



DAILY INFORMATION BULLETIN

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BEACONSFIELD HOUSE, HONG KONG. TEL.: 2842 8777

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Transcript of the Governor's meet-the-media session

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The following is a transcript of the meet-the-media session by the Governor, the Rt Hon Christopher Patten, after his visit to the Women Treatment Centre of SARDA today (Wednesday).

Governor: As you may know I've been making a number of visits over recent months in association with the Beat Drugs Campaign which we've been making as comprehensive and effective as possible. Yesterday, we had figures on the number of drug abusers which were moderately encouraging. They showed a fall in the number of registered drug abusers in the early part of this year. But that's no reason for us being complacent or thinking that we can relax our campaign. The figures are still disturbing and within the overall figures there are particularly worrying figures for young women because the number of women drug abusers has unfortunately risen. So I was pleased today to be able to see the SARDA Drug Treatment and Rehabilitation Centre for young women here in Sha Tin.

The centre is doing an outstandingly good job and it has by international standards a very successful record in encouraging young women to abstain from drugs after they leave the centre. The problem we have at the moment is that the centre is pretty cramped and too small as some of you would have seen. So it's moving to new facilities in the North District later on this year and I hope that that will enable it to look after more young women and to achieve even more in the campaign to combat drug abuse here in Hong Kong.

The centre has been in this estate since 1988. It's, I think, played a useful role with community service that it's been carrying out in this estate. And I think you would have seen from the reactions of neighbours today that they've been very relaxed about having this centre here and know that when we have centres we can deal with the drug problem, when we don't have centres we can't deal with it. So I hope that residents in the North District will recognise that the centre is an addition to community services and will come and see what's happened here in Sha Tin if they want any reassurance about the establishment of the centre.

Question: Governor, there have been complaints that there are insufficient staff, social workers in the drug treatment centre, especially when they move to the new centre, that will increase to 50 ... They are very worrying about the number of staff. Do you think it's very necessary to increase the number of staff?

Governor: I think that the number of social workers working in all our centres and the duration of their employment are both issues that we need to look at. It isn't just a question of sometimes a shortage of social workers. I think there are four full-time social workers in this centre. It is also a question of the stress which some social workers find themselves under when they are dealing with very difficult cases and that has occasionally meant that there has been a more rapid turnover in staff than any of us would like to see. So I think those are both problems that we have to address as we carry this campaign against drugs forward.

Question: What can the government do to persuade the villagers in the North District that this centre is needed because they are voicing strong opposition to it?

Governor: There have been a lot of consultations done by the District Office and by others and of course it was discussed last year by the District Board who accepted the proposal. But the best thing those who are objecting could do is to come and look at how this centre works and what success it has achieved without any of the disruption to the neighbourhood which they are arguing about. I think I am right in saying that the centre in the North District is about 10 minutes from the village. This centre is right in the middle of a housing estate and the people in the housing estate aren't complaining about the service which the centre has provided, far from it. We've had, in relation to a number of our community programmes, difficulties in explaining to residents why it's important to have a centre in their neighbourhood. Sometimes we had that difficulties with services for the physically handicapped; sometimes we've had it with services for the mentally handicapped or mentally ill. I saw it recently with services for Down Syndrome children and we've seen it of course in relation to facilities for those who have been abusing drugs. In all those cases, we have to explain to neighbourhoods, and explain patiently to the community that if we want the services which a civilised community needs and deserves and asks for then those services has got to go somewhere.

Question: Aside from opening up more centres and employ more staff, do you have any plans to stop drug abuse at the source and perhaps educating them, preventing them even get into it in the first place?

Governor: As I think you probably know we announced a few months ago, over three months ago, a large, comprehensive action plan for dealing with drug abuse. It involved a number of things. It involved more preventive education starting at the school level but elsewhere too; it involved more treatment and rehabilitation; it involved more research and it involved tougher measures to crack down on those who trade in this disgusting drugs. So we've got a comprehensive programme. We then at the Summit that I held on this had a number of sensible ideas that we would put forward and ACAN reacted to those only a few weeks ago. So we are trying to carry things forward on every front, including, you're quite right, including the educational front.

Question: will an agreement be signed on the Financial Support Agreements on the airport and on the railway?

Governor: I wish that an agreement on the FSAs had been at the same time as we agreed the funding for the airport overall last autumn or at least I wished that we could have signed such an agreement very shortly afterwards. Director Lu, when he was in America a few months ago, had said that there would be an agreement within days. Alas that didn't happen. I don't think, to be frank, that anybody should lay the reasons for that at the door of the Hong Kong Government. We've been getting on with the job of completing what is the largest civil engineering project in the world as rapidly as we can. I very much hope we'll get an agreement on the FSAs soon because frankly it's a distraction to have this hanging over us when we are trying to deal with the project as rapidly as we can. And if we can't do that who suffers? Hong Kong and Southern China.

Question: It doesn't sound very optimistic then ?

Governor: I know having spent three years almost as Governor of Hong Kong that it's unwise to sound too optimistic about things which should be very straight forward as one might send the wrong signals to the community. I hope that we will soon be able to reach an agreement. I don't know, to be candid, why we haven't managed to reach an agreement already. But I hope that we will soon reach an agreement which will be in the interests of the people of Hong Kong, both in providing them with the new airport that we need, ask the residents of Kowloon, as rapidly as possible and a new airport at a reasonable cost as well.

Question: What's your basic message to the people of Hong Kong two years before the magical year?

Governor: My message to the people of Hong Kong is a very simple one. Hong Kong is one of the outstanding success stories of the last 50 years. A largely refugee community, which has without any natural resources to speak of, created an economic miracle in an open, free, plural society governed by the rule of law. I think that if people want as much as I believe they do that to continue, it will. We've had an agreement with China which underpins the transfer of sovereignty in 1997 and which guarantees Hong Kong's way of life for 50 years after 1997. It's clearly overwhelmingly in China's interest that that should be the case because Hong Kong is so superbly successful, representing now about 26 per cent of China's GDP. But not only is it in China's interest, it's in the region's interest, in the world's interest that that should continue. I believe that the international community will be watching what happens here very closely. And I think they will see the people of Hong Kong who have taken so much turbulence in the past in their stride managing the transfer in 1997, thanks in large measure, to their determination and their commitment to the values of a free society.

Question: But your point that you doesn't seem to be very popular within Chinese leadership though.

Governor: I very much hope that between now and 1997 the Chinese leadership will understand the importance of trusting the people of Hong Kong. When 1997 comes, its not just a question of the sovereignty over a piece of real estate. I hope Chinese leaders will understand as well that its a matter of hearts and minds and the best way of winning the hearts and minds of the people of Hong Kong is by showing that you trust them not least that you the judgements they make in free and fair elections.

Question: Do you have any comments to make on the employment situation in the light of the San Miguel redundancies?

Governor: I don't think that one commercial decision should distract us from what we are attempting to do on unemployment. Unemployment now stands at about 2.9 per cent as you know. By standards outside Hong Kong, that would be regarded as pretty low. But in Hong Kong, its a problem because we are used to so much lower unemployment figures. What we have to do in Hong Kong is first of all to develop our training and retraining, to develop our job placement programme which I was seeing some examples of the other day during one of my visits. And, as you know we are reviewing the Labour Importation Scheme. We'll, I hope be in a position to make announcements about that in the early autumn. But I don't think one commercial decision changes any of those fundamentals. The most important fundamental as far as Hong Kong is concerned is that we have an underlying strong economy and that's going to continue.

Question: Mr Patten, when do you expect to see the signing of an agreement with Vietnam, we have a concerned group warning of a possible, of another exodus if there is a delay in signing of such an agreement?

Governor: Well, there is an agreement which was made recently at Geneva. And under that agreement, it should be possible for us to continue I hope at a more rapid rate, the mandatory repatriation scheme, the orderly repatriation scheme alongside the voluntary repatriation scheme. I think people recognise that to some extent the orderly repatriation scheme is necessary in order to speed up voluntary repatriation. In accomplishing that objective, we've had some difficulties recently not least because of the unfortunate and misleading messages which have been sent to some Vietnamese migrants in the camps by speeches and decisions made in the US Congress. I recognise the US administration has been keen to put the position straight. I very much hope that we can, despite the recent problems, speed up the repatriation programme as soon as possible and I hope that Vietnamese migrants in the camps will recognise that their future lies in Vietnam where the economy is increasingly successful rather than in institution life in the camps.

Question: Governor, do you have any comment on the JLG meeting which is coming up...

Governor: I always hope for improved progress in JLG meetings. We've made reasonable progress in some areas like the transfer of defence lands, like the localisation of laws. But there is still a lot more to do in other areas, for example, the adaptation of laws and issues like rights of abode and so on. So I hope that the July meeting of the JLG will see more progress than the last couple of meetings .

Question: Do you think there is anything wrong with the housing policy for the elderly in view of the homicide case yesterday?

Question: Do you think the recent policy has to be reviewed?

Governor: No, I don't think that there is anything wrong with the policy. Ever since we reviewed policy for housing for the elderly in 1987, we've been trying to develop our sheltered housing here in Hong Kong, and if anything, if you compare the situation here with the situation in similar communities, we don't have enough sheltered housing and I am keen to see us provide more. But since 1987, we've provided I think about 2,400 units of sheltered accommodation similar to the one where the tragedy occurred yesterday and there haven't been any difficulties. The Housing Authority does try in all its sheltered accommodation to provide a warden service for 24 hours a day and to provide an emergency alarm system. So it recognises the potential for problems. But I think we shouldn't allow ourselves to be deflected by one tragedy from continuing with a sensible policy of accommodating those elderly people who are able to go on living a more or less independent life. Obviously, my condolences go out to the friends and relatives of those who died in yesterday's tragedy.

Question: So much have been done, but why do you think still tragedy happens?

Governor: I don't know. I don't know the details of that case.

Question: As where estates have that warden and emergency service. So do you think the Government need to speed up the policy, speed up the programme?

Governor: We need more sheltered housing in Hong Kong. I've got no doubt about that at all. Obviously if there are lessons to be learnt from the tragedy that took place yesterday, we will be keen to learn them.

Question: Why is the Government not been able to repatriate 1,800 boat people as in the agreement in Geneva. Why is the Government not possible to do that?

Governor: We've been trying to make efforts to implement the agreement and we will do so as rapidly as possible. We've recently had problems which you will know because of the message which has been sent I think to people in the camps from speeches and decisions made in the US Congress, the point that I made very much earlier. But it remains our urgent objective to be able to achieve the figure for repatriation which was agreed in Geneva. That agreement was a very important one for Hong Kong. It was the result I think of a very successful meeting and we want to get to that sort of figure as soon as we can. It has to be said that there have been times in the past when we've managing that sort of figure and reducing substantially the number in the camps. The number in the camps, the number returned to Vietnam went down by about 44,000, 45,000 over a five-year period. We've got to get back to that sort of rate of moving people.

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ExCo approves changes to schools provident fund rules

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The Governor-in-Council has approved the amendments to the rules governing the operation of the Grant Schools Provident Fund and the Subsidised Schools Provident Fund.

The two Funds are statutory provident fund schemes open to serving grant school and subsidised school teachers. Each fund is administered by its own Board of Control.

A Government spokesman said today (Wednesday) it was necessary to update and to make changes to these rules to take account of developments that had taken place since they were last amended in 1990.

The approved amendments to the Provident Fund Rules:

- a. include the method of setting off provident fund payment against severance or long service payment;
- b. allow deceased contributors' accounts to be kept open for annual dividend purposes before payment to their personal representatives;
- c. include the definitions of the Hong Kong Special Schools Council and new types of schools; and

d. amend the composition of the Board of Control of the Subsidised Schools Provident Fund.

"The rules are amended to provide the method of setting off provident fund payment against severance or long service payment to bring them in line with the Employment Ordinance," the spokesman said.

The rules are also amended to keep open a deceased contributor's account automatically for a period up to the third anniversary of the death of the contributor or to the date of the grant of Probate or Letters of Administration, whichever is the earlier.

"Within this period, the annual guaranteed and supplementary dividends will continue to be credited to the deceased contributor's account," the spokesman explained.

At present, the Subsidised Schools Provident Fund Rules do not contain definitions of a special school, code of aid for special schools and the Hong Kong Special Schools Council. Neither are the definitions of the new types of aided schools such as Practical Schools and Skills Opportunity Schools contained in the Rules.

"We take the opportunity to update the rules by including these definitions and a revised definition of the Subsidised Primary Schools Council," the spokesman said.

On the amendment concerning the composition of the Board of Control of the Subsidised Schools Provident Fund, the spokesman pointed out that the amended composition brought in equal number of elected and appointed members, thereby broadening the representation of teachers of primary and secondary schools on the Board.

"The new composition is supported by the present Board of Control, the schools councils and major teacher unions, and will take effect in the next accounting year starting on September 1, 1995," the spokesman said.

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Fees for security personnel permit and security company licence

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The Governor-in-Council has endorsed the regulation to prescribe the fees for security personnel permits and security company licences issued under the Security and Guarding Services Ordinance, the Government announced today (Wednesday).

The Security and Guarding Services (Fees) Regulation will be gazetted on Friday (June 23).

Principal Assistant Secretary for Security Mr Jack Chan said the Security and Guarding Services Ordinance, enacted last December, provided for a licensing scheme under which security personnel and security companies must hold valid permits and licences respectively, in order to perform security work for reward.

"The Ordinance also provides for the charging of fees for the application and issue of the permits and licences," he said.

"The aim of the licensing scheme is to regulate the security and guarding services industry with a view to upgrading its standard of service."

Mr Chan explained that it was Government policy that fees should generally be set at levels sufficient to recover the full costs of providing the services, and that the proposed fees for the security personnel permits and security company licences were charged according to this principle.

Under the Ordinance, a permit or a licence will normally be valid for five years. The fee for the application of a permit is \$50, and for its issue is \$120 for five years, or for the validity period of the permit if it is less than five years.

The fee for the application of a licence is \$3,500, and for its issue ranges from \$78,050 to \$235,400 for five years, depending on the nature and number of types of security work involved.

The licence fee may be paid by equal annual instalments. In effect, it ranges from \$15,610 to \$47,080 per annum.

The following table sets out the proposed licence fees for companies engaging in different types of security work:

- (a) Provision of guarding services : \$78,050 (for five years)
(or \$15,610 per annum)
- (b) Handling of security devices : \$79,050 (for five years)
(or \$15,810 per annum)
- (c) Provision of armoured transportation : \$180,500 (for five years)
(or \$36,100 per annum)
- (d) Provision of guarding services and handling of security devices : \$106,000 (for five years)
(or \$21,200 per annum)
- (e) Provision of guarding services and armoured transportation : \$207,450 (for five years)
(or \$41,490 per annum)
- (f) Handling of security devices and provision of armoured transportation : \$208,450 (for five years)
(or \$41,690 per annum)
- (g) Provision of guarding services and armoured transportation, and handling of security devices : \$235,400 (for five years)
(or \$47,080 per annum)

Mr Chan said the Fees Regulation would take effect on a day to be appointed by the Secretary for Security.

"We will launch a comprehensive publicity programme to coincide with the invitation for applications for permits and licences in a few months' time.

"Details of the licensing scheme will be announced at the same time," he added.

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Fees under buildings ordinance revised

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The Government is to increase a number of the fees chargeable under the Buildings Ordinance for processing and approving of building plans to offset higher operational costs.

A Government spokesman said the proposed increases of about 9 per cent would bring the fees, which were last revised in September last year, up to the current price levels.

The new fees, to be published under the Building (Administration) Regulations in the gazette on Friday (June 23), will come into effect on September 1.

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Fees for certain maritime services to be revised

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The Government will revise in August this year the fees charged for a number of maritime services, a Government spokesman said today (Wednesday).

These fees, collected by the Marine Department, include port dues and fees; licence and related fees for local craft and river trade vessels; survey fees for convention ships and local craft; fees for the services provided by Seamen's Recruiting Offices; and fees for examination and licensing of pilots.

"They will be increased by 10 per cent from August 23 in line with cost escalation due to inflation," the spokesman said.

These fees are charged under the Merchant Shipping (Fees) Regulation; Merchant Shipping (Engine Room Watch Ratings) Regulations; Merchant Shipping (Navigational Watch Ratings) Regulations; Shipping and Port Control Regulations; Merchant Shipping (Liability and Compensation for Oil Pollution) Compulsory Insurance) Regulations; Merchant Shipping (Registration)(Fees and Charges) Regulations; and Politage Regulations.

Amendments to these regulations to give effect to the increases will be published in the Gazette on Friday (June 23).

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Container throughput on the increase

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In the first two months of this year, the container terminal operators together with their counterparts in the mid-stream and river trade sectors handled more than 1.6 million TEUs (twenty foot equivalent units), 13.3 per cent more than the same period last year, the acting Director of Marine, Mr S Y Tsui, said today (Wednesday).

Speaking at a ceremony to welcome the arrival of a container vessel, the M V Neptune Sardonyx, on her maiden voyage to Hong Kong, Mr Tsui said the increases reflected the port's efficiency and underlined its hub port status.

Capable of carrying 4,400 TEUs, the Neptune Sardonyx, berthed at the Hongkong International Terminals in Kwai Chung about 11 pm yesterday. She completed her cargo work and set sail for Singapore about 2 pm today.

Mr Tsui noted that the container terminal operators at Kwai Chung and on Stonecutters Island handled 1.14 million TEUs in the first two months of this year, representing an increase of 18.8 per cent over the same period last year.

"While the handling capacity by the mid-stream operators during the first two months of this year maintained at the same level as the corresponding period last year, the river trade operators handled 135,000 TEUs in January and February this year, about 10 per cent more than their records for the same period last year," Mr Tsui said.

The 53,519 gross registered ton Neptune Sardonyx commenced her services on June 13 and arrived from Kaoshiung last night.

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Pilot scheme on school-based drug education course

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Twenty secondary schools will participate in a pilot scheme on school-based drug education course in the first half of the 1995-96 school year.

A spokesman for the Education Department said: "This pilot scheme is one of the initiatives taken by the department to promote anti-drug preventive education in support of the pledge made by the Governor in the summit meeting in March."

The pilot scheme is aimed at encouraging schools to implement their own anti-drug education programmes.

Schools can adapt the Drug Education Teaching Kit produced by the Hong Kong Action Committee Against Narcotics (ACAN) to develop a school-based drug education programme for students at junior secondary level.

The spokesman assured that pilot schools would be provided with support and advice from health education inspectors at the Advisory Inspectorate in developing and implementing their drug education programmes.

The department will also organise sessions for teachers in charge of drug education at the pilot schools to familiarise them with the Drug Education Teaching Kit.

Pilot school teachers will be given priority to participate in the Course on Drug Education for Secondary School Teachers jointly organised by the Education Department and the Narcotics Division in August this year.

The spokesman said all secondary schools are encouraged to participate in the scheme in the 1996-97 school year.

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57 pollution cases in May

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A total of 57 convictions were recorded in the courts last month for breaching anti-pollution legislation enforced by the Environmental Protection Department.

Among them, 25 were made under the Water Pollution Control Ordinance (WPCO), 13 under the Noise Control Ordinance (NCO), 13 under the Air Pollution Control Ordinance (APCO), one under the Dumping At Sea Act 1974 (Overseas Territories) Order 1975 (DASO), and five under the Waste Disposal Ordinance (WDO).

The fines ranged from \$2,000 to \$175,000. Topwide Engineering Ltd was fined \$175,000 for allowing the use of powered mechanical equipment for construction work without a permit. This is the highest fine imposed since the NCO comes into force in 1989.

Attention News Editors:

The list of the convictions and the associated fines imposed by the courts in May will be faxed and enquiries on specific cases can be directed to the following officers:

Case	Officer	Tel
Cases 1,2,26,39,40,52,53	Mr Dick Rootham	2707 7501
Cases 3,4,27-31,41	Ms Mabel Mak	2516 1800
Cases 5-11,32,33,42	Mr Murray Luo	2411 9601
Cases 12-20,34-36,43-47,54-56	Mr Wong Ho-yan	2685 1133
Cases 21-25,48	Mr Franklin Chung	2417 6074
Cases 37-38,49-51	Mr Joe Kwan	2402 5201
Case 57	Dr Ellen Chan	2755 3553

However, enquiries on general issues should be directed to the department's Media Relations Unit.

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Two NT lots to let

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The Lands Department is inviting tenders for the short-term tenancy of two pieces of government land in the New Territories.

Covering an area of 6,150 square metres, the first lot is located in Area 20, Luen Wo Hui, Fanling, for use as a fee-paying public car park.

The tenancy is for one year, renewable quarterly.

The second lot is located in Kin Tak Street, Yuen Long, having an area of 2,141 square metres also for use as a fee-paying public car park.

The tenancy is for two years, renewable quarterly.

Closing date for submission of tenders for the two lots are at noon on July 7.

Tender forms, tender notice and conditions may be obtained from the District Lands Office, North, District Lands Office, Yuen Long, the District Lands Offices, Kowloon, 10th floor, Yau Ma Tei Car Park Building, 250 Shanghai Street, Kowloon and the Lands Department, 14th floor, Murray Building, Garden Road.

Tender plans can also be inspected at these offices.

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Hong Kong Monetary Authority money market operations

	\$ million	Time (hours)	Cumulative change (\$million)
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Opening balance in the account	2,200	0930	+327
Closing balance in the account	2,305	1000	+327
Change attributable to :		1100	+311
Money market activity	+310	1200	+314
LAF today	-205	1500	+314
		1600	+310

LAF rate 4.25% bid/6.25% offer TWI 118.4 *-0.1* 21.6.95

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.35	2 years	2705	6.40	101.18	5.81
1 month	5.44	3 years	3804	6.90	102.29	6.10
3 months	5.49	5 years	5006	6.60	99.83	6.75
6 months	5.53	5 years	M501	7.90	103.15	7.25
12 months	5.61					

Total turnover of EF bills and notes - \$13,988 million

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/City Hall

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Monitoring of Hong Kong Housing Society

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Following is the speech by the Secretary for Housing, Mr Dominic Wong, in the motion debate on monitoring the Hong Kong Housing Society in the legislative Council today (Wednesday):

Mr President,

I have listened with great interest to comments made by Honourable Members on the role, policies and operations of the 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 organisation 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 subsidise the Housing Society but rather grants land at concessionary premia 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 Society has produced about 32,000 rental flats for low-income households (for which, on average, 40% of market rent is charged), 3,600 flats for sale (which are similar to the Housing Authority's Home Ownership Scheme and the Private Sector Participation Scheme), and 3,200 flats under the Urban Improvement Scheme. Another 8,500 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, nearly 40% of these loans 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-subsidisation 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 pipe problem of Kwun Tong Garden, mentioned by the Hon Szeto Wah, I understand that the Housing Society is putting out tender to replace all the soiled pipes concerned. Like every organisation there must be individual cases which take time to resolve and we should not nail an organisation on this basis.

Redevelopment

Contrary to some misconceptions, the Housing Society has also made a substantial contribution towards urban renewal. Here, I thank the Honourable 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 clearerees. In certain cases, it is required to provide open space and community facilities. I am glad to report, 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 clearerees, 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

As Members well 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 \$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 these, 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 all 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. And 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 20,000 units over the next few years. However, as it is a non-profit-making organisation, the Housing Society will be closely monitored by the Housing Branch and we will certainly decide how it may utilise 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 very positive growth 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. 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 this initiative ties in well with the Honourable Fung Kin-kee's suggestion. I am sure the Housing Society will take this 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 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 Sub-Committee 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 experience 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 improvement 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 Society. Staff attend meetings of District Boards and the Legislative Council Panel on Housing on matters concerning the Housing Society.

Recognising its large budget, wide range of activities and growing commitments, the Housing Society has invited the Corruption Prevention Department of the ICAC 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, particular the flats for sales 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.

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Soft drugs

* * *

Following is the speech by the Secretary for Security, Mr Peter Lai, in the motion debate on soft drugs in the Legislative Council today (Wednesday):

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 per cent 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 per cent was recorded, from 2,253 in 1993 to 2,748 in 1994.

The worsening drug problem makes it clear that we need to provide an effective response and give more impetus to the current 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 a 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, in 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 include tranquillisers, 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.

Enforcement

Let me say that the battle against illicit drug traffickers and peddlers is an unending one but we will continue to do our best.

Vigorous law enforcement action against drugs is under taken 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 combating the manufacture, trafficking, and non-medical use of dangerous drugs.

In 1994, we have seen substantial increase in drug seized. For example, 446 kilograms of heroin was seized in 1994 as compare to 270 kilograms in 1993. 3,248 kilograms of herbal cannabis were seized in 1994 as compare to 547 kilograms in 1993. We have also seen an increase in arrests for drug related offences. 15,601 arrests were made in 1994 as compare to 12,794 in 1993. Arrests for major drugs offences, for example drug trafficking, manufacturing and peddling increased by 25 per cent 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 authorised 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 authorised 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 regard medical practitioners, the Department of Health monitors their purchase of dangerous drugs. Those with high utilisation are requested to submit statistics and information on their utilisation. 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 emphasise that these "black sheep" 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 computerised 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 the 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 in 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 1995 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 1 year to a fine of \$100,000 and imprisonment of 2 years.

The Pharmacy and Poisons (Amendment) Regulation 1995 introduced by the Secretary for Health and Welfare earlier this afternoon and approved, seeks to raise the maximum penalty prescribed in the Regulation and equate them to the maximum level kept by the principle ordinance. These proposals are aim to provide a much greater deterrent effect in combating the illegal sale of drugs. The Poisons Lists (Amendment) Regulation 1995, also approved earlier this afternoon, tightened control over the sale of cough medicines.

As part of the Government's Forward Action Plan, the Department of Health has plans to strengthen its 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 6,128, as compared to 1,389 in 1993. The number of inspections of pharmacies in 1994 was 476, as compared to 248 in 1993. There will be an additional 4 pharmacist inspectors and 1 casual worker deployed this year. The frequency of inspections will be further enhanced by more effective staff deployment and re-prioritisation 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 its 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, the Medical Council will reflect on the many ideas in this area put forward by Members of this debate.

As I have said before in this Council, the Government is committed to a multi-faceted approach to tackle the drug 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.

Thank you, Mr President.

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Waste Disposal (Charges for Disposal of Waste) Regulation

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Following is the speech by Secretary for Planning, Environment and Lands, Mr Bowen Leung, in the motion debate on the Interpretation and General Clauses Ordinance in the Legislative Council today (Wednesday):

Mr President,

First of all I should say that I am most grateful to the Hon. 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 reuse, 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 subsidised-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 Hon. 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 3,000 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 was to allow the Director of Environmental Protection to work out the most practical arrangements in consultation with the parties concerned. The question we now put before Members are rather the Regulations and the Schedule to the Regulations pertaining to the level of charges are reasonable and acceptable to Members. It has always been the Administration intent to enter into consultation with the trade to work out the payment methods. If Legislators approved the scale of charges we have always have the intention that the actual payments will not come into effect until September this year and that is to enable us sufficient time to enter into discussion and agreement with the trade. Recent events - and I refer here to the blockade of the Southeast NT landfill and other landfills by truck drivers over the last weekend - illustrate that some waste collectors are concerned about upfront payment of landfill charges. Let me say again that I and I ... ring up the radio last Friday to repeat that I personally share their view. Waste collectors or drivers should not be the party require to pay upfront charges. They are not the polluters, the waste producers are. Therefore when we negotiate the blockade or the incident, the Government agree that we will set up a working group of representatives from the Government, truck drivers 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. We also undertake not to begin ... in the charge until there is broad agreement on this arrangements as that is always been our intention that is the reason why we put the effect today administratively to ... I am 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 to work in good faith to expedite an agreement. I therefore look forward to the working group having constructive discussions and finalising the charging and payment arrangements in the near future.

Members have also raised a few points during their speeches on the Regulations. The Hon Ronald Arculli 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 Southeast NT 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 its services, we shall review the need for setting up similar facilities at other landfill sites.

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Employment Ordinance

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Following is the speech by the acting Secretary for Education and Manpower, Miss Jacqueline Willis, in moving a resolution under Section 67A of the Employment Ordinance in the Legislative Council today (Wednesday):

Mr President,

I move the motion standing in my name.

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.

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Employees' Compensation (A) Bill: Committee Stage

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Following is the speech by the acting Secretary for Financial Services, Mrs Lessie Wei, at the Committee Stage Amendments to the Employees' Compensation (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

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 this term 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 cover 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 to address Members' concern that reasonable and adequate compensation should be provided for 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 an 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. The 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 and 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 will 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.

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Mr President,

I move that new clauses 4A, 4B, 7A heading before the new clause 10 and the 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.

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Mr Chairman,

I move that new clauses 4A, 4B, 7A heading before the new clause 10 and the new clause 10 be added to the bill.

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Securities (Amendment) Bill 1995

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Following is the speech by the acting Secretary for Financial Services, Mrs Lessie Wei, in moving the second reading of the Securities (Amendment) Bill 1995 in Legislative Council today (Wednesday):

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 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, position limits and other conditions including reporting requirements in relation to any person's activity 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.

End/Wednesday, June 21, 1995

Securities (Clearing Houses) (Amendment) Bill 1995

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Following is the speech by the acting Secretary for Financial Services, Mrs Lessie Wei, in moving the second reading of the Securities (Clearing Houses) (Amendment) Bill 1995 in Legislative Council today (Wednesday):

Mr President,

I move the second reading of the Securities (Clearing Houses) (Amendment) Bill 1995.

The 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 Ltd. 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 Ltd. 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 the time.

Since the enactments 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 minimise 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.

End/Wednesday, June 21, 1995

Motor vehicles insurance and employees compensation bills

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Following is the speech by the acting Secretary for Financial Services, Mrs Lessie Wei, on the resumption of second reading of the Motor Vehicles Insurance (Third Party Risks) (Amendment) Bill 1995 and the Employees' Compensation (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I would like to thank the Bills Committee under the chairmanship of the Hon 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 organisations 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 workers, 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 subcontractors. 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 envisaged 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, where 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.

End/Wednesday, June 21, 1995

Pharmacy and poisons ordinance and regulations

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Following is the speech by the Secretary for Health and Welfare, Mrs Katherine Fok, in moving a motion on the Pharmacy and Poisons Ordinance, Pharmacy and Poisons (Amendment) Regulation 1995 and Poisons List (Amendment) Regulation 1995 in the Legislative Council today (Wednesday):

Mr President,

I move the motion standing in my name on 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, etc. which they contain. The Amendment Regulations, if effected, will tighten controls over cough medicines with lower concentrations of codeine, etc. so that cough medicines, irrespective of the percentage of codeine etc. 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 minimise 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.

End/Wednesday, June 21, 1995

Provision of park-and-ride facilities being examined

Following is a question by the Hon Emily Lau Wai-hing and a reply by the Secretary for Transport, Mr Haider Barma, in the Legislative Council today (Wednesday):

Question:

Will the Administration inform this Council whether it will actively consider the park-and-ride concept by building multi-storey car parks near MTR and KCR stations in an attempt to take cars off the road and to relieve traffic congestion?

Reply:

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 Hon 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 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, Finance Committee will be invited to approve the Government's contribution for this scheme.

Mr President, I can also assure Hon Members that very careful consideration will be given to incorporating park-and-ride facilities at or near some stations along the 3 priority railway systems announced in the Railway Development Strategy. For example, 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 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.

End/Wednesday, June 21, 1995

City Hall car park

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

Question:

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?

Answer:

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.

End/Wednesday, June 21, 1995

Comprehensive Social Security Assistance

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

Question:

In response to a question asked on 22 February 1995 in this 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 4 with two able-bodied adults and two able-bodied children receiving regular schooling;
- (b) the total amount of non-housing expenditure assumed to 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?

Reply:

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 3,200 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 dependants. 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 (now CSSA) 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 7 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 amount 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, etc. Any consideration of their adequacy must take these special grants fully into account.

End/Wednesday, June 21, 1995

Vacant positions in retail industry

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Following is a question by the Hon Selina Chow and a reply by the acting Secretary for Education and Manpower, Miss Jacqueline Willis, in the Legislative Council today (Wednesday):

Question:

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?

Reply:

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 the use of languages such as English and Putonghua.

As regards the On-the-Job Training 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 1 or 2 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, 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.

End/Wednesday, June 21, 1995

Criminal records of listed company directors

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Following is a question by Dr the Hon Huang Chen-ya and a reply by the acting Secretary for Financial Services, Mrs Lessie Wei, in the Legislative Council today (Wednesday):

Question:

In view of the negative effects on shareholders and the status of Hong Kong as a financial centre brought about by the 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?

Answer:

Mr President, the Securities and Futures Commission 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.

End/Wednesday, June 21, 1995

Catering industry not exempted from Trade Effluent Surcharge

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

Question:

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 8,000-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?

Reply:

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. 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 cubic metre, as against \$4.58 per cubic metre for water supply; and that the Trade Effluent Surcharge was agreed to by industry. Moreover, this Council formed a sub-committee 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 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 Environmental Protection Department'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 legislation 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.

End/Wednesday, June 21, 1995

Convention on civil aspects of child abduction

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

Question:

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 organisations 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?

Reply:

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.

End/Wednesday, June 21, 1995

Rental income loss incurred by vacant public housing flats

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

Question:

According to the latest information provided by the Housing Department, 40% of the 11,200 vacant public housing flats have been vacant for more than six months while 1,257 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?

Answer:

Mr President,

- (a) At the end of March 1995, there were 11,200 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 3,000 flats is reserved for transfers and relief of overcrowding from sitting tenants : 1,000 for inter-estate applications and 2,000 for intra-estate applications.

End/Wednesday, June 21, 1995

Hospice care to AIDS patients

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Following is a question by Dr the Hon Conrad Lam Kui-shing and a written reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):

Question:

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?

Reply:

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 recognised, 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 organisations to develop service initiatives in this relatively new area.

End/Wednesday, June 21, 1995

Assignment of legal aid cases to a barrister

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Following is a question by the Hon Elsie Tu and a written reply by the acting Chief Secretary, Mr Michael Suen, in the Legislative Council today (Wednesday):

Question :

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?

Reply :

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) - (d) are set out in the following table :-

Types of Cases	(a) No. of Cases	(b) Duration originally contemplated in assignments	(c) Nature of Cases	(d) Remuneration paid
Civil cases	1 2 3 4 5 6	1 day 1 day Advice only Not known Not known Advice only) All Personal Injury cases. In civil cases, there is no mitigation, and/or appeal against sentence or conviction.	\$10,000 \$24,000 \$11,700 So far no payment has been made So far no payment has been made So far no payment has been made
Criminal Cases	7 8 9 10 11 12 13 14 15 16 17	about 4 weeks about 1 week ½ day about 1 week about 1 week instructed on v. urgent basis less than 1 week 3 months ½ day ½ day Advice only about 1 week	Trial Trial Magistracy appeal Trial Trial Trial Trial District Court appeal Magistracy appeal Advice only Trial	\$144,400 \$20,500 So far no payment has been made \$84,500 So far no payment has been made \$29,100 \$415,000 So far no payment has been made \$11,500 \$6,000 \$63,600 Total \$820,300

End/Wednesday, June 21, 1995

Overseas duty visits of department heads

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Following is a question by the Hon Tam Yiu-chung and a written reply by the Secretary for Economic Services, Mr Gordon Siu, in the Legislative Council today (Wednesday):

Question:

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 scrutinising 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 consideration in determining whether it is necessary for heads of departments to attend overseas conferences?

Reply:

Mr President,

The Postmaster General made a total of 18 overseas duty visits since he assumed office in May 1992. On 5 other occasions, the Postmaster General has 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.

End/Wednesday, June 21, 1995

Number of beggars in busy streets increased

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

Question:

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?

Reply :

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 : -

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u> (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.

End/Wednesday, June 21, 1995

Issue of fixed penalty tickets

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Following is a question by the Hon Tam Yiu-chung and a written reply by the Secretary for Transport, Mr Haider Barma, in the Legislative Council today (Wednesday):

Question :

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 the law enforcement officers in deciding whether a penalty ticket should be issued; and
- (c) whether such criteria had been changed in the past 18 months; if so, what the reasons were?

Reply:

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 (e.g. 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

Dec/93	191,753
Jan/94	194,811
Feb/94	151,942
Mar/94	188,165
Apr/94	174,736
May/94	193,017
Jun/94	159,651
Jul/94	161,993
Aug/94	165,144
Sep/94	166,970
Oct/94	174,287
Nov/94	174,802
Dec/94	171,588
Jan/95	173,669
Feb/95	152,926
Mar/95	175,371
Apr/95	161,303
May/95	168,964

Govt passage tax at Cross Harbour Tunnel

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Following is a question by Dr the Hon Samuel Wong and a written reply by the Secretary for Transport, Mr Haider Barma, in the Legislative Council today (Wednesday):

Question:

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?

Reply:

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 5 years. This far exceeds the amount of passage tax collected. Looking ahead, \$30 billion will be spent on new roads in the coming 5 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.

End/Wednesday, June 21, 1995

Compassionate rehousing

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Following is a question by the Hon Fred Li Wah-ming and a written reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):

Question:

According to the existing policy on compassionate rehousing, the Housing Department (HD) reserves, as from 1994-95, a quota of 2,000 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 of the following:

- (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 standardised guidelines commonly used by SWD staff in examining applicants' eligibility; if so, what the contents of 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 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 which delineating the responsibilities of the two departments in implementing the policy on compassionate rehousing?

Reply:

- (a) In 1994/95, 2,021 flats were allocated under the compassionate rehousing scheme, exceeding the original quota of 2,000 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 2,000 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 categorised in terms of the applicants' living and health conditions and such a breakdown is, therefore, not readily available.
- (c) There are standardised guidelines for processing applications for compassionate rehousing which are followed by staff of SWD. The guidelines cover the eligibility criteria, completion of requisite forms and time limits for processing the applications.
- (d) HD will not re-examine an applicant's eligibility for compassionate rehousing if the application has been recommended by SWD. In line with the standard allocation procedures for public housing units, 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 SWD and HD in implementing the compassionate rehousing scheme. While SWD is responsible for assessing the applications and recommending eligible cases for compassionate rehousing, 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.

End/Wednesday, June 21, 1995

Employees' Re-Training Scheme

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Following is a question by Dr the Hon Huang Chen-ya and a written reply by the acting Secretary for Education and Manpower, Miss Jacqueline Willis, in the Legislative Council today (Wednesday):

Question:

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?

Reply:

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 & 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 summarised 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 4,033 and 8,301 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 2 weeks to 4 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.

End/Wednesday, June 21, 1995

Unemployed receiving welfare payments

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

Question:

As the current unemployment rate in the territory is the highest recorded so far 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?

Reply:

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 15-59 who are in normal health but are unemployed and in need of financial support.

In the 1994/95 financial year, about 3,700 applications for Comprehensive Social Security Assistance (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).

End/Wednesday, June 21, 1995

Power of the Securities and Futures Commission

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

Question :

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 penalise the persons concerned under its own regulations; if so, whether those regulations are legally binding?

Answer:

The statutory functions of the 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.

End/Wednesday, June 21, 1995

Activities of religious groups in HK

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Following is a question by the Hon Zachary Wong Wai-yin and a written reply by the acting Secretary for Home Affairs, Mr Joseph Wong, in the Legislative Council today (Wednesday):

Question :

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?

Reply:

- (a) As provided for under the Societies Ordinance (Cap. 151), any society organised 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 categorised by religion into ten 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.

End/Wednesday, June 21, 1995