCE		R5
01229NCE		R5
01439NCE	Chinese International Mei-Hua Buddhists and Taoists Fund Association	R5
01585NCE	"Chiu Yuen" Buddhism Association (Kam Fai Court)	R5
01624NCE	Isvara	R5
01894NCE	Buddhist Reincarnation Society of Hong Kong	R5
02043NCE	Institute of Buddhist Learning and Practice (Hong Kong)	R5
02044NCE	Due-Tsang Monastery Foundation	R5
02082NCE	Buddhism Enlightening Association (Chin Chug)	R5
02141NCE	Merely Buddhism Association	R5
02445NCE	Natural Baddish Association	R5
02507NCE	Sheen Ming Nina Of Tang	R5
03582REG	To Know Tin Wan Hang Tan	R6
03338REG	Hong Kong Said King Benevolent Society	R6
00183REG	Yuan Chin Kook Taoist Society	R6
04108REG	Western District Shaun Fung Lane Old Funk Take Kung Association	R6
04026REG	Take Know Way San Shear	R6
08522REG	E. Bark Kung Temple Rebuilding Committee, Hong Kong	R6
08483EXS	Tin Take Shying Know Chung Sin Monastery	R6
00255NCE	Tai Yuan Gee	R6
00002MCE	Chi Way Tong Fa Pall Association	R6
00910NCE	Lam Fat Hang Taoism Research Association	R6
01897NCE	Chisong Huang Da-Xian Association	R6
06703REG	Hong Kong Christian Social Workers' Association	R7
06817EXS	Christian Gospel Hall	R7
06856REG	Hong Kong Christian Association of Cultural and Recreational Activities	R7
06813REG	Queen Mary Hospital Christian Fellowship	R7
06644REG	Christian Spiritual-Rock Church	R7
06564REG	International Service Fellowship (Hong Kong)	R7
03673EXS	Christian Saints' Assembly	R7
06960REG	Church Workers Association	R7
06923REG	Christian Concern for the Homeless Association	R7
06919REG	United Christian Hospital Doctors' Association	R7
06902REG	Princess Margaret Hospital Christian Fellowship	R7
06329REG	Chain of Charity Movement	R7
06574EXS	Asia Evangelistic Fellowship-Hong Kong	R7
06529REG	Conservative Baptist Yah Wo Church	R7
06965EXS	Hong Kong College Societas Rosicruciana in Civitatibus Foederatis	R7
06927EXS	Hospital Chaplain Personnel Fellowship Hong Kong	R7
06876EXS	Full Gospel Business Men's Fellowship International Hong Kong	R7
06871EXS	Hong Kong Queen Mary Hospital Christian Chaplaincy Committee	R7
06863EXS	Church of Zion	R7
06814EXS	Princess Margaret Hospital and Kwai Chung Hospital Chaplaincy Committee	R7
06785EXS	Christian Grace Church	R7
06750EXS	Chung Shun Christian Church	R7
07000EXS	Wan Chai District Pastors' Fellowship	R7
06233REG	Faith and Love Christian Youth Centre	R7
06185REG	Society of Television Awareness Training	R7
06174EXS	Christian Fellowship Prince of Wales Hospital	R7

Reg. No.	Name of Societies	Nature
06087EXS	Women's Aglow Fellowship	R7
06070EXS	Christians	R7
06011REG	Church of God in Hong Kong	R7
06002EXS	High Rock Evangelical Church	R7
05903EXS	Christianity Life Church	R7
05894EXS	Everlasting Light Mission	R7
05857EXS	Church of All Nations Lutheran	R7
05847EXS	Hong Kong-Macao Conference of Seventh-day Adventists	R7
05808REG	Lawyers Christian Fellowship	R7
05797EXS	Korean-Chinese Evangelistic Mission	R7
05781EXS	Christ Disciples' Church	R7
05743EXS	Light and Love Home	R7
05701EXS	Christian Glorify Grace Church	R7
05689EXS	Lighthouse Baptist Church	R7
05533REG	Student Christian Movement of Hong Kong	R7
05251EXS	Christian Gospel Disciples Church	R7
05213EXS	Church of Christ (Mei Foo)	R7
05117EXS	Teachers' Christian Fellowship Hong Kong	R7
05113EXS	Holy Spirit Association for the Unification of World Christianity	R7
05088EXS	Christian Literature for the Blind	R7
05056EXS	Danish Seaman's Church Hong Kong	R7
04936EXS	Christian Assembly Hall Hong Kong	R7
04923REG	Tolo Adventure Centre	R7
04782EXS	United Christian Evangelistic Fellowship	R7
04772REG	New Testament Church of Hong Kong	R7
04606EXS	Christian Medical Fellowship of Hong Kong	R7
04455EXS	Christian Chung Yung Church of Hong Kong	R7
04288EXS	Christian Fellowship Queen Elizabeth Hospital	R7
04279EXS	Young Men's Christian Association of Hong Kong	R7
04167REG	Discovery Centre	R7
04102REG	Hong Kong Diocesan Catechists Association	R7
03933EXS	World Home Bible League Hong Kong Division	R7
03610EXS	World Outreach Incorporated Hong Kong Branch	R7
03529EXS	Chinese Overseas Christian Mission (Hong Kong Branch)	R7
03494REG	Hong Kong Mission of the Association of International Gospel Assemblies, Incorporated U.S.A.	R7
03345EXS	Christian Drama Society Hong Kong	R7
03142EXS	Hong Kong Consultative Council of International Council of Christian Churches	R7
03046REG	Salvation Evangelistic Fellowship	R7
02926EXS	Hong Kong Evangelical Fellowship	R7
02770REG	Y's Men's Club of Tsuen Wan	R7
02504EXS	Evangelische Gemeinde Deutscher Sprache in Hong Kong (German Speaking Evangelical-Lutheran Congregat)	R7
02428EXS	Hong Kong Crusaders	R7
02339REG	Young Christian Workers	R7
02298EXS	Boys' Brigade Hong Kong	R7
02284EXS	Hong Kong Overseas Mission	R7
02242REG	Y's Men's Club of Victoria Hong Kong	R7
02223EXS	Hong Kong Japanese Christian Fellowship	R7
02129REG	Hong Kong Lutheran Lay Members' Fraternity Association	R7
02111EXS	Council of Young Men's Christian Association of Hong Kong	R7
01931REG	Hong Kong Nurse's Christian Fellowship	R7
01879REG	Christian Business Men's Committee of Hong Kong	R7
01816REG	Filipina Catholic Association	R7
01814REG	Pentecostal Mission Hong Kong and Kowloon	R7
01719EXS	Evangelical Reading Room	R7
01718REG	Graduate Christian Fellow ship	R7
00621REG	HKU Christian Association	R7
07058EXS	Shepherd Community Church	R7
07052EXS	Conservative Baptist Yan Lok Church	R7

Reg. No.	Name of Societies	Nature
07096REG	Wycliffe Bible Translators Hong Kong Council	R7
07049EXS	Long and Lat Crusade	R7
01259REG	Lantau Mountain Court Residents' Association	R7
07115REG	Christian Health Concern Association	R7
07124EXS	Hong Kong Church of Christ	R7
07187REG	Hong Kong Women Christian Council	R7
07188REG	Hong Kong Christian Institute	R7
07154EXS	Castle Peak Baptist Church	R7
07219EXS	Conservative Baptist Yan Mun Church	R7
07258EXS	Gerizim Evangelical Church	R7
07260EXS	Gerizim Ministries	R7
07262EXS	Christian Women's Fellowship	R7
07302EXS	Saint Barnabas Society and Home	R7
07308EXS	Kau Wah Keng Christian Church	R7
07404EXS	Word for the World Christian Fellowship (Hong Kong)	R7
07431REG	Christian for Hong Kong Society	R7
07467EXS	Christian Cornerstone Church	R7
07510EXS	Jesus for Hong Kong Outreach	R7
07516EXS	Christian Cluture Society	R7
07517EXS	Hospital Chaplaincy Committee of Tuen Mun and Yuen Long District	R7
07567EXS	Grantham Hospital Chaplaincy Committee	R7
07579REG	Turning Point Association	R7
07600EXS	Kwong Wah Hospital and Wong Tai Sin Hospital Chaplaincy Committee	R7
07590EXS	Yuen Long Full Gospel Ministers Fellowship	R7
07687EXS	United Marriage Encouter (Hong Kong)	R7
07688EXS	Hong Kong Deaf People Christian Church	R7
07690EXS	Lord Grace Church of Hong Kong	R7
07734REG	Chinese Christian Religious Education Association	R7
07767REG	Sun Tin Wai Gospel Hall	R7
07800REG	Bukas-loob Sa Diyos (Hong Kong) Foundation	R7
07802EXS	Village Gospel Mission	R7
07825REG	Overseas Chinese Christian Graduates Fellowship	R7
07833REG	Garden Streams-Hong Kong Fellowship of Christian Artists	R7
07854EXS	Yuen Long District Christian Churches Union	R7
07848EXS	Wah Fu Church of Christ	R7
07845REG	Parousia	R7
08047REG	Southern District Pastors' Fellowship	R7
08146EXS	Light of Yung Shu Tau Christian Church	R7
08152EXS	Friends World Committee for Consulation Asia-West Pacific Section	R7
08154EXS	Free Believers in Christ Fellowship International (Hong Kong)	R7
08136EXS	Concordia Welfare and Education Society	R7
08144REG	Gabrical Richard Institute	R7
08126EXS	Tat Po pastor's Fellowship	R7
08160EXS	Mission for all the World	R7
08172EXS	Agape Christian Fellowship (Correctional Services Department)	RT7
08243EXS	Conservative Baptist Grace Church	R7
08352EXS	Tuen Mun Hospital Christian Fellowship	R7
08377REG	Fanling Christian Church	R7
08381EXS	Conservative Baptist Yah Lam Church	R7
08481EXS	Enlighten Tutorial Centre	R7
08454EXS	Revive Hong Kong Evangelistic Crusade	R7
08423EXS	Nottingham Chinese Christian Fellowship	R7
08432EXS	Fountain of Lilfe Christian Fellowship	R7
08346EXS	Tuen Mun Good Partners Youth Service Association (Christianity)	R7
08446EXS	Hosanna Chanters	R7
08347EXS	Christian Fellowship, Fanling Hospital	R7
08912EXS	Good Land Church of Christ	R7

Reg. No.	Name of Societies	Nature
00093NCE	Glorious Praise Christian Centre	R7
00120NCE	Chaplainry Ministry Committee Sha Tin Hospitals	R7
00115NCE	Fairview Park Christian Church	R7
00034NCE	Fanling Hospital Chaplaincy Committee	R7
00029NCE	Sources	R7
00051NCE	Yan Chai Hospital Chaplaincy Committee	R7
00067NCE	Reach out for Christ School of Ministries (Hong Kong)	R7
00257NCE	Franciscan Order-Hong Kong Alias Franciscan Fathers	R7
00240NCE	Peace Gospel Hall	R7
00150NCE	Art Mission	R7
00277NCE	Christian Salvation Church	R7
00302NCE	His Sanctuary (HK)	R7
00328NCE	Solid Rock Ministries	R7
08267EXS	New Horizon	R7
00434NCE	Ruttonjee Hospital Christian Fellowship	R7
00495NCE	Church of God in Hong Kong (Sha Tin Branch)	R7
00499NCE	Church of God in Hong Kong (Ngau Tau Kwok Branch)	R7
00492NCE	Church of God in Hong Kong (Tuen Mun Branch)	R7
00484NCE	Church of God in Hong Kong (Tsing Yi Branch)	R7
00490NCE	Church of God in Hong Kong (Yuen Long Branch)	R7
00489NCE	Church of God in Hong Kong (Tai Po Branch)	R7
00486NCE	Church of God in Hong Kong (Kwai Chung Branch)	R7
00483NCE	Church of God in Hong Kong (S K Branch)	R7
00482NCE	Church of God in Hong Kong (San Po Kong Branch)	R7
00481NCE	Church of God in Hong Kong (Sheung Shui Branch)	R7
00480NCE	Church of God in Hong Kong (Sham Shui Po Branch)	R7
00479NCE	Church of God in Hong Kong (Aberdeen Branch)	R7
00478NCE	Church of God in Hong Kong (Quarry Bay Branch)	R7
00501NCE	Church of God in Hong Kong (Kwun Tong Branch)	R7
00575NCE	Customs and Excise Daniel Christian Fellowship	R7
00590NCE	Ruttonjee Hospital Chaplaincy Committee	R7
00572NCE	Oriental Christian Hin Oi Church	R7
00840NCE	Olive Tree Ministries	R7
00628NCE	Christian Disciples Church	R7
00764NCE		R7
00760NCE	Tuen Mun Good Partners Youth Service Association (Christianity) (Lam Tei Branch)	R7
00610NCE	Christ's Spirit Christian Church	R7
00896NCE	Bible Study Fellowship	R7
00932NCE	Hong Kong Theological Education Association	R7
00948NCE	March for Jesus Hong Kong	R7
00969NCE	All Nations Worship and Praise Ministries Hong Kong	R7
01073NCE	Reach out	R7
00644NCE	Full Gospel Business Men's Fellowship International (Asia)	R7
01358NCE	Tuen Mun Evangelistic Chusade	R7
01405NCE	Hong Kong Association for the Betterment of Pentecostal Ministry	R7
01471NCE	Hong Kong Christadelphian Ecclesia	R7
01638NCE	Fairview Park International Christian Church	R7
01693NCE	Christian Revival Crusade	R7
01730NCE	Tsan Yuk Chaplaincy Committee	R7
01736NCE	St Philip's Society-Cheung Chau Christian Centre	R7
01836NCE	Gideons International (Tai Po Camp)	R7
01837NCE	Gideons International (New Territories Camp)	R7
01838NCE	Gideons International Kowloon Camp	R7
01926NCE	Megabrain Association	R7
02000NCE	Faculty and Staff Fellowship of Hong Kong Baptist University	R7
02314NCE	Hong Kong Central Church	R7
02306NCE	Conservation Baptist Jubilee Church	R7
02395NCE	Youth of Christ	R7

Reg. No.	Name of Societies	Nature
02488NCE	New Territories Women's Aglow	R7
04201EXS	Hong Kong Shiah Association	R7

MOTIONS

PHARMACY AND POISONS ORDINANCE

THE SECRETARY FOR HEALTH AND WELFARE moved the following motion:

"That the following Regulations, made by the Pharmacy and Poisons Board on 10 May 1995, be approved -

- (a) the Pharmacy and Poisons (Amendment) Regulation 1995; and
- (b) the Poisons List (Amendment) Regulation 1995."

She said: Mr President, I move the motion standing in my name in the Order Paper.

The Pharmacy and Poisons Ordinance and its subsidiary legislation regulate, inter alia, the registration of pharmaceutical products.

The amendment Regulations seek, inter alia, to revise penalties provided for under the Pharmacy and Poisons Regulations, which include penalties for offences related to illegal sales of drugs. They also seek to amend the classification of certain drugs and to add new drugs to facilitate up-to-date controls.

Currently, the maximum penalties stipulated in the Pharmacy and Poisons Regulations are lighter for a first or second offence than for a third or subsequent offence.

The penalties for a first or second offence are a fine of \$2,500 and \$5,000 respectively. Those for a third or subsequent offence are a fine of \$10,000 and imprisonment for 12 months. This is still lower than the maximum penalty provided in the Ordinance of a fine of \$30,000 and imprisonment for 12 months.

If approved, the amendment Regulations will abolish the different classifications for first, second and third offences so that, once convicted, a person will be liable to a much higher penalty than before even if he is a first-time or second-time offender.

The penalty levels prescribed in the Regulations have been in force since 1978 and were last revised in 1987. They no longer reflect the severity of the offences and we therefore consider it necessary to increase them.

The amendment Regulations, therefore, also seek to raise the maximum penalties provided for in the Regulations from a fine of \$10,000 and imprisonment for 12 months to the current maximum penalties stipulated in the Ordinance, which are a fine of \$30,000 and imprisonment for 12 months. We do so by equating automatically the penalties prescribed in the Regulations to the maximum levels capped by the Ordinance and we hope that by doing so, the amendment Regulations will provide a much greater deterrent effect in combating problems such as illegal sales of drugs.

Separately, we are proposing in the Administration of Justice (Miscellaneous Provisions) (No.2) Bill 1995 introduced into this Council on 10 May that the maximum penalty levels in the Ordinance should be further raised to a maximum fine of \$100,000 and imprisonment for two years. If enacted, the Bill will further increase the penalty levels for offences related to illegal sales of drugs, as provided in the Regulations.

Currently, controls over cough medicines containing ingredients such as codeine differ in stringency according to the concentration of codeine, and so on which they contain. The amendment Regulations, if effected, will tighten controls over cough medicines with lower concentrations of codeine, and so on, so that cough medicines, irrespective of the percentage of codeine and so on they contain, will need to have their sales supervised by registered pharmacists, apart from having to be sold only by certain sellers of poisons. By doing so, we hope to minimize the abuse of cough medicines.

The Pharmacy and Poisons Board, the statutory body set up under the Ordinance, has been consulted and supports the amendment Regulations.

With these remarks, I move the motion.

Question on the motion proposed, put and agreed to.

EMPLOYMENT ORDINANCE

THE SECRETARY FOR EDUCATION AND MANPOWER moved the following motion:

"That the Employment Ordinance be amended in sections 31G(1) and (2), 31V(1) and (1A) and 67A by repealing "\$15,000" wherever it appears and substituting "\$22,500"."

She said: Mr. President, I move the motion standing in my name in the Order Paper.

The purpose of this resolution is to revise the existing wage limit for the purpose of calculating severance payment and long service payment under the Employment Ordinance.

When the Employment Ordinance was first enacted in 1968, it applied to all manual employees regardless of wage levels, and to those non-manual employees who earned not more than \$1,500 a month. The wage ceiling for non-manual employees was then reviewed and revised regularly to take account of wage movements. It was raised to \$11,500 in 1987.

In June 1990, this Council agreed to remove the wage ceiling so that all manual and non-manual employees, irrespective of their wages, could be covered under the Ordinance. To limit the employers' liabilities, a wage limit of \$15,000 a month was specified for the purpose of calculating the severance payment and long service payment. This wage limit was set at \$15,000 at that time, having regard to the fact that employees with a monthly wage in excess of \$15,000 were usually and adequately protected by contracts of employment which provided for retirement benefits, as well as the wage movements since the limit was first revised in 1987.

After more than four years, the wage limit of \$15,000 is now due for revision. Having regard to the wage movement over the past few years, we propose that the wage limit for the purpose of calculating severance payment and long service payment under the Employment Ordinance be increased to \$22,500 per month. The Labour Advisory Board has been consulted and has given unanimous support to this proposal. The Board has also agreed that the wage limit should be reviewed once every two years in future.

Mr President, I beg to move.

Question on the motion proposed, put and agreed to.

BILLS

First Reading of Bills

SECURITIES (CLEARING HOUSES) (AMENDMENT) BILL 1995

SECURITIES (AMENDMENT) BILL 1995

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

Second Reading of Bills

SECURITIES (CLEARING HOUSES) (AMENDMENT) BILL 1995

THE SECRETARY FOR FINANCIAL SERVICES moved the Second Reading of: "A Bill to amend the Securities (Clearing Houses) Ordinance."

She said: Mr President, I move the Second Reading of the Securities (Clearing Houses) (Amendment) Bill 1995.

The main purpose of the Bill is to seek disapplication of certain aspects of insolvency or bankruptcy laws in respect of futures transactions conducted at the Hong Kong Futures Exchange Limited in order to lessen the potential for a chain reaction of financial market defaults. The provisions being sought are already available to securities transactions conducted at the Stock Exchange of Hong Kong Limited under the Securities (Clearing Houses) Ordinance.

When the Ordinance was enacted in July 1992, it was decided to limit the ambit of the Ordinance to securities transactions initially and to defer application of the Ordinance to futures transactions because trading in futures contracts was not very active at that time.

Since the enactment of the Ordinance, transactions conducted at the Futures Exchange have increased significantly. In view of this, it is considered necessary that futures transactions be also brought under the Ordinance. The objective is to minimize the systemic risks which could arise from defaults by individual members of the Futures Exchange. Specifically, the Bill seeks to enable the clearing house of the Futures Exchange to isolate any default and complete settlement with non-defaulters, a process which otherwise might be frozen for an extended period under insolvency or bankruptcy laws and would potentially cause the counterparties of the defaulter themselves to default.

I would like to mention that since the 1987 market crash, there have been no significant default cases involving members of the Futures Exchange. The few cases which did occur were of a minor nature and related mostly to technical errors. The present proposals are made as a result of the continuing effort of the Administration and the regulators to enhance the risk management systems in our securities and futures markets to keep pace with market developments.

Thank you, Mr President.

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

SECURITIES (AMENDMENT) BILL 1995

THE SECRETARY FOR FINANCIAL SERVICES moved the Second Reading of: "A Bill to amend the Securities Ordinance."

She said: Mr President, I move the Second Reading of the Securities (Amendment) Bill 1995.

The objective of the Bill is to strengthen further the risk management systems in our securities market. Specifically, the Bill seeks to empower the Securities and Futures Commission to make rules to facilitate tracking of speculative short selling of securities and to deter market manipulation. It also seeks to enable the Commission to prescribe, by rules, position limits and other conditions in relation to trading of stock options.

Short selling of certain designated stocks at the Stock Exchange of Hong Kong Limited is permitted subject to compliance with section 80 of the Securities Ordinance and relevant regulations of the Stock Exchange. In practice, under section 80 of the Securities Ordinance, a person needs to have established stock borrowing arrangements before he is able to sell short. Under the relevant Stock Exchange regulations, a short selling Stock Exchange member has to register as such, and to comply with certain reporting requirements. Such requirements are to help the regulators identify and track sales of borrowed stocks, and identify speculative trading.

It has come to light that certain investors who are not members of the Stock Exchange, hence not bound by its regulations, have borrowed stocks for selling through the Stock Exchange without communicating such borrowing to the selling Stock Exchange member. That is to say, their right to vest in the purchasers the securities they have contracted to sell have not been clearly identified. Such practices negate the effectiveness of the existing mechanism for identifying and tracking sales of borrowed stock.

The proposed amendment to section 146 of the Securities Ordinance will enable the Commission to make rules to rectify the situation. The rules will complement the Stock Exchange regulations on short selling.

Separately, in connection with the trading in stock options which will commence in August this year, the Bill seeks to enable the Commission to prescribe, by rules, the position limits and other conditions including reporting requirements in relation to any person's activities in the stock options market. Such measures, as part of the risk management systems, are considered

necessary for deterring market manipulation and providing better market surveillance information.

Thank you, Mr President.

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

MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS) (AMENDMENT) BILL 1995

Resumption of debate on Second Reading which was moved on 25 January 1995

Question on Second Reading proposed.

MRS MIRIAM LAU: Mr President, as Mr Peter WONG, Chairman of the Bills Committee to study this Bill and the Employees' Compensation (Amendment) Bill 1995, is out of town, I rise to speak on both Bills.

The background to the proposals in the two Bills has been explained by the Secretary for Financial Services when he introduced them into this Council on 25 January 1995.

I wish to confine myself to highlighting the major areas of concern in the course of the Bills Committee's deliberations.

The main proposal of this Bill is to prescribe a minimum amount of insurance coverage of \$100 million per event in respect of a motorist's liabilities for motor vehicle third party bodily injuries, in substitution for the existing requirement of unlimited insurance cover.

The Administration had explained to the Bills Committee that this amount has been proposed, having regard to the fact that the largest claim for motor vehicle third party bodily injuries insurance has so far not exceeded \$15 million. In the event that the liabilities exceed \$100 million, any excess above the limit would be payable out of the assets of the insured. If any excess liabilities remain unsettled thereafter, the injured party may resort to the Motor Insurers' Bureau Fund. The Administration has confirmed that the Motor Insurers' Bureau agrees to extend its Fund to include compensating traffic accident victims in cases where the liabilities exceed the \$100 million limit and the motorist's assets are insufficient to pay off the claims. On the Administration's assurance, Members consider the proposed amount reasonable.

In the case of the Employees' Compensation (Amendment) Bill 1995, the Administration seeks to require an employer to take out a minimum insurance

cover of \$100 million per event in respect of its liabilities for employees' compensation. Currently, the amount of insurance cover is unlimited.

The Bills Committee is deeply concerned about the proposed minimum cover for employees' compensation insurance. Under the principal Ordinance, death arising out of employment would attract a payment of \$1.26 million while compensation in respect of a total loss of working capacity is \$1.44 million; and there is no limit as to the amount of compensation under common law. The Bills Committee feels strongly that the proposed amount of \$100 million per event would fall short of providing reasonable compensation to employees. Neither would it adequately cover the liabilities of an employer in the case of a disastrous accident involving many workers. At the Committee's suggestion, the Administration consulted the insurance industry and has now proposed that the minimum statutory insurance cover for an employer with not more than 200 employees shall be \$100 million whereas such insurance cover for an employer with over 200 employees shall be \$200 million. This is accepted by the Committee. An amendment to clause 9 of the Bill to this effect will be moved by the Secretary.

On the question of each employer being required to take out insurance for its employees to ensure that maximum protection is provided, the insurance industry, the construction industry and group companies are concerned that the requirement would have great impact on the availability of insurance to group companies and principal contractors in the construction industry, as insurers would not be willing to provide multiple limits of insurance covers for basically the same group of companies. It would also have great cost implications on the insured.

After consulting the various parties concerned, the Administration has suggested that principal contractors be permitted to take out a blanket insurance policy with a single limit to cover their own legal liabilities as well as those of their sub-contractors. The limit would be set at \$200 million per event irrespective of the number of employees or sites involved in any construction work undertaken by a principal contractor. Similar blanket policy arrangement is also made for group companies. Should a claim be made against any of the subsidiary companies included in a group blanket policy and where such claim remains unsettled, the holding company would be liable to meet such claims. In this way, the interest of injured employees would be better protected.

The Committee accepts the proposals. Relevant amendments will be made to the Bill by the Secretary later today.

With these remarks, Mr President, and subject to the agreed Committee stage amendments to be made, I commend the two Bills to this Council.

SECRETARY FOR FINANCIAL SERVICES: Mr President, I would like to thank the Bills Committee under the chairmanship of the Honourable Peter WONG for its careful consideration of the Motor Vehicles Insurance (Third Party Risks) (Amendment) Bill 1995 and the Employees' Compensation (Amendment) Bill 1995. I would also like to express my appreciation to the professional and trade organizations for their valuable comments. Amendments to the Employees' Compensation (Amendment) Bill 1995 to be moved at the Committee stage are the product of continuing discussion between the Administration and the insurance industry and the professionals over the past few months.

In respect of third party insurance cover for motor vehicles, the Bills Committee, while considering the proposed limit of \$100 million for any one event generally adequate, is concerned that there may be occasions with liabilities exceeding \$100 million and the motorist's assets falling short of the excess liabilities. To address this concern, the Motor Insurers' Bureau has agreed to extend its responsibility to settle any amount which exceeds the prescribed limit of \$100 million and which the insured is unable to pay. An undertaking between the Bureau and the Government to this effect has been arranged for signature at the end of this month.

Turning to employees' compensation, I wish to stress that it is the Administration's policy intention to give maximum protection to employees and to provide sufficient insurance cover to employers. In proposing a statutory minimum of \$100 million per event, the Administration has taken into consideration the fact that the largest pay out for employees' compensation in any one event so far has been \$30 million. However, to address the deep concern expressed by the Bills Committee that the proposed amount may prove inadequate to cover accidents involving a large number of victims, the Administration has, after consultation with the insurance industry, agreed to amend the Bill to require employers employing over 200 employees to obtain a minimum cover of \$200 million per event. For employers employing not more than 200 employees, the minimum amount will be \$100 million as originally proposed.

The multiple tiers of sub-contractorship in the construction industry and the fact that some sub-contractors and their employees may only be working on a very short-term basis on a particular site, have made it very difficult to ensure that employees of all the sub-contractors will be protected by some form of insurance cover. In view of this problem, Hong Kong insurers have suggested that principal contractors be permitted to take out blanket insurance cover for their own liabilities as well as those of their sub-contractors. After extensive consultation with the Hong Kong Construction Association and the insurance industry, the Administration has agreed that a principal contractor may take out a blanket cover of \$200 million per event irrespective of the number of employees or the number of sites on which construction work is undertaken by the principal contractor.

The insurance industry and a number of companies have requested that group companies be allowed to take out a blanket policy with a single limit, similar to the arrangement proposed for principal contractors in the construction industry. These companies as well as the insurance industry envisage considerable difficulties in arranging a separate policy for each company in the group, such as increased administrative work and additional costs to employers. Having considered the case very carefully, the Administration has agreed to allow a blanket policy for group companies. The minimum cover will be \$200 million per event irrespective of the number of employees employed by the holding company and its subsidiaries. To safeguard better the interests of injured employees, the holding company which is insured under the same blanket policy will be held responsible for the liability of any of its subsidiaries should the latter's assets be insufficient to meet any claim in excess of the insured limit.

I wish to add that the rights of an injured employee to claim compensation will not be prejudiced by the statutory minimum insurance cover. Liabilities in excess of the insurance cover will be paid out of the assets of the insured (and its holding company, if appropriate). If the insured is unable to meet the claim, the injured will be compensated by the compensation fund maintained by the Employees' Compensation Assistance Fund Board.

Mr President, the Motor Vehicles Insurance (Third Party Risks) (Amendment) Bill 1995 and the Employees' Compensation (Amendment) Bill 1995 are the result of concerted efforts of the Financial Services Branch, the Transport Branch, the Works Branch and the Education and Manpower Branch. I therefore speak also for the Secretary for Transport, the Secretary for Works and the Secretary for Education and Manpower in commending these Bills to Members.

Thank you, Mr President.

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

Bill read the Second time.

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

EMPLOYEES' COMPENSATION (AMENDMENT) BILL 1995**Resumption of debate on Second Reading which was moved on 25 January 1995**

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

Bill read the Second time.

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

Committee Stage of Bills

Council went into Committee.

MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS) (AMENDMENT) BILL 1995

Clauses 1 to 6 were agreed to.

EMPLOYEES' COMPENSATION (AMENDMENT) BILL 1995

Clauses 2, 6, 7 and 8 were agreed to.

Clauses 1, 3, 4, 5 and 9

SECRETARY FOR FINANCIAL SERVICES: Mr Chairman, I move that the clauses specified be amended as set out in the paper circulated to Members. The main purpose of the amendments is to specify the minimum amount of insurance cover for different employment situations to be purchased by employers in respect of their liabilities under the Employees' Compensation Ordinance. There are also other minor technical and drafting amendments.

To avoid any misinterpretation of the term "construction work", a definition of construction work is added to section 38, through clause 3. The meaning of "structure" and "works" referred to in the definition of construction work is specified in the proposed Fifth Schedule, through clause 9.

Definitions of "company", "holding company", "group of companies" and "subsidiary" are also added to section 38, through clause 3.

Proposed section 40(1) is amended, through clause 4, to clarify that the minimum amount of insurance cover to be purchased by an employer in respect of his liabilities under the Employees' Compensation Ordinance and independently of that Ordinance, shall not be less than the amount specified in the proposed Fourth Schedule. Correspondingly, the Fourth Schedule is amended, through clause 9. Instead of specifying therein a minimum insurance for all employers, the proposed minimum is \$100 million per event in the case of employers employing not more than 200 employees, and \$200 million per event if the number of employees exceeds 200. This amendment is intended to address Members' concern that reasonable and adequate compensation should be provided to employees in case of an accident involving a large number of victims.

Proposed section 40(1AA) is added, through clause 4(2), to provide that a principal contractor in the construction industry may take out a blanket policy of insurance for an amount not less than that specified in the Fourth Schedule, that is, \$200 million per event, in respect of his liability and those of his sub-contractors under the Ordinance and independently of the Ordinance. This blanket policy will suit the complex circumstances of construction sites where vertical and lateral cross-liabilities may arise. The proposed minimum insurance is specified in the Fourth Schedule in clause 9.

Proposed section 40(1AB) is added, through clause 4(2), to provide that a group of companies may take out a blanket policy of insurance for an amount not less than that specified in the Fourth Schedule, that is, \$200 million per event, in respect of the liabilities of the companies, bodies corporate and corporations in the group under the Ordinance or independently of the Ordinance. This proposed minimum is specified in the Fourth Schedule in clause 9.

Proposed section 40(1C) is added, through clause 4(2), to clarify that the minimum amount of insurance cover each employer is required to take out will be ascertained by reference to the number of employees in relation to whom the policy is in force and in accordance with the provisions of the Fourth Schedule. For principal contractors in the construction industry and group companies, the minimum amount of insurance to be taken out will be irrespective of the number of employees and in the case of principal contractors in the construction industry, the policy is also irrespective of the number of sites on which construction work is undertaken by the principal contractors.

Proposed section 40(1C) in clause 4(2) also clarifies that the amount of insurance required for policies may be inclusive of interest, costs and expenses indemnified under the policy and other costs and expenses incurred by the employer and recoverable from the insurer under the policy. If a principal contractor has taken out a blanket policy of insurance covering his liability and

those of his sub-contractors, the principal contractor and the sub-contractors insured shall be regarded as having complied with the compulsory insurance requirements. Similarly, if companies in a group have taken out a blanket policy of insurance covering the liabilities of the companies, bodies corporate and corporations in the group, all those in the group insured shall be regarded as having complied with such requirements.

Section 42 is amended, through clause 5, to clarify that an insurer is only liable for the amount of the liability of the employer not exceeding the available amount covered by the policy of insurance issued, notwithstanding the obligation imposed upon the employer by the Ordinance to insure for a higher amount.

Clause 9 amends the Fourth Schedule to specify the minimum insurance cover to be purchased by employers in different employment situations. It also adds a new Fifth Schedule to explain the meaning of "structure" and "works" referred to in the definition of "construction work".

Mr Chairman, I beg to move.

Proposed amendments

Clause 1

That clause 1(1) be amended, by adding "(No.2)" after "(Amendment)".

Clause 3

That clause 3 be amended, by adding —

""company" has the meaning assigned to it by section 2 of the Companies Ordinance (Cap.32);

"construction work" means -

- (a) the construction, erection, installation, reconstruction, repair, maintenance (including redecoration and external cleaning), renewal, removal, alteration, improvement, dismantling, or demolition of any structure or works specified in the Fifth Schedule;
- (b) any work involved in preparing for any operation referred to in paragraph (a), including the laying of foundations and the excavation of earth and rock prior to the laying of foundations;

- (c) the use of machinery, plant, tools, gear, and materials in connection with any operation referred to in paragraph (a) or (b);

"holding company", "group of companies" and "subsidiary" mean, respectively, holding company, group of companies and subsidiary within the meaning of section 2 of the Companies Ordinance (Cap.32);".

Clause 4

That clause 4 be amended, by deleting subclause (1) and substituting —

"(1) Section 40(1) is amended -

- (a) by repealing "No" and substituting "Subject to subsections (1AA) and (1AB), no";
- (b) by repealing everything after "issued by an insurer" and substituting -

"for an amount not less than the applicable amount specified in the Fourth Schedule in respect of the liability of the employer."

That clause 4(2) be amended —

- (a) by adding before the proposed subsection (1B) -

"(1AA) A principal contractor who has undertaken to perform any construction work may, in compliance with subsection (1), take out a policy of insurance issued by an insurer for an amount not less than the amount specified in the Fourth Schedule in relation to a principal contractor in respect of the liability of the principal contractor and the liability of his sub-contractor.

(1AB) A group of companies may, in compliance with subsection (1), take out a policy of insurance issued by an insurer for an amount not less than the amount specified in the Fourth Schedule in relation to a group of companies in respect of the liabilities of the companies, bodies corporate and corporations in the group specified in the policy."

(b) in the proposed subsection (1B), by deleting "subsection (1)" and substituting "this section, section 44B".

(c) by deleting the proposed subsection (1 C) and substituting -

"(1C) For the avoidance of doubt, it is declared that -

- (a) the amount required by subsection (1) is ascertained by reference to the number of employees in relation to whom the policy is in force and in accordance with the Fourth Schedule;
- (b) the amount that may be taken out under subsection (1AA) or (1AB) is irrespective of the number of employees in relation to whom the policy is in force and in the case of subsection (1AA), is also irrespective of the number of sites on which construction work undertaken by a principal contractor is performed;
- (c) the amount required by subsection (1), (1AA) or (1AB) may be inclusive of interest, costs and expenses indemnified under the policy and other costs and expenses incurred by the employer (including a principal contractor, a sub-contractor, a holding company or a subsidiary) and recoverable from the insurer under the policy;
- (d) where a principal contractor has taken out a policy of insurance under subsection (1AA), the principal contractor and a sub-contractor insured under the policy shall be regarded as having complied with subsection (1);
- (e) where a group of companies has taken out a policy of insurance under subsection (1AB), all the companies, bodies corporate and corporations in the group insured under the policy shall be regarded as having complied with subsection (1).

(1D) The reference in this section to the liability of a person is a reference to the liability of the person under this Ordinance and independently of this Ordinance for any injury to his employee by accident arising out of and in the course of the employee's employment."

Clause 5

That clause 5 be amended —

- (a) by renumbering the clause as clause 5(1).
- (b) by adding -

"(2) Section 42 is amended by adding -

"(1A) For the avoidance of doubt, it is declared that an insurer is liable, in a proceeding under section 36LA or 44, for the amount of the liability of the employer not exceeding the available amount covered by the policy of insurance issued for the purposes of this Part notwithstanding the obligation imposed upon the employer by section 40 to insure for an amount in excess of the amount insured."."

Clause 9

That clause 9 be amended, by deleting the clause and substituting —

"9. Schedules added

The following are added -

"FOURTH SCHEDULE

[ss.40 & 48A]

MINIMUM INSURANCE COVER FOR THE PURPOSE OF SECTION 40

1. For the purpose of section 40(1)

Where the number of
employees in relation to
whom the policy is in force

Applicable
amount

does not exceed 200

\$100 million
per event

- | | | |
|----|--|----------------------------|
| | exceeds 200 | \$200 million
per event |
| 2. | For the purpose of section 40(1AA) | |
| | Where a principal
contractor takes
out a policy of insurance | \$200 million
per event |
| 3. | For the purpose of section 40(1AB) | |
| | Where a group of
companies takes
out a policy of insurance | \$200 million
per event |

FIFTH SCHEDULE
SPECIFIED STRUCTURES AND WORKS

[s.38]

1. Any building, edifice, wall, fence, or chimney, whether constructed wholly or partly above or below ground level.
2. Any road, motorway, railway, tramway, cableway, aerial ropeway or canal.
3. Any harbour works, dock, pier, sea defence work, or lighthouse.
4. Any aqueduct, viaduct, bridge, or tunnel.
5. Any sewer, sewage disposal works, or filter bed.
6. Any airport or works connected with air navigation.
7. Any dam, reservoir, well, pipeline, culvert, shaft, or reclamation.
8. Any drainage, irrigation, or river control work.
9. Any water, electrical, gas, telephonic, telegraphic, radio, or television installation or works, or any other works designed for the manufacturing or transmission of power or the transmission or reception of radio or sound waves.

10. Any structure designed for the support of machinery, plant, or power transmission lines."."

Question on the amendments proposed, put and agreed to.

Question on clauses 1, 3, 4, 5 and 9, as amended, proposed, put and agreed to.

New clause 4A	Mandatory information in policy
New clause 4B	Notice of insurance
New clause 7A	Section added
Heading before New clause 10	Consequential Amendments Employees Compensation Assistance Ordinance
New clause 10	Interpretation

Clauses read the First time and ordered to be set down for Second Reading pursuant to Standing Order 46(6).

SECRETARY FOR FINANCIAL SERVICES: Mr Chairman, I move that new clauses 4A, 4B, 7A, heading before the new clause 10 and new clause 10 as set out in the paper circulated to Members be read the Second time.

Clause 4A amends the item number (f) to (g) in section 40A to require an insurer to include information on the amount of liabilities insured in a policy of insurance. Clause 4B amends section 41 to require the amount of liability insured under a policy to be shown in a notice of insurance to be put up in the workplace. An employer who provides false or misleading information in the notice commits an offence and is liable to a fine of \$50,000.

Proposed section 44B is added, through new clause 7A, to provide that where a blanket insurance policy has been taken out by group companies and where the insurance limit has been exhausted, the subsidiary company concerned shall be liable for any outstanding claim in respect of any injury to an employee. If the employee is unable to recover payment of compensation from the subsidiary company concerned, the holding company shall be liable to pay the amount to the employee.

To assist an employee of a subsidiary company to identify the holding company or companies for this purpose, the employee will be entitled to put a written request to the subsidiary company for the names and addresses of all its

holding companies also insured under the same insurance policy. The subsidiary company concerned commits an offence if it fails to comply with the request within seven days after the date of issue of the request, and is liable to a fine of \$10,000.

A consequential amendment is made, through new clause 10, to include in the definition of "employer" in section 2 of the Employees Compensation Assistance Ordinance, a holding company which is liable to pay an amount of compensation or damages to an employee of its subsidiary.

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

Clauses read the Second time.

SECRETARY FOR FINANCIAL SERVICES: Mr Chairman, I move that new clauses 4A, 4B, 7A, Heading before new clause 10 and new clause 10 be added to the Bill.

Proposed additions

New clauses 4A and 4B

That the Bill be amended, by adding —

"4A. Mandatory information in policy

Section 40A is amended by repealing "(f)" and substituting "(g)".

4B. Notice of insurance

(1) Section 41(1) is amended -

- (a) in paragraph (e), by repealing "and" at the end;
- (b) in paragraph (f), by repealing the full stop and substituting "; and";
- (c) by adding -

"(g) the amount of the liability insured under the policy."

(2) Section 41 is amended by adding -

"(4) Any employer who without reasonable excuse provides any false or misleading information in a notice under subsection (1) commits an offence and is liable to a fine at level 5.".

New clause 7A

That the Bill be amended, by adding —

"7A. Section added

The following is added -

"44B. Holding company responsible for liability of subsidiary in certain cases

(1) Where -

- (a) in relation to an employee there is in force a policy of insurance taken out by a group of companies pursuant to section 40(1AB);
- (b) the employee's employer, being a subsidiary of a holding company which is also insured under the policy, becomes liable to pay any amount of compensation or damages in respect of an injury to the employee by accident arising out of and in the course of his employment; and
- (c) the employee is unable to recover payment of the amount or any part thereof from the employer or from the insurer, the holding company is liable to pay the amount or part thereof to the employee.

(2) An employee employed by a subsidiary which is insured under a policy of insurance taken out by a group of companies pursuant to section 40(1AB) may issue a written request to the subsidiary to supply to the employee the names and addresses of all its holding companies which are also insured under the policy.

(3) A subsidiary shall within 7 days after the date of issue of a written request under subsection (2) -

- (a) supply to the employee the names and addresses of all its holding companies which are also insured under the policy; and
- (b) deliver a copy of the written request to the holding companies.

(4) A subsidiary which without reasonable excuse fails to comply with subsection (3) commits an offence and is liable to a fine at level 3."

New clause 10

That the Bill be amended, by adding —

"Consequential Amendments

Employees Compensation Assistance Ordinance

10. Interpretation

Section 2 of the Employees Compensation Assistance Ordinance (Cap.365) is amended -

- (a) in the definition of "employer" by adding after "(Cap.282)" -

", and includes a holding company (within the meaning of Part IV of that Ordinance) which is liable to pay an amount of compensation or damages to an employee of its subsidiary (within the meaning of that Part) under section 44B of that Ordinance";
- (b) in the Chinese text, in the definition of "僱主" by adding after "的僱主" -

"，並包括根據該條例第 44B 條有法律責任支付某一數額的補償或損害賠償予其附屬公司（該條例第 IV 部所指者）的僱員的控股公司（該部所指者）"。

Question on the additions of the new clauses 4A, 4B, 7A, Heading before new clause 10 and new clause 10 proposed, put and agreed to.

Council then resumed.

Third Reading of Bills

THE ATTORNEY GENERAL reported that the

MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS) (AMENDMENT) BILL 1995

had passed through Committee without amendment and the

EMPLOYEES' COMPENSATION (AMENDMENT) BILL 1995

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

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

Bills read the Third time and passed.

PRIVATE MEMBER'S MOTIONS

INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR RONALD ARCULLI moved the following motion:

"That the Waste Disposal (Charges for Disposal of Waste) Regulation, published as Legal Notice No.161 of 1995 and laid on the table of the Legislative Council on 17 May 1995, be amended -

(1) in section 2 -

(a) in subsections (1) and (5), by repealing "the Schedule and substituting "Schedule 1";

(b) by adding -

"(6) Where waste is carried to land used for tipping by the Civil Engineering Department or authorized by the Director for disposal by means of a vehicle on which a classifying label issued under subsection (7) is displayed in such manner as may be specified by the Director, no charge shall be payable under subsection (1), but the driver of the vehicle shall pay the appropriate charge prescribed in Schedule 2.

(7) For the purpose of subsection (6), the Director may issue classifying labels by reference to the permitted gross vehicle weight of vehicles as described in Schedule 2.

(8) A fee of \$200 is payable to the Director for a classifying label issued under subsection (7).";

(2) in section 4, by adding -

"(3) If the permitted gross vehicle weight of a vehicle displaying a classifying label for the purpose of section 2(6) exceeds the maximum permitted gross vehicle weight covered by the category of the classifying label displayed, the driver of the vehicle commits an offence and is liable to a fine at level 3 and to imprisonment for 6 months.";

(3) by renumbering the Schedule as Schedule 1;

(4) by adding -

"SCHEDULE 2

[s.2]

CHARGES FOR DISPOSAL OF WASTE AT LAND USED
FOR TIPPING IN RESPECT OF WASTE CARRIED BY
A VEHICLE DISPLAYING A CLASSIFYING LABEL

Category of classifying label	Permitted gross vehicle weight of vehicle	Charge for each vehicle load of waste \$
1	5.5 tonnes or less	86
2	More than 5.5 tonnes but not more than 10 tonnes	129

Category of classifying label	Permitted gross vehicle weight of vehicle	Charge for each vehicle load of waste \$
3	More than 10 tonnes but not more than 16 tonnes	172
4	More than 16 tonnes but not more than 24 tonnes	344
5	More than 24 tonnes	688".

MR RONALD ARCULLI: Mr President, I move the motion standing in my name in the Order Paper.

The Waste Disposal (Charges for Disposal of Waste) Regulation was tabled in this Council on 17 May 1995 to impose charges for disposal of waste at landfills. In spite of the consultations which had reportedly been made by the Administration with the waste collection industry, the industry raised strong objection to the Regulation when it was tabled. Representatives of the Hong Kong Kowloon and New Territories Grab-mounted Lorries Association were interviewed by the Duty Roster Members of the Legislative Council Members' Redress System on 23 May 1995. The Association objected to the charging arrangement on the basis of per tonne of waste to be disposed of as stipulated in the Regulation, and suggested that the charging arrangement should be on a per vehicle basis. The Association also suggested that the Administration should collect the charges from the waste producers direct. Similar objection and proposals were raised by the Hong Kong Dumper Truck Drivers Association.

A case conference was held on 29 May 1995 to discuss the objection and the proposals of the Association with the Administration. Members other than those who interviewed the representatives of the Association were invited to join the case conference. Representatives of the Hong Kong Construction Association (HKCA) were also invited to make a presentation of their views in the conference.

Following the third case conference held on 3 June 1995, Members concluded that in order to satisfy those waste collectors who prefer a charging arrangement on a per tonne basis as well as those who prefer an arrangement on a per vehicle basis, an alternative arrangement be inserted into the Regulation. The alternative arrangement shall be in the form of a table as shown in Schedule 2 of the proposed amendment to the Regulation. The scale of fees in the table is converted from the estimated average weights of waste carried on vehicles of different sizes under the different categories of classifying labels as specified in the Schedule, at the rate of \$43 per tonne of the waste to be disposed of. The rate of \$43 per tonne is the rate proposed in the original Regulation for the charging arrangement on a per tonne basis. This new charging arrangement can

be used by the waste collectors by applying for a classifying label from the Administration for their vehicles. Landfill charges would be levied on a per tonne basis in respect of vehicles without such labels.

Collectors and producers of construction waste generally welcome this additional choice of the charging arrangement, but are still not satisfied with the administrative arrangements for payment. The current proposal may result in the collectors having to bear the landfill charges initially and then pass them on to the waste producers. As of this moment discussions will continue with the objective of finding a method acceptable to all. On a related issue, the Administration has been forewarned of the necessity of having public dumps and sorting facilities where landfill waste and public dump waste can be separated so that valuable landfill space will no longer be used to dump unsuitable construction waste. The HKCA has been pressing the Administration to provide these facilities and it is crucial that they be provided before the waste disposal charging scheme is implemented. The Administration has assured the HKCA that public dumps and sorting facilities will be in place before the charging scheme is implemented. Nevertheless, Mr President, the alternative charging arrangement proposed in the motion satisfies both the construction waste collectors and the contractors in that it is in line with how the collectors currently charge the contractors. I hope that Members would support this motion.

Mr President, I beg to move.

Question on the motion proposed.

MR TAM YIU-CHUNG (in Cantonese): Mr President, as regards the issue about charges, nearly 100 private dumper truck drivers and truck owners drove their trucks to the Junk Bay landfill on the morning of 16 June where they staged a strike. They had asked me to act as an intermediary, and I did attend the press conference they held at 3 o'clock that afternoon. At the press conference, I recognized that there were three major reasons why they were unwilling to accept the charging arrangement currently proposed by the Government. They think that it will increase their workload and that they might be required to pay the upfront payment for the charges, which may not be reimbursed to them and so add to their burden. At the press conference, I too was surprised, because the ad hoc group responsible for this matter had in fact held a special meeting, and the Honourable Ronald ARCULLI is going to propose an amendment today. I had thought that the row was about the charging arrangement and that hopefully the original arrangement could be altered, that is, the charging arrangement be made on the basis of per vehicle instead of per tonne. I had thought that this was the apple of discord, which, in fact, is not the case. According to the two associations present on that day, they flatly rejected that they should be made to pay the upfront payment.

Their strike lasted for 30 hours. I involved myself in the mediation endeavour. In the end, the Government took their point. But the Government pointed out that it would be technically impossible not to table the subsidiary legislation for the Council's discussion today. So the Government agreed that they would put the implementation process on hold even if this Council would pass the subsidiary legislation today. The Government would announce the coming into effect of the charging policy only after a solution is found through a tripartite meeting with the associations concerned and the waste producers.

From this incident, I find that during the process for our consultation we should garner more experience, and that we should examine why there should have been so many twists and turns along the line and even complications at the last moment. Furthermore, even if this Council passes this subsidiary legislation today, will there be a solution in the future for certain? Will the solution, if any, be accepted by the Government and the associations concerned? This is still an unknown factor.

To ameliorate and protect the environment is certainly everybody's responsibility, but the charging issue is a potentially controversial subject to the trades concerned. So I hope the Government will consult the parties concerned in a serious manner in order to work out a feasible solution. For this reason, I will abstain from voting on today's subsidiary legislation and on Mr ARCULLI's amendment, because the matter is still unsettled. Furthermore, since I was a witness to this incident, I might still need to discuss some of its aspects. Therefore, I have no wish of supporting the amendment for the time being.

REV FUNG CHI-WOOD (in Cantonese): Mr President, I am in support of the Honourable Ronald ARCULLI's motion.

Although either this motion or the Government's Regulation will be carried by this Council, the issue concerning the charges for disposal of waste at landfills is yet to be settled. Actually, the Government first started to discuss this issue with the industry two or three years ago. But up to this moment when the present Regulation is laid before this Council, they have yet to reach a consensus. The dumper truck drivers were strongly against the present proposed charging arrangement by the Government. One reason was that they had to pay the landfill charges upfront and be reimbursed later, which would hinder them from working effectively and many drivers might consequently lose their jobs. However, the Government paid no heed to these concerns but insisted on tabling this charging regulation to the Legislation Council, intending to carry out this charging arrangement that it considered feasible. Consequently, a big strike was launched, mainly by the two waste collectors associations, on 16 June which affected the operation of many landfills and refuse transfer stations. And some refuse is still being left uncollected.

During the strike, the Government negotiated with the representatives of the associations. On 17 June, the Government promised to consult the people concerned in the industry and said that it would not put the charging arrangement into effect before obtaining the consent of the two waste collectors associations. I really hope that the Government can show its sincerity by discussing the charging arrangement for waste disposal at landfills with the people concerned again. Mr President, it is really disappointing that the charging arrangement has caused so much trouble. People who need to pay are willing to pay the charges levied by the Government. But it is a shame that the procedure as to how the charges are to be paid has given rise to so many problems.

Concerning the landfill issue, the Government introduced a measure in October 1993 to the effect that dumper trucks entering the landfills, if they carried more than 20% of inert material, mainly construction waste, would not be allowed to dump their loads in the landfills. Mr President, some lorry drivers also launched a strike at that time and the Government subsequently backed down which resulted in the measure being shelved indefinitely. Since then nobody has ever mentioned it again. This incident has left people wondering if the Government's policy does work as a precedent has been set. I hope that the Government will be practical and realistic and discuss with the people concerned to arrive at a workable arrangement in the future.

As for the charges for disposal of chemical waste, the Government had earlier suggested imposing a levy on the imported chemicals but later it changed the way of charging for chemical waste. Actually, the Government can also adopt a similar attitude and discuss with the people concerned to find a workable way.

Mr President, I hope that the Government will stick to the agreement it made with the two waste collectors associations on 16 June and negotiate for a feasible solution as soon as possible. We hope that the charging arrangement can be put into effect as scheduled as soon as possible. Even if this cannot be achieved, we still hope that they can work out a plan acceptable to all parties involved. We do not want to see these problems come up again.

MR FRED LI (in Cantonese): I am following up the case because an association of grab-mounted lorries had petitioned the Legislative Council and a case conference was set up by this Council to deal with the matter. The conference was chaired by the Honourable Vincent CHENG with the Honourable Ronald ARCULLI and I as members. I have been following up the matter all the way.

Charging arrangements, based on the so-called "polluter pays principle", require that a rate of \$43 per tonne of waste be paid on entry into a landfill. This amounts to half of the operating costs. Looking back, I have some strong feelings about the incident. On 16 June, truck drivers staged a strike and a blockade of some landfills. Finally the Administration was forced to sign a so-

called agreement with them, with Mr Bowen LEUNG (or Mr COPPER, I cannot recall exactly who) representing the Government. Before this happened, however, 200 waste collection vehicles and grab-mounted lorries gathered on 6 June at the Tseung Kwan O Landfill. I went there, hoping to resolve the problem. I called Mr COPPER, Deputy Secretary for Planning, Environment and Lands. He thought the gathering was meant to threaten the Administration and his attitude was bad.

As a Legislative Council Member, I certainly would want to see the matter resolved as I have been taking part in the case conference. However, consultation over the past year or so has proved to be futile. An example of unresolved issues is whether charges should be levied on a per vehicle basis or a per tonne basis. Truck drivers told me that there were actually several types of wastes transported to landfills. The majority of them are construction wastes transported by dumper trucks and grab-mounted lorries. The rest of them are commercial wastes, such as those from restaurants, factories or office premises; and a small portion comprises domestic wastes from residential premises for which the Urban Council has not provided waste collection services. Although a majority of the vehicles responsible for the collection of the wastes mentioned are members of the Hong Kong Kowloon and New Territories Grab-mounted Lorries Association, the Administration has not had any consultation with the Association, whose members have 10% to 15% of the wastes that need to be dumped at landfills. Members of the Association have a number of vehicles that vary in size and make. These vehicles collect a variety of wastes. A vehicle may not be sent to serve only a fixed site and get a month's business. On the contrary, a vehicle needs to visit many factory premises and restaurants to get fully loaded. It will then transport the wastes to landfills. In the circumstances, if the Administration charges waste collectors at \$43 per tonne of waste, how do they know from which waste producers — restaurant owners, factory owners or individual offices — they should recoup the money? So there is a real technical problem here.

Regrettably, the entire consultation was far from satisfactory. First, the passing of the relevant subsidiary legislation was too hasty. Second, truck drivers had no suitable officials to communicate with. Senior officials never talked to them. Those who talked to them were officers who had "no say". Officials who had "some say" argued that the Legislative Council should not intervene, as the "polluter pays principle" is a guiding principle of the Administration. As a result, on 16 and 17 June, truck drivers had to resort to more aggressive actions such as blockades to some landfills, whereupon the Administration finally made some concessions. Frankly, I think the matter should not have been left to reach such a stage. In the incident, the Administration failed to communicate with the truck drivers beforehand. And when the drivers started the more aggressive actions, it then signed a so-called agreement with them.

I believe the Administration should conduct a review of the incident. Now, even sewage disposal in restaurants has problems. We the Democratic Party will of course stick to the "polluter pays principle". But how is payment to be made? Can the charging process really encourage residents to refrain from creating more wastes? Now drivers transporting wastes into landfills are made to pay. The final decision reached by the Administration is one that is greeted with dissatisfaction from four organizations. I wonder what kind of advice the Administration has taken in the past year or so. I hope the Administration will not treat the matter lightly. If the subsidiary legislation is passed today and the Administration still has no sincerity in communicating with representatives from the four organizations, I think the matter, like a landmine, will explode one day. It is still possible that these organizations will resort to aggressive actions and it is the public who is going to suffer. I hope the Administration can learn from the incident and do better as it proceeds with the charges under the "polluter pays principle".

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President, first of all, I should say that I am most grateful to the Honourable Vincent CHENG, Chairman of the Case Conference on the Waste Disposal (Charges for Disposal of Waste) Regulation, and members of the Case Conference for their careful scrutiny and general support of the Regulation.

Our objective in introducing this Regulation is to continue the implementation of the "polluter pays principle" and to provide an economic incentive to waste producers to reduce waste generation by sorting and re-use, thereby reducing the amount of waste going to landfills. At this point, I should perhaps remind Members that waste disposal in Hong Kong is heavily subsidized — taxpayers paid \$600 million in 1994 for the disposal of waste generated by commerce and industry. Nevertheless, the initial charge levels, which seek to recover only 50% of the landfill costs, are moderate and should be affordable to business. Households will not be affected since domestic waste, whether collected by the municipal councils or private collectors, is exempted from the scheme.

Having regard to the "polluter pays principle", we have carefully considered different charging arrangements. The charging scheme for disposal of waste at landfills was worked out after extensive consultations with the trade and relevant bodies. We believe that charging on a per tonne basis is the most equitable as the amount of charge is directly related to the amount of waste disposed. This approach is also advocated by some legislators and a number of the industry associations we have consulted.

However, representations made to the Administration indicated that some sectors of the construction industry would prefer charging on the basis of per vehicle rather than per tonne. After careful consideration, we are prepared to agree to the amendment to the Regulation moved by the Honourable Ronald Arculli to allow charging on either a per tonne basis or a per vehicle basis.

This should provide adequate flexibility to the truck drivers, who can choose the option best suited to their business practice. However, there are shortcomings to charging on a per vehicle basis as it does not discourage overloading and, with over 3000 vehicles visiting landfills daily and nearly three vehicles to be handled every minute during peak periods, the possibility of abuses and fraud may arise. We will therefore need to monitor the scheme carefully to ensure that the landfill users do not abuse the flexibility that the dual charging arrangement permits.

Let me remind Members that the Regulation tabled at this Council sets out the levels of charges under the landfill charging scheme. The detailed charging arrangements, such as the collection method, are not specified in the Regulation. The intention is to allow the Director of Environmental Protection to work out the most practical arrangements in consultation with the parties concerned. The questions we now put before Members are whether the Regulation and the schedule to the Regulation pertaining to the level of charges are reasonable and acceptable to Members.

It has always been the Administration's intention to enter into consultation with the trade to work out the payment method. If legislators approve the scale of charges, we have always had the intention that the actual payment will not come into effect until September this year and this enables us sufficient time to enter into discussion and agreement with the trade. Recent events — and I refer here to the blockade of Southeast New Territories (SENT) landfill and other landfills by truck drivers over the last weekend — illustrate that waste collectors are concerned about upfront payment of landfill charges. Let me say again that I did ring up the radio last Friday to repeat that I personally share their views. Waste collectors or drivers should not be the party required to pay upfront charges. They are not the polluters. The waste producers are. Therefore when we negotiate the blockade or the incident, the Government agreed that we will set up a working group of representatives from the Government, truck driver and waste producers, to discuss the detailed charging arrangements. We have also undertaken not to begin levying the charge until there is broad agreement on these arrangements, as this has always been our intention that is the reason why we put the effective date administratively to September. I am now pleased to note that all the parties concerned have indicated their support for the "polluter pays principle" including the truck drivers and I hope that all parties concerned will work in good faith to expedite an agreement. I therefore look forward to the working group having constructive discussions and finalizing the charging and payment arrangements in the near future.

Members have also raised a few points in their speeches on the Regulation. The Honourable Ronald Arculli has mentioned the construction industry's concern about the provision of public dumps and sorting facilities for construction waste. I would like to assure Members that sufficient public dumps will be made available in the near future. In addition to the existing public dump at Tseung Kwan O, two more will operate in the next few months — the

Aldrich Bay barging point in August and the Tuen Mun Area 38 public dump in November. Two further public dumps will come on stream in the next two years.

I believe the construction industry is well aware of the need to practise better segregation of waste on site in order to increase the proportion of waste that can be diverted away from landfills. For those who cannot do so, we have set up a sorting plant for construction waste at the SENT landfill. It has been commissioned in stages since March 1995 and will be in full operation by July this year. Depending on the demand for the services, we shall review the need for setting up similar facilities at other landfill sites.

Thank you, Mr President.

Question on the motion put and agreed to.

PRESIDENT: I have accepted the recommendations of the House Committee as to the time limits on speeches for the motion debates and Members were informed by circular on 16 June. The movers of the motions will have 15 minutes for their speeches including their replies and another five minutes to reply to proposed amendments. Other Members, including mover of amendment, will have seven minutes for their speeches. Under Standing Order 27A, I am required to direct any Member speaking in excess of the specified time to discontinue his speech.

SOFT DRUGS

MR TAM YIU-CHUNG moved the following motion:

"That this Council urges the Government to expeditiously rectify the loopholes in the existing laws in order to prohibit medical personnel from engaging in the inappropriate sale of soft drugs."

MR TAM YIU-CHUNG (in Cantonese): Mr President, I move the motion standing in my name on the Order Paper.

The topic of my motion today is to urge the Government to amend the existing laws in order to prohibit medical personnel from engaging in inappropriate sale of soft drugs. But I do not understand why this has given rise to criticism and amendment from other Members, who think that the motion should not be directed against medical personnel only. Some Members even think this is a publicity stunt on my part for the sake of the upcoming election.

Everyone knows that youngsters can get soft drugs such as the so-called "pills" or cough syrup from many sources, including pharmacies and drug distributors, in addition to medical personnel. Actually, the present situation is that, despite legislation regulating drugs, problems arise as law enforcement is loose and inspections carried out by the Department of Health are insufficient. Nevertheless, there are loopholes in the existing legislation with regard to the monitoring of medical personnel. Both the Department of Health and the Medical Council have admitted this. They have been looking for means to improve the situation. I hope the authorities concerned can plug those loopholes as soon as possible.

A Member criticized my motion directed against medical personnel for focusing only on the unique situation of Kwun Tong and labelled it an election propaganda stunt. This puzzles me even more. I guess that the Member who raised the criticism might not have had a full picture of the real situation. As far as I know, apart from those in Kwun Tong, medical personnel in districts like Mong Kok and Wong Tai Sin are also taking advantage of the loopholes of the legislation to engage in soft drug peddling. The problem in Kwun Tong has been left unsolved for a long time. I do not see anything wrong in raising this issue for discussion.

Let us go back to the subject. Mr President, the biggest loophole of the existing legislation related to dangerous drugs lies in the provision that medical personnel are only required to keep clear storage and sales records of dangerous drugs at their clinics, and they are not allowed to provide those drugs to patients unless so-called "proper consultation" has been conducted. Some unethical members of the medical profession just ignore the dignity of being a medical practitioner and take advantage of the loopholes of the legislation. They store large amount of drugs in their clinics and sell dangerous drugs like halcoin and rohypnol to youngsters.

So far as we know, the net profit from selling a pill or capsule of soft drug is \$20 at present. If a member of the medical profession sells 500 pills a day, the net profit will come to several hundred thousand dollars a month. How will some of the medical personnel lacking professional ethics give up this substantial profit easily?

Although some complaints were lodged in the past against medical personnel for inappropriate sale of dangerous drugs, they were only charged with "keeping improper records" and the penalty was light. Therefore, even though a few individuals of the medical profession are selling dangerous drugs almost openly, the police and the Medical Council are powerless to take effective action. In Yau Tong District, some medical practitioners are almost specialized in drug peddling and they are widely known. Many drugs addicts are attracted to them. Not only the physical and mental health of the youngsters is adversely affected, grave law and order problems are also caused, because those drug addicts sometimes ask residents for money to buy drugs. The situation has given rise to many complaints from the residents.

Recently, the Democratic Alliance for the Betterment of Hong Kong (DAB) conducted a survey in Kwun Tong by distributing questionnaires in the streets. The results indicate that among the some 1100 respondents, about 60% were aware of the problem of drug abuse by youngsters in the district, and 70% considered the problem of drug abuse very serious. Moreover, among all the respondents, more than 90% hoped that the Government would strengthen the control over the use of dangerous drugs.

To counter the loopholes of the existing legislation, the DAB believe that the Department of Health and the Medical Council should positively consider amending the code of practice for medical practitioners to stipulate clearly the type and quantities of dangerous drugs that medical practitioners of different modes of practice are allowed to purchase and store in their clinics. Situations under which a medical practitioner is allowed to sell those drugs to the patient should also be indicated. In formulating the code of practice, the number of patients, mode of practice and consultation hours can be used as criteria. If the amount of dangerous drugs a medical practitioner has to store an amount exceeding the stipulated limit, he has to apply for exemption from the Government, and should be kept under its special supervision.

Moreover, the DAB think that the Government should also consider requiring medical personnel to submit detailed records of dangerous drugs to the Department of Health regularly in the same way as pharmacists, so as to strengthen the monitoring effect.

On the other hand, though the existing legislation provides that medical practitioners may supply psychotropic drugs to patients only after "proper consultation", the term "proper consultation" has not been clearly defined. To individual unethical medical practitioners, a patient pretending to suffer from insomnia or headache will easily get a large amount of psychotropic drugs that are classified as dangerous drugs.

Therefore, the DAB suggested that the Government should seek legal advice as soon as possible to formulate a more specific and detailed definition for the term "proper consultation", so as to prevent those unethical medical personnel from taking advantage of the loopholes.

Some time ago, I joined other representatives of the DAB to meet the Director of Health (Acting) and the President of the Hong Kong Medical Association to put forward our suggestion. The Department of Health thought that limiting the amount of storage would not be very effective in practice as the turnover of dangerous drug supplies was fast. But I think that this is only an excuse of the Government to shirk its social responsibility.

Everyone knows that installing another lock on our door may not guarantee that no thieves will break into our house. Nor can it be guaranteed that our car will not be stolen just by installing anti-theft devices. Then why does the Government keep urging us to take precautions against theft with all its efforts? The reason is simple. The aim of all these precautions is to make it difficult for thieves to engage in those illegal activities. If the Government makes laws to limit the amount of dangerous drugs stored in clinics, and the police increase the frequency of test purchases, the Government may prosecute those medical personnel once they are found storing excess amount of dangerous drugs without approval. These measures will certainly produce a deterrent effect so that the medical personnel concerned will no longer engage in the peddling of dangerous drugs brazenly.

The DAB also think that the Government should expeditiously amend the code of practice issued by the Medical Council, so that the latter can start the hearing of cases and handle the complaints of the departments directly, without having to wait for the conviction by the court of the medical personnel involved.

There are over 4000 private medical practitioners and some 2000 pharmacies in the territory at present. However, there are fewer than 20 inspectors responsible for spot checking. Obviously, the shortage of manpower is very acute. In addition to the suggestion of increasing manpower, the DAB hold that since inappropriate sales of dangerous drugs at present are only the deed of certain unscrupulous medical personnel, the police and the Department of Health can concentrate on monitoring certain individual black sheep over a long period, apart from regular test purchases. This may create more obstacles to their drug peddling activities and they may have scruples about selling this type of drugs.

Besides, pills, which medical personnel sell through the loopholes of legislation, cough syrup is another kind of soft drug that is widely used inappropriately by youngsters in recent years. In the past few years, the police received a lot of complaints from the public and held joint operations with the Department of Health. They found numerous bottles of cough syrup in some pharmacies in Kwun Tong. The staff of those pharmacies were arrested for selling dangerous drugs listed in Part I of the First Schedule of the Dangerous Drugs Ordinance. However, most of the cough syrup was later found to be diluted dangerous drug stated in Part II of the First Schedule of that Ordinance, meaning that they are not subject to the control of any ordinance or regulation.

We believe the Government should find out a solution for the situation, and fulfil the commitment made by the Governor, Mr Christopher PATTEN, at the summit meeting in March this year.

Mr President, summer vacation is around the corner. It will not be easy for a youngster to find a summer job during the economic recession this year. The long summer vacation is the "golden chance" for youngsters to go astray. It is naturally the Government's duty to provide the youngster with a meaningful summer vacation.

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

Question on the motion proposed.

PRESIDENT: Dr LEONG Che-hung has given notice to move an amendment to the motion. His amendment has been printed in the Order Paper and circulated to Members. I propose to call on him to speak and to move his amendment now so that Members may debate the motion and the amendment together.

DR LEONG CHE-HUNG moved the following amendment to Mr TAM Yiu-chung's motion:

"To insert "and their enforcement procedures" after "existing laws"; to delete prohibit medical personnel from engaging" and replace by "stamp out all possible channels"; and to insert "and narcotics" after "drugs"."

DR LEONG CHE-HUNG: Mr President, I am grateful to the Honourable TAM Yiu-chung for proposing this motion for debate today. For in doing so, it brings out the loopholes and irregularities in our current law which allow addicting and habituating drugs to be sold in an inappropriate if not illegal manner that "poisons" our population. Data have shown that this is especially alarmingly among the young. Let us hope that through collective effort today, these and other loopholes could be plugged to produce a drug-free society for Hong Kong.

Mr President, the medical profession knows only too well the deleterious effect of both hard and soft drugs and we are determined to wipe out any illegal sales and distribution. This we so pledge and more. Regrettably and embarrassingly, quite a substantial amount of illegal sales and distribution especially on "soft drugs" are the damnable doings of a few "black sheep" of the medical profession. Under the good name of patients' treatment, they carry on with god-cursed drug trafficking to the detriment of the public and the shame of the profession.

Differentiate medical treatment from drug peddling a must

Under the current laws, it is almost impossible to accuse let alone convict a medical practitioner for "drug peddling", and unless and until the law is made to differentiate what constitutes bona fide medical treatment and what constitutes drug peddling, for drug peddling it is, in the case of the medical practitioners,

these despicable members of my profession will at worst only have to face the Medical Council and be charged with "keeping improper records". Unfortunately, the Medical Council, being a peer assessment body to look after professional misconduct, can at most impose a maximum penalty of removal of the person's name from the registry to practise medicine; whilst drug peddling, charged properly, is a criminal offence punishable by imprisonment and confiscation of assets.

This then, Mr President, is a typical example of loopholes in the existing law involving medical personnel that this motion seeks to correct. Mr President, the problem of inappropriate sale of drugs extends far more and far beyond the sale of soft drugs by medical personnel. Many channels exist to facilitate drug abuses not only through defects in the existing laws, but also in fallacies in enforcement of laws. This is especially so amongst soft drugs. It is on this basis, Mr President, that I stand today to amend the motion moved by the Honourable TAM Yiu-chung under my name as circulated to Members in the Order Paper. In moving the amendment, I have no intention of denigrating the honourable motive of Mr TAM. Yet, I seek to broaden the aspects of discussion and hopefully to extract a collective and perfect solution.

Ruling of court fails to uphold professional discipline

Mr President, a minute ago I gave the example of the difficulty in charging doctors involved in the illegal sale of soft drugs and highlighting that at worst they could be charged with "keeping improper records". I have stressed too that at worst they will have their practice registration removed by the Medical Council. But this is not the end. In the last 12 months, for example, two of such cases were brought for appeal at the High Court and because of the level gravity of the charge, the penalty was repealed. In one case, Mr President, the Medical Council instructed that the culprit's name be removed from the medical registry for three years. The High Court squashed the penalty and reduced it to three months suspended for a year. In essence, that culprit got off scot-free. Such judgement by the High Court denigrates the decision of the Medical Council and makes a mockery of this pan-ultimate disciplinary body of the medical profession. All in all, the message is "crime pays".

Improper law enforcement against drug sale across the counter

Let me now mm to loopholes in enforcement of the law. The current law defines that "soft drugs" could only be sold in authorized dispensaries on production of a doctor's prescription. Yet it is obvious to many, and cases have been reported in reputable newspapers, that drugs including even anaesthetic agents could easily be obtained just across the counter without a doctor's prescription. Many of these are done without the knowledge of the resident pharmacists, usually when they are conveniently out of the way. There is the law, but there is a fallacy of enforcing the law, perhaps due to inadequacy of

manpower or inappropriate techniques in carrying out what is known as "spot checks" on the dispensaries.

Mr President, a short while ago, this Council passed an amendment to the Pharmacy and Poisons Ordinance to increase the penalty for illegal sales of drugs to a maximum fine of \$100,000 or three years in prison. Yet, experience has shown that in the rare incidence of a conviction, the culprit usually gets off with a lighter fine of a few thousand dollars. The law is thus a "toothless tiger".

Yes, under the circumstances the licence to sell dangerous drugs might be removed. But the licence is tagged on with the proprietor and the same dispensary can continue its business under the licence of a new ownership — a very minimal deterrent effect indeed.

Ban back-alley drug vendors

Mr President, the Government will, I am sure, claim success by quoting from statistics that illegal sales of soft drugs across the counter is minimal or reduced. With respect, these are but from data and cases that have been caught red-handed. Who knows how many have slipped pass the net?

All the above examples and more are cases of medical personnel involved in inappropriate sale of soft drugs. What about the vast amount that are blatantly sold in the back alley? The Government no doubt stresses that every single tablet of "soft drugs" imported could be accountable for from importers through distributors to doctors, clinics and dispensaries. Yet, where do these back-alley vendors get their supply?

Solution lies in co-ordination of all efforts

Mr President, I have so far highlighted the loopholes that exist and I am sure Honourable Members who will be speaking will have more to say. It is very obvious that these loopholes must be plugged without delay through co-ordination of efforts. In the case of the medical profession, the Medical Council will have to sort out proper drug use from undesirable or illegal practice. Stringent professional discipline through peer judgement which could stand any legal challenge remains the crucial step for any effective sanction. The ultimate courts of the Judiciary must work in unison with the professional council and realize that its work is based on peer assessment and that any act which might appear trivial to the court may well be a severe one from the point of professional misconduct.

In the case of dispensaries, the maximum penalties should be applied more frequently and the removal of licence should include closure of the dispensaries. It is high time too that the pharmacist profession should address the issue and their members be advised to distant themselves from unscrupulous business owners.

Drug summit yet to cover the core problems

Finally, Mr President, whilst much has so far been said of "soft drugs", let us not forget that statistics on abuse of narcotics such as heroin is as alarming if not more. It will get worse as the narcotics get progressively cheaper. This problem must also be addressed without delay.

Most of these are not, regrettably, well covered in the recent Governor's Drug Summit.

Mr President, we must strive for a drug-free society. I move my amendment, Mr President.

Question on Dr LEONG Che-hung's amendment proposed.

THE PRESIDENTS DEPUTY, MRS ELSIE TU, took the Chair.

DR LAM KUI-CHUN (in Cantonese): Madam Deputy, mankind's special psychological bent for the enjoyment of medical drugs has existed since ancient times. However, the problem has been aggravated in the recent 200 years. In December last year, a representative of the United Nations made an appalling conclusion. He said, "Despite the endeavour of every country to cope with the problem of drug abuse, the situation we are facing is that the efforts made over the last 30 years have been wasted." In this debate, I hope the community will not be misled into thinking that the present drug problem is simply a matter of loopholes in our legislation. With regard to the overall problem, once again, I have to reiterate that comprehensive education is the only means to do away with the problem completely.

Consonant with the topic of today's debate, I would like to outline a few major points concerning the sale of drugs. Firstly, illegal peddlers are usually the losers on the proper career path. One of those peddlers disclosed that one can make \$20 million each year from selling pills and capsules alone. This amount is equivalent to the salary of a Legislative Council Member working for about 35 years, which is almost the entire income derivable from a Member's life-long parliamentary career. Lured by such great profits, those losers will not easily yield to warnings of suspension from practice for a few years. As for pharmacies, the fines are usually under \$5,000, which is obviously out of proportion to the "illegal profits" they make.

The sentences are light because the offences are minor. In dealing with pharmacies, the Department of Health relies on test purchases to collect evidence. However, those pharmacies only sell illegal drugs to acquainted customers, so the Department's test purchases by way of spot check usually fail. Even if the operation is successful, which is rather rare, they can only buy some 10 pills or capsules and the offence is minor. Regarding medical practitioners,

as they have statutory rights to prescribe and sell drugs, the police cannot charge them with illegal sale of drugs. At present, those practitioners will only be prosecuted for failing to keep a proper record of the sale of drugs. In fact, if those unethical medical practitioners know the trick of the game and keep comprehensive records, they will be able to sell drugs openly and will not be subject to the control of the relevant legislation.

In fact, the crux of the problem with those "black sheep" of the medical profession is that they prescribe heavy doses of dangerous drugs over a long period for patients without such pathological needs. A medical practitioner need to draw on his professional knowledge to make a decision of this kind. It is an assessment of a medical practitioner's attitude towards treatment and his professional ethics. Therefore, the Medical Council should be the appropriate organization to handle this issue. However, the present problem is that the Medical Council does not assess the professional ethics of the medical practitioners. Instead, it judges whether crimes have been committed. This is completely irrelevant to the issue. What happens now is that the charges of the Medical Council are drafted by the Legal Department, whose officials know nothing about the professional ethics of medical practitioners. Hence the charges are often found to be flawed and the accused cannot be convicted. Outsiders who do not understand the true cause get a wrong impression that in the Medical Council the medical practitioners take the side of their fellow practitioners and thus try to quash major issues and quell minor ones. The Medical Council has been wronged on this.

Furthermore, another problem with the Medical Council is that most of the serving member practitioners responsible for the giving of rulings lack proper training with regard to adjudication and know little about what constitutes a fair trial. It is not surprising that their adjudication has been rejected by the High Court several times. For this reason, a member practitioner of the Medical Council, who is also a lawyer, was so frustrated that he resigned recently because he saw no improvement after giving advice many times. In connection with prohibiting inappropriate sale of drugs by medical practitioners, as far as I know, the Medical Council has set up a special working group to study the issue this year. Their conclusion is "No solution for this problem". It means the power of medical practitioners can be abused at will, and the adjudicating body can do nothing about it. I am very surprised and disappointed about this. I wrote to the Medical Council to enquire about this matter some two months ago, but up to now, they have given me no reply at all. I do not know if the Government thinks that this mode of operation of the Medical Council can meet the requirement of the Government and the public. I have already followed up this issue with the Action Committee Against Narcotics.

Madam Deputy, I agree with the way this debate is oriented, but I have to identify the problems. For the pharmacies, the problem is the difficulties in law enforcement, not the loopholes in the relevant legislation. For medical practitioners, loopholes exist in the regulations, not in the law.

With regard to the Medical Council adjudicating the offence of illicit sale of drugs by medical practitioners, I have the following suggestions to make:

1. Charges pressed by the Medical Council must be drafted by medical practitioners and officials of the Legal Department in collaboration.
2. The adjudication panel of the Medical Council should be empowered to check the patients' record, provided that privacy of the patients is not infringed, so as to confirm whether those drugs are necessary and have to be taken in heavy dosage for long duration, and judge whether the prescriptions are beneficial or harmful to the patients so that the Council can decide whether those medical treatments meet the professional ethics of medical practitioners.
3. Continuous prescription given by general medical practitioners to patients who need to take drugs for a long period must be verified by specialists in neurology or psychopathology.
4. The adjudication panel of the Medical Council must include several medical practitioners with sufficient experience in adjudication.
5. After the judgement in an important case has been given, the Medical Council must issue a constructive policy guideline to all medical practitioners for reference.
6. Finally, under appropriate circumstances, the Director of Health will have to exercise his authority to stop the medical practitioner involved from prescribing the drugs. For pharmacies involved in illicit sale of drugs, penalties should be substantially raised. Not only the maximum penalty must be increased, the judge should also pass heavy sentences.

Madam Deputy, the obvious reality is that various types of persons participate in the illicit sale of drugs, and the drugs they sell are not limited to soft drugs. Therefore, I support the amendment of Dr the Honourable LEONG Che-hung, though the original motion is also worth supporting.

MR MICHAEL HO (in Cantonese): Madam Deputy, I would like to comment on the sale of soft drugs by medical personnel as canvassed by the Honourable TAM Yiu-chung in the original motion.

As the representative of the medical and health sector, I definitely support the wiping out of some "black sheep" in the medical profession who are involved in the illegal sale of soft drugs. Apart from those drugs being smuggled into Hong Kong from overseas, I believe that, at present, the sources of many drugs are either medical practitioners, pharmacies or medicine companies. In regard to medical practitioners, the current monitoring practice

of the Department of Health is to find out, by means of listing the "10 major users", which medical practitioners prescribe especially large amount of drugs and then to ask them to give explanations. But the problem is that the Department of Health, in the final analysis, will find it difficult to judge whether it is reasonable to use that great amount of drugs or purchase that much drugs. A colleague just mentioned that restrictions should be imposed on those medical practitioners who constantly prescribe certain kinds of drugs. I hope that this proposal can be positively discussed in the medical profession so that the problem can be solved as soon as possible. There is a rumour in the pharmaceutical sector that some so-called "salesmen" always visit different pharmacies, medicine companies and the medical practitioners' clinics for the purpose of purchasing soft drugs and then have them sold to other people. Although we have no means to gather sufficient evidence to prove the rumour, everybody in the pharmaceutical sector acknowledges and believes that this rumour is real. If this is real, I reckon that the Security Branch should take up the responsibility to investigate.

Apart from medical practitioners, there are over 200 pharmacies and over 2000 medicine companies in Hong Kong. One may not be aware of the difference between pharmacies and medicine companies. In the pharmacies, there are pharmacists who can sell poisons and dangerous drugs. But there are no pharmacists in medicine companies which normally only sell some patent medicine. The Administration normally arranges site inspections on these pharmacies and medicine companies every year.

However, there are merely 10-odd Pharmacist Inspectors. It is indeed impossible for them to conduct sufficient inspections on these pharmacies and medicine companies. I hope that the Administration can put in a lot more efforts in terms of inspection and test purchases. I also sincerely hope that the Security Branch can work together with the Health and Welfare Branch in that respect. The problem is already not purely medical and health in nature but it involves the sale of dangerous drugs and drug trafficking.

Now I would like to mm to the problem pertaining to cough syrup. As a matter of fact, the Administration has already promised to classify cough syrup containing less than 0.09% of codeine as Part I poison instead of Part II poison. But regrettably, this has not yet been done. Simply because of this loophole, some medicine companies which should not sell this kind of drugs have still got a large quantity of cough syrup for sale. Since amendment to the ordinance concerned is not yet possible, it is still legal for these medicine companies to sell cough syrup. I hope that the Administration can amend the ordinance concerned without delay.

I hope that the Administration will consider in good earnest monitoring some medical practitioners in respect of their use of dangerous drugs in huge quantities. In fact, in the past, some people in the pharmaceutical sector had put forward a suggestion, requesting some medical practitioners to maintain clear records of their transactions. The transactions, as I just said, do not refer to the

transactions in monetary terms, but refer to each diagnosis made. That is, there should be clear records as to the amount of drugs prescribed in each diagnosis. It is different from the so-called Day Book currently used which only reflects the total amount of drugs prescribed daily. A clearer record will also facilitate the Department of Health in conducting random checking in the future.

Finally, I very much hope that the Security Branch, when making a response in regard to this topic under debate, can clearly inform us what kind of concrete actions they will take in the year to come to prevent drug trafficking and sale of soft drugs in order to solve the problem of drugs.

I so submit.

MR FREDERICK FUNG (in Cantonese): Madam Deputy, over the past two years, we can often hear reports of the ever increasing cases of soft drug abuse. The figures released by the Narcotics Division on many occasions have also portrayed such a trend. In order to resolve the problem of the abuse of soft drugs, we have to probe into the underlying cause in the first place. I think one of the factors leading to a rise in the cases of soft drug abuse is that psychotropic drugs and soft drugs are accessible and available for sale rather easily.

The soft drugs that youngsters and drug addicts abuse mostly come from three sources. They come from unscrupulous pharmacies, unethical private medical practitioners and illegal sellers who operate in the form of syndicates.

Although it is provided in law that pharmacies are not allowed to sell certain kinds of psychotropic drugs, restricted drugs and poisons (such as rohypnol and halcion) to any person without a doctor's prescription, it is found in various surveys that the soft drugs that youngsters take, for instance, controlled drugs such as part I poisons under the Pharmacy and Poisons Ordinance, such as cough syrup, and antibiotics and so on can be bought easily at pharmacies. Drugs bought from pharmacies without doctor's prescriptions are mostly sold on a piecemeal basis without specifications of the name of the drug, its efficacy and other side effects. This, on the one hand, poses dangers to the health of the public and, on the other hand, aggravates the problem of the abuse of soft drugs by youngsters. Given that some unscrupulous pharmacies are tempted by pecuniary interests and pharmaceutical manufacturers are able to gain a profit by taking advantage of the loophole in law, more and more pharmacies have been found to be engaged in the arbitrary sale of controlled drugs.

In dealing with the unscrupulous pharmacies, the Government faces a shortage of manpower in carrying out inspections on pharmacies and, on the other hand, the Judiciary is too lenient in sentencing pharmacies which have violated the law. I think the Government should increase the number of Pharmacist Inspectors to step up inspections on pharmacies. In the meantime,

the Judiciary should impose heavier penalties on the law-breaking pharmacies to serve as the deterrent.

Another problem is that youngsters can obtain soft drugs from unethical medical practitioners. As doctors are safeguarded by privileges that their profession has vested in them, it is difficult for outsiders to challenge the prescription of drugs by doctors. The situation now is that unscrupulous doctors have turned out to be the main supplier of psychotropic drugs in some districts. I think the Administration should conduct a review of our legislation expeditiously, in particular those which concern professions, so that it will be easier for the Administration to institute prosecution against doctors for professional misconduct when the Administration carries out investigations on such doctors.

Apart from directing our efforts to private medical practitioners and pharmacies, I think the Administration should also pay serious attention to the smuggling of soft drugs into the territory by a number of syndicates and individuals. Recently, some syndicates and individuals have been bringing in many dangerous drugs, Part I poisons and psychotropic drugs to the territory illegally by sea and by means of land transport from mainland China or from Southeast Asian countries. The drugs are then sold to drug addicts through distributors. Although the customs and the police have conducted searches at various border points and black spots, there is still a continual inflow of soft drugs into Hong Kong due to a shortage of manpower. Yet, the Government has all along neglected to control the sale of psychotropic drugs. I call on the Government to spare no efforts to combat the inflow of illicit drugs into the territory, thereby blocking the entry of illicit drugs into the market. Meanwhile, I think the Government should also thoroughly investigate those doctors and pharmacies who have been prosecuted with a view to tracing the source of those drugs and how those drugs are imported. In addition, the Government should further tighten the control over sellers and carry out vigorous actions to stamp out illicit drug retailers so as to prevent drugs which are legally imported from being administered for illegal purposes.

With these remarks, I support the motion of the Honourable TAM Yiu-chung and the amendment of Dr the Honourable LEONG Che-hung.

MR FRED LI (in Cantonese): Madam Deputy, it is a remarkable coincidence to have the Honourable TAM Yiu-chung initiating a motion debate on soft drugs today while I proposed a similar motion debate concerning drug abuse in mid June last year.

Mr TAM's motion today is to urge the Government to expeditiously rectify the loopholes in the existing laws in order to prohibit medical personnel from engaging in the inappropriate sale of soft drugs. This, in fact, was one of the main points of the motion I moved last year. I am glad to have the present motion moved because it enables this Council to have another opportunity to

probe deeply into the problem. But as responsible Members, we should carry out a thorough and comprehensive analysis of the problem in order to devise a comprehensive and appropriate measure. Mr TAM's motion has only highlighted the inappropriate sale of drugs by medical personnel. It has, however, overgeneralized the picture and projected a tunnel vision. It is well known that besides medical personnel, pharmacies, medicine companies and drug traffickers who import dangerous drugs to Hong Kong have all contributed to the flood of soft drugs in our community.

In May this year, the Hong Kong Young Women's Christian Association conducted a survey on the drug abuse problem of young people in Kwun Tong District. Youngsters who had tried soft drugs before were asked where they bought the drugs. 62.5% of them replied that they bought it from pharmacies, 43.8% replied that they bought it from drug pushers. Only 6.3% revealed that clinics were the suppliers. This reflects that youngsters who obtained the supply of drugs from clinics constitute a small minority. They can easily meet the pushers in billiard rooms, electronic game centres or playgrounds and obtain the drugs. Not many of them go straight to clinics to buy it. So the motion, which specifically targets medical personnel, seems to have got it wrong. Of course, this is just one of the factors. Dr the Honourable LEONG Che-hung's amendment is comparatively more reasonable.

Serious loopholes exist in both legislation and law enforcement procedures which allow law-breakers to engage in the illegal sale of large quantities of soft drugs. What worries us is a recent trend of having younger and younger drug addicts or drug abusers. According to information provided by the Action Committee Against Narcotics, in 1992, the number of young drug abusers aged below 21 including those who consumed heroin or "pills" without doctor's prescription was 1958. In 1994, the number increased to 4172. Drug abusers aged below 16 increased from 399 in 1992 to 858 in 1994. Drug abuse by youngsters is indeed a worrying problem.

The Dangerous Drugs Ordinance and the Pharmacy and Poisons Ordinance are the two main pieces of legislation that govern and control the sale of drugs. In fact, I had clearly explained the loopholes in these ordinances during last year's motion debate. At that time, I pointed out that it is unbelievable to have only 11 inspectors deployed by the Department of Health to inspect 237 pharmacies, over 2000 medicine companies and 6000 private medical practitioners in Hong Kong. Now the number of inspectors has increased by three to 14. The number of prosecutions concerning drug abuse increased from 77 in 1993 to 89 in 1994. Among these figures, there were six cases involving doctors who had violated the law and were prosecuted under the Dangerous Drugs Ordinance in 1993. In 1994, the number of similar cases was 10. The fact that there are only 14 inspectors responsible for all prosecution and inspection work in the territory reflects an obvious and serious understaffing problem.

In regard to monitoring of doctors, the biggest loophole in the law is that doctors are not required to submit to the Department of Health a monthly record of sale of psychotropic substances and the remaining stock they hold as the pharmacists do. A handful of unscrupulous doctors make use of this loophole and engage in the direct sale of psychotropic substances, the so-called soft drugs. Because of this loophole in the law, it is difficult for the police to pose as customers. In a real life situation, when a young person approaches a clinic to buy "pills", these unscrupulous doctors will know what to do. They will ask him whether he is suffering from headache or insomnia. If the answer is yes, then they can prescribe these drugs to them. If the answer is no, the doctors will not hastily prescribe these drugs. So if the officer who poses as customer says that he is suffering from headache or insomnia, then the police's work fails because the sale of these drugs by the doctors has complied with the relevant regulations. The police, therefore, find it more and more difficult to achieve their end by means of sending an officer to conduct "test purchase". In my opinion, the Government should require the doctors to fulfil the same duty as the pharmacists do: to submit to the Department of Health a monthly Dangerous Drugs Register in order to close the loophole.

Besides, illegal trafficking in psychotropic substances to have them imported into Hong Kong is very serious. In view of this, the police, the Action Committee Against Narcotics and the Security Branch should step up their efforts to combat it.

Last year, I also pointed out that cough syrup contains codeine which has an elating or exhilarating effect on the person who takes it. I therefore suggested that cough syrup containing codeine should be put on the list of Part I poisons and subject to stringent control. But unfortunately, no action so far has been taken by the Government. I hope that the Government will respond in my point later. Mr President, I hope the Government will not shirk its responsibility in tackling the soft drugs problem.

Another important task is to counsel and educate the young people. The Government should also provide funding to religious organizations so that they can perform this job in different districts. I hope this job will co-ordinate with the rehabilitation process so that the young drug abusers can start a new life and be healthy people again.

Mr President, with these remarks, I support Dr LEONG's amendment.

DR TANG SIU-TONG (in Cantonese): Madam Deputy, in March this year, the Government convened the Governor's Summit Meeting on Drugs. The Governor has even admitted openly that drug abuse by young people has reached such proportions as to become a cause for worry. According to statistics, the newly reported number of young people who abuse drugs is 2748 in 1994, which represents a 22% increase compared with 1993; and the figure for 1993 represents a 57% increase compared with 1992. That drug abuse by

young people is getting worse is actually observable all along; it is not something out of the blue. Between 1989 and 1993, there was a sharp increase of 147% in the number of youths under 21 years old who abused drugs. Over the years, many sectors of our community have been strongly demanding, time and again, that the Government should face up to the problem. Unfortunately, the Government suffers from "bureaucratic autism"; it turns a blind eye to the problem and turns a deaf ear to the community's demand, which has resulted in the worsening of the problem. The fortunate thing is that the Government has been awakened from its sleep and begun to face up to the scourge caused to the community by soft drugs; but it is unfortunate that because of the Government's belated awareness, numerous young people have already been deeply ravaged by drugs and are mired in the cesspool of drugs. Their healthy growth having been destroyed, the loss thus caused is incalculable.

Apart from the fact that some lawless persons peddle drugs hither and thither, the abuse of soft drugs is also aggravated by some members of the medical profession and unscrupulous drugstore owners who make use of the grey areas of the law and flagrantly sell the soft drugs.

Madam Deputy, the medical and health care profession is a sacred one, and those who practise medicine should serve the community by staying true to their conviction to make it their mission to relieve the people of their sufferings and to bear in mind always the people's sufferings. Unfortunately, there is a black sheep in every fold. A small number of people from my profession actually put profits before everything and, acting against their professional ethics, sell these soft drugs. It grieves us very much to think of these black sheep who disregard medical ethics and take no heed of their social responsibilities.

Under the existing law, it will not be easy to secure a criminal conviction against doctors for having sold dangerous drugs because these drugs may also be used for treatment. In spite of the fact that all doctors are required by law to keep records of the use and dispensing of all dangerous drugs, there is always some loopholes to be found. Unless the police are successful in their "test purchase" operations and have obtained solid proof, it will be hard to secure conviction. Though in some cases medical practitioners may be convicted of "failing to properly maintain records of dangerous drugs", yet, in most cases, only fines are imposed. Occasionally a custodial sentence of one or two years is imposed, but very often the conviction is quashed on appeal. Therefore, the seriousness of the breach of the law and the appropriate punishment to go with it simply cannot be correctly reflected in view of the loophole of the law. So, the pressing thing is to plug the legal loophole and increase the punishment. As the Medical Council of Hong Kong has the power to suspend doctors who have unlawfully sold drugs and breached the Pharmacy and Poisons Ordinance, therefore, it is necessary for the Medical Council to carry out the regulatory work vigorously. For example, it should step up its monitoring of doctors who have been blacklisted for alleged unlawful sale of drugs. It should even demand that these doctors are to submit to the Medical Council details of drugs

dispensed for a specified period of time, so as to increase the effectiveness of monitoring. Inspection is actually a feasible way to gather evidence of unlawful sale of drugs by doctors. However, the Department of Health has only carried out inspections on 52 doctors over the past four years, which means merely 13 inspections a year on the average. I think this kind of work should be stepped up. If it is a question of understaffing, then staffing should be strengthened at once in order to match the crack-down operations.

Apart from clinics, drugstores and drug pushers are the other sources of supply of soft drugs. To those young people who are dependent on hallucinogens, drugstores are their "convenience shops" for the unlawful sale of dangerous drugs and cough syrup, and this is already an open secret. It is understood that although some drugstores have employed pharmacists, these pharmacists have not done the job of "door-keepers" and as far as monitoring is concerned they wink at the sale of dangerous drugs by drugstores. The result is that the last line of defence to be provided by the drugstores has collapsed. The Department of Health pays special attention to the seriousness of the unlawful sale by drugstores of cough syrup containing codeine and requires that codeine in cough syrup should not be more than 0.1% in the hope that this may prevent drugstores from selling cough syrup to young people for them to abuse. But unfortunately, it is a case of "six of one and half a dozen of the other" as unscrupulous drugstores dilute the original cough syrup so as to lower the percentage of codeine content to a level below what is required by the law and thus to carry out "perfectly legal transactions". In 1994, the Department of Health carried out more than 6100 "test purchase" operations and more than 7000 inspections on drugstores, but there had only been 89 cases brought to court. And out of these, 16 cases were related to cough syrup. This shows that drugstores that breach the law are able to fully utilize the legal loophole and avoid being prosecuted. If the loophole cannot be plugged as soon as possible, the situation that unscrupulous drugstores sell diluted cough syrup will get out of hand and the consequences will be unthinkable.

Abuse of dangerous drugs by young people has now definitely come to a head. It will only be a stopgap measure to enact laws and institute prosecution. In order to get to the root of the problem, we ought to synchronize publicity, education and rehabilitation of the drug addicts. Only in doing so can it be effective. I earnestly hope that the 26 measures implemented by the Government against drug abuse by young people will be sound "both in word and in deed" so that our community will not be subjected to the scourge of drugs again.

Madam Deputy, with these remarks, I support the motion as well as the amendment motion.

MR TIK CHI-YUEN (in Cantonese): Madam Deputy, as the Honourable Fred LI has just point out, the extent to which soft drugs are harming our young people is indeed worrying. In addition to efforts on the legislative and law enforcement fronts, our immediate task, which is as important, is to teach and guide young people with patience and love, and get them back to the right track.

Since Mr Fred LI proposed a motion debate on drug abuse by young people last year, the Government has reacted positively. For example, the Department of Health has set up a service hotline, the Education Department has issued guidelines to secondary schools all over the territory to enhance students' awareness of the detrimental effects of drug abuse, and drug addiction treatment centres for adolescents have been set up. On the other hand, the Governor convened a Drug Summit last March during which a series of measures against the drug abuse problem were proposed. The Society for the Aid and Rehabilitation of Drug Abusers is also being subsidized starting from this financial year to provide counselling services to young soft drug abusers. The Hospital Authority (HA) has also decided to set up five Drug Abuse Clinics to provide drug addiction treatment services to soft drug abusers. All these measures show the commendable and positive attitude of the Government in tackling the problem of drug abuse by young people.

However, the Government's long-term policy direction is still bordering on the superficial without a clear objective. To depend on no more than two counselling teams to take care of young drug abusers all over the territory is nowhere near enough and will not help much. Today's young people are confronted with many problems in their daily lives, such as difficulties in learning, no sense of achievement at school, boredom, lack of orientation, lack of communication with their family, and parents' failure to understand them. Often enough they can find neither a proper way to vent their feelings nor can they get any support; hence they would resort to drugs or even narcotics to intoxicate themselves.

Madam Deputy, drug abuse and drug addiction is no simple problem. In addition to more stringent legislation and rigorous enforcement action, in the long run, efforts in the following three aspects should be given more emphasis:

First, to step up education and counselling in schools. Schools are important institutions where young people are helped along through their formative years. Effective education can help keep young people away from drugs. Regrettably, even schools fail to achieve ideal results in helping young people know more about drugs. The study of drug-related problems as contained in the education curriculum has yet to address the subject in greater depth. And even teachers themselves, in many cases, know little about the drugs or the behavioural patterns of students who take or are addicted to drugs. Therefore, we believe there is a need to enhance civic education and the curriculum to help students know more about drugs. Moreover, the one-school-one-social-worker policy should be implemented as soon as possible to provide effective counselling services to students.

Second, to prevent family problems. We believe a healthy family can effectively help children grow up healthily. For this reason, helping families fully discharge their functions in educating children is an important measure to prevent young people from taking drugs. Regrettably, existing family services have little to offer by way of preventive and development measures. Therefore, we advise that the Government should review existing family resources and activities centres, expand relevant schemes, and set aside resources to subsidize voluntary organizations in providing effective preventive and development family services. Work in this respect should be stepped up.

Third, Drug Abuse Clinics should be set up in every district all over the territory. The five Drug Abuse Clinics the HA plans to set up have yet to come into operation, and it is expected that the first of such clinics to be set up in Tuen Mun will not come into operation until August this year. The Government should quicken the pace of this project and expand this service to other districts, particularly those where drug abuse is rampant, such as Kwun Tong, Wong Tai Sin, Sham Shiu Po, Yuen Long, the North District and Tai Po and so on. Besides, multi-purpose community meetings comprising representatives from the Action Committee Against Narcotics, the Social Welfare Department, outreaching social workers, school social workers, teachers and parents and so on should be organized in each district to hold symposia regularly with a view to deepening people's understanding of community problems and adolescent problems and finding community-based solutions.

Madam Deputy, I want to emphasize that plugging loopholes in existing legislation and stepping up enforcement action constitute one of the important tasks to prevent young people from abusing drugs. By the same token, we believe that education and preventive measures are very important as well. So we hope the Government will positively step up work in this respect.

With these remarks, I support Dr the Honourable LEONG Che-hung's amendment.

MRS PEGGY LAM (in Cantonese): Madam Deputy, historically, drugs constitute a long standing problem in many places of the world and this problem has remained unsolved for several centuries. The consumption of drugs is not a basic need which is inherent in mankind. In other words, human beings do not have an inborn urge to take drugs the way they yearn for material possessions or the opposite sex. However, the drug problem, which is a scourge to the community of Hong Kong, has become increasingly rampant. This is attributed to the deficiencies in our social systems and the loopholes in our legal system.

Today, the proliferation of soft drugs has already reached an alarming extent. The problem of youngsters abusing soft drugs even has the tendency to grow in three directions — the lowering of the abuser's age, popularization and diversification of the drugs. The gravity of the problem is beyond question. I

think the largest shortcoming in the existing policy is that some unscrupulous medical professionals can take advantage of the loopholes in the law very easily. Consequently, they turn themselves into legal suppliers of soft drugs. Recently, there has been copious media coverage which exposes the seriousness of the indiscriminate selling of dangerous drugs by unscrupulous medical practitioners. This has impaired the dignity of the entire medical profession. In addition, as we can see from the concern that members of the public have expressed on the issue, the general public just cannot tolerate such a situation any longer.

Given that medical practitioners can prescribe dangerous drugs for the purpose of medical treatment, the prescription of drugs is therefore a matter that lies within the professional domain of medical practitioners. All along, it has been a tradition in Hong Kong to respect the professional conduct of medical practitioners and, for this reason, the medical profession itself is entrusted with the regulation of the use of dangerous drugs by medical practitioners. This practice, which hinges on trust and self-discipline within the profession, was proven to be effective in the past. However, it is now abused by a small number of unscrupulous medical practitioners.

I understand that under the watchful eye of the public and the media, the Medical Council, which is the body responsible for the regulation of the practice of medical practitioners, has spared no effort to rectify the problem. Yet, no matter how hard they try, it is still difficult to rid themselves of the "shadow" cast on them by the allegation that they are covering for their colleagues. This has subjected them to condemnation. The dignity of the entire profession is therefore unjustifiably tarnished by a handful of unscrupulous people. This shows that the existing regulatory mechanism is gradually losing its effect. It is not conducive to resolving the problem and, conversely, such regulatory work is considered by the Medical Council as an onerous task which is unrewarding at all.

In fact, the damage that the abuse of dangerous drugs can do to health is as serious as that inflicted by narcotics. In other words, there is basically no difference between selling dangerous drugs indiscriminately and drug trafficking in terms of their nature. Yet, society applies a double standard in dealing with drug trafficking and illegal sale of dangerous drugs. Drug traffickers are considered damnable by all but the penalties imposed on unscrupulous medical practitioners who sell dangerous drugs indiscriminately are far more lenient than those imposed on drug traffickers even when those practitioners are found guilty. Earlier there was a case in which the Medical Council ruled that the licence of a female medical practitioner be suspended for selling dangerous drugs indiscriminately. Yet, the law is powerless to impose any punishment on her. To the general public, this is hardly convincing indeed.

In order to deter unscrupulous medical practitioners from selling dangerous drugs by taking advantage of their profession, I suggest that the legislation be amended by the Government in a way that medical practitioners who are suspected of selling dangerous drugs indiscriminately will be charged with drug trafficking and, if they are found guilty, the Government can invoke the methods used to recover proceeds gained by drug traffickers by freezing and confiscating their income from the sale of dangerous drugs. The purpose of doing so is to combat in earnesty the handful of unscrupulous medical practitioners, thereby preventing them from damaging society and tarnishing the medical profession any more.

The performance of the Government in fighting against drugs so far is indeed disappointing. In the high-profile summit meeting on drugs convened earlier by the Governor, Mr Chris PATTEN, more than 20 measures aimed at combating drugs were unveiled in a spectacular manner. The extensive coverage accorded to this issue by the media at the time boosted the summit's grandstanding to an almost unique and unprecedented level. Yet, what improvements have been made following the hurly-burly of the event? The measures that the Governor undertakes to adopt to curb the abuse of dangerous drugs are just the same old cliches, for example, recruiting additional Health Inspectors, imposing heavier penalties, consulting the opinions of medical professionals and so on. These measures just cannot get to the root of the problem.

As a matter of fact, the Director of Health has the right to prohibit any medical practitioner, who is suspected of having acted against the public interest, from supplying a prescribing dangerous drugs. Prior rulings of the court or the professional bodies concerned are not necessarily required for such right to be exercised. If this right is appropriately exercised by the Administration, it should be able to serve as a fairly strong deterrent to the unscrupulous elements. Besides, the Department of Health does not carry out inspections of clinics on its own initiative unless a complaint has been received. This practice has indeed indulged the lawless elements. The Administration should legislate to require clinics of medical practitioners to maintain a detailed record of the storage and sale of dangerous drugs, just as pharmacies are required to do, and to submit such records to the Department of Health at regular intervals so that the use of dangerous drugs can be monitored specifically, thereby preventing cases of abuse.

All in all, while the Government must respect and protect the spirit of autonomy and self-discipline of the medical profession, it should take effective measures at the same time to deal with the black sheep in the medical profession seriously. Meanwhile, attention should be paid to the illegal sale of dangerous drugs by pharmacies. In this respect, the Government must strengthen manpower and set up a better inspection system to monitor the sale of dangerous drugs by pharmacies. If the Government does not endeavour to carry out enforcement actions, even if a set of record-keeping procedures is in place, all the measures are merely empty talks and are completely useless.

Madam Deputy, I so submit.

MR JAMES TO (in Cantonese): Madam Deputy, regarding which major aspect we should tackle in connection with the present issue, I think we have to understand the present situation first. I have contacted many academics and social workers and looked up relevant papers in order to find out the retail outlets frequented by the largest number of drug addicts. Despite all my endeavours, what I eventually obtained was just the same as that mentioned by the Honourable Fred LI, which was the survey completed in May by the Ngau Tau Kok Outreach Team of YWCA. According to the survey, about 60% of the soft drugs were provided by pharmacies, 30% were obtained at "street level" that is, brought in the streets, and under 10% were obtained from clinics. They were the only statistics within my reach. Yet they were quite different from those provided by the Government. The report of the Government indicated that people got most of their drugs at street level while the amount of drugs obtained from clinics and pharmacies accounted for only a small percentage. These figures were different from those obtained from the findings of YWCA's survey. Frankly speaking, I tend to believe the data collected by the latter because they were provided by the young addicts of soft drugs and there were no reasons for them to lie to social workers or interviewers. Hence, I think we should focus our attention on pharmacies.

If pharmacies are our targets, we have to adopt measures in several respects. The first one is inspection work, that is, law enforcement. At present, the manpower in this respect is obviously inadequate as the work is undertaken by fewer than 20 pharmacist inspectors only. Hence each pharmacy or medicine shop is inspected, on an average only twice a year and I think this is not frequent enough. I hope that the Government will allocate more resources to increase the manpower for this kind of work.

However, the Government told us that the frequency of inspections and test purchases had been increased. Yet what they tried to buy were not soft drugs. Instead, they asked for antibiotics which required a doctor's prescription upon purchase. Thus, the Government came to the conclusion that pharmacies did not sell soft drugs. Nevertheless, I have my doubts about the appropriateness of the techniques devised by the Government because I think that the people sent by the Government to conduct test purchases should "wear all sorts of disguise", if they want to succeed. Why is it so easy for reporters, as well as the teenagers, to buy soft drugs but not the "decoys" sent by the Government? I therefore think that the Government has to change the techniques or strategies.

Second, the Government should also collect information. Taking the above-mentioned outreach team as an example, its team members are social workers attached to Kwun Tong. They already know that 11 pharmacies in Kwun Tong are selling soft drugs. If we ask the outreach team of Yau Tsim Mong District, they can tell you off-hand the names of four or five pharmacies.

It is sure that social workers have to follow their professional code to keep secrets for their clients. They cannot disclose which person has bought soft drugs from which drug retail premises. Yet I think it will do no harm if we ask outreach social workers in various districts or people in the know to provide the names of such pharmacies as a means to get a general picture of the situation for the Government to concentrate their efforts against these black sheep and achieve better results.

On the other hand, I once raised the issue of penalty in a debate last year. At present, the offenders are only fined and no pharmacy-related personnel have been sentenced to imprisonment. I think the Legal Department should lodge appeals against the sentence in appropriate cases. Imprisonment is surely a stronger deterrent than a fine, regardless of the length of its term. A fine of several thousand dollars creates no deterrent effect at all.

Furthermore, concerning the form of penalties if a pharmacy is charged with the same offence several times in a row, the licence of the pharmacy will be revoked. Yet if the name of the licence holder is changed, the pharmacy can still continue its business. The new licence holder, of course, should have a clean record. I think that measures applicable against brothels such as closing down the premises concerned may be applied here. If any pharmacy-related personnel have been "decoyed" and charged several times within a few months with the offence of selling dangerous drugs in the same place, the pharmacy concerned cannot resume its business even if the name of its licence holder has been changed because no pharmacy or medicine shop will be allowed to run again on the same premises. Some people may worry that such measures will affect the interest of the landlords. However, behind the measures against brothels we can find the same rationale and these measures affect the landlords in the same way. Yet if there is a balancing mechanism to check these measures, I think they may work.

At the same time, I hope that the Government will step up street raids. In this respect, the district police force, rather than that of the central police, should be relied on. I hope that the Government will consider deploying its newly-recruited additional staff to strengthen the related task force at district levels to carry out more street raids.

Moreover, the Government is considering imposing more severe penalties on those who sell drugs, hard or soft, to teenagers. I find this practicable and it is also the right approach to let the drug dealers know that they will be subject to heavier penalties if they sell drugs to the young.

As to clinics, I think that the cases will be difficult to tackle through the application of legislation or the criminal law if doctors prescribe these drugs to their patients after diagnoses. It will also be very difficult to prove beyond doubt. Thus, I agree with Dr the Honourable LAM Kui-chun and Dr the Honourable LEONG Che-hung that the only solution to this problem lies in the Professional Code and Conduct. If a doctor only records very briefly the illness

a patient suffers from and prescribes a large quantity of these kinds of drugs to the patient over a long period for such an illness, I wonder if we can make further elaboration in the Professional Code and Conduct to address this problem. Personally, I think it is feasible.

Of course, if a doctor is not allowed to sell medicine to his patient after diagnosis (perhaps some people will vehemently oppose this idea), the loopholes arising from this situation can be plugged to a certain extent.

With these remarks, I support the amendment of Dr LEONG Che-hung.

DR CONRAD LAM (in Cantonese): Madam Deputy, I speak in support of Dr the Honourable LEONG Che-hung's amendment. As a matter of fact, the Legislative Council Panel on Health Services has had many in-house discussions on the proposals now being canvassed in the original motion and the amendment and the Government has also responded to this matter. We understand that there are indeed numerous difficulties in respect of enforcement and operation.

I would like to raise just two points in brief. I hope that, in responding to the suggestions Members of the Legislative Council have put forward earlier on, the Government official concerned will take into consideration the question of fairness. In fact, just as the Honourable TAM Yiu-chung also pointed out, this is only the way some "black sheep" behave. If we, in view of the misconduct of a handful of those "black sheep", resort to exerting control on other medical practitioners by means of over-legislation, we must contemplate where we should draw the line so that those well-behaved professionals will be able to practise in a normal way without being affected.

Let me cite a simple example. Some driving licence holders drive in excess of the legal speed limit. If, in dealing with those speeding drivers, we draw up legislations under which drivers who always toe the line are unduly affected, this can be taken as an instance of unfairness.

In fact, in order to implement Mr TAM Yiu-chung's proposal, we should, in the long run, draw on the Honourable James TO's suggestion of "a separation between medical treatment and the dispensing of medicine", which is, in reality, a suggestion really worthy of consideration. Only when doctors are not allowed to dispense medicine to patients directly can this loophole be plugged completely.

I have also made a suggestion to the Government that, in the long run, the proposal of "a separation between medical treatment and the dispensing of medicine" should be carefully considered. Only in this way can Mr TAM Yiu-chung's concerns be addressed thoroughly.

Madam Deputy, these are my remarks.

MR WONG WAI YIN (in Cantonese): Madam Deputy, I speak in support of Dr the Honourable LEONG Che-hung's amendment to the motion. I agree that the Government should expeditiously rectify the loopholes in the existing laws, increase manpower, step up enforcement and increase the corresponding punishment in order to prosecute the unscrupulous pharmacy owners and medical practitioners.

As quite a number of colleagues have already spoken on this issue earlier on, I would not like to talk about it in detail here. As a matter of fact, the problem of juvenile drug abuse is especially serious in new towns. The proportion of young people in the population of new towns is relatively high. In fact, the number of young nuclear families in new towns is also dominant. Besides, there are also a lot of new immigrants who may not have time to teach their children and their methods used may not be appropriate. Thus after school, children may roam about the streets and this makes it easier for them to get acquainted with other youths at risk and be involved in criminal activities. In fact, in the past few years, we could always hear the public and the mass media mentioning about many youngsters in new towns "taking pills and drinking cough syrup". Now that control has been implemented, they thus resort to drinking one or two bottles of cough syrup containing 0.09% of codeine in order to achieve the desired result.

I would like to particularly emphasize here that, as the Honourable TIK Chi-yuen mentioned a moment ago, the Hospital Authority (HA) has undertaken to set up five drug abuse clinics. However, we reckon that this is not enough. HA should try to set up this kind of centres in every district. Even there are drug abuse clinics, but with the lack of complementary youth counselling centres like "PS 33" in Tsim Sha Tsui District, we still hold that the effectiveness of drug abuse clinics will be limited. I therefore hope that the Administration can provide resources for the establishment of youth counselling centres similar to "PS 33" in close vicinity to the HA's drug abuse clinics as a kind of complementary measure. It is only in this way that these clinics can really be effective.

Madam Deputy, many of my colleagues have already touched upon the problem of youngsters abusing soft drugs, which I am not going to elaborate. As a directly elected Legislative Council Member representing New Territories North, which includes Tuen Mun and Yuen Long Districts, I have the responsibility to bring up the issue of youngsters abusing soft drugs in New Territories North. The police also openly acknowledge that, in these few years, the problem of juvenile drug abuse in Tuen Mun and Yuen Long Districts is the most serious one in the whole territory. I am worried that this situation will continue to get worse. The Yuen Long District Fight Crime Committee has already included the problem of drugs as a standing agenda item. Every time when we hold the meeting, we will discuss this problem. At the same time, we can also provide some information and clues to the police, for example, the locations of drug trafficking activities, the locations where a lot of syringes are to be found, the locations of drugs dens and so on. Although the police have

already tried very hard to combat drug trafficking through pursuits and raids, the situation in the past few years seemed to have, by and large, stayed the same. This, of course, is related to the manpower of the police. According to the Report on the Command Structure and Manning Level Review, in the past few years, police manpower in the New Territories West was glaringly insufficient. Sometimes, police officers deployed on patrol duty only represented 40% to 60% of the manning scale, while many patrol beats did not have any police officers on duty. In respect of those districts which are rather large and remote such as Tuen Mun and Yuen Long, insufficient manpower will aggravate the problem.

On the other hand, I also acknowledge that the police will encounter difficulties when conducting raids, because there is usually only one way to enter a village. If there are "look-outs" at the entrance to the village, they can easily inform the drug pushers inside the village to retreat immediately. The present situation is similar to a guerrilla warfare between the drug pushers and the police. When the police raids one place, the pushers will flee to another place. Madam Deputy, this is a letter I received from a group of villagers living along Kam Sheung Road in Kam Tin who are concerned about the problem of drugs. They said that, earlier on, raids had been carried out by the police on Shing Mun San Tsuen in Kam Tin, and now the drug pushers have gone to nearby places like Shek Wu Tong, Tai Kong Po, Wing Ning San Tsuen and so on. Yesterday, I also went to these villages myself and I saw a police vehicle patrolling in the village. However, there are some roads where police cars or vans cannot enter. I therefore request the police to step up motorcycle patrolling in the New Territories always so as to enhance manoeuvrability.

The related figures demonstrate a trend that the age of the juvenile drug addicts in the Yuen Long district has been lowering over the past few years. The youngest drug addict is six years old. Apart from sighing with regret and marking it as a social problem, have we ever thought if this social problem had also exposed the inadequacy of services provided by the Administration? We request that outreaching social workers be increased. The policy of one-school-one-social-worker has been put into practice for years. Since the present tendency is that the criminals are getting younger, will the Administration make a corresponding adjustment to the one-school-one-social-worker policy? Will it be necessary to increase the number of professional social workers in primary schools in order to deal with the problem of juvenile delinquency? In this respect, I hope that the Administration will not be mean in giving out resources, because drug addiction will have life-long effects on youngsters and will also create on more youngsters-at-risk in the society.

PRESIDENT'S DEPUTY: Mr TAM Yiu-chung, do you wish to speak? You have five minutes to speak on the amendment.

MR TAM YIU-CHUNG (in Cantonese): Madam Deputy, I would like to talk about the reason for my proposing this motion. In fact, the wording of this motion is very simple. It pinpoints the existing legislative loopholes and urges the Government to stop medical personnel making use of these loopholes. The amendment has actually broadened the scope of the problem concerned. Is this approach flawed? For sure, the scope is wider but there are demerits.

Why do I propose a motion which seeks to address some specific problems? It is because the motion manifests my heartfelt sentiment. When making contact with the residents of Kwun Tong District, I was told that there is often a large group of pale-faced drug addicts or young soft-drug abusers loitering near some clinics everyday. They gather together in groups of three to five people. They ask residents for money. Having obtained the money, they buy drugs from the clinics again. Why does such a situation occur? I had discussed the problem with the police. They said that there was nothing they could do about it because under our existing laws the penalties were so light that arresting them would have no deterrent effect. The law enforcement procedures have let the police down and they feel that they are at their wits' end. In view of the strong response of the residents and the difficulties in law enforcement encountered by the police, we have discussed the problem with the Department of Health and the Medical Council in order to find a solution. That is the main reason why I move a motion which targets some specific problem and which also expresses my heartfelt sentiment.

Somebody queried whether or not I have adequate knowledge of the issue. In fact the drugs sold by clinics or doctors account for a very small percentage of the whole. Let us look at the problem in this way: It is illegal for some pharmacies or drug pushers to engage in the selling of these drugs. But the most difficult thing to deal with is the involvement of some clinics whose persons-in-charge are qualified doctors. In other words, due to existing legislative loopholes, it is impossible to prohibit the qualified doctors from engaging in the sale of these drugs. Of course, I agree that such malpractice will only be committed by some "black sheep" which constitute only a small minority of the medical profession. Most of them have a clear conscience and those who lack it constitute only a small minority. However, does the fact that the minority can blatantly be engaged in such illegal practice illustrate the existence of loopholes in our laws? If loopholes do exist in our laws, I hope that this Council will discuss the problem and urge the Government, the Medical Council and the departments concerned to pay more attention to it in order to find a solution, no matter how difficult the task will be — and indeed there would be no need for discussion if the matter was not too difficult. The reason is that doctors should not be allowed to sell soft drugs in a disguised way which will have a direct impact on the young people and our next generation. In view of their professional status, doctors are definitely required to observe a stricter code of professional ethics. We should pool our efforts and urge the Government to be concerned about this problem and plug the loopholes in the existing laws.

Of course, a number of Members have given a lot of helpful advice in their speeches. In my opinion, there is nothing wrong with the amendment which seeks only to broaden the scope of the issue concerned. Even if the amendment is carried, I hope the Government will not get the impression that there is no problem because the amendment is couched in rather mild terms and has a very broad and sweeping coverage. The more comprehensive a motion is, the easier it will be for the Government to get away with it. I absolutely do not want to see this happen. I hope the Government will realize that although such malpractice is not widespread, that is to say, unscrupulous doctors are few and far apart, yet the situation is serious and has aroused public concern. In view of the malpractice of some qualified doctors and our high expectations of doctors in terms of professional conduct, we must stop such malpractice through legislative measures.

I am not opposed to the amendment. But even if it is carried, the Government will still have to pay attention to the specific problem I have raised. That is, to consider how to plug the loopholes in our laws in order to stop medical personnel making use of them. It is very difficult to plug the loopholes, but this is precisely what we have to do.

THE PRESIDENT resumed the Chair.

SECRETARY FOR SECURITY: Mr President, drug abuse is a long standing problem in Hong Kong. In recent years, Hong Kong has seen a persistent and worrying increase in the number of drug abusers newly reported to the Central Registry of Drug Abuse. In 1994, there was an increase of 13.5% in the number of newly reported persons compared with 1993. For those newly reported young persons under 21 years of age, an increase of 22% was recorded, from 2253 in 1993 to 2748 in 1994.

The worsening drug problem makes it clear that we need to provide an effective response and give more impetus to the anti-drugs programme. It was with this objective in mind that the Governor convened the summit meeting on drugs on 6 March this year, to bring together representatives from a wide sector of the community, to plan a community-wide education and support effort to try to halt the growing trend in drug abuse by young people. At the end of the summit, the Governor announced a 26-point Forward Action Plan of concrete actions the Government will be taking in the coming months. The Action Committee Against Narcotics has also studied the 92 proposals put forward by summit participants and submitted the report with recommendations to the Governor early this month. We now have an enormous programme of work before us, and we will pursue it vigorously.

Legislative control

The supply of drugs is stringently controlled in Hong Kong. The illegal supply of dangerous drugs is subject to heavy penalties. Under the Dangerous Drugs Ordinance, medical practitioners, pharmaceutical wholesalers and retailers and pharmacies have to comply with strict requirements governing the procurement and supply of dangerous drugs. Medical practitioners may supply a dangerous drug in bona fide consultations, and are required by law to maintain complete records of purchase and supply. The unlawful supply of a dangerous drug is an offence with a maximum penalty on conviction on indictment of a fine of \$100,000 and imprisonment for 15 years.

Other natural and synthetic psychoactive substances are also strictly controlled. The Pharmacy and Poisons Ordinance provides for the registration and licensing of manufacturers and retailers and the registration of pharmaceutical products. It also lists those substances which may be obtained only when prescribed by a doctor.

Few jurisdictions impose as stringent a control on the supply of psychotropic substances as does Hong Kong. Psychotropic substances of the benzodiazepine group (which includes tranquillizers) were scheduled as dangerous drugs in 1992 in order to achieve the strictest form of control over them. In the United Kingdom, for example, there is no specific requirement for record-keeping or storage in relation to psychotropic substances.

In general, therefore, our legislation provides stringent control over drugs. We keep it under review to ensure it is up-to-date and effective. Where loopholes are identified, we take action to close them. Where the legislation needs to be strengthened, we spare no effort to do so. Let me say that the battle against illicit drug traffickers and peddlers is an unending one but we will continue to do our best.

Enforcement

Vigorous law enforcement action against drugs is undertaken by the Royal Hong Kong Police Force, the Customs and Excise Department, and the Department of Health. The first two agencies are primarily concerned with combatting the manufacture, trafficking and non-medical use of dangerous drugs. In 1994, we have seen a substantial increase in drugs seized: for example, 446 kg of heroin were seized in 1994 as compared to 270 kg in 1993, 3248 kg of herbal cannabis were seized in 1994 as compared to 547 kg in 1993. We have also seen an increase in arrests for drug-related offences: 15601 arrests were made in 1994 as compared to 12794 in 1993. Arrests for major drug offences (for example, trafficking, manufacturing and peddling) increased by 25% in 1994.

The Department of Health is responsible for licensing the manufacture, sale and supply of drugs for medical purposes. It provides executive support to the Pharmacy and Poisons Board for the enforcement of legislation on pharmaceutical products. Pharmacist inspectors are empowered to inspect licensed drug premises, check records, and conduct test purchases at retail outlets to ensure the laws are complied with. Offenders are prosecuted and may be subject to disciplinary action by their professional bodies. Under the Dangerous Drugs Ordinance, the Director of Health may, in the public interest, withdraw the power of medical practitioners to manufacture, possess, supply and prescribe dangerous drugs. This power was exercised in two recent cases.

The Department of Health has a well-established mechanism for monitoring the supply of drugs to registered medical practitioners and dispensaries.

Under the Dangerous Drugs Ordinance, pharmacist inspectors are authorized to conduct inspections at the premises of pharmaceutical wholesalers, manufacturers, retailers and the clinics of medical practitioners to ensure that the laws regulating the sale, storage and record-keeping of dangerous drugs are complied with.

Dangerous drugs can only be supplied by a doctor or sold to the public on prescription of a doctor at pharmacies which are authorized sellers of poisons. They must be kept in a locked receptacle and detailed records must be kept. During inspections, the physical stock of the drugs is matched with the records to detect irregularities. Prosecution action is initiated where there is sufficient evidence to indicate breaches of the law.

As regards medical practitioners, the Department of Health monitors their purchase of dangerous drugs. Those with high utilization are requested to submit statistics and information on their utilization. Pharmacist inspectors can then focus attention on those suspected of inappropriate use. If there is a conviction, the Medical Council would also convene an enquiry, and appropriate disciplinary action including removal from the register would be instituted. Having said that, I must emphasize that these "black sheeps" constitute only a small minority of the pharmacist and medical professions.

Both the police and the Customs operate hotlines to encourage members of the public to report drug information. The Department of Health also has a hotline for the public to report information related to the illegal sale of drugs. It introduced a computerized drug/pharmaceutical information hotline in March 1995 to promote public awareness of the importance of proper use of drugs.

Medical Council of Hong Kong

Discipline within the medical profession is the responsibility of the Medical Council of Hong Kong. The main function of the Medical Council is the maintenance of ethics, professional standards and discipline in the medical profession. It provides a Professional Code and Conduct to all registered medical practitioners to serve as guidance. Paragraph 4 in Part II of the Council's Professional Code and Conduct is about "abuse of dangerous or scheduled drugs" and gives clear guidelines to medical practitioners on relevant provisions in the law, infringement of which may result in disciplinary proceedings.

The Medical Registration Ordinance and the Medical Practitioners (Registration and Disciplinary Procedure) Regulations provide the legal framework for the Council to take disciplinary proceedings against registered medical practitioners. In the past four years, a total of eight medical practitioners were successfully convicted and disciplined by the Medical Council on the basis of either conviction at court for the offence of failing to keep proper records of dangerous drugs, or for professional misconduct in prescribing drugs otherwise than for bona fide treatment.

A Working Group under the Medical Council of Hong Kong was set up in February 1995 to address the subject of "proper prescription and dispensing of dangerous drugs by registered medical practitioners". Recommendations were made at its meeting in February to strengthen the wording of paragraph 4 of the Council's Professional Code and Conduct by adding a requirement for all medical practitioners to account for all dangerous drugs and to maintain proper records of all dangerous drugs. This will obviate the need for going through court proceedings before the Council could take disciplinary action against registered medical practitioners who fail to comply with the Dangerous Drugs Ordinance.

The Medical Council also intends to provide legal training to its members, so that its sentences are less likely to be overturned on appeal. The Council will increase the number of cases it hears to deal more swiftly with complaints against doctors accused of malpractice.

The way ahead

Mr President, the Government is determined to combat the illegal supply of drugs. Progress has already been made on the Forward Action Plan since the Summit in March. Amendments to the Drug Trafficking (Recovery of Proceeds) Ordinance are currently before this Council. So are proposals to raise the maximum penalty levels stipulated in the Pharmacy and Poisons Ordinance. We are proposing in the Administration of Justice (Miscellaneous Provisions) (No.2) Bill 1995 currently before this Council that the maximum penalties should be increased from a fine of \$30,000 and imprisonment of one year to a fine of \$100,000 and imprisonment of two years, the Pharmacy and

Poisons (Amendment) Regulation 1995 introduced by the Secretary for Health and Welfare earlier on this afternoon seeks to raise the maximum penalties prescribed in the Regulations and equate them to the maximum levels capped by the principal Ordinance. These proposals are aimed to provide a much greater deterrent effect in combating the illegal sale of drugs. The Poisons List (Amendment) Regulations 1995 also approved earlier this afternoon tightened control over the sale of cough medicine.

As part of the Government's Forward Action Plan, the Department of Health plans to strengthen law enforcement actions to reduce the supply of illicit drugs through retail premises. The frequency of test purchases and inspections of drug retail premises are being increased again. The number of test purchases conducted in 1994 was 6128, as compared to 1389 in 1993. The number of inspections of pharmacies in 1994 was 476, as compared to 248 in 1993. There will be an additional four pharmacist inspectors and one casual worker deployed this year. The frequency of inspections will be further enhanced by more effective staff deployment and re-prioritization of activities in the Pharmaceutical Division of the Department of Health. A special task force will also be set up later this year.

In addition to the above, we will step up efforts to combat drug abuse by providing in this year the Police Narcotics Bureau with 38 additional police officers to increase the surveillance activities as well as several hundred more policemen on the beat.

The Department of Health is holding discussions with the medical and pharmacist professions to come up with possible new measures that could be introduced to further tighten control on malpractice and illegal sale of drugs. The Medical Council is also considering new measures to control the situation. Both the Department of Health and I have no doubt that the Medical Council will reflect on many ideas in this area put forward by Members in this debate.

As I have said before in this Council, the Government is committed to a multi-faceted approach to tackle the drugs problem. This includes co-ordination at district levels, targeting preventive education and publicity at high-risk groups, and promotion of the parental role to steer their children away from drugs. The provision of more treatment and rehabilitation facilities for drug abusers is also a priority. This includes the establishment of additional residential treatment centres for young opiate drug abusers and a new counselling centre for psychotropic substance abusers, as well as the provision of additional substance abuse clinics.

We will introduce further measures as the situation warrants. We will shortly review the penalties for illegal sale of drugs and will propose changes if necessary.

Mr President, the sentiment behind the motion and the amendment is one which the Administration supports. We agree that stringent measures should be taken to prevent the inappropriate sale of dangerous drugs. As I have explained in my speech earlier, we are already devoting a great deal of effort to do so. But enforcement alone is not enough. We encourage the public, particularly our young people, to stay away from drugs, through our preventive education and publicity programmes. We provide treatment and rehabilitation programmes to wean drug addicts away from this pernicious habit, and to reintegrate into society. We shall do more of these things but above all, we need the support and the active participation of the community to "beat drugs" together.

Question on Dr LEONG Che-hung's amendment put and agreed to.

PRESIDENT: Mr TAM Yiu-chung, you are now entitled to reply and you have four minutes 45 seconds out of your original 15 minutes.

MR TAM YIU-CHUNG (in Cantonese): Mr President, the amendment has been carried. As I said just now, I am not opposed to the amendment. It would appear from the speech delivered by the Secretary for Security that the Government has done a lot to solve the problem. However, apparently, the Secretary has not undertaken to eliminate the inappropriate sale of soft drugs by medical personnel. This is a formidable task indeed, but my major objective is that the Government will really try to work out some solutions.

I would challenge the Secretary on a point he raised in his response, and that is: in terms of controlling drugs, we are doing better than the United Kingdom in some areas, because the United Kingdom has no regulations for controlling certain kinds of drugs. I am of the view that standards adopted in the West are different from ours. Perhaps many young people in Europe, America or the United Kingdom would take soft drugs as if they were ordinary vitamin tablets, but in our Chinese community, with our own moral standards, that would be unacceptable. Besides, over the longer term, that would cause enormous harm to our adolescents in relation both to their health and their upbringing. I certainly know that the Government will make positive efforts of various kinds. I hope we will no longer hear any complaints from citizens that somewhere there are medical personnel who are selling soft drugs under various guises. If this situation still exists, then this is proof that much more need to be done, and that there is much room for improvement.

Members have expressed copious as well as sound views on the motion I put forth. They have also given many suggestions to the Government. I thank them for all these. I hope the Government will consider each and every piece of advice and suggestion. I also hope that the Government will achieve greater improvements in this area.

Question on Mr TAM Yiu-chung's motion as amended by Dr LEONG Che-hung put and agreed to.

MONITORING OF HONG KONG HOUSING SOCIETY

MR ALBERT CHAN moved the following motion:

"That, as it is essential for the public to monitor the policy formulation and operation of the Hong Kong Housing Society (HKHS) having regard to the fact that the Government is subsidizing the HKHS in the form of grants of land at concessionary premia and low-interest loans, this Council urges the HKHS to:

- (a) review the composition of its Executive Committee with a view to ensuring that the interests of tenants can be fully represented;
- (b) enhance the degree of transparency of its operation to enable better monitoring by the public;
- (c) formulate policies in the interests and for the needs of the community; and
- (d) speed up the pace of its redevelopment schemes."

MR ALBERT CHAN (in Cantonese): Mr President, I move the motion standing in my name in the Order Paper.

The Hong Kong Housing Society was established in 1948 to provide affordable housing for low income families. With the passing of time, the Society has been playing an increasingly important social role in the provision of accommodation for the community. In the 1970s, the Society took the lead in providing other housing options to meet the community's changing housing needs. For instance, the Society launched the first Urban Improvement Scheme project in 1976 and later embarked on the Rural Public Housing Scheme to solve the housing problems of indigenous residents in the New Territories.

In 1988, the Society launched the "Flat for Sale" Scheme to provide lower-middle income families with quality flats at prices below market value. In 1993, the Society was commissioned by the Government to implement the Sandwich Class Housing Scheme to help middle income families to buy their own homes. Judging from the development of the work of the Society, it is evident that its nature and target of service have changed, and its role as a provider of accommodation has become increasingly significant.

Given that the Society has a public housing population of over 140000, its policy can affect the well-being of a great multitude of people. We must admit that the Society has been making steady improvements in areas such as management and provision of services, and has made immense contributions towards solving the housing problems of the people. Moreover, the various schemes it has implemented, such as the Urban Renewal Scheme and the Sandwich Class Housing Scheme, can dovetail with the Government's multifarious policies.

In view of such a significant role played by the Society in the provision of housing units, and having regard to the fact that the Government is subsidizing the Society in the form of grants of land at concessionary premiums and low-interest loans, the Society's policy formulation and operations should be monitored by the public. Therefore, I move the motion, urging the Society to review the composition of its Executive Committee, enhance the transparency of its operations, formulate policies in the interests of the community, and speed up the pace of its redevelopment schemes. Other Members from the Democratic Party will later comment on the policy formulation of the Society and the problems faced by the residents.

The Society, being subsidized by the Government, should be accountable to the public for the development of its services, rental policy, investment strategy as well as the maintenance and improvement of its service quality, so as to ensure that public funds are spent in the interests of the community. To achieve this, the decision-making structure should be attended to in the first place. Currently, only four government officials sit on the Executive Committee in an official capacity, namely the Secretary for Housing, the Secretary for Planning, Environment and Lands, the Director of Lands and the Director of Planning. However, the Government cannot interfere with the appointment of the Society's Committee Members.

At present, 70% of the members of the Society are also members of the Executive Committee. It is indeed doubtful whether these members can supervise the decisions of the Executive Committee at the Annual General Meeting. To become a member of the Society, one has to be nominated by a member and be unanimously approved by members of the Executive Committee. This is undoubtedly a closed membership system, turning the Society into "a clique". It is absolutely unacceptable that an institution responsible for large-scale housing programmes should be manipulated and controlled by a body functioning like a private club.

The Democratic Party thinks that the Government and the Legislative Council's supervision of the Society is not commensurate with the amount of subsidy granted to it. For example, it was reported that the Society had failed to follow the established procedures in appointing some of its solicitors, accountants, consultants, builders and surveyors. Furthermore, the tender procedure was unclear, and in actual operation, the contracts awarding procedure was full of loopholes. Although these accusations cannot be verified, the Society can boost the public's confidence in its operation by making its tender procedure more transparent. The Society has everything to gain from such a move.

The Democratic Party thinks that apart from reforming its organizational structure, the Society should also enhance the dissemination of information and make known its policy formulation process so as to raise its level of transparency and accountability. As the Society is rather secretive as far as information is concerned, residents in the Society's housing estates are not fully aware of its operations and policies. For example, in the past, the Society's rental estate residents did not know how the rental policies were formulated and they felt quite helpless when there was an increase in rent. Some residents were only informed of the redevelopment plan of their housing estates three months before the commencement of work. These examples might sound absurd, but they were true stories. We therefore suggest that the Society should enhance the dissemination of information, such as by publishing information leaflets so as to increase the residents' understanding of the Society's policies. Apart from releasing such basic information, we think the Society should also make known and explain to the public its policy formulation process.

At present, the Housing Authority's monthly regular meetings are open to the public and its committees will convene post-meeting press conferences to report on the decisions made and issue press releases. As the Society is subsidized by the Government, it should explain to the public how its policies are formulated. The Society should at least follow the Housing Authority's practice of opening up its meetings and disseminating information so as to enhance its transparency.

Many residents in the Society's housing estates have indicated that they do not have any effective channels to put forth their views to the Society. Although they can voice their opinions to the Estate Managers, it is doubtful if their views can be reflected to the Executive Committee. We are not here to say that the Estate Managers and the Executive Committee lack an understanding of the residents' needs and estate management. However, if the Society would allow some resident representatives to sit on its Executive Committee and Estate Management Subcommittee, the residents' interests can certainly be more fully reflected. The Society may think that the existing channels for communicating with the residents are sufficient, and the Estate Managers are capable of handling complaints and gathering their comments, yet according to our experience gained at the district level, such is not the case. Later, the Honourable SZETO Wah and Dr the Honourable HUANG Chen-ya will share

with us some concrete examples. As a matter of fact, if even residents in the Society's housing estates think that there should be more channels available to them to monitor the operations and policy formulation of the Society, the general public should be entitled to greater rights in this respect.

As regards urban redevelopment, the Society has been playing an important role in the development of older districts under the Urban Improvement Scheme for the past 20-odd years. It is definitely inappropriate for the Society to decide unilaterally and secretly to abandon its urban redevelopment work prior to any public consultation. If the Society really does so, I must express my regret and disappointment.

The Honourable LEE Wing-tat will later comment on the Society's policy development trend.

Mr President, owing to the diversifying nature of the Society's scope and target of service, the widening spectrum of interests involved and the increasing number of people affected, we cannot but look squarely at the various problems related to the Society's operations, policy formulation and implementation of plans.

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

Question on the motion proposed.

MR EDWARD HO (in Cantonese): Mr President, the issue of housing has been discussed quite a number of times in this Council. This time, the discussion is about the monitoring of the Hong Kong Housing Society (HS). In Hong Kong, housing supply comes mainly from three sources: the Government, that is, the Hong Kong Housing Authority (HA), private financial groups and a non-government institution, that is, the HS. To solve today's housing problems in Hong Kong, it is necessary to pool in and co-ordinate resources from all parties. In addition to the HA and private developers, the HS plays a very important role in housing construction in Hong Kong.

The HS is an independent, non-profit-making voluntary organization. From 1948 till now it has built more than 32000 units for sale and rental housing units providing housing for more than 140000 residents. Under the flats-for-sale scheme (which is similar to the HA's Home Ownership Scheme), residents can have their own purchased flats. There are also rental housing units for low-income residents. The HS is a pioneer in major urban renewal works, namely the Urban Improvement Scheme, which commenced well before the establishment of the Land Development Corporation. Other projects include rural housing projects, such as the Sha Tau Kok Rural Public Housing Project. All these prove that the HS has significant contributions in the area of housing. Therefore in our debate today on the monitoring of the HS, we should be fair to the HS and endorse its contributions. At the same time, we should encourage

the HS and similar private organizations to continue to make efforts in housing construction so as to make things less onerous for the Government in terms of finance and other resources in this respect.

Although the HS is a private organization, it is partly subsidized by the Government, through such means as the granting of land at concessionary premiums and low-interest loans. The Government also entrusted the HS to take a lead in implementing the Sandwich class Housing Loan Scheme. Therefore, undoubtedly, the HS has to be accountable to the Government and the public for what it does. Moreover, under the present political climate and raised expectations cherished by residents, the HS, as an organization providing public service and as a sizable landlord, is obliged to enhance transparency in its policy and administration. Indeed, in its annual report, the HS discloses briefly its income and expenditure. We should encourage the HS to increase of its own accord transparency and make more detailed disclosure of its policy and financial information. In this connection, we should respect the autonomy and independence of the HS.

Mr President, we should comment on the performance of the HS rather than interfere in its internal affairs. Even the Honourable Albert CHAN has endorsed its achievements in a variety of areas just now. The composition of its Executive Committee should not concern us. I think we should focus on its performance.

Another focus of today's debate is the request for the HS to speed up the pace of its redevelopment schemes. This is a very complicated issue, and this Council has conducted several debates on it. Indeed, this Council has criticized the Government for its failure to produce an investigation report. So, this is not an issue that the HS can tackle on its own. On the other hand, the HS has initiated and successfully completed several Urban Renewal Schemes. If, however, the pace of redevelopment is to be speeded up, the Government will need to find an effective means whereby urban renewal can be conducted in such a way that it can cater to the interests of residents affected without having its effectiveness and feasibility diminished. The issue affects not only the HS but also urban renewal schemes undertaken by the Land Development Corporation, the HA and even developers from the private sector.

I hope the HS may from now on continue its good work, basing on its past achievements. I hope it can make further improvements on the quality of the housing units it builds, enhance transparency in its operation so as to meet the needs of the general public who are having a rising living standard and to enable us to solve the problems of housing in Hong Kong.

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

MR FREDERICK FUNG (in Cantonese): Mr President, the Housing Society (HS) has always been hiding behind a mysterious veil. Some academics who have been looking into the housing problem of Hong Kong frankly tell me that it is extremely difficult to grasp the policy of the HS and to collect relevant information. Nowhere can they find to start with. The Legislative Council Housing Panel discussed the operation of the HS last year but the HS responded with a written reply no longer than three pages. The gobbledygook could in no way help legislators gain a deeper understanding of the operation of the HS. Comparing with the Housing Authority (HA) and the Land Development Corporation (LDC), I sometimes feel that the HS is just like a patient suffering from "autism". The HS never takes the initiative to release significant amount of information to the public. Their annual reports only brag about their achievements and conceal all faults. There is therefore no way to monitor its operation. I deeply believe that most members of the public know that the Chairman of HA is the Honourable Rosanna WONG and I believe that quite a lot of people can tell that the Chairman of LDC is MR Andrew LI. However, who is the Chairman of the HS? Maybe even Members cannot give the answer.

Last year, I had the opportunity to discuss with the HS the problem of the sandwich class and the organizational structure and operation of the HS. I then raised a question regarding the number of members in the HS since it has a membership system. I was flabbergasted at the answer — 30-odd. Imagine this, the HS, an organization which is assuming an increasingly important role in public housing policy, has only 30-odd members. In terms of membership size, the HS is less than one-quarter the size of the mini-political group that I belong to — the Hong Kong Association for Democracy and People's Livelihood (ADPL). Among the 30-odd members, 22 members are appointed as Executive Committee members. This is really a small coterie. I then asked whether the HS would recruit members in an open manner and whether it had ever attempted to openly recruit more members so that more Hong Kong people would have the chance to contribute to the relieving of the housing problem in Hong Kong. I also believe that since the existing 30-odd members have been invited through nomination seconded by a coterie, the man-in-the-street will never get appointed because he has neither power nor influence. This stems from a complex nexus of relationships. The HS surely ranks top on the list of closed and sequestered organizations.

Several months ago, the HS decided to amend its constitution to allow three government officials to become ex officio members so that they can express opinions in their official capacity. This is undoubtedly an improvement. However, this transparency is for the benefit of officials only because the public is still kept from knowing how the HS operates and how its policies are formulated. In view of this, I propose that the HS should open up even more by appointing elected Councillors or members of the general public, in particular, tenants of its housing estates, as HS members so that public opinions can be reflected and a channel be thus provided for the HS to explain its policies to the public.

Moreover, the HS should also consider opening its Executive Committee meetings, as the HA has been doing. Although the open meetings of HA have recently been disrupted by the protest actions of the residents and quite a number of HA members feel worried, I hold that it is essential to conduct meetings in an open manner. It is a matter of principle. As to the preventive measures that may be adopted to avoid further disruptions and to ensure the smooth progress of meetings, we will certainly come up with solutions. The HA will, I believe, be able to find a way to deal with it. I hope that the HS will not be troubled by the recent events and will really adopt a style of work which is no more "closed".

Last but not least, I suggest that the HS should be subject to monitoring by the Legislative Council. Although it has been the established practice for the HS to send its staff members to attend relevant Legislative Council Panel meetings to answer questions, it is not the HS's obligation to attend the meetings since the HS is not a government department. That being the case, the monitoring of the HS by this Council has been feeble, to say the least. I personally hold the view that since the HS has been involving itself in various forms of public housing development, including the provision of rental public housing, flats-for-sale scheme as well as Sandwich Class Housing Scheme, the HS should be monitored by the legislature.

The days of "operation behind closed doors" are past. Such style of operation is out of line with present-day practice and even less does it suit a democratic society. The HS should, as early as possible, do away with its autistic style of operation.

With these remarks, I support the motion.

DR HUANG CHEN-YA (in Cantonese): Mr President, the Hong Kong Housing Society, established in 1948, is a major statutory organization in Hong Kong. The Government provides the Society with low interest loans and low cost lands while the Society takes over the construction of public sector housing, urban redevelopment projects and also the management of public housing and private buildings. The Society has provided accommodation for 140000 Hong Kong citizens and receives public funding by way of subsidy. Its policies can be said to bear significantly on housing supply and ancillary services but monitoring of the Society is actually very inadequate. We think that should there be no improvement in the monitoring of it, the Society's services would deviate even further from the practical needs of the residents.

Mr President, I will cite the Central and Western District as an example.

The Central and Western District is an old district. The Society has worked in this district for almost 30 years. The Society has been involved in many urban redevelopment projects in the district, some completed and some yet to commence. The Society also manages some of the public and private housing in the district. However, its performance there has been widely criticized. Many complaint cases have shown that there is insufficient public monitoring of the Society's work.

I will start with the private buildings managed by the Society. Throughout the territory, about 7000 housing units for sale are managed by the Society and about 1500 of them are located in the Central and Western District. Last year, the Central and Western District Office of the Democratic Party conducted a survey in which 459 tenants of the Society's housing and owners of properties managed by the Society were interviewed to find out their views about the management styles of the Society. Over 30% of them were dissatisfied with the quality of the Society's management and, in this regard, the resentment of the owners of older buildings was more marked.

As regards the management fee, close to half of the interviewees thought that the fees set by the Society were too high and close to 45% of them resented the level of the last increase. Let us take for example a building in Sheung Wan managed by the Society last year. The area of the flats there is about 400 sq ft. The management fee charged by the Society rose from \$534 to \$600 and it even went up to \$800 a year later. Such management fee of nearly \$2 per square foot on average is even higher than some well-equipped high class residential buildings.

The fact that the Society can raise the management fee substantially and make policies unacceptable to residents is all because no representatives of the public or residents can monitor it. Starting from 1994, other than charging the buildings it manages for the managers' remuneration, the Society has also charged these buildings for the salaries of its office staff. Such a way of collecting charges twice, which is totally unreasonable, has increased the residents' spending on management fee substantially.

On the other hand, the quality of the buildings sold by the Housing Society has also become a cause for public concern. Our office has received many complaints from the residents about water seepage from the bay windows and also water leakage in the bathrooms in these buildings. What is more serious is that mosaic tiles have spalled off the external walls and passers-by have got hurt before. Take a building redeveloped by the Society in the Central and Western District which is only 12 years old for an example. The owners had to spend millions of dollars on repairing the external walls. Finally, following repeated demands by the owners, the Society finally agreed to give \$1 million to them by way of *ex gratia* subsidy for the maintenance work. That the Society agreed to fund the maintenance work indirectly has in fact shown that it did admit that there were problems in the construction of their buildings. Therefore, to

monitor the Society's work, including the construction, management and its rental policy, is a task that can brook delay.

The Society has many redevelopment projects on hand, but once these projects run into problems, the Society will simply resort to delaying tactics. For example, five streets in Kennedy Town were set aside as a comprehensive redevelopment area back in 1988 but the Society was unwilling to carry out the project long after it was supposed to. In the face of great uncertainties, the owners there are unwilling to repair their buildings. As a result, the environment in the area has been deteriorating and many tenants are forced to live in old buildings where water seeps in and concrete pieces spall off. Before enjoying the advantages of redevelopment, the residents have to suffer the disadvantages upfront. Also, in Sheung Wan, because cracks were found to have developed in the buildings near a site where the Society was carrying out redevelopment work, some tenants of the shops in these buildings were afraid that the building structure had been damaged and subsequently the Society had to agree to suspend the work. The Society bears a huge responsibility in urban redevelopment. When it runs into problems, the Society should earnestly look for a solution, instead of employing the delaying tactics just as it is doing now.

Our office in the same district has also conducted a survey in Kwun Lung Lau. The residents told us that the problem of mosquitoes was very serious; the flats in the lower storeys were also infested with mice; the insufficient supply of flush water remained unsolved over a long time and the worsening state of law and order was a constant source of worry to the residents. All these show that the Society's management of the housing estates has much room for improvement. Although the residents can reflect their concerns about the management of the housing estates to the Housing Manager, yet where policy questions are involved, the Housing Manager is also unable to help. Therefore, we suggest that more channels should be made available to the residents or their representatives to monitor the Society's operation and its policy decisions. We suggest the Society allow representatives of the residents to join its Executive Committee and Estate Management Sub-committee so that the interests of the residents can be protected and their needs can be more fully reflected.

Lastly, I want to talk about the problem of hardship tenants. At present, the Society does not have a policy on these tenants. In some housing estates, because the population is aging, the tenants' income is generally decreasing. The Society should take care of them

The buzzer sounded a continuous beep.

PRESIDENT: Dr HUANG, I am afraid you have run out of time.

MR LEE WING-TAT (in Cantonese): Mr President, in the 40-year history of the Housing Society (HS) the public rarely had the opportunity to discuss its policy because they knew too little about it. The Honourable Albert CHAN has raised issues concerning the degree of transparency of the HS, the monitoring of it and so on. I want to discuss mainly specific policies of the HS, including the rent it charges, the Sandwich Class Housing Scheme and the development direction of the HS.

On the question of rent charged for rental public housing, the rent of new housing estates maintained by the HS is generally set at 40% to 60% of the open market rent. The major factor affecting the level of rent is land premium. Since the Government charges the HS one third of the market value of the land, the HS has to recover its cost through the rent charged; as a result, its rent is much higher than that of the rental public housing maintained by the Housing Authority. Since it is the Government's responsibility to supply housing, it is unreasonable that the Government should charge the HS such a high premium, which pushes up the rent to a level beyond the affordability of the grassroots citizens, or even that of the middle-income citizens. Moreover, 15% of the profits derived from the rent of the new housing estates of the HS is set aside and placed in a development fund. The recovery of land premium has already pushed up the rent; now the funding pressure for developing new housing estates is again transferred to the tenants, which is tantamount to forcing one group of public housing residents to subsidize another group of public housing residents. With a current surplus of about \$200 million, the HS should alter its

Furthermore, the present mode in which the Sandwich Class Housing Scheme operates fails, in my opinion, to help the sandwich class purchase homes of their own. This is because the Government charges the HS 50% of the premium and demands that prices of the flats be set according to the affordability of the sandwich class. By affordability, it is meant that the households are asked to spend 50% of their income on mortgage payments. Take the Tivoli Garden in Tsing Yi as an example, where flat prices range between \$1.5 million and \$2.5 million. An ordinary family with a monthly income of \$22,000 has to spend \$11,000 on mortgage payment, leaving the remainder of \$11,000 for daily expenses, tax payments, savings and education for children and so on. I have great reservations about affordability defined as such. Since the Government feels that it is obliged to help the sandwich class solve their housing problems — and yet it charges the HS 50% of the land premium — a review is indeed needed. Furthermore, to define affordability in terms of a mortgage to income ratio of 1:2 is tantamount to slamming the door on them and dashing their dream of property ownership.

Mr President, with regard to the development of the HS over the past few years, there has been a dramatic drop in the number of rental public housing units being built. In 1994, the ratio of rental units to units for sale provided by the HS was 10:1, but by 2001 this ratio will drop to 3:1. Between 1994 and 2001, the HS will only build 3248 rental units — or 3248 units over a period of seven years; whereas the units for sale to be built will number 22031. By building rental units the HS helps in alleviating the housing demand of the 150000 families on the Waiting List of the Housing Authority. It also helps tenants whose incomes slightly exceed the income limit set by the Housing Authority. Moreover, it helps towards solving the Waiting List question. However, if the HS dramatically reduces the number of its rental units, then even this slight alleviating effect will fail to make itself felt.

In recent years, there have been some changes in the role of the HS as far as urban redevelopment is concerned. Furthermore, because of the difficulties encountered, certain projects have been held up. An example is the redevelopment programme in respect of the seven streets in Tsuen Wan, where the project has been held up for eight years. If the Government wants the HS to undertake redevelopment projects but without lending it a helping hand, that will mean that the redevelopment projects will be left to rot — particularly so when the Government wants to get on with urban redevelopment while charging the HS full land premium. In actuality, where on earth can one find such a money-spinning programme at almost nil cost? The Government wants to carry out urban redevelopment, improve the environment and provide residents with a better standard of living. But at the same time it is being so miserly as to require the institution undertaking this programme to pay full land premium. Therefore, I fail to see any determination on the part of the Government to carry out urban redevelopment, nor can I see any significant amount of resources being allocated or contribution being made by the Government to help citizens deal with the problem of miserable urban conditions. I hope Mr Dominic WONG will state in his reply a while later whether the Government would like to see the urban redevelopment programme left unfinished even in 2047. The Government should, I believe, be more resolute in helping the HS and the Land Development Corporation accomplish more in urban redevelopment.

Allocation of resources is very important, so is lowering the land premium charge. There is yet another aspect about urban redevelopment which is that when a certain area is earmarked for redevelopment, this particular area will witness an upsurge in population — a point I talked about in a previous debate. Therefore, the Government must help the HS and the Land Development Corporation come up with some form of registration to freeze the size of the population in the area earmarked for redevelopment so that it will not grow all of a sudden.

With such keep being made available, I hope the HS will never, I repeat, never, arbitrarily put a halt to or shelve the urban redevelopment programme of its own accord without having prior consultation. I hope the HS will carefully consider this.

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

MR SZETO WAH (in Cantonese): Mr President, in my constituency, the Garden Estate is a large housing estate built by the Housing Society (HS). Last Friday night, residents of this housing estate especially held a joint mutual aid committee meeting in support of today's debate motion. In the meeting, representatives of residents presented a lot of views to the HS. I am going to relate two points that are unique to that housing estate; as to the others, because of their generality, they have either been already mentioned by Members, or they will be mentioned later.

The first point concerns the soiled pipes of the Lotus Towers. The Lotus Towers are part of the renewal programme of the Garden Estate and there are four blocks altogether. Occupation first took place at Tower IV in 1987. One year after occupation, the soiled pipes of the whole building had rusted and small holes had appeared on them, resulting in soiled matter oozing from these small holes, posing environmental hygiene problems. Besides, there was the danger that the pipes would rupture at any time. Under the strong demand of the residents, the HS was forced to replace all the soiled pipes with PVC pipes in less than three years from the date of occupation. The construction of Towers I, II and III of the Lotus Towers began in 1988; at that time, problems with the soiled pipes of Tower IV had arisen. However, the HS had not learnt any lesson from the past and still proceeded to use at Towers I, II and III the same kind of material and design that was initially used for the soiled pipes of Tower IV. Occupation of these three blocks took place by the end of 1990. Soon after occupation, problems with the soiled pipes similar to those of Tower IV arose: rusting, small holes, oozing of soiled matter and the danger of rupture at any time. But the residents of these three blocks are not as lucky as those of Tower IV. It has been almost five years since, but the HS still fails to get the soiled pipes replacement works started. It can be imagined how seriously the health and living of residents from 2000 or so households in these three blocks are being threatened and troubled. We have to ask the HS why it has not learnt the lesson of Tower IV in time and changed its plan for the soiled pipe material during the construction of Towers I, II and III. When can these three blocks have their soiled pipes replaced, just like Tower IV?

The second point relates to the problem of heat insulation of the roofs of the remaining buildings. Apart from the Lotus Towers, there are five old-type buildings in the Garden Estate, the roofs of which do not have heat insulation. The result is that residents from the 280 households on the top floors are suffering an internal room temperature of 37 degree Celsius to 38 degree Celsius during hot weather. People have difficulty going to sleep even though

they have air-conditioners installed in their flats. After the residents had demanded over a long period of time, the HS promised to carry out the heat insulation tiles re-paving works during the dry season. However, the works were delayed time and again until recently when the rainy season began; it was not until then that the works got under way. But rainstorms came one after another, and water seepage occurred on the ceilings of the top floors. In particular, the situation is worst for Yin Chee Lau in which there are signs of damage on the ceilings. This is all because of the delay in carrying out the works which has resulted in one trouble following another.

The above are two very specific problems of the housing estates. But behind these two problems are hidden yet more serious questions of whether the upper echelons of the HS's hierarchy are subject to monitoring and whether there are checks and balances.

Finally, I have to point out that at the joint mutual aid committee meeting, all the attending parties demanded that the HS should be included in the list of bodies to be monitored by the Commissioner for Administrative Complaints.

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

MR JAMES TO (in Cantonese): Mr President, I once lived with my family in a rental flat of the Housing Society. I was therefore one of the beneficiaries. I would not wish the Government or the Housing Society to think that the Society has achieved nothing.

We can see witnessed in the past that the Housing Society has not implemented the double rent policy although they had a lot of rental units. The Housing Authority (HA) still subscribes to the policy that some tenants are required to pay 1.5 times rent but the Housing Society does not have such a policy. This is worth commending.

In relation to the redevelopment projects, as we can see, and I have been repeatedly asserting in several motion debates on urban renewal, that the redevelopment project in the six streets of Yau Ma Tei is a highly successful phased redevelopment plan. Yet, the "Comprehensive Development Area" scheme in Tsuen Wan has fuelled my suspicion as to whether the Housing Society really is planning to scale down or even give up all redevelopment projects.

On the issue of redevelopment, the residents living in the old areas are ambivalent. On the one hand, they do not want to see their homes demolished within a short time, but on the other hand, they understand that the time-worn buildings would turn the old areas into dilapidated slums if no mechanism is put in place to renew these areas. That would not be good.

Frankly speaking, among the organizations undertaking redevelopment projects that I have come into contact with, the Housing Society is most liked by tenants. Why? It is because the Housing Society has quite a lot of rental units, in particular in the urban area. On this ground, a redevelopment project undertaken by private developers is far less desirable than being undertaken by the Land Development Corporation (LDC) or the Housing Society. If we entirely rely upon LDC to undertake urban renewal projects, or if LDC is to play the dominant role, the Corporation may not have the capacity to take up all projects. We do hope that the Housing Society can take a positive approach in this respect. Although in the past there has been a lot of mud-slinging and bickering in the course of redevelopment, in the final analysis, the Housing Society still possesses an advantage because the Society has a lot of rental units available. In this respect, I would like to urge the Housing Society never to forego the redevelopment projects, having regard in particular to the fact that the Government has pledged that a review report on urban renewal will be released shortly. In the past, some government officials also pointed out that they would like to see more public sector organizations or public organizations (I regard the Housing Society as a public organization) assume greater responsibilities in this respect. Moreover, the relative advantages of these organizations could be brought into play if there was mutual co-operation. Take LDC for example. Its style of work or operation has certain advantages and, of course, shortcomings, too. Similarly, the Housing Society also has some strong points, for example, a lot of rental flats are available for hire and the rehousing problem could be readily solved. Of course, if our consideration is only based on the number of rental units available, we may come to the conclusion that HA surely has even more units. However, considering such factors as the basic role assumed by HA, it would be extremely difficult to ask HA to take up private redevelopment projects in view of the nature of HA.

Therefore, with earnest words and good intentions, I would just like to advise the Housing Society that it should never consider giving up the redevelopment projects. At the same time, I believe that the Government's policy of providing assistance to the Housing Society, such as granting land at concessionary premiums and low interest loan, aims at boosting the role of the Housing Society. The Government's recent move of entrusting the Sandwich Class Housing Scheme to the Housing Society is also a recognition of the Housing Society's role. Since the Housing Society wears so many hats and possesses certain relative advantages, the public will be greatly disappointed if the Housing Society withdraws from undertaking redevelopment projects at this juncture. Since the Government has offered so much assistance to the Housing Society with a view to fostering the Housing Society's role as the second largest housing supply organization in Hong Kong, the public will query why the Housing Society should dance to another tune at this time. This will surely let the public down.

SECRETARY FOR HOUSING: Mr President, I have listened with great interest to comments made by Honourable Members on the role, policies and operations of the Hong Kong Housing Society, and am grateful for their views and suggestions. I shall respond to the main points raised.

Housing Society's role and objectives

First, let me clarify that the Housing Society is an independent, non-profit-making organization set up in 1948 and incorporated by ordinance in 1951. Although it has a close working relationship with the Government, it is not a quasi-government body or an executive arm of the Government. The Housing Society is composed of a group of dedicated volunteers who have devoted much of their time and energy freely to serve the community.

The prime objective of the Housing Society is to provide housing for specific low-income groups in Hong Kong. It was the pioneer in this field, in parallel with the Hong Kong Housing Authority which was established by the Government 25 years later. The Government does not directly subsidize the Housing Society, but rather grants land at concessionary premiums and low interest loans to the Housing Society to help it meet specific housing objectives. Conditions are imposed on the use of land. Despite such assistance, the Housing Society deploys much of its own reserves and, if necessary, raises finance from the market as working capital in order to complete the various projects.

Housing production

In relation to its public housing role, the Housing Society has produced about 32000 rental flats for low-income households (for which, on average, 40% of market rent is charged), 3600 flats for sale (which are similar to the Housing Authority's Home Ownership Scheme and the Private Sector Participation Scheme), and 3200 flats under the Urban Improvement Scheme. And 8500 units are under construction. The total cost of producing all these housing units amounts to around \$15 billion. To put matters in perspective, only 3.6% (or \$537 million) of this cost is assisted by government loans. Up to 31 March 1995, \$205 million or nearly 40% have already been repaid.

Rents and prices

At present, most of the rent collected from the Housing Society's stock of rental units goes towards the payment of rates, management cost, maintenance and repair, and cross-subsidization of flats for elderly persons and in rural areas. In most estates, the Housing Society also provides space for voluntary agencies at concessionary rents.

As regards flats for sale, I must point out that prices have regard to the affordability of eligible households and are subject to the approval of the Housing Branch. Normally they are fixed at about 60% of market price.

The Administration is of the opinion that the Housing Society's rental units and flats for sale are generally satisfactory in terms of rent, price and quality.

Regarding the soiled pipes problem of Kwun Tong Garden mentioned by the Honourable SZETO Wah, I understand that the Housing Society is putting out tender to replace all the soiled pipes concerned. Like every organization, there must be individual cases which take time to resolve and we should not nail an organization on this basis.

Redevelopment

Contrary to some misconceptions, the Housing Society has made a substantial contribution towards urban renewal. Here, I thank Mr Edward HO and Mr James TO for reaffirming this point. The Housing Society initiated the Urban Improvement Scheme as early as 1974 in order to speed up the redevelopment of urban slums. This is a mammoth task. Not only has the Housing Society to pay full market premium on land to the Government, but it also has to rehouse and compensate affected clearers. In certain cases, it is required to provide open space and community facilities. I am glad to report that so far, it has successfully completed 26 urban improvement projects. This is a very good record, Mr President, despite the obstacles faced. The Housing Society is now proceeding with the Ma Tau Kok Comprehensive Development Area project, on which it expects to spend \$3.2 billion of its own funds to produce 890 residential units for sale and other commercial premises.

We must not forget that as a result of substantial changes in both the social and economic environment of Hong Kong in recent years, such as higher land costs, lower development density, and the demand for better rehousing and higher compensation by clearers, the task of urban renewal is becoming increasingly difficult. The Housing Society is now reviewing the situation with the Government so as to determine how the two Comprehensive Development Areas in Tsuen Wan and Kennedy Town can best be taken forward. My colleague, the Secretary for Planning, Environment and Lands, is now working out the overall strategies to facilitate and expedite urban renewal, taking into account all the problems associated with it. Before proceeding with public consultation in the near future on the way ahead, meanwhile I would stress that the Housing Society will carry on its urban improvement activities.

Sandwich class housing flats

As Members will remember, in mid-1993, the Government decided to provide housing at reasonable prices for the sandwich class, and asked the Housing Society to take on this new role which it readily accepted. It has indeed undertaken the Sandwich Class Housing Loan Scheme with a \$2 billion loan capital from the Government and also as the implementation agent of the Main Scheme, it is starting to build various flats for the sandwich class. In doing all this, again the Housing Society has to dip into its own reserves and even borrow

from banks and financial institutions in order to finance the construction of these flats in order to fulfil what I would call a public duty.

Sale prices of sandwich class housing flats are, of course, subject to the approval of the Housing Branch. Given the fluctuation in property prices, it is difficult at this juncture to forecast the type of surplus which the Housing Society may make after completing and selling all the 20000 units over the next few years. However, as it is a non-profit-making organization, the Housing Society will be closely monitored by the Housing Branch and will certainly decide how it may utilize that surplus on housing development for the benefit of the community in future.

Executive Committee

Mr President, I have spoken at some length to outline the positive role and substantial contributions of the Housing Society. Let me now turn to the subject of the Executive Committee mentioned by some Honourable Members. Ever since the Housing Society's establishment in 1948, members of the Executive Committee comprise people with various types of expertise, including a few serving or retired civil servants in their personal capacity. They all serve on a voluntary basis, making useful contribution to housing development for the community. Last month, the Housing Society, out of its own accord and having consulted the Administration, has taken the positive step of formally appointing four senior government officials, namely, myself, the Secretary for Planning, Environment and Lands, the Director of Lands and the Director of Planning, as ex officio members of its Executive Committee. I am sure that this recent initiative to enlarge the Executive Committee demonstrates the openness with which the Housing Society has decided to handle its affairs, and underlines its recognition of the public interest. We also welcome its current study on how the general membership base can be further enlarged.

I would add also that this gives the Government a greater opportunity to monitor the activities of the Housing Society. I understand also that the Housing Society is currently studying how the general membership base of the Society can be further enlarged. Again, the initiative ties in well with Honourable Frederick FUNG's suggestion. I am sure the Housing Society will take his thought very seriously.

Management and transparency

As regards management of housing estates, the Housing Society operates with a high degree of transparency. To support this view, Honourable Members may wish to note that a Tenants Newsletter is issued on a quarterly basis, giving a summary of policies, decisions and housing arrangements. Staff also meet regularly with over 100 mutual aid committees and owners' incorporations, for example, in the past 12 months, over 250 such meetings have been held. Any major issue which cannot be resolved at the estate level will be brought to the attention of the senior management, the Estate Management Subcommittee or

even the Executive Committee of the Housing Society, as necessary. It is also the Housing Society's practice that, before formulating new policies or changing existing policies affecting tenants or owners, residents are consulted through normal contacts or surveys, and their opinions are taken into consideration. Contrary to what some Honourable Members experienced in isolated cases, the general feedback is that communication between residents and the Housing Society has been good and effective. Nevertheless, the Housing Society will not be complacent and I will make sure that they will continue to make improvements in this regard.

At a more general level, senior staff of the Housing Society meet concern groups, district board members and Legislative Councillors to explain and discuss the work of the Housing Society. Staff attend meetings of district boards and the Legislative Council Panel on Housing on matters concerning the Housing Society.

Recognizing its large budget, wide range of activities and growing commitments, the Housing Society has invited the Corruption Prevention Department of the Independent Commission Against Corruption to conduct reviews of its operational systems in the past few years. Many recommendations for improvement have already been implemented, and others are being considered.

More recently, the Housing Society has commissioned a consultancy to review its governance structure and decision-making processes. This is yet another demonstration of its positive attitude towards improvement. Recommendations aimed to enhance the accountability and management of the Housing Society have been received and are being seriously considered by its Executive Committee.

Response to needs of the community

Turning to the needs of our community, I must say that the Housing Society responds by participating in the various types of housing projects I have described earlier on, namely, rental housing, elderly person units with warden service, flats for sale, sandwich class housing and urban renewal, and by providing good quality flats at reasonable rents or prices. It also provides space for voluntary agencies at concessionary rents. Overall, what it has been doing is very much in the public interest, particularly the flats for sale scheme which contributes to the Long Term Housing Strategy of the Government.

Conclusion

In conclusion, Mr President, the Administration feels that the Housing Society has been acting responsibly in the field of housing development, and indeed has been successful in meeting the housing needs of specific groups in our community. The Executive Committee and staff of the Housing Society deserve to be congratulated on their achievements. With the presence now of

government officials on its Executive Committee and the Housing Society's positive attitude in further improving its management structure, systems and procedures, it is clear that the Housing Society wishes to continue to be responsive to enquiries and constructive suggestions, and to perform well for the benefit of the people of Hong Kong. The Administration will pass on Honourable Members' views and suggestions made this afternoon to the Housing Society for reference and action.

With these remarks, Mr President, we support the spirit of the motion. Thank you.

PRESIDENT: Mr Albert CHAN, you are now entitled to reply and you have seven minutes out of your original 15 minutes.

MR ALBERT CHAN (in Cantonese): Mr President, I am grateful to my colleagues for their speeches. I am also very glad to hear that many of them give considerable support to my motion, which asks the Hong Kong Housing Society (HS), and especially its Executive Committee, to enhance its degree of transparency and accountability. I believe that none of the Members who have made their speeches will deny the contribution of the HS in the past years. However, past contribution does not mean that no improvement need be made at present. Like other Members, the Secretary for Housing reiterated that the HS had provided necessary services to the community and the people of Hong Kong in respect of housing development and construction projects when he talked about the contribution of the HS just now. However, the Secretary has also mentioned one point, that is, the HS is a private non-profit-making organization. By saying so, he seems to suggest that the Government or the public need not or should not interfere with its operation or organization.

I am very glad to hear from the Secretary for Housing at last that the Government supports this motion. I can understand the difficulties the Government is facing. On the one hand, the Government may have to spur the HS on; on the other hand, it may have to stand up to a good deal of criticism which could have been hurled at the HS. It is hoped that after four government secretaries have joined the HS, it will be forced to introduce a comprehensive reform subsequent to its reviews. Certainly, while moving this motion, I do not expect the Government to promise right now that the HS will have an overall change within a short period of time. In fact, I hope that this review is a beginning — a beginning towards a genuine reform.

Mr President, I would like to raise a few issues. The first one is about management. The Secretary for Housing has just repeated that management and co-ordination within the HS are perfect and effective, implying that no particular improvement is needed. The Honourable SZETO Wah has cited a very good example to illustrate that the HS cannot solve its internal problems immediately and substantial efforts are made only when the same problem

appears again. Here I would like to cite another simple. I saw Mr Victor SO yesterday and brought this matter to his attention. He asked his colleagues to call me back to follow up the matter. This case has exposed the problems concerning the internal operation of the HS. This case involved a divorced couple and their children. Despite my repeated contacts with the HS, including the estate office and its Head Office, and the Secretary for Housing, the case remains unsettled. In this case, the couple are formally divorced pursuant to a court order, but the HS still allows the head of household (the husband) to live in the same flat though the custody of the children is given to the wife. As the wife cannot afford to move to another place, she continues to live in the original flat. However, since the husband is the head of household, the HS lets him live with his ex-wife. This man keeps on disturbing his ex-wife and her family. The problem remains unsolved even though the matter is brought to the attention of the Head Office of the HS. The lady is being disturbed every day and every hour. I do not know if the HS will review its policy and look into the problem concerning the management of estates after today's debate. I think it is unnecessary to go into the details of issues like the slow response given by the HS in respect of environmental and noise problems.

Furthermore, I would like to discuss the issue of redevelopment. For the past 21 years, the HS has been responsible for implementing the Urban Improvement Scheme. Since the Government assigned the Sandwich Class Housing Scheme to the HS in 1993, the HS has been procrastinating the project and shirking its responsibilities. Although the Town Planning Board approved the redevelopment of Tsuen Wan Seven Streets and Kennedy Town in 1993, the HS shelved the projects afterwards on the pretext of lacking resources. As the HS neglects the old buildings while constructing new ones, it gives the public a strong impression that the HS favours new things and forgets old ones. The Society has billions of dollars to construct new buildings, so why does it bother to spend so much time on recovering possession of old flats and handling the rehousing matters of the clearers? Urban redevelopment is an arduous and thankless task. When the HS has a greater project to carry out, it can take the opportunity to boast about its contribution and gradually shake off the heavy responsibilities — the Urban Improvement Scheme — which the Government has cast on it for the past 21 years. I hope that the Government will reconsider the role of the HS seriously in order not to let the HS forget its original responsibilities after accomplishing a great project. The Chinese view with utmost contempt all those who "forget their ancestry" most. I myself do not want the HS to become an organization which "forgets its ancestry" once it has received the funds allocated to it by the Legislative Council.

Mr President, many organizations in Hong Kong, including the Legislative Council and the Urban Council, have a long history. The Urban Council is a very old organization and the Housing Authority has come into existence for more than 20 years. Among the statutory bodies incorporated by law, the HS is the one that remains unchanged since its incorporation 47 years ago. The Secretary for Housing advised that he had appointed four government secretaries to join the HS. Yet the difference will not be very significant. In the

past, the HS did invite civil servants to participate in its management through its Executive Committee. The only difference is that the secretaries are ex officio members while the civil servants appointed in the past were private members. Having a look at the membership list of the Executive Committee of the HS, I find that many of the members are ex-civil servants who were civil servants when they were first appointed. Being a 47-year-old organization, the HS is so ossified and has remained so unchanged that it is considered to have divorced itself from the community of Hong Kong. As the pace of democracy in Hong Kong is ever changing, I hope that the HS can keep abreast with the progress achieved by the community of Hong Kong instead of keep on being ossified. I also hope that the HS will make much headway in its work rather than staying put in the future.

Question on the motion put and agreed to.

ADJOURNMENT AND NEXT SITTING

PRESIDENT: In accordance with Standing Orders, I now adjourn the Council until 2.30 pm on Wednesday, 28 June 1995.

Adjourned accordingly at eighteen minutes to Eight o'clock.

Note: The short titles of the Bills/motions listed in the Hansard, with the exception of the Securities (Clearing Houses) (Amendment) Bill 1995, have been translated into Chinese for information and guidance only; they do not have authoritative effect in Chinese.)

