



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
GARDEN ROAD, 5th-8th FLOORS, MURRAY BUILDING,
HONG KONG. TEL.: 2842 8777

Wednesday, November 27, 1996

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Proposed amendments to Crimes Ordinance necessary: Governor

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There is considerable concern in Hong Kong on one part of the Basic Law which refers to crimes, in particular subversion and secession which are not readily placed in English Common Law, the Governor, the Rt Hon Christopher Patten, said in Tokyo today (Wednesday).

Speaking at a press conference in the Japan National Press Club, Mr Patten also said there was concern in Hong Kong about the survival of civil liberties after 1997.

He said that every time there were incidents in China which have a substantial civil liberties content, those concerns in Hong Kong were increased. And those concerns had to a considerable extent focused on one part of the Basic Law which referred to crimes, in particular subversion and secession which were not readily placed in English Common Law.

"We have therefore been under pressure from legislators and lawyers for sometime to try to put into acceptable legal language what those offences might mean. We have been discussing for 17 months with Chinese officials this issue but, frankly, we have not got anywhere," the Governor said.

He added: "So very reluctantly we decided we would need to go ahead to honour our commitments to people in Hong Kong, to try to establish in the language of the common law which governs Hong Kong's decency and freedom, what these things might mean.

"And to establish internationally acceptable benchmarks for these crimes, and benchmarks which are totally in line with the Joint Declaration, the Basic Law, Hong Kong's Bill of Rights and the International Covenants which apply in Hong Kong and which China accepts should apply in Hong Kong."

Mr Patten also asked at the conference Japan to treat the Hong Kong passport no less favourably than it treated the British passport on which some Hong Kong people presently travel.

He also explained why he was optimistic about Hong Kong's future: that the people of Hong Kong are resilient; that it has got the various institutions of a strong and healthy civil society, such as the rule of law and an efficient and clean civil service; and that it is in China's interests should Hong Kong continue to do well.

Earlier in the day, the Governor told a group of Japanese businessmen that it was in Japan's interests that Hong Kong should continue to do well.

Speaking at the opening of the 19th Plenary Session of the Hong Kong/Japan Business Co-operation Committee and Japan/Hong Kong Business Co-operation Committee, Mr Patten said Japan had a big investment in Hong Kong and was one of our most important trading partners.

He said: "I think you recognise that Hong Kong is the best bridge between China and the rest of the world. Hong Kong's continuing success is important to the prosperity and stability of the whole region.

"So I hope you will continue to take an interest in our welfare and express that interest to Chinese officials and Chinese businessmen," he said.

The Governor added that it was also massively in China's interests that Hong Kong should do well under Chinese sovereignty.

"We are not just talking about money, investment, face, Taiwan. I challenge anybody to think of a single big problem that China faces today that won't be easier to tackle if Hong Kong goes well and more difficult if the reverse happens," Mr Patten said during his first day of public activities in Japan.

In the morning, the Governor paid a visit to the Chairman of Keidanren, Mr Shoichiro Toyoda. Keidanren, the Japan Federation of Economic Organisations, is an organisation of the most influential businessmen in Japan.

Mr Patten later paid a courtesy call on the Hon Soichiro Ito, Speaker of the House of Representatives, and attended a lunch hosted by Mr Tomiichi Akiyama, Chairman of the Japan/Hong Kong Business Co-operation Committee.

In the evening, the Governor and Mrs Patten attended a dinner hosted by Mr Sadayuki Hayashi, the Administrative Vice Minister of Japan's Ministry of Foreign Affairs.

The Governor will continue his activities in Tokyo tomorrow (Thursday) and on Friday before going to Osaka and Kyoto. He will return to Hong Kong on Sunday (December 1).

He is visiting Japan to further foster the close economic and trade relationship between Hong Kong and Japan. He will brief ministers, parliamentarians and senior officials of the Japanese Government on the latest developments in Hong Kong and exchange views with them on matters of mutual interest during his stay.

End

Securities and Futures Commission Amendment Bill

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The Securities and Futures Commission (Amendment) (No. 3) Bill 1996, which seeks to provide statutory protection to auditors of listed companies, will be published in the Gazette on Friday.

A Financial Services Branch spokesman today (Wednesday) said that the government would introduce legislation to extend to auditors of companies listed on the Stock Exchange statutory protection to enable them to report suspicions of fraud to the Securities and Futures Commission (SFC) and the Stock Exchange of Hong Kong (SEHK).

"Our aim is to introduce legislative amendment which mirrors the existing provisions in the law which offer statutory protection to auditors of companies in the regulated sectors to enable them to report reasonable suspicions to the authority."

He said that whereas auditors in the regulated sectors are required to report to the authorities under certain circumstances, the same requirement will not be applied to auditors of listed companies.

"Our proposal does not seek to impose any duty on auditors to make such reports, nor will it create any new power for the SFC, the SEHK or any other relevant authority," he added.

The Bill will be introduced to Legislative Council on December 11, 1996.

End

Activities to mark "Serving the Community Week"

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Interested individuals are welcome to take part in a series of open days and exhibitions organised by the Home Affairs Department (HAD) to mark the "Serving the Community Week" from December 1 to 7.

A spokesman for HAD said the "Serving the Community Week" is initiated by the Efficiency Unit of the Government Secretariat with the aim of promoting the importance of delivering good quality civil service to the community.

He said as HAD is one of the front-line departments tasked with establishing and maintaining close contact with the public, all its 18 District Offices will organise a series of activities to publicise their work throughout the week.

These will include photo exhibitions, video shows, guided office tours and distribution of various publications to introduce the work of HAD and District Offices, talks on building management, informal tea receptions to give residents an opportunity to discuss district affairs with officials and publicity tours of district projects.

Admission is free. Interested individuals or organisations are requested to register in advance for guided tours with the respective District Offices.

Copies of the detailed programme of activities organised by various government departments to mark the "Serving the Community Week" and leaflets on the district activities organised by HAD are available for collection at all District Offices.

Enquiries on these can be directed to the 18 District Offices or the HAD hotline on 2835 2500.

End

EPD delegation visits China

* * * * *

Directorate officers of the Environmental Protection Department (EPD) left today (Wednesday) for a three-day visit to China to exchange work experience with staff of the Environmental Protection Bureau of Guangdong Province.

Leading the delegation is Mr Rob Law, who is on his first official China visit since taking up the post of Director of Environmental Protection this April.

"This is a good opportunity for me to further develop a valuable liaison built up over the past years under my predecessor," he said.

Programme of the visit will include meetings, discussions and site visits.

"We will be briefed by the Director of the Bureau, Mr Wang Yin-kun, and his staff on environmental issues in Guangdong.

"In turn, we shall give them an update of our various programmes to tackle pollution in Hong Kong," Mr Law said.

Other members of the delegation include Assistant Director (Waste and Water), Dr Michael Chiu; Assistant Director (Environmental Assessment and Noise), Mr Raymond Chan; Assistant Director (Air), Mr Tse Chin-wan; and Assistant Director (Waste Facilities), Mr Benny Wong.

They will return to Hong Kong this Friday (November 29) afternoon.

End

Results of discretionary places allocation to be announced

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Results of the allocation of discretionary places for entry to all government and aided primary schools in September 1997 under the Primary One Admission System will be released on Friday (November 29).

Among the some 67,000 applicants, about 38,000 will each be offered a discretionary place.

Parents are advised, whether their children have been interviewed by the school or not, to find out the result of their application from the school they applied for a Primary One place on Friday between 9 am and 5 pm or on Saturday (November 30) between 9 am and noon.

Registration of successful applicants will take place on December 4 (Wednesday) and December 5 (Thursday) during school hours.

Parents whose children have been offered a Primary One place are advised to note carefully the registration procedures and requirements of individual schools, such as, bringing along the parent's copy of the Application Form for Primary One Admission and the number of photographs for registration purpose.

Registration of the children with the schools will be regarded as binding on both the schools and the parents.

Parents who cannot register during the specified period should notify the schools concerned to make alternative arrangements.

Failing that, they would be deemed to have given up the discretionary places.

Under the Primary One Admission System, a government or aided primary school can admit students to fill up 65 per cent of its Primary One places as discretionary places at the most.

The remaining places will be reserved for Central Allocation at a later stage.

Since some schools are oversubscribed for their discretionary places, it is natural that some children may not be able to secure a Primary One place at this stage.

Parents of these children, together with those who only intended to take part in the Central Allocation will be informed by letter in late February or early March next year to make their choices at a Distribution/Collection Centre in their home district.

The Education Department will then allocate a Primary One place to the children within their home district.

Detailed procedures of the Central Allocation will be announced later.

End

Prisoners' academic achievements deserve recognition

* * * * *

The individual achievements of prisoners in striving to better themselves through education should be recognised and encouraged by all who acknowledge the premise that every individual has the right to a second chance.

The Chief Executive of the Hong Kong Jockey Club, Mr Lawrence Wong, said this today (Wednesday).

Speaking at a certificate-presentation ceremony in Stanley Prison this morning, Mr Wong said an important part of the correction process was the rehabilitation of offenders - offering a chance to reform and work towards a better future for themselves.

"I am glad that the Correctional Services Department (CSD) shares this view for not only does it recognise that every individual has the right to a second chance, but also that society as a whole benefits from the addition of more productive members of the community into its fold," he said.

A total of 68 prisoners at the maximum security prison received 101 certificates for taking part in various public examinations organised by the City and Guilds of London Institute, the London Chamber of Commerce and Industry, the Pitman Examinations Institute and the Hong Kong Society of Academics and in the Hong Kong Certificate of Education Examination.

Twenty-one prisoners earned distinctions and 47 prisoners achieved credits and passes. The 68 inmates obtained a total of 25 distinctions, 25 credits and 56 passes in public examinations organised by the various education institutions.

CSD initiated evening education classes for prisoners in 1984 to encourage inmates to utilise their leisure time in the pursuit of knowledge. Since 1987, student-prisoners have been encouraged to sit for the City and Guilds Telecommunication Technician Examinations, with the pass rate being nearly 100 per cent in most of the examinations taken.

The Hong Kong Jockey Club has been highly supportive of CSD's efforts to provide higher education to inmates and has made substantive donations to the Prisoners' Education Trust as well as providing funding for computer and language training facilities in various correctional institutions.

End

SWD staff awarded long service certificates

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The Director of Social Welfare, Mr Andrew Leung Kin-pong, today (Wednesday) presented long and meritorious service certificates to 163 staff members of the Social Welfare Department (SWD).

The staff members include social work officers, social security grade officers, drivers, workmen and clerical staff.

At the presentation ceremony, Mr Leung praised the officers for their exemplary performance and contribution to the community during the past 20 or 30 years.

End

Five government lots to let

* * * * *

The Lands Department is inviting tenders for the short-term tenancy of five pieces of government land in the New Territories for operating fee-paying public car parks.

The first lot is located in Area 19, Luen Wo Hui, Fanling. It has an area of about 12,100 square metres and the tenancy is for nine months, renewable quarterly.

Covering an area of about 6,680 square metres, the second lot is situated at Area 6, Tai Po. It will be used for the parking of private cars and light goods vehicles but excluding lorries, buses, container tractors and trailers. The tenancy is for one year, renewable quarterly.

Two lots are located in Tuen Mun. The one at Tsing Lun Road in Area 3C has an area of about 4,790 square metres, while the other at Tseng Choi Street in Area 10 has an area of about 1,805 square metres.

The tenancies of both lots are for three years, renewable quarterly.

With an area of about 2,850 square metres, the fifth lot, at Hang Hau Road in Hang Hau, will be used for the parking of motor vehicles except articulated vehicles. The tenancy is for two years, renewable quarterly.

The closing date for submission of tenders is noon on Friday, December 13, 1996.

Tender forms, tender notices and conditions can be obtained from the Lands Department, 14th floor, Murray Building, Garden Road, Hong Kong, and the respective District Lands Offices of Kowloon, North, Tai Po, Sai Kung and Tuen Mun.

Tender plans can also be inspected at these offices.

End

Hong Kong Monetary Authority money market operations

	<u>\$million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	3,392	0930	+107
Closing balance in the account	3,459	1000	+107
Change attributable to:		1100	+107
Money market activity	+107	1200	+107
LAF today	- 40	1500	+107
		1600	+107

LAF rate 4.00% bid/6.00% offer TWI 124.6 *+0.0* 27.11.96

Hong Kong Monetary Authority

EF Bills

EF Notes/MTRC Notes

Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.65	2 years	2811	5.72	100.28	5.64
1 month	4.65	3 years	3910	6.28	100.92	6.01
3 months	4.69	5 years	5109	7.32	103.48	6.56
6 months	4.76	7 years	7311	6.80	100.15	6.89
12 months	5.10	10 years	1610	7.37	102.56	7.13
		5 years	M503	7.35	102.12	6.93

Total turnover of EF Bills and Notes - \$27,053 million

Closed November 27, 1996

End



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SUPPLEMENT

Wednesday, November 27, 1996

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SARCE should consider community views

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Following is the speech by the Secretary for Constitutional Affairs, Mr Nicholas Ng, at the motion debate on the policy on people's livelihood for new Hong Kong after 1997 in the Legislative Council today (Wednesday):

Mr President,

During the motion debate moved by the Hon LEE Cheuk-yan on 13 November, I have explained clearly the position of the Hong Kong Government on the election of the first SAR Chief Executive. I do not intend to repeat it in detail here. But let me re-state a couple of fundamental points.

First, the Hon Fred LI mentioned in his motion the election of the Chief Executive through universal franchise. The method for selecting the first and subsequent Chief Executives is prescribed in the Basic Law and the National People's Congress Decision of 4 April 1990. Implementation of these provisions will be the responsibility of the Chinese side and the future SAR Government. I would, therefore, only ask Members to note a point of fact here : Article 45 of the Basic Law provides that "The method for selecting the Chief Executive shall be specified in the light of the actual situation in the Hong Kong Special Administrative Region and in accordance with the principle of gradual and orderly progress. The ultimate aim is the selection of the Chief Executive by universal suffrage upon nomination by a broadly representative nominating committee in accordance with democratic procedures."

Second, as the first Chief Executive will be playing a very important role in the establishment of the SAR and SAR Government, it is perfectly natural that the community is concerned about the platforms of the candidates. We fully share the community's expectation that the Chief Executive should be able to command respect and confidence both locally and internationally, and be acceptable to the people of Hong Kong. We sincerely hope that, in developing the policy directions of the Special Administrative Region Government, the Chief Executive will fully take into account the views and aspirations of the community.

End

Second reading of TV (Amendment) Bill 1996

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Following is the speech by the Secretary for Broadcasting, Culture and Sport, Mr Chau Tak-hay, on the second reading of the Television (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Television (Amendment) Bill 1996 be read a second time.

The purpose of the proposed amendments to the Television Ordinance is to put in place a legislative scheme to regulate the provision of video-on-demand programme services in Hong Kong.

The Bill seeks to create a new category of "programme service licence", which will be subject to all appropriate provisions of the Television Ordinance.

To this end, clause 3(1)(a) of the Bill extends the definition of "broadcasting" to cover the provision of a programme service, that is, the provision for transmission of television programmes on a point to point basis. For the avoidance of doubt, Schedule 1A makes it clear that some services, for example video telephony and transactional services, are not to be considered as programme services. Similarly, Schedule 1C specifies materials which are not considered to be television programmes, such as materials which are predominantly text or data, computer graphics and videogames.

Clause 3(1)(c) extends the definition of "licence" to cover "programme service licence". This will empower the Broadcasting Authority to issue Codes of Practice for programme services and ensures that the present restrictions on voting control held by unqualified voting controllers will apply to programme service licensees.

Clause 10 enables the broadcast of advertising by a programme service licensee. The opportunity has been taken to extend the regulation of advertising to any subscription television broadcasting licensee, which will be allowed to carry advertising.

While a programme service licensee will be allowed to collect subscriptions, Clauses 15 and 16 provide that subscription royalties are payable by a programme service licensee on subscription revenue.

In respect of cross-ownership, Clause 18 makes it clear that a television broadcasting licensee requires the Broadcasting Authority's permission before it may acquire interests in a company which is the holder of a programme service licensee. It also removes the existing restrictions on investments by licensees in satellite television uplink and downlink licensees. This will allow a satellite television uplink and downlink licence to be issued to TVB in respect of its Galaxy venture.

To implement a recommendation arising from the pay TV review conducted earlier this year, Clause 3(1)(b) extends the definition of "disqualified person" to include a company which publishes a local newspaper or exercises control of such a company. We propose to exempt newspaper publishers who were already exercising control of a television broadcasting licensee before we announced our policy on 21 March 1996 and this is also provided for in this Clause.

To complete the legislative scheme, two important consequential amendments to the Broadcasting Authority Ordinance and the Telecommunication Ordinance are made in Clause 19. These empower the Broadcasting Authority to administer a programme service licence, and the Telecommunication Authority to direct an interconnection between a telecommunication system and a programme service licensee, and determine its terms and conditions where necessary.

Depending on how soon this Bill can be enacted and programme services licences granted thereafter, Hong Kong is likely to be the first place in the world where video-on-demand television services are provided on a commercial scale. This is an exciting prospect which will help to develop Hong Kong's technological base, as well as providing consumers with a wide range of choice.

I therefore urge Honourable Members to accord priority to the scrutiny of this Bill.

Mr President, with these words, I commend the Bill to this Council.

End

Post-Release Supervision of Prisoners Regulation amended

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Following is the speech by the Secretary for Security, Mr Peter Lai, in moving a motion to amend the Post-Release Supervision of Prisoners Regulation in the Legislative Council today (Wednesday):

Mr President,

I move the motion standing in my name on the Order Paper.

The Post-Release Supervision of Prisoners Ordinance establishes a Post-Release Supervision Scheme to help discharged prisoners reintegrate into society as law-abiding citizens, by providing them with guidance and supervision after release. The Post-Release Supervision of Prisoners Regulation sets out in its Schedule 1 the sentences in respect of which the Ordinance applies. Schedule 1 covers selected types of serious offences, such as triad-related offences, sexual offences and crimes of violence. Prisoners who have committed these offences tend to have a greater need for guidance and supervision in their efforts to reintegrate into society. The Fight Crime Committee has been consulted on the Scheme and the offences endorsed by the Committee have been included in Schedule 1 to the Regulation.

However, the House Committee has expressed concern that five offences which are related to some of the offences in Schedule 1 should also be included, and one offence, which attracts a maximum sentence below the condition set out in the Regulation, should be deleted from Schedule 1. To address this concern, we propose to amend Schedule 1 as the House Committee suggested. Let me, however, assure Honourable Members that the coverage of the offences in Schedule 1 will be reviewed at a later stage, in the light of experience in the operation of the Scheme.

Mr President, I beg to move.

End

Post-Release Supervision of Prisoners (Amendment) Bill 1996: second reading

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Following is the speech by the Secretary for Security, Mr Peter Lai, in moving the second reading of the Post-Release Supervision of Prisoners (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Post-Release Supervision of Prisoners (Amendment) Bill 1996 be read a second time.

This Bill principally seeks to empower Police officers, and certain officers of the Correctional Services Department to arrest and take into custody any person who has failed to comply with the terms of a supervision order under the Post-Release Supervision Scheme and is unlawfully at large.

The Post-Release Supervision of Prisoners Ordinance establishes a scheme to help discharged prisoners reintegrate into society as law-abiding citizens, by providing them with guidance and supervision after release. The Ordinance is expected to come into effect on 30 November 1996. Under this Ordinance, the Post-Release Supervision Board may suspend the supervision order of a person who has failed to comply with the terms of the supervision order, and if such a suspension order is made the Commissioner of Correctional Services may order the recall of the person involved into custody. However, the Ordinance does not specifically empower officers to arrest this person and take him into custody. Such powers are provided in other legislation involving supervision of prisoners, such as the Detention Centres Ordinance and the Drug Addiction Treatment Centres Ordinance.

It is highly desirable, indeed necessary to specify powers of arrest in the Post-Release Supervision of Prisoners Ordinance. Failure to do so will seriously hamper the effective operation of the Scheme. Unfortunately, this has not been done. Hence, the need to rectify the omission through this amendment bill.

Thank you, Mr President.

End

TV royalty and licence fees

* * * * *

Following is the speech by the Secretary for Broadcasting, Culture and Sport, Mr Chau Tak-hay, on the tabling of the Television (Royalty and Licence Fees) (Amendment) Regulation 1996 in the Legislative Council today (Wednesday):

Mr President,

I should like to say a few words about the Television (Royalty and Licence Fees) (Amendment) Regulation 1996 which has been tabled in this Council today.

This amendment regulation serves two purposes: first, it responds to the concern expressed by members of this Council about the impact of the growing competition faced by domestic television broadcasters for advertising revenue by cutting advertising royalties. We propose to reduce the top rate from 10% to 9%, and to raise the thresholds at which the higher rates apply. This will result in substantial savings for both ATV and TVB.

The proposed reduction in royalties is the second in three years, and demonstrates the Government's willingness to respond to changes in the television environment. We shall look again at both the basis and the amount of advertising royalties as part of the comprehensive review of the television environment that we shall undertake in 1998.

Secondly, the amendment regulation will implement the first phase of full-cost recovery licence fees. The licence fee is intended to recover the costs that are incurred in preparing and administering the licences of ATV and TVB, including monitoring their services to ensure that they maintain the broadcasting standards which reflect the values of the community. It is right that ATV and TVB, not the taxpayer, should meet these costs.

However, having listened carefully to the views expressed in this Council about the impact of introducing full-cost fees immediately, we now propose to phase them in gradually over a period of five years. Accordingly, the regulation provides for 20% of the full cost to be recovered in 1997. In 1998, we shall raise the rate of cost recovery to 40%, and so on, until full cost recovery is achieved in 2001.

The combined impact of these changes will be to reduce significantly the amounts paid by ATV and TVB to Government. Even after full-cost fees are phased in by 2001, both stations will still be better off in this respect than they are today.

Thank you, Mr President.

End

No evidence to support claim that rent increases cause financial hardship

Following is a question by the Hon Fred Li Wah-ming and a reply by the Secretary for Housing, Mr Dominic Wong, in the Legislative Council today (Wednesday):

Question:

It is indicated in several surveys on the poverty problem published in recent months by community organisations and tertiary institutions that the problem of disparity between the rich and the poor in the territory is acute, and that the low-income group is leading a very difficult life. In this regard, will the Government:

- (a) inform this Council of the main causes giving rise to the present poverty problem;
- (b) give a response regarding the findings of the surveys conducted recently by the Oxfam Hong Kong and the Hong Kong Council of Social Service that the extreme poverty of the low-income group has been caused by the continuing increase in the rental of domestic premises; and
- (c) consider revising the present policy of reducing the number of public rental housing flats, so that more people in the low-income group can be accommodated in such flats, thereby alleviating their burden in meeting rental expenses; if not, whether it will adopt other measures to narrow the disparity between the rich and the poor?

Answer:

Mr President,

Some degree of income disparity exists in any society. In all countries, economic growth is the primary means of generating income increases for the community at large. Given Hong Kong's continued economic growth, the income of every income group, including low income households, has registered substantial gains. Over the past decade, median household income in Hong Kong has increased by 239% in nominal terms, far higher than the 125% increase in the Consumer Price Index (A). After discounting inflation, this reflects a substantial growth of income in real terms by 51%.

In recent years like many developed economies, Hong Kong has been undergoing structural transformation from a manufacturing-based to a service-oriented economy. This has led to a strong and increasing demand for professional, managerial, supervisory and technical personnel, and hence a faster increase in salaries and wages for people in these jobs than for people in other jobs requiring a lower level of knowledge and skill. Income disparity thus widens as a natural consequence. Such a widening does not reflect the whole picture of income distribution in Hong Kong as it does not take into account welfare and other social provisions by the Government to help those in need, including those in the lowest income group.

We should also remember that Hong Kong is a free market economy. There is no barrier or impediment to entry into jobs in different sectors, occupations or professions. Through the exercise of talent and hard work, people can increase their income, improve their standard of living and move up the social ladder over time.

As regards Part (b) of the question, there is no evidence or statistical information to support the argument that domestic rent increases, either in the private sector or in the public sector, have caused financial hardship to those in real need. Over the past five years, the average annual rental increase for private housing units has been 7.5%, which is lower than inflation and lower than wage increase.

As regards public housing rents, they are well below the affordability level. On average, the median rent-to-income ratio for tenants is 8%, which is substantially below the affordable levels of 15% to 18.5% set by the Housing Authority. For tenants who may experience temporary financial hardship, the Housing Authority operates a Rent Assistance Scheme: the rent payable is reduced by one half for up to two years.

Households facing longer term financial difficulties, whether living in private or public accommodation, may apply for assistance under the Comprehensive Social Security Assistance Scheme administered by the Social Welfare Department. This scheme is designed to bring the income of such households up to the level where essential needs can be met.

As regards Part (c) of the question, the Government does not have a policy of reducing the number of public rental flats. We announce the targets for public rental flats and subsidised home ownership flats to be built in a given planning period, and take steps to enable these targets to be met. I would stress that we are firmly committed to providing public rental housing for people who are in genuine need.

End

Measures to tackle crimes relating to counterfeit banknotes

* * * * *

Following is a question by Dr the Hon Law Cheung-kwok and a reply by the Secretary for Security, Mr Peter Lai, at the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council of:

- (a) the number of cases involving the use of counterfeit banknotes in each of the past three years; as well as the amount of money involved in each of these cases;
- (b) the methods used by the offenders in the above cases, and the main nationalities of such offenders; and
- (c) the measures in place to combat crimes involving the use of counterfeit banknotes, and the effectiveness of such measures?

Reply:

Mr President,

- (a) In 1993, there were 1863 reported cases involving the use of 5813 counterfeit banknotes, with a face value of approximately \$3.07 million Hong Kong dollars. In 1994, there were 1984 such cases, and the number of counterfeit notes involved was 7509 with an approximate face value of \$4.41 million Hong Kong dollars. As for 1995, the number of cases was 2100, involving 5657 notes with an approximate face value of \$3.33 million Hong Kong dollars. These figures represent cases reported to the Police by banks and members of the public; most of these cases have no criminal element involved. There was only one criminal case each in 1993 and 1995 involving the use of counterfeit banknotes with a face value of HKD7,000 and USD43,500 respectively. The vast majority of those who use counterfeit banknotes do so without knowing that they are faked notes; they are in effect the victims.

Apart from seizing the counterfeit notes in use in the reported cases, the Police also take proactive seizure operations. The total number of counterfeit notes seized in each of the past three years was 93,167 in 1993, 17,045 in 1994 and 9,348 in 1995. The approximate face value of these notes in Hong Kong dollar terms was \$72 million in 1993, \$13 million in 1994 and \$7.26 million in 1995.

- (b) The majority of the cases involving the use of counterfeit notes were discovered by banks in the normal course of their business. Most were deposited by businessmen who had received them in the normal course of their businesses. Nationals from many countries were involved in these cases, but none has been particularly dominating.
- (c) The following measures are in place to tackle crimes relating to counterfeit banknotes:
 - (i) the Police hold regular meetings with the Hong Kong Monetary Authority and the Hong Kong Note Printing Company to discuss the situation in respect of counterfeit banknotes and the security features to be incorporated into Hong Kong banknotes;
 - (ii) the Police maintain close liaison with overseas law enforcement agencies to share intelligence on counterfeit banknote cases; and
 - (iii) the Commercial Crime Bureau of the Police Force provide regular briefings to banks, financial institutions and relevant Government Departments on how to identify and handle counterfeit banknotes.

These measures have enhanced awareness of counterfeit currency, and increased the number of detected cases on related offences from 4 in 1993 to 18 in 1995, including the two criminal cases mentioned in part (a) of the reply. The number of persons arrested for such offences has also increased from 4 in 1993 to 19 in 1995.

End

Souvenir cover on achievements of Paralympic Team issued

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Following is a question by Dr the Hon Huang Chen-ya and a reply by the Secretary for Home Affairs, Mr Michael Suen, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council whether consideration has been given to issuing commemorative stamps and souvenir covers to commemorate the outstanding achievements of the Hong Kong Paralympic Team at the 1996 Atlanta Paralympic Games; if so, when such stamps and covers will be put on sale; if not, why not?

Reply:

Mr President,

In recent years, commemorative stamps issued by the Post Office were on average five to six sets each year. As selection of the themes is limited, competition is very keen. Further, because lead times are long, the themes and their designs for each year has to be drawn and finalised at least 15 months in advance. For these reasons, it is impossible for the Post Office to issue commemorative stamps to celebrate the outstanding achievements of the Paralympic Team in the near future.

However, the design and production of souvenir covers can be done within a much shorter time scale. Following consultation with the Amateur Sports Federation and Olympic Committee of Hong Kong, the Post Office has already issued a souvenir cover on 29 October 1996 to commemorate the achievements of the Hong Kong Paralympic Team at the 1996 Atlanta Games.

End

Variations of tolls of tunnels explained

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Following is a question by the Hon Wong Wai-yin and a reply by the Secretary for Transport, Mr Gordon Siu, in the Legislative Council today (Wednesday):

Question:

Regarding the interpretation that the Tate's Cairn Tunnel Ordinance and the Eastern Harbour Crossing Ordinance do not empower the Legislative Council to amend subsidiary legislation relating to the variation of the tolls of the tunnels concerned, will the Government inform this Council:

- (a) whether the above interpretation reflects the original intent of the Transport Branch in drafting the relevant bills; if not, when did the Branch reach such an interpretation; and
- (b) whether consideration will be given to amending the above Ordinances so as to specify clearly that this Council is empowered to amend subsidiary legislation relating to the tolls of the tunnels concerned; if not, why not?

Reply:

Mr President,

The provision for variation of tolls in the Tate's Cairn Tunnel Ordinance was modelled on that in the Eastern Harbour Crossing Ordinance. Both provide that tolls may be adjusted in accordance with an agreement reached between the Governor-in-Council and the Company or failing that by arbitration under the Arbitration Ordinance. We have checked through our records and confirmed that this was the intention as from the day of drafting the Drafting Instruction for the Eastern Harbour Crossing Bill 1986. This intention was also set out in the Brief issued to this Council on 12 June 1986 on the Bill. It was further confirmed to this Council when my predecessor made the Speech on 2 July 1986 in moving the Bill be read a second time and I quote -

"The initial tolls have been established and are recorded in the schedule to the Bill. They can only be altered with the agreement of the Governor-in-Council, or failing agreement, following arbitration."

The provision for the Commissioner for Transport to amend the tolls by notice in the Gazette in both the Eastern Harbour Crossing Ordinance and Tate's Cairn Tunnel Ordinance is governed by the agreement between the Governor-in-Council and the Company or an award by arbitration under the Arbitration Ordinance. Although the gazetted notice is a subsidiary legislation and must therefore be laid before the Council in accordance with Section 34(1) of the Interpretation and General Clauses Ordinance, this Council can only amend it pursuant to Section 34(2) "in any manner whatsoever consistent with the power to make such subsidiary legislation". In other words, the limitations which apply to the Commissioner for Transport, who is the authority empowered to make this subsidiary legislation, would equally apply to this Council. The Commissioner has no discretion as to the terms of a tolls variation notice : he is obliged to make it in accordance with either an agreement reached between the [tunnel] Company and the Governor-in-Council, or, in default of such agreement, the terms of an arbitral award. [The provision of an arbitration mechanism would clearly be nugatory if this Council could disturb its outcome.] The Legal Adviser to this Council has, in fact, come to the same conclusion.

To sum up, it has always been the administration's intention, from the time the Bills for the Eastern Harbour Crossing and the Tate's Cairn Tunnel were drafted, that variation of tolls would be by agreement between the Governor-in-Council and the Company or failing that by arbitration under Arbitration Ordinance which is final. This intention is reflected in the way the legislation is constructed. Its effect is to displace the operation of Section 34(2) which, like all other provisions of the Interpretation and General Clauses Ordinance, only applies "unless a contrary intention appears". Given that the statutory provisions governing toll variations are worded as they are the Administration's contractual commitments to the Company are enshrined in the legislation.

End

Problems in a legal aid case explained

* * * * *

Following is a question by the Hon Cheung Hon-chung and a reply by the Attorney General, Mr Jeremy Mathews, in the Legislative Council today (Wednesday):

Question:

It is learnt that the Legal Aid Department (LAD) had delayed processing a case involving a claim for damages in respect of the accidental death of a crew member on board a vessel, and was also mistaken about the particulars of the defendant's fleet, resulting in the plaintiff not being able to file a successful claim for damages. In this connection, will the Government inform this Council of:

- (a) the criteria adopted by the LAD in assigning cases to counsels;
- (b) the remedial measures taken to prevent the recurrence of similar incidents; and
- (c) the channels that are open to people in receipt of legal aid for filing complaints and claiming damages in respect of the losses they suffer due to mistakes on the part of the LAD?

Reply:

Mr President,

The case referred to in this question relates to the accidental death of a stevedore who was handling cargo on board a ship in Hong Kong waters. Legal aid was granted to his widow, who brought two actions in respect of that accident: one was an action against the deceased's employers; and the other was against the ship and its sister ships. The writs in respect of both actions were issued within the statutory time limits. No problems have arisen in respect of the action against the employers. That claim is pending before the courts. Problems did, however, occur in respect of the action against the ship and because of them the action can no longer be pursued. I would, however, like to emphasize that it cannot be assumed that the widow's claim for compensation has suffered in any way. As I have said, her claim against the employers is still being pursued. The answers to the three specific questions are as follows.

- (a) After legal aid is granted, the Department will decide whether the case should be handled in-house or assigned out to a solicitor in private practice, taking into consideration the nature and the complexity of the case involved. Cases handled in-house are assigned to lawyers in the appropriate sections having regard to their level of experience and workload.
- (b) The problems that occurred in the proceedings against the ship were caused by reliance on information about the identity of the shipowners, and of other ships owned by the shipowners, which proved to be inaccurate. The Director of Legal Aid has issued guidelines to members of his department as to the best procedures to adopt to obtain accurate information on such matters.
- (c) Aided persons who are aggrieved at the performance of the Legal Aid Department may lodge complaints directly with the Director of Legal Aid or with the Commissioner for Administrative Complaints. They may also consider bringing legal proceedings against those who are alleged to have been negligent in handling their claims.

End

Number of Taiwanese visitors after opening of Macau Airport

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Following is a question by the Hon Howard Young and a written reply by the Secretary for Economic Services, Mr Stephen Ip, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

- (a) of the respective numbers of arrivals from Taiwan visiting the territory or on transfer during the 12-month period before and after the commissioning of the Macau Airport in October 1995; and
- (b) how the number of arrivals from Taiwan during the 12-month period after the commissioning of the Macau Airport given in the answer to (a) above compares with those from Japan, South Korea and Singapore in the corresponding period?

Answer:

Mr President,

- (a) The Macau International Airport (MIA) has commenced operation since November 1995 although it was only officially opened on 8 December 1995. During the 12-month period prior to the operation of the MIA, the number of visitor arrivals from Taiwan to Hong Kong was 1,748,000. During the following 12-month period, the number of visitor arrivals from Taiwan was 1,757,000, representing a small increase of 0.48%.

As regards the number of transfer passengers arriving from Taiwan, the latest data we have available is up to September 1996. During the 11-month period from November 1995 to September 1996, the number of transfer passengers from Taiwan was 791,200 as compared with 810,900 for the period from November 1994 to September 1995, representing a drop of 2.4%.

- (b) Visitor arrivals from Japan, South Korea and Singapore recorded growth rates of 37%, 18% and 25% respectively over the corresponding 12-month period.

End

Regulations on the safe provision of airbags

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Following is a question by the Hon Mrs Lau Kin-yee and a written reply by the Secretary for Transport, Mr Gordon Siu, in the Legislation Council today (Wednesday):

Question:

It is reported that traffic accident statistics in the United States indicate that drivers of short height and children are prone to be killed by the ejection of safety airbags during accidents. In this connection, will the Government inform this Council:

- (a) whether it has any statistics on the number of drivers and front-seat passengers who escaped injury, as well as those who sustained injuries, as a result of the ejection of safety airbags during accidents in the past three years; if so, what the respective figures were;
- (b) how it will regulate the operation of safety airbags in view of the fact that the installation of safety airbags in cars is becoming increasingly common; and
- (c) whether measures will be taken to prevent the occurrence of incidents involving injuries caused by the ejection of safety airbags during accidents?

Reply:

Mr President,

- (a) The Administration does not keep statistics on cases in which airbags have inflated during traffic accidents. However we record causes of traffic accidents and where inflation of an airbag is the cause of a traffic accident, it is recorded. In the past three years, there was one reported accident caused by the sudden inflation of an airbag while the vehicle was moving. One passenger was slightly injured in this accident.
- (b) We are studying how the provision of airbags can be regulated and for this purpose, we are consulting overseas authorities. Particular attention is paid to the United States where a number of recommendations have come up after the relevant authorities have conducted research into the subject. As an example, we will study the recommendation made to manufacturers that the speed of releasing airbags should be reduced. When our study is completed, consideration will be given to introducing legislative amendments to govern the safe provision of airbags.
- (c) Pending long term regulations, as an initial step, the Administration will publicize a warning against carrying young children or babies in the front seats of vehicles which are provided with airbags. This can be done through press releases and briefings.

End

Cases of police officers under ICAC investigation

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Following are a question by the Hon Mrs Selina Chow and a written reply by the Secretary for Security, Mr Peter Lai, at the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

- (a) of the number of cases involving serving police officers being investigated by the Independent Commission Against Corruption (the ICAC) in the past five years;
- (b) of the number of the above cases in which the investigation time lasted for
 - (i) less than one year,
 - (ii) one to less than two years,
 - (iii) two to less than three years, and
 - (iv) three years or more;
- (c) whether the authority concerned has put in place any mechanism for determining if a police officer under investigation should be interdicted with pay; if not, whether, and if so how, such a mechanism will be set up;
- (d) of the number of the cases referred to in (a) above in which the ICAC had not been able to complete investigations within a period of two years, resulting in the police officers under investigation being interdicted for a prolonged period; and
- (e) whether the ICAC has set a time limit for the ICAC to completion of an investigation and instituting prosecution proceedings where evidence is available or review whether investigations into uncompleted cases should continue; if not, why not?

Reply:

Mr President,

- (a) The number of cases involving serving police officers investigated by the ICAC in the past five years are as follows -

<u>Year</u>	<u>Total number of cases</u>
1991	255
1992	260
1993	389
1994	413
1995	362
1996	335

(as at 13.11.1996)

- (b) Detailed breakdown of investigation time for the cases in part (a) are as follows -

Year	Investigation time			
	less than 1 year	1 year - 2 years	2 years - 3 years	3 years or more
1991	228	22	3	2
1992	213	39	8	0
1993	340	44	5	0
1994	369	41	3	0
1995	344	18	0	0
1996 (as at 13.11.96)	335	0	0	0

- (c) In accordance with Section 17 of the Police Force Ordinance, the Commissioner of Police may in the public interest interdict police officers at the Inspectorate rank or below. Interdiction of police officers at the rank of Superintendent or above is governed by Colonial Regulation 60 with the authority delegated to the Secretary for the Civil Service by the Governor. Irrespective of rank, the primary consideration in deciding to interdict a police officer is whether it is in the public interest to do so. Each case will have to be considered on its individual circumstances.

- (d) Of the cases in part (a), 21 of them took more than 2 years to complete. Of these 21 cases, 4 cases with a total of 11 arrests were made. They were interdicted upon their arrest. No police officer was arrested and hence interdicted for the other 17 cases.

The period of interdiction for the 11 arrested police officers, calculated from the time of arrest up to the time when they were formally charged and brought before the court, are as follows -

<u>Period of Interdiction</u>	<u>Number of Police Officers</u>
1 day	1
4 months	1
1 year	1
1 year 8 months	7
2 years 10 months	1
	<hr/>
	11
	<hr/> <hr/>

- (e) There is no time limit imposed on ICAC investigations as it is impracticable and inappropriate to do so. The progress of ICAC investigations is however kept under review both internally and externally. Internally, cases are periodically reviewed by the Chief Investigator and by the Principal Investigator in appropriate circumstances. Major investigations are reviewed by the directorate through case discussions/ conferences. Externally, the progress of on-going cases is reported to the Operations Review Committee every six weeks when the cases involve -

- (i) investigation for over 12 months, or
- (ii) persons on bail for more than 6 months; or
- (iii) investigation of a significant or complex nature.

End

Disposal of non-departmental quarters

Following is a question by the Hon Ip Kwok-him and a written reply by the Secretary for the Civil Service, Mr W K Lam, in the Legislative Council today (Wednesday):

Question:

The Deputy Secretary for the Civil Service stated in April this year that the Government had undertaken a programme for the leasing out of vacant non-departmental quarters (NDQs) and the sale of individual units with a view to reducing the number of surplus NDQs, and that a Working Group had been set up to review the progress of the programme. In this connection, will the Government inform this Council:

- (a) of the number of vacant NDQs as at the end of October this year, together with their locations and the total floor area involved;
- (b) of the latest progress of the above programme, and the number of vacant NDQs mentioned in (a) above which are now included in the programme; and
- (c) whether there is still a surplus of NDQs after the implementation of the programme, if so, what the reasons are ?

Reply:

Number of vacant NDQs and their distribution as at end of October 1996:

All units vacated by civil servants are normally advertised for reallocation to eligible civil servants by the Quarters Allocation Committee. Units that are not allocated and are surplus to requirement are designated for leasing out to the public, or conversion to Government/Institution/Community use or sale as appropriate. To date, a total of 217 units have been transferred to the Government Property Administrator for this purpose. Arrangement are being made to vacate selected NDQ site for redevelopment. We expect to be able to release more flats on an on-going basis. As at end of October 1996, there were 20 vacant NDQs at various locations available for allocation. Details on their locations and their floor areas are shown in the Annex. Four of these units have since been transferred to the leasing programme.

It is expected that the vacant quarters will be taken up by occupants who are being required to vacate their existing quarters at two sites, namely Unicorn Garden in Shouson Hill and Cape View in Chung Hom Kok, already targetted for disposal by sale towards the end of next year. A one year's notice-to-vacate has been issued to existing occupants of these sites to allow them time to make domestic arrangements and to apply for alternative quarters.

Progress of leasing of surplus NDQs:

The leasing of NDQs commenced on 30 October 1996. As at 23 November, 103 of the initial batch of 149 units have been successfully let. More units are being placed on the market. The flats are attracting considerable interest and we are confident that they will be taken up quickly.

Progress on sale of surplus NDQs:

Selection of property agents to sell individual NDQs for the Government is in progress. If the selection results are approved by the Central Tender Board, the list of the selected agents and other related details will be announced by end of November and the sale of NDQs will start in December.

Surplus situation after implementation of the leasing and sales programme:

The programme has been set up to ensure that if there are surplus units they are put to good economic use. The programme will continue as an interim measure to ensure NDQ which are no longer needed are properly utilised pending their final disposal.

**List of vacant non-departmental quarters (NDQ) available for allocation
as at end October 1996**

Location	No. of vacant NDQ	Floor Area (M ²) per unit
122 Pokfulam Road	1	195
Victoria Flats, Barker Road	1	136
Cape Mansion, Mt Davis Road	1	180
The Crescent, 15A Homantin Hill Road	1	209
Broadcast Drive	1	200
Caldecott Road	2	253
Wylie Court, 23 Wylie Path	1	152
Man Kei Toi, Sai Kung	3	218
Cape View, Chung Hom Kok	1	220
Fairmont Garden, Conduit Road	1	244
Leighton Hill Flats	7	147-194
	<hr/>	
Total	20	

End

Status of Gurkha children in HK

* * * * *

Following is a question by the Hon Lo Suk-ching and a written reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

It is reported that recently there has been a considerable number of Nepalis, who claim to be descendants of retired Gurkha soldiers previously stationed in Hong Kong, coming to the territory in an attempt to obtain Hong Kong permanent identity cards before 1 July 1997 so that they can remain in the territory to take up employment, and that the number of such people eligible for applying for the Hong Kong identity card is estimated to be in tens of thousands. In this connection, will the Government inform this Council:

- (a) of the numbers of descendants of retired Gurkha soldiers granted permission to reside permanently in the territory in each of the past twelve months, and the reasons for granting such permission;
- (b) of the number of applications for permanent stay in the territory from the descendants of retired Gurkha soldiers that are still being processed at present; and
- (c) whether it will consider adopting measures to stop the influx of these people into the territory in large numbers before 1 July 1997, so as to avoid putting the labour market under pressure?

Reply:

The persons the Honourable member referred to in the question are persons of Nepalese origin who have the Hong Kong BDTC status.

Before the commencement of the current British Nationality Act on 1 January 1983, children born in Hong Kong to members of the Gurkha Garrison acquired the status of "British subject, citizen of the United Kingdom and Colonies" by birth under the British Nationality Act then in force. On 1 January 1983, when the current British Nationality Act came into force, all "Citizens of the United Kingdom and Colonies" who had that citizenship by birth immediately before, including these children born in Hong Kong to members of the Gurkha Garrison, became Hong Kong BDTCs. Since all Hong Kong BDTCs have the right of abode in Hong Kong, all such children of members of the Gurkha Garrison have the right of abode in Hong Kong. They are therefore entitled to Hong Kong Permanent Identity Cards.

Against this background, the answers to the Honourable Member's questions, in the order they are raised, are as follows:

- (a) The number of persons born to members of the Gurkha Garrison who obtained Hong Kong Permanent Identity cards in each of the past twelve months is -

Nov 1995	211	May 1996	402
Dec	293	Jun	262
Jan 1996	178	Jul	347
Feb	130	Aug	347
Mar	260	Sep	332
Apr	272	Oct	398
Total		3432	

Note:

The figure includes 680 persons issued with Hong Kong Permanent Identity Cards in connection with applications for British National (Overseas) passports submitted to the British Embassy in Nepal.

They are granted Hong Kong Permanent Identity Cards because they were confirmed to have the BDTC status and, hence, have the Hong Kong permanent resident status.

- (b) The number of cases being processed at present is 1692.
- (c) Persons who have the right of abode in Hong Kong cannot be refused entry but we take careful steps in verifying the status of all claimants to the BDTC status. It should also be noted that, on and after 1 January 1983, children born to members of the Gurkha Garrison in Hong Kong could no longer acquire the BDTC status. This is because the British Nationality Act, which came in force on 1 January 1983, stated that a person born in a British Dependent Territory will only have the BDTC status if, at the time of his birth, one of his parents was settled in Hong Kong. Members of the Gurkha Garrison were not considered to be settled in Hong Kong; hence children born to them in Hong Kong on or after 1 January 1983 would not have the Hong Kong BDTC status.

End

Provision of first-year first-degree places

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Following is a question by Dr the Hon David Li and a written reply by the Secretary for Education and Manpower, Mr Joseph W P Wong, in the Legislative Council today (Wednesday):

Question:

It is learnt that a certain number of the existing 14,500 full-time first-degree places at the seven tertiary institutions funded by the University Grants Committee (UGC) will be allocated to the Hong Kong Institute of Education (HKIE) in an effort to boost teaching training. In this connection, will the Government inform this Council what effects the allocation of first-degree places to the HKIE will have on the first-degree places offered by the UGC-funded institutions?

Reply:

Mr President,

Our present policy is to provide a total of 14,500 first-year first-degree (FYFD) places to cater for at least 18% of the 17-20 age group population.

The planning process for the 1998-2001 triennium has only recently started and student number targets for individual University Grants Committee (UGC)-funded institutions and the Hong Kong Institute of Education (HKIE) have yet to be finalised.

Any FYFD places provided by the HKIE (conditional upon external validation of the programmes by the Hong Kong Council for Academic Accreditation), as well as any additional places to be offered by the UGC-funded institutions on new or existing courses in the 1998-2001 triennium, would be counted towards the overall target number. Some internal and inter-institutional redistribution of student numbers might be required and the effects would be examined by the UGC, in consultation with the institutions.

End

Overseas study tours of Municipal Councils

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Following is a question by the Hon Albert Chan Wai-yip and a written reply by the Secretary for Broadcasting, Culture and Sport, Mr Chau Tak-hay, in the Legislative Council today (Wednesday):

Question:

Regarding overseas study tours undertaken every year by members of the Municipal Councils, is the Government aware of:

- (a) the number of overseas study tours undertaken by members of the Municipal Councils since 1986 and the total amount of public funds incurred;
- (b) the number of the tours mentioned in (a) above which involved the inspection of lavatories and environmental hygiene matters; and the total amount of public funds incurred on such tours;
- (c) whether the Director of Audit has conducted value for money audits on the use of public funds by the Municipal Councils on overseas study tours; if not, how the Government monitors the expenses incurred by the Municipal Councils on overseas study tours?

Reply:

- (a) According to information provided by the Regional Services Department and the Urban Services Department, the Regional Council and Urban Council have, since 1986, conducted 23 and 58 overseas study tours respectively. The expenses incurred in respect of these visits by the Regional Council and the Urban Council were \$9.4 million and \$5.64 million respectively, making a total of \$15.04 million.

- (b) According to information provided by the two Departments, of the 23 overseas study tours conducted by the Regional Council, eight visits were made exclusively to environmental hygiene services and facilities, including one which involved the management of public toilets as one of the subjects of study. The total expenses incurred amounted to about \$3.3 million. There were three further visits which involved inspections of environmental hygiene services in addition to other municipal services, but it is not possible to isolate the expenses for the inspections of environmental hygiene services. Of the 58 overseas study tours conducted by the Urban Council, seven were conducted with special emphasis on public health and environmental hygiene matters. The expenditure involved was around \$0.63 million. The Urban Council has not conducted any overseas visit specifically to inspect public toilets but a Councilor attended the 1st and 3rd International Toilet Symposiums held in 1993 and 1996 respectively as an invited guest speaker. Expenses such as hotel, registration fees, etc. were paid by the host country whilst other expenses including airfare and miscellaneous expenses such as insurance, local travelling, telephone charges etc. amounting to \$20,000 were met by the Urban Council. For the 3rd International Toilet Symposium, the airfare was paid by the participant personally out of his own pocket. Annual overseas visits conducted by the Urban Council would normally cover a number of areas and some would include a study of public toilets and public health matters as part of the overall programme. It is therefore not possible to ascertain the expenditure breakdown for individual study areas.
- (c) The Director of Audit has not conducted any value for money study on the overseas study tours by the two Municipal Councils. As the two Councils have full policy and financial autonomy, it would not be appropriate for the Government to monitor the expenditure of the Councils which, under the Regional Council Ordinance, Cap 385 and the Urban Council Ordinance, Cap 101, is entirely a matter for the two Councils to decide. There are, however, provisions in these two Ordinances for the accounts of the two Councils to be audited by the Director of Audit, and for reports on these accounts to be presented to the Governor, and for these reports to be laid before the Legislative Council. Moreover, the overall expenditure of the two Municipal Councils is subject to the amount of revenue they receive, which consist mainly of rates. The rates percentage charges which determine the amount of rates revenue made available to the two Municipal Councils are approved by resolution of the Legislative Council.

End

Financial provisions for three NT hospitals

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Following is a question by the Hon Christine Loh and a written reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):

Question:

Does the Government know of the respective total financial provisions earmarked for the setting up of the three new hospitals in the New Territories, viz. Tai Po Nethersole Hospital, North District Hospital and Tseung Kwan O Hospital?

Reply:

Details regarding the total financial provisions earmarked for the construction, including furniture and equipment, of the three hospitals as provided to the Finance Committee are as follows -

<u>Projects</u>	<u>Capital and Recurrent Costs</u>
Tai Po Nethersole Hospital	Total Capital expenditure of \$680 million was approved by Finance Committee on 10.2.1988 with the recurrent cost estimated to be \$158 million at 1987/88 price level. The approved project estimate was later revised to \$1,038.7 million on 16.4.1993.
North District Hospital	Total capital expenditure of \$1,690.35 million in money-of-the-day prices* was approved by Finance Committee on 19.11.1993 with the recurrent cost estimated to be \$560 million at 1993/94 price level.
Tseung Kwan O Hospital	Total capital expenditure of \$2,047.29 million in money-of-the-day prices* was approved by Finance Committee on 21.7.1995 with the recurrent cost estimated to be \$540 million at 1995/96 price level.

* Money-of-the-day prices show the estimated cost of a project after allowing for forecast inflationary increases during the construction period.

End

Central Clearing and Settlement System

* * * * *

Following is a question by the Hon Chim Pui-chung and a written reply by the Secretary for Financial Services, Mr Rafael Hui, in the Legislative Council today (Wednesday):

Question:

Does the Government know -

- (a) why individual investors are not allowed to open stock storage accounts with the central clearing house under the direct control of the investors concerned; and whether the authority concerned has given consideration to allowing individual investors to open such accounts in the near future;
- (b) whether the authority concerned has assessed if the above situation has resulted in individual investors choosing stock brokers with a banking background for transaction of stocks, thus affecting the business of stock brokers without such a background?

Reply:

- (a) The Central Clearing and Settlement System (CCASS) was designed as a "wholesale" clearing house and cannot cater for direct investor participation without significant system modification and development. However, under the Segregated Account with Statement Service, CCASS participants can nominate investors and other persons to receive statements directly from Hongkong Clearing with respect to stock movements relating to their securities held in CCASS through the relevant CCASS participants.

The inclusion of investors as direct participants in the CCASS has been a key development issue in the strategic plan of Hongkong Clearing. Following a review of the issues involved, the Hongkong Clearing has recently drawn up a working model for direct investor participation in CCASS and will soon conduct a public consultation exercise. Hongkong Clearing estimates that an 18-month lead time will be required, including a 4-month market consultation on the working model, for the necessary system development, equipment installation and amendments to CCASS Rules and operational procedures before the present system can cater for individual investor accounts.

- (b) Neither the Administration nor the Hongkong Clearing has any information or statistics available to assess whether the above situation has resulted in individual investors choosing stock brokers with a banking background for transaction of stocks. In any case, it is difficult to determine whether direct investor participation in CCASS, or the absence of it, would lead to a shift of business between brokers with banking background and those without. This is so because when choosing a broking agent, an investor will normally consider a number of factors, including the agent's charges, the qualify and scope of services provided, price quotation and order execution, familiarity with the agent and the reputation of the agent.

End

Bird shooting in Mai Po

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Following is a question by the Hon Leung Yiu-chung and a written reply by the Secretary for Planning, Environment and Lands, Mr Bowen Leung, in the Legislative Council today (Wednesday):

Question:

Recently there have been reports about the shooting of protected wild birds in the Mai Po Marshes. In this connection, will the Government inform this Council:

- (a) when such incidents first came to the attention of the authorities concerned, and of the estimated number of protected wild birds which have been shot dead so far; and;
- (b) what measures have been put in place by the authorities concerned to prevent the recurrence of such incidents in the future?

Reply:

Mr President,

- (a) The reported incidents refer to the shooting of birds at the northern bank of the Shenzhen River, not in the Mai Po Marshes. We first received such a report on 14 October. A further report was received on 31 October. However, we do not know the number of birds that have been killed.
- (b) We are very concerned about the reported shootings. We took up the case with the Chinese authorities through the Border Liaison Channel after receiving the first report. We also provided further information and some photographs to the Chinese side, and urged them to take effective measures to prevent the recurrence of such incidents. We understand that a few arrests have been subsequently made by the Shenzhen authorities. Since then, there have been no further reports of these incidents but we will continue to monitor the situation closely.

End

Remunerations payable to KCRC Chairman

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Following is a question by the Hon Sin Chung-kai and a written reply by the Secretary for Transport, Mr Gordon Siu, in the Legislative Council today (Wednesday):

Question:

Regarding the impending departure of the Chairman of the Kowloon-Canton Railway Corporation (KCRC), is the Government aware of:

- (a) the total amount of remunerations payable to the Chairman of the KCRC upon his departure; and
- (b) the respective total amounts of remunerations received by each of the past Chief Executive Officers/Chairmen of the Managing Board of the KCRC upon departure?

Reply:

Mr President,

The Chairman and Chief Executive of the Kowloon-Canton Railway Corporation is employed on contract terms which provide that he will receive a gratuity in lieu of a retirement pension but no other special payments at the end of his contract. Also, since the outgoing Chairman and Chief Executive will have completed his full contract, the question of compensation for pre-mature departure does not arise.

The past Chairman was a non-executive Chairman, and did not receive any remuneration apart from the nominal Board Member's fees. Under him, the two previous Managing Directors of the Corporation were remunerated in accordance with their employment contract. At the end of their service with the Corporation, they received a gratuity, in accordance with the terms of their contract, without any retirement benefit or special payment.

End

Permit system for waste imports

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Following is a question by the Hon Miss Emily Lau Wai-hing and a written reply by the Secretary for Planning, Environment and Lands, Mr Bowen Leung, in the Legislative Council today (Wednesday):

Question:

It is reported that since April this year, a German plastics plant has shipped 50 containers containing 700 tonnes of contaminated waste into the territory for dumping. In this connection, will the Government inform this Council:

- (a) whether the departments concerned have received any application for the importation of the above waste;
- (b) whether the 700 tonnes of waste have been dumped within the boundaries of the territory; if not, how the departments concerned will dispose of it;

- (c) whether the Government has reviewed the Waste Disposal Ordinance to ascertain if the Ordinance can effectively stop the importation of waste from foreign countries into the territory; and whether consideration will be given to amending the Ordinance so as to enhance the powers of the departments concerned in enforcing the provisions of the Ordinance in this regard?

Reply:

Mr President,

- (a) No. The waste was imported into Hong Kong in April 1996 before the requirement for an import permit under the Waste Disposal Ordinance came into effect on 1 September 1996.
- (b) The waste has not been dumped in Hong Kong. They are stored in the original 50 containers and kept in a container yard. The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal obliges a country of origin to take back wastes if a shipment cannot be completed. The Environmental Protection Department is liaising with the authorities concerned to enable the return of the waste as soon as possible.
- (c) After a review the Waste Disposal Ordinance was amended in 1995 to require a permit for the import and export of hazardous and contaminated waste, as well as for the import and export of non-hazardous and uncontaminated waste for disposal. The new provisions came into force on 1 September 1996. We will monitor the effectiveness of these new controls in the coming months and, if necessary, consider additional measures.

End

Symbol on HK permanent ID cards

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Following is a question by the Hon Howard Young and a written reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council of:

- (a) the number of applications for the inclusion of the '****' symbol to, and the number of applications for the deletion of the '****' symbol from, the Hong Kong Permanent Identity Card in each of the past three years; and
- (b) the eligibility criteria, application procedure and processing time in respect of each of the two categories of applications mentioned above?

Reply:

Mr President,

- (a) The number of applications for the inclusion of the *** symbol to and that for the deletion of the *** symbol from Hong Kong Permanent Identity Cards are as follows:

Year	Addition	Deletion
1994	1,745	7
1995	1,475	4
1996 (January-October)	1,346	2

- (b) Hong Kong Permanent Identity Cards are issued to persons who have the right of abode in Hong Kong. The categories of persons who are Hong Kong permanent residents are defined in Schedule 1 to the Immigration Ordinance, Cap. 115. Any of these persons who has attained the age of 18 years or over and who is eligible for Hong Kong Re-entry Permit facilities is also eligible to have the *** symbol endorsed on his or her Hong Kong Permanent Identity Card. Holders of Hong Kong Permanent Identity Cards with the *** symbol may apply for deletion of the symbol if they so wish. They will not be required to give any reason for their applications.

It should, however, be noted that the *** symbol has no bearing on the holder's right of abode in Hong Kong or his or her national status. Persons who are not Hong Kong permanent residents can also possess identity cards with the *** symbol.

The *** symbol was created in the 1983 Identity Card Re-issue Exercise. It simply denotes that the holder is of the age of 18 years or over and is eligible for a Hong Kong Re-entry Permit. The Hong Kong Re-entry Permit is a document issued to facilitate travel to and from China and/or Macau. The following persons are eligible for a Hong Kong Re-entry Permit:-

- (i) persons wholly or partly of Chinese race who have either acquired the right of abode in Hong Kong or been granted unconditional stay in Hong Kong; and
- (ii) persons not of Chinese race who have been granted unconditional stay in Hong Kong but cannot obtain national passports and do not hold travel documents of any countries or other regions.

With the implementation of the Easy Travel Scheme in 1987, holders of Hong Kong Identity Cards with the *** symbol are exempted from producing Hong Kong Re-entry Permits or other travel documents at Hong Kong immigration control points for journeys to and from all places including China and Macau.

The procedure for both types of applications is the same. The applicant will be required to apply in person with a duly completed application form, and to have his thumbprint and photograph taken for the production of a new identity card. The processing time for an application for addition or deletion of the *** symbol is 15 working days.

End

Control of the securities industry

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Following is a question by the Hon Law Cheung-kwok and a written reply by the Secretary for Financial Services, Mr Rafael Hui, in the Legislative Council today (Wednesday):

Question:

Regarding the closure of securities companies recently, is the Government aware of:

- (a) which securities companies have closed down on account of financial difficulties or other reasons since the beginning of this year, and the amount of capital which could not be recovered by the clients of each of the securities companies concerned;
- (b) the operation of the above companies in terms of capital size, management practice and types of clients; and
- (c) whether the authority concerned will adopt measures to step up the control of the securities industry so as to safeguard the interests of investors as well as promote the development of the industry?

Reply:

- (a) Since the beginning of this year, three companies involved in securities trading have ceased business on account of financial difficulties or similar reasons. As it is possible that legal proceedings may be instituted against these companies, it would not be appropriate to name names. The estimates of the amounts that could not be recovered by the clients of each of the companies involved are \$47 million, \$29 million and \$12 million respectively.

- (b) One company was operated by shareholders' funds with a capital of \$20 million and managed by five dealing directors. The other two operated as sole proprietors with capitals of \$10 million and \$7.4 million respectively. All three companies deal with cash and margin clients.

- (c) Protecting the interests of investors, promoting the highest standards of business ethics and integrity and promoting the development of the industry are integral parts of the objective of the Administration. We seek to achieve these through an appropriate legal, regulatory and administrative framework. In this connection, we maintain close liaison with the Securities and Futures Commission (SFC), the Stock Exchange of Hong Kong and the Hongkong Clearing. Specifically on the safeguard of clients assets, the Administration and the SFC believe that improved internal control systems by the management of a registered security dealers will help. In this regard, the SFC has prepared a set of guidelines on management, supervision and internal controls which will be released for public consultation very shortly.

End