



## DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES  
BEACONSFIELD HOUSE, HONG KONG. TEL.: 2842 8777

Wednesday, July 3, 1996

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### Setting up of mortgage corporation approved

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The Hong Kong Monetary Authority (HKMA) announced today (Wednesday) that the Exchange Fund Advisory Committee has given approval in principle to the setting up of a mortgage corporation along the following lines:

- \* the mortgage corporation would be owned by the Government initially through the Exchange Fund with a capital base of \$1 billion;
- \* the corporation would be a limited company established under the Companies Ordinance; and
- \* the corporation would develop its business in two phases, starting with the purchase of mortgage loans for its own portfolio, followed by the issue of mortgage-backed securities.

The decision to establish a mortgage corporation was made following a consultation exercise that ended in mid-June.

During the consultation period, HKMA convened a number of briefings and discussions with the various institutions and industry associations to explain the proposal and to get comments.

In addition, written comments on the proposal were received from 23 organisations/individuals from a wide spectrum of the community including the banking sector, capital market participants, real estate developers, political groups and academics.

Commenting on the feedback obtained during the consultation, Chief Executive of HKMA, Mr Joseph Yam, said: "The overall reaction was very favourable, indicating broad agreement that the establishment of a mortgage corporation will contribute to banking and monetary stability, debt market development and home financing.

"There is also strong support for initial government ownership of the corporation in securing the acceptance and recognition of the corporation by the market."

Some comments and concerns have been expressed on specific aspects of the mortgage corporation proposal, including notably the projection of the shortfall in mortgage funds, effects of the corporation on banks' mortgage lending business, impact on the property sector, risk management issues, corporate structure and involvement of HKMA, as well as the features of the debt securities to be issued by the mortgage corporation.

"We have thoroughly considered all the comments and concerns on the proposal.

"Our assessment is that the setting up of the corporation would not have adverse implications for the banking sector and the property market.

"In fact, most of the comments and concerns can be addressed through a careful definition of the business scope of the mortgage corporation, a high degree of transparency in its operation, a broad representation on its Board of Directors and the putting in place of prudent risk management measures and mechanism," Mr Yam said.

HKMA will now proceed with the preparatory work for the setting up of the mortgage corporation.

As a first step, HKMA will prepare the draft memorandum and articles of association of the corporation, and finalise the organisational structure and human resource arrangements.

There is also a need to develop the purchasing and servicing standards, the information technology system and the asset and liability management mechanism of the corporation.

It is tentatively estimated by HKMA that the mortgage corporation would be able to commence operation in 12 months' time.

"We will fully consult the banking industry, capital market participants and other interested parties in the preparatory work to ensure that the concerns and requirements of the loan originators, capital markets, institutional investors, mortgage loan borrowers and other participants are taken into account," Mr Yam added.

End

IPCC Bill

\* \* \* \* \*

The government today (Wednesday) announced the introduction of a Bill to provide the statutory power for the Independent Police Complaints Council (IPCC) to monitor and review investigations of complaints against the police. The Bill will be introduced into the Legislative Council on July 10.

A government spokesman said the Independent Police Complaints Council Bill would empower the Council to require CAPO to reinvestigate any complaint. The Bill provides that the IPCC may interview witnesses, complainants and complainers. Council members can also conduct scheduled or surprise visit to observe investigations by the Complaint Against Police Office (CAPO) directly.

"According to the Bill, the Council shall in each year make a report to the Governor concerning the exercise of its functions and the Governor shall lay the report before the Legislative Council," he added.

The Bill also extends the same protection and privileges to members of the Council as are given to magistrates.

The spokesman pointed out that a number of measures had been introduced in recent years to improve the police complaints system, such as the installation of closed circuit television, video or tape-recording facilities in CAPO.

In addition, the government will implement the recommendations arising from an independent review of CAPO procedures conducted under the IPCC's aegis, and a tripartite comparative study of police complaints systems elsewhere.

The independent review was conducted by Mr Allan Chow, a directorate Administrative Officer seconded to IPCC in January this year, while the tripartite study was carried out by a group comprising representatives of the IPCC, Security Branch and the Police who had visited ten police jurisdictions in North America, Australia, Japan and Singapore since October last year.

Improvement measures to be taken are summarised as follows :

- \* To address the concern that some complaints may have taken considerable time to complete, CAPO will set time limits on handling complaints. These include contacting a complainant within two working days, providing progress report to the complainant every two months, aiming to complete investigation of complaint cases within four months - it will be shorter in practice if the case is less complicated.

- \* To enhance transparency of the system, IPCC will open part of its meetings to the public; complainants will be given more details of the investigation results; and leaflets on police complaints investigation procedures and the monitoring procedures of IPCC will be made available at all police stations and District Offices for distribution. Three million dollars will be allocated to launch publicity programmes over a three-year period.
- \* To ensure serious cases will receive adequate attention in the complaints system, the IPCC will set up a special panel to monitor serious cases, after which it will submit its findings in a special report to the Governor.
- \* To enhance the capability of the IPCC, one additional Vice-chairman and three additional members will be appointed to the Council. Besides, one more vetting team will be provided.
- \* CAPO procedures will be tightened up by making "tipping-off" officers being complained a disciplinary offence.
- \* Regular surveys and researches will be conducted to gauge public opinion towards the overall performance of the Force including the police complaints system.

Commenting on the findings of the reports, the spokesman said: "The Hong Kong system is not out of step with other overseas Police jurisdictions."

"Hong Kong is one of the few Asian territories where complaints against police are subject to the oversight of a civilian body."

"This body comprises Executive and Legislative Councillors and members from other walks of life."

"The implementation of the recommendations of the two reports will ensure that complaints are handled thoroughly, impartially and with due expedition."

End

Proposed changes to Mental Health Regulations approved

\* \* \* \* \*

The Executive Council has endorsed proposals to amend the Mental Health Regulations to bring them in line with the Hong Kong Bill of Rights Ordinance, a Government spokesman said today (Wednesday).

The Mental Health (Amendment) Regulation 1996 spells out the precise conditions under which the medical superintendent of a mental hospital may exercise his powers to interfere with or to impose restrictions on the activities of patients and their communications with outsiders.

The existing regulations provide for such powers without specifying the conditions. They may therefore be said to permit arbitrary interference with a patients' privacy and freedom.

"The amendments will remove the arbitrariness and uncertainty implicit in the existing provisions," the spokesman said.

"It will enable a patient or any person intending to communicate with a patient to judge whether his proposed action is likely to be subject to intervention," he added.

The existing Mental Health Regulations empower the medical superintendent to, amongst others, censor letters, postal packets, parcels or other matters addressed to or sent by patients, and to restrict patients' possession or receipt of articles or certain things.

"It is necessary to retain the current statutory powers of a medical superintendent so that they can be invoked if circumstances so warrant," the spokesman explained.

"It may be necessary to interfere with the activities of patients or their communications for the prevention of unnecessary distress to themselves, or for prevention of fictitious or defamatory allegations made by patients who may not fully understand the consequences of their acts," he added.

The Mental Health (Amendment) Regulation will be gazetted this Friday (July 5) and be tabled before the Legislative Council on July 10.

End

### Public cargo areas revised tender arrangement rejected

\* \* \* \* \*

The Marine Department has expressed its disappointment over cargo operators' objection to a revised arrangement for tendering berths of the Public Cargo Working Areas (PCWAs).

After careful studies of the views expressed by some cargo operators, the Marine Department revised the tender arrangement to incorporate a regionalised element.

The nine PCWAs in the territory are either grouped in Region 1 or Region 2 according to their geographical locations. Those located in the eastern part of the territory are grouped in Region 1 and the rest, in the western part, in Region 2.

Operators whose operations are normally based in PCWAs in the eastern part of the territory are allowed to bid for berths of PCWAs grouped in Region 1 while those in the western part in Region 2.

The PCWAs in Cha Kwo Ling, Kwun Tong, Chai Wan and Wan Chai are grouped into Region 1 and those in the Rambler Channel, Tsuen Wan, Western, Sheung Wan and Yau Ma Tei in Region 2.

"The regional restriction is intended to remove the unwarranted worries of some operators that they may be forced to work their cargo in another district if they are allowed to bid for a berth in any one of the nine PCWAs as in the previous proposal," the Assistant Director of Marine (Planning and Local Services), Mr Raymond Tang, said today (Wednesday).

"The cargo handling/transportation business is a mobile business. Relocation to another district within the small confine of Hong Kong should not cause them any operational problem."

Representatives from the cargo operators associations were informed of the new proposed arrangement at a meeting chaired by Mr Tang this afternoon.

Mr Tang assured them that no operator would be forced out of business by it under the previous arrangement or the latest proposed system.

"We have built-in measures to safeguard the interests of the existing operators. Fine-tuning the arrangement is only for the purpose of putting the operators' mind at ease," Mr Tang said.

The operators rejected the new regionalised arrangement and demanded a district-based arrangement.

They insisted that only existing operators at a particular PCWA are allowed to bid for the berths in that PCWA.

Mr Tang said: "The objective for introducing a tender system is to ensure a fair and open berth allocation system in the PCWAs and to enhance productivity.

"The demand of a district-based tender system from some operators is entirely for their own interests.

"Their proposal would only lead to rigging the whole tender exercise. It is not fair and does not offer a level playing field to those operators who would like to increase their cargo throughput by bidding a better location."

The Marine Department will report the outcome of today's meeting to a government working group which oversees the management reform in PCWAs.

End

#### Drug abuse statistics for first quarter released

\* \* \* \* \*

The figure of young drug abusers for the first quarter in 1996 continues to decrease for the fifth consecutive quarter, according to the statistics released by the Government's Central Registry of Drug Abuse today (Wednesday).

The number of reported drug abusers under the age of 21 decreased by 15.5 per cent to 1,185 in the first quarter this year, when compared with 1,403 in the same period of 1995.

Among them, 467 were reported for the first time, representing a drop of 20.3 per cent against 586 last year. The other 718 were previously reported, showing a decrease of 12.1 per cent from 817.

For drug abusers of all ages, the figure showed a slight decrease of 0.3 per cent to 6,844 from 6,866 in the corresponding quarter last year.

Of them, 1,006 were newly reported, a drop of 9.2 per cent from 1,108. The number of previously reported persons however noted an increase by 1.4 per cent to 5,838 from 5,758.

Also noteworthy in the statistics is the percentage of female drug abusers which has increased from 10.3 per cent (705) to 10.9 per cent (745) for all ages and from 19.4 per cent (272) to 23.2 per cent (275) for those under 21.

Compared the drug abuse pattern among all reported persons, a slight increase was noted in the percentage of psychotropic substances abusers from 11.1 per cent to 12.1 per cent, but the proportion of multiple drug abusers decreased slightly from 4.6 per cent to 4.4 per cent.

For those aged under 21, the percentage of psychotropic substance abusers increased from 29.9 per cent (378) to 34.6 per cent (383).

More than half (52.3 per cent) of the young drug abusers attributed the reason of drug taking to peer pressure. Other common reasons were curiosity (33.8 per cent), avoidance of the discomfort of withdrawal (31.5 per cent), relief of boredom, depression or anxiety (18.6 per cent) and seeking euphoria or sensory satisfactory (14.7 per cent).

On the treatment front, a total of 3,732 persons were admitted to the three government-funded treatment programmes in the first quarter of 1996, including the voluntary in-patient treatment programme, the methadone programme and the compulsory placement programme. Of them, 962 were first-time admissions. These represented an increase in total admissions by 4.7 per cent and an increase in new admissions by 6.8 per cent.

Among the total admissions, 520 were aged under 21, of which 343 were new admissions. The figures showed increases of 7.4 per cent and 5.2 per cent respectively.

The methadone programme recorded the highest increase in newly admitted young drug abusers, by 13.5 per cent to 322.

End

Amendments to prison rules proposed

\* \* \* \* \*

The Government has proposed amendments to the prison rules, which, among other things, seek to relax the restrictions on prisoners' correspondence and to empower the Commissioner to withhold from inmates publications which may pose a threat to good order or discipline within penal institutions.

A government spokesman said the authorities had completed a comprehensive review of the prison rules, including an assessment of their acceptability in relation to the Bill of Rights Ordinance (BORO).

A number of amendments under the Prison (Amendment) Rules 1996 are now proposed to ensure consistency with BORO and to allow for more effective and efficient administration of the rules.

"One of the proposed amendments is to ease the restrictions under Prison Rule 47 to allow prisoners to write an unlimited number of letters each week," the spokesman said.

"We also propose to remove the restriction that prisoners can correspond with their friends and relatives only, and to relax the examination requirement so that while Correctional Services staff may continue to check for contrabands in all institutions, routine reading of letters will be done in maximum security prisons only.

"Under the new rule, Correctional Services staff would not read the correspondence of prisoners in medium security and minimum security prisons unless the staff have good reasons to believe that the contents threaten the security, good order or discipline in the institution.

"Routine security checks for contraband or restricted materials will continue to be conducted on incoming and outgoing correspondence."

He stressed that these amendments were consistent with the BORO.

Referring to a recent High Court ruling against the withholding of horse-racing supplements, the spokesman said the ruling had weakened the Commissioner of Correctional Services' ability to control gambling activities in penal institutions.

The High Court has held that such withholding is not lawful because Prison Rule 56 does not provide the Commissioner with such authority.

"The proposed amendments to Prison Rule 56 would provide a proper legal basis for restrictions on the withholding of all publications, including horse-racing supplements, which may pose a threat to the good order and discipline within penal institutions.

"It is important that our prison authorities have the necessary statutory powers to maintain good order and discipline in penal institutions.

"The sooner the amendment to Prison Rule 56 is enacted, the sooner this loophole will be plugged," he added.

The spokesman said the Government had received legal advice that the proposed amendment was consistent with the BORO and could proceed independently of the appeal.

The other amendments are mainly to streamline procedure to enhance the administration of the rules.

The Prison (Amendment) Rules 1996 will be gazetted on July 5 and are expected to be tabled at the Legislative Council on July 10.

End

#### Government draws up action plan to enhance industrial safety

\* \* \* \* \*

The Government is very concerned about the recent spate of industrial accidents and is strengthening and implementing measures to promote industrial safety, said the Secretary for Works, Mr H S Kwong, this (Wednesday) morning at the launching ceremony of the 1996 ACP Construction Safety Award Scheme.

"We have, following a high-level inter-departmental meeting on June 18, drawn up an action plan to enhance safety at three main high-risk areas : construction sites, work at height and confined spaces," he noted.

The main points of the strategy include :

- \* Labour Department will step up inspections and prosecutions, and will seek Attorney General's review of any inadequate penalty for breach of industrial safety requirements. The department will also set up a hotline to handle complaints of industrial and occupational hazards;

- \* the Government will consider the need to strengthen existing industrial safety legislation and urge the Legislative Council to expedite its scrutiny of two important pieces of draft legislation which will greatly enhance industrial safety;
- \* the Education and Manpower Branch will publish a charter for safety to promote safety culture in work places;
- \* the Occupational Safety and Health Council will mount an intensive educational and publicity campaign and organise a series of seminars on industrial safety; and
- \* the Government will tighten the rules on suspending contractors with unsatisfactory industrial safety records from tendering government works contracts.

"While the Government has attached the greatest importance to industrial safety, real improvement can be achieved only with joint effort from the employers and employees," Mr Kwong stressed.

"Workers, contractors, consultants and Government staff alike, all must increase safety endeavours in every way possible," he noted.

Mr Kwong said that the annual ACP Construction Safety Award Scheme, organised by the New Airport Projects Co-ordination Office (NAPCO), had over the past few years helped to promote an increasing awareness of safety among ACP contractors, their supervisors and workers.

"It has also been an important part of NAPCO's initiatives to encourage more improvement in construction safety," he added.

Mr Kwong pointed out that in 1992 with the construction activities for the ACP beginning to intensify, the Government introduced a series of measures designed to ensure that the highest possible standards of construction safety were achieved in ACP contracts.

"The joint efforts of all parties concerned have produced positive results. In the first five months this year, we have achieved a non-fatal accident rate of 56 per thousand workers per year, which is within ACP's target of 60.

"Despite generally improving trends, we are still far away from our prime target of zero fatality for the ACP works. We are very sad to have witnessed that serious accident at Kwai Chung on June 6, resulting in the death of six workers," he said.

This year the award scheme will comprise three categories of awards. The safety Management Award will be presented to sites with a high quality of safety management, the Safety Record Award to those sites with distinguished safety record and the Safety Promotion Award will recognise contractors who make the best efforts in promoting construction safety to their staff, workers and sub-contractors.

Also officiating at today's launching ceremony were Legislative Councillors Mr Lau Chin-shek, Mr James Tien and Dr Samuel Wong; Chairman of the Airport Consultative Committee on the New Airport and Related Projects (ACC), Mr Hu Fa-kuang; as well as the Acting Director of NAPCO, Mr John Burrett.

End

#### Land Registry statistics released

\* \* \* \* \*

The Land Registry (LR) today (Wednesday) announced statistics for June as well as those for the first six months of this year.

A total of 67,445 sale and purchase agreements of building units, mainly flats, were lodged with LR during the first half year.

The figure represents an increase of 43.5 per cent and 33.2 per cent compared with the second half of 1995 and the first half of 1995 respectively.

The total amount of the considerations involved in these agreements was \$197.12 billion which was up by 63 per cent and 36 per cent compared with the two preceding half-yearly periods.

During the first six months of 1996, 78,255 assignments of building units, the majority being residential, were lodged for registration, compared with 63,284 and 48,928 respectively recorded during the second half of 1995 and first half of 1995, showing an increase of 23.7 per cent and 59.9 per cent respectively.

The total amount of the considerations involved, amounting to \$185.42 billion, indicates increases when compared with the two preceding half years.

The total amount secured under mortgages (other than building mortgages) was \$41.23 billion, showing a decrease of 0.1 per cent but an increase of 16.1 per cent compared with the second half of 1995 and first half of 1995 respectively.

A table summarising the above figures and other related statistics for the first half of 1996, together with the corresponding statistics recorded in the second half of 1995 and first half of 1995 was released today by the Registry.

Searches of land records made by members of the public during the first half of 1996 totalled 1,988,018, up by 33.3 per cent and 37.4 per cent compared with the second half of 1995 and first half of 1995 respectively.

Meanwhile, for the month of June, LR received for registration 11,056 sale and purchase agreements for building units, which include both residential and non-residential properties.

The figure represents a decrease of 33.1 per cent from May 1996 but an increase of 42.8 per cent when compared with June 1995.

The total considerations of these agreements in June is \$34.8 billion, down 25.3 per cent but up 62.4 per cent when compared with the amounts for May 1996 and June 1995 respectively.

The figures are contained in the monthly statistics released today by LR on deeds relating to property transactions received for registration in the urban and New Territories land registries in June 1996.

Relevant statistics for May 1996 and June 1995 were provided for comparison. Figures on sale and purchase agreements received for the past 12 months and the year-on-year rate of change were also released.

These statistics generally relate to land transactions executed up to four weeks prior to their submission for registration, as there is usually a time lag between the execution of deeds and their lodgement for registration.

End

VMs from Whitehead Detention Centre to be transferred

\* \* \* \* \*

About 550 Vietnamese migrants (VMs) will be transferred from Section 4 of the Whitehead Detention Centre (WHDC) to Victoria Prison (VP) today (Wednesday) in preparation for their return to Vietnam under the Orderly Repatriation Programme.

They will join another group of about 50 VMs who are already in VP for pre-flight documentation and medical checks. The total of about 600 VMs will be repatriated to Vietnam in five flights in July.

Meanwhile, some 450 VMs had been transferred from Section 4 to Sections 5 and 6 of WHDC yesterday, and another some 650 will be transferred to High Island Detention Centre (HIDC) today. After these transfers, Section 4 of WHDC will be vacated.

The transfer to VP and HIDC will be observed by independent monitors.

End

VMs transferred in dual operation at Whitehead

\* \* \* \* \*

An operation was carried out smoothly today (Wednesday) to transfer 547 Vietnamese migrants (VMs) from the Whitehead Detention Centre (WHDC) to Victoria Prison, pending their return to Vietnam under the Orderly Repatriation Programme, and to relocate nearly 500 VMs to the High Island Detention Centre (HIDC).

They are all residents of Section 4 of WHDC. Some 450 VMs were transferred from this section to other sections in the centre yesterday.

The VMs began packing their belongings early this morning after the names of those to be repatriated were announced at 7 am. Simultaneously, it was announced that about 490 VMs would be transferred to HIDC and about 150 would be relocated in two other sections at WHDC.

The 547 VMs being transferred to Victoria Prison were taken in two convoys and will join about 50 other there for pre-flight formalities. They will all be repatriated to Vietnam in five flights this month.

After the operation this morning, Section 4 of WHDC is temporarily closed.

End

Monitors' Report submitted to CS

\* \* \* \* \*

The monitors appointed to observe the transfer of Vietnamese migrants from Section 4 of the Whitehead Detention Centre to Victoria Prison and High Island Detention Centre today (Wednesday) have submitted their report to the Chief Secretary.

The four monitors comprised two non-official justices of the peace, Mr Ng Tat-lun and Mr Winston Chu Ka-sun; and representatives from two non-government organisations, Mr Christopher Stokes from Medecins Sans Frontieres and Mr Tik Chi-yuen from Oxfam.

End

Launching of Summer Youth Programme on Saturday

\* \* \* \* \*

The Director of Home Affairs, Mrs Shelley Lau, will officiate at an opening ceremony to officially launch this year's Summer Youth Programme on Saturday (July 6).

The opening ceremony, to be held at the Queen Elizabeth Stadium, will be followed by a variety show jointly organised by the Summer Youth Programme Committee and Radio Television Hong Kong. Entitled "Swinging Summer", the variety show will adopt the Olympic Games as the theme.

At the opening ceremony, Mrs Lau will present souvenirs to the Chairman of the Summer Youth Programme, Mr Norman Lo; Steward of the Hong Kong Jockey Club, Chairman of 18 Summer Youth Programme District Coordinating Committees, Mr C K Hui, and representatives from other sponsors.

This year's Summer Youth Programme, now enters its 28th anniversary, will provide over 14,000 social and recreational activities under the theme "Share the Fun, Serve the Community" for the participation territory-wide by youngsters aged from 6 to 25.

The activities will be organised at a budget of \$39.2 million, including a donation of 17.6 million dollars from the Hong Kong Jockey Club.

End

Public consultation on special education report

\* \* \* \* \*

The Board of Education reminded school sponsors, serving school principals and teachers, practitioners in the special education sector and members of the public that the public consultation on a report on the review of local special education will end next Monday (July 8).

The Report, which recommends a package of comprehensive measures to improve special education in the territory, was prepared by the Board of Education's Sub-committee on Special Education.

Copies of the report and its executive summary, in both Chinese and English, are being distributed to the public at the Education Department's reception counter on 10th floor, Wu Chung House, 213 Queen's Road East, Wan Chai, and Perth Street Special Education Services Centre, 6 Perth Street, Ho Man Tin, Kowloon.

Views and suggestions on the report should reach the Secretary of the Board of Education at Room 1123, Education Department Headquarters, Wu Chung House, 213 Queen's Road East, Wan Chai, on or before July 8, 1996.

Enquiries should be directed to the Secretary on 2892 6630.

End

### Respect Our Teachers English Essay Contest

\* \* \* \* \*

Senior forms students of all secondary schools including special schools, schools of the English Schools Foundation and international schools are invited to participate in an English essay contest.

"The contest, jointly organised by the Committee on Respect our Teachers Campaign and the Education Department, aims at arousing the awareness of respecting teachers and promoting their positive image," the chairman of the committee, Mr Fan Kam-ping, said.

The contest is classified into two categories:

- \* Group A: students of Secondary Four to Five, or equivalent
- \* Group B: students of Secondary Six to Seven, or equivalent

In not exceeding 2,000 words, students are invited to express themselves in forms of prose or fiction either on "A memorable encounter with my teacher" or "A tribute to my teacher".

"The panel chairpersons of English may incorporate these topics into the list of composition topics proposed for senior forms in the 1996/97 school year," Mr Fan said.

Prominent academics of English, lecturers of the Hong Kong Institute of Education and inspectors of the Education Department will form the judging panel of the contest.

Each winner of the contest will be presented with a trophy. In addition, the champion of each group will be awarded with cash prize of \$2,000 while the first runner-up and the second runner-up will be presented with \$1,500 and \$1,000 respectively. Five merit prizes of each group will be awarded \$400.

"Every school can only send in two entries for each group," Mr Fan said.

The entries, attached with entry forms, should be type-written, of double-line spacing on an A4-size paper.

They should be mailed or delivered to "Respect Our Teachers English Essay Contest" c/o Hong Kong Teachers' Association, seventh floor, National Court, 242 Nathan Road, Kowloon on or before November 15, 1996.

Results will be published in mid December and winners will be notified through their respective schools.

End

Three lots to let

\* \* \* \* \*

The Lands Department is inviting tenders for the short-term tenancy of three pieces of government land on Hong Kong Island and in the New Territories.

The first lot located in Lei King Road, Sai Wan Ho, has an area of about 885 square metres. It is intended for use as a fee-paying public car park for motor vehicles, excluding containers, tractors, trailers and container vehicles.

The tenancy is for one year, renewable quarterly.

The second lot is located in Area 15, Tseung Kwan O, Sai Kung. With an area of about 2,570 square metres, the lot is also designated for use as a fee-paying public car park for the parking of motor vehicles, school buses and lorries, excluding containers, container trailers and articulated vehicles.

The tenancy is for six months, renewable monthly.

Covering an area of about 25,400 square metres, the third lot is located at Container Port Road South, Kwai Chung. The lot is intended for consolidation and handling of container goods or storage of containers and other non-offensive goods.

The tenancy is for one year, renewable monthly.

The closing date for submission of tenders is noon on July 19.

Tender forms, tender notices and conditions may be obtained from the Lands Department, 14th floor, Murray Building, Garden Road, Kowloon District Lands Office and the respective district lands offices of Hong Kong East, Sai Kung and Kwai Tsing.

Tender plans can also be inspected at these offices.

End

Hong Kong Monetary Authority money market operations

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	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	2,004	0930	-50
Closing balance in the account	1,630	1000	-50
Change attributable to :		1100	-50
Money market activity	- 49	1200	-50
LAF today	- 325	1500	-40
		1600	-49

LAF rate 4.00% bid/6.00% offer TWI 124.5 \*+0.0\* 3.7.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.25	2 years	2805	6.30	100.08	6.35
1 month	5.17	3 years	3904	6.30	99.16	6.74
3 months	5.27	5 years	5106	7.23	100.05	7.35
6 months	5.47	7 years	7305	7.60	100.46	7.65
12 months	5.80	5 years	M502	7.30	99.55	7.56

Total turnover of EF bills and notes - \$22,796 million

Closed July 3, 1996

End



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ISSUED BY GOVERNMENT INFORMATION SERVICES  
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Motion debate on Western Corridor Railway

\* \* \* \* \*

Following is a speech by the Secretary For Transport, Mr Gordon Siu, on the motion debate on the Western Corridor Railway moved by the Hon Ngan Kam-chuen in the Legislative Council today (Wednesday):

Mr President,

I am grateful to the Hon Ngan Kam-chuen for initiating this motion debate on the Western Corridor Railway (WCR) and to the Members who have spoken on the subject. Members' comments reflect a clear wish to see the WCR built in a speedy and cost effective manner. This sentiment is fully shared by Government. Let me bring Members up to date on where we stand with this project.

Government's Commitment to the WCR

The WCR is a priority project for Government. This railway, which accommodates a passenger service between northwest New Territories and the urban area; a cross border passenger service; and a freight service will provide much needed transport capacity to the NWNT, ease road congestion and enhance our transportation links with China.

We are committed to embarking on all necessary planning and preparatory work with a view to the speedy implementation of the project.

On the make-up of the railway, I would like to re-assure Hon Selina Chow that we have always envisaged the WCR to be a freight/passenger line.

Background

There have been comments that Government is not serious about proceeding with the project, or that we are delaying it. Neither is true. If one looks at what has happened, it will become clear that we are going through a process, not delaying it.

In 1991 Government commissioned a Railway Development Study to establish a framework for planning the future expansion of the territory's rail network. In 1993 we conducted an extensive public consultation exercise based on the study. In 1994 Government announced the Railway Development Strategy (RDS). The WCR is one of the three priority projects in the RDS.

In January 1995, Government invited KCRC to submit a proposal for the construction and operation of the WCR, targeted for completion by 2001. In response to this invitation, KCRC performed a Feasibility Study and submitted a Proposal to Government in November 1995.

The scheme proposed by KCRC is in general accordance with that laid down in the Railway Development Strategy, but in accordance with comments put to us during the consultation exercise, KCRC recommended that the rail line would be extended from Tuen Mun North to Tuen Mun Town Centre.

### Time-table

To meet the target completion date of 2001, Government had envisaged the assessment of KCRC's submission and further studies, as well as negotiations with the Corporation to take place during 1996. We had aimed to arrive at a view on KCRC's proposal by the end of the year, to be followed by preparing and finalising the terms of a project agreement in 1997 and completing all necessary consultations leading to approval of the project and construction by 1998.

### Examination of KCRC's Proposal

What has Government been doing since receipt of KCRC's proposals?

A Project Steering Committee, a Project Working Group as well as a number of task groups within Government were established in 1996 to undertake the careful consideration of KCRC's proposal. The Hon Zachary Wong has asked for a team to be set up to work on land resumption matters. This has been done. Lands Department has set up a planning team to look into the implications of all land aspects of the project, including land acquisition. Furthermore, with the assistance of engineering consultants, the employment of which was approved by Finance Committee, we are examining the technical aspects of KCRC's submission and the numerous engineering interface problems that need to be resolved. Financial consultants are assisting with evaluating the financial viability of the Corporation's proposal and recommending a preferred funding arrangement.

Why does the Government employ a separate team of consultants?

The proposals put forward by the KCRC involved details which are technical and complex. The Government has a duty, before allowing the project to proceed, to vet these details. There are also implementation and interface issues, affecting other Government and private sector projects, which the KCRC might not be aware of when it drew up the proposals. These issues have to be identified, examined and resolved. This work can be undertaken by civil servants, or consultants. Since railway projects are one-off projects, it is not cost-effective for Government to separately recruit additional civil servants to form the study team; hence the employment of consultants as approved by the Finance Committee in 1995.

#### Cost of the project

KCRC have estimated that the project cost of the WCR, which is partly in tunnel, partly on embankment and partly on elevated viaducts, would be about \$75 billion in Money of the Day terms.

There has been concern that KCRC's cost estimates are substantially higher than the estimates given in Government's Railway Development Strategy (RDS) document published in December 1994. I would like to put the different figures in proper perspective.

The cost estimate in the RDS for the WCR running from West Kowloon to Tuen Mun north is \$32 billion at 1994 prices. That estimate, in Money of the Day terms, is \$54 billion.

KCRC's cost estimate at \$75 billion has allowed for changing the scope of the project, such as extending the railway to Tuen Mun Town Centre, as well as project reserves and financing costs, which are not included in the 1994 RDS estimates.

I should nevertheless stress again that \$75 billion is still only an estimate by the KCRC. It will need to be refined in the light of more detailed studies, a more accurate assessment of land resumption requirements and further in-depth discussions with Government.

#### Cost-effectiveness

Why is the Government so cautious in handling this project?

This is for no other reason than the desire to ensure that the project is cost-effective; that undertaking it will not create a problem for the Government before or after 1997; and that the railway will bring real benefits to the region it serves, at fares that are affordable to those who use it daily.

#### Consultations with the Chinese side

On the question of consultation with the Chinese side we have, since 1993, kept the Chinese side of the JLG informed about the development of our railway planning work. We last briefed the Chinese side on the subject of the Western Corridor Railway in February 1996. On 13 June we provided the Chinese side with two sets of the KCRC's proposal on the WCR (with the exception of the most commercially sensitive materials). On 14 July I shall brief the Economic Sub-Group of the Preparatory Committee with a team comprising the Chairman of the KCRC and his colleagues.

The WCR is a huge and important project. It will be implemented, almost in its entirety, by the SARG. We have undertaken to consult the Chinese side before any decision that would commit the future SARG is taken.

To conclude, I would re-assure this Council that it is Government's firm intention to press ahead with the planning of the Western Corridor Railway and strive for its early implementation. In so doing we shall ensure that project progress and expenditure are stringently monitored and controlled and that the project is implemented in the most cost-effective manner.

I am therefore able to support the resolution moved by the Hon Ngan Kam Chuen; although I would question his choice of description for the construction and resumption cost as estimated by KCRC.

As regards the amendment to the motions proposed by the Hon Zachary Wong, I dispute his contention that Government has been delaying the construction of the WCR and disregarding the traffic congestion problem faced by residents in the northwest NT.

As I have stated earlier, the WCR remains a priority project for Government. It is because we want to deal with the problems faced by residents in NWNT that we are pressing ahead with the necessary planning and preparatory work with a view to the project's implementation.

End

Government committed to building Western Corridor Railway

\* \* \* \* \*

It is Government's firm intention to press ahead with the planning of the Western Corridor Railway (WCR) and strive for its early implementation.

The assurance was given by the Secretary for Transport, Mr Gordon Siu, in his reply on the motion debate moved by the Hon Ngan Kam-chuen in the Legislative Council today (Wednesday).

Mr Siu also disputed Council members that the Government had been delaying the construction of WCR and disregarding the traffic congestion problem faced by residents in the Northwest New Territories.

"In so doing we shall ensure that project progress and expenditure are stringently monitored and controlled and that the project is implemented in the most cost-effective manner," he said.

Mr Siu emphasised that WCR remained a priority project for Government.

"It is because we want to deal with the problems faced by residents in NW NT that we are pressing ahead with the necessary planning and preparatory work with a view to the project's implementation," he said.

End

Increase of fines in Companies Ordinance

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Following is a speech by the acting Secretary for Financial Services, Mrs Lessie Wei Chui Kit-ye, in moving the resolution on the Interpretation and General Clauses Ordinance to amend the Companies Ordinance relating to increase of fines in the Legislative Council today (Wednesday):

Mr President,

I move the resolution standing in my name in the Order Paper.

The motion before Members seeks to increase the statutory maximum fines stipulated in the Companies Ordinance (Cap 32) and its subsidiary legislation and to convert them as appropriate into a standard scale.

Section 100A(1) of the Interpretation and General Clauses Ordinance (Cap 1) provides that the Legislative Council may, by resolution, amend any Ordinance so as to increase the amount of any fine specified in that Ordinance.

The Criminal Procedure (Amendment) (No 2) Ordinance 1994 enacted in July 1994 introduced a scale of fines for statutory penalties not exceeding \$100,000. This enables the maximum fine level to be increased from time to time by a single order of the Governor in Council to take account of inflation and hence preserve the deterrent effect of the penalties. The standard scale of fines consists of six levels, ranging from \$2,000 at Level 1 to \$100,000 at Level 6.

The standard scale, however, does not take account of inflation in respect of fines specified in money terms before their conversion to the scale. A review of the existing fines has therefore been necessary. I have reviewed those under the Companies Ordinance and now propose to revise 259 statutory maximum fines under the Companies Ordinance (Cap 32) and two statutory maximum fines under the Companies (Winding-up) Rules (Cap 32 sub leg).

All maximum fines at or below \$100,000 after adjustment will be converted to the appropriate level of fines on the standard scale. However, a daily fine or a daily penalty below \$100,000 after adjustment and fines greater than \$100,000 will continue to be expressed in money terms.

Mr President, I beg to move.

End

Factories & Industrial Undertakings (Amendment) Regulation

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Following is the speech by the Secretary for Education and Manpower, Mr Joseph W P Wong, in moving a motion on the Factories and Industrial Undertakings (Amendment) Regulation 1996 in Legislative Council today (Wednesday):

Mr President,

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

The Sex Discrimination Ordinance, which renders certain kinds of sex discrimination unlawful, was enacted on July 14, 1995. Exceptions are however laid down in sections 12 and 57 of the Ordinance for cases in which sex is a genuine occupational qualification, and for acts done for the purposes of protecting women. Such exceptions will expire in one year's time after the enactment of the Ordinance, unless they are extended by another year by resolution of this Council.

Regulation 25 of the Factories and Industrial Undertakings Regulations provides that no woman should be permitted to clean any dangerous part of any machinery or mill-gearing while the machinery or mill-gearing is in motion. The regulation is listed under Schedule 3 of the Sex Discrimination Ordinance as one of the provisions to which exceptions under sections 12 and 57 apply.

The Administration agrees that there is no evidence to suggest that women are more accident prone than their male counterparts in performing certain dangerous jobs. I therefore propose that the Factories and Industrial Undertakings (Amendment) Regulation 1996, which repeals the references to woman in regulation 25(1) and (2), should be approved by Members.

The proposal has been endorsed by the Labour Advisory Board.

Mr President, I beg to move.

End

Construction Sites (Safety) (Amendment) Regulation

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Following is the speech by the Secretary for Education and Manpower, Mr Joseph W P Wong, in moving a motion on the Construction Sites (Safety) (Amendment) Regulation 1996 in the Legislative Council today (Wednesday):

Mr President,

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

The Sex Discrimination Ordinance, which renders certain kinds of sex discrimination unlawful, was enacted on 14 July 1995. Exceptions are however laid down in sections 12 and 57 of the Ordinance for cases in which sex is a genuine occupational qualification, and for acts done for the purposes of protecting women. Such exceptions will expire in one year's time after the enactment of the Ordinance, unless they are extended by another year by resolution of this Council.

Regulation 46 of the Construction Sites (Safety) Regulations provides that no woman should be permitted to clean any dangerous part of any machinery or plant in the construction site while the machinery or plant is in motion. The regulation is listed under Schedule 3 of the Sex Discrimination Ordinance as one of the provisions to which exceptions under sections 12 and 57 apply.

The Administration agrees that there is no evidence to suggest that women are more accident prone than their male counterparts in performing certain dangerous jobs. I therefore propose that the Construction Sites (Safety) (Amendment) Regulation 1996, which repeals the reference to woman in regulation 46(1), should be approved by Members.

The proposal has been endorsed by the Labour Advisory Board.

Mr President, I beg to move.

End

Sex Discrimination Ordinance

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Following is the speech by the Secretary for Education and Manpower, Mr Joseph W P Wong, in moving a motion to amend the Sex Discrimination Ordinance in the Legislative Council today (Wednesday):

Mr President,

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

The Sex Discrimination Ordinance, enacted on 14 July 1995, renders sex discrimination unlawful in the employment field. The women-specific protective employment restrictions laid down under the Women and Young Persons (Industry) Regulations are exempted from the application of the Sex Discrimination Ordinance for a period of one year from the date of enactment of the Ordinance. The purpose of this resolution is to extend this grace period for another year.

The objective of the Women and Young Persons (Industry) Regulations, made under the Employment Ordinance, is to safeguard the health and welfare of female (and young) workers in industry. The Regulations prohibit women from working in dangerous trades [e.g. boiler chipping, manufacturing process using arsenic, lead, mercury, etc.], restrict their working hours and prohibit them from working on rest days. Section 57(3) of the Ordinance provides for a one-year grace period to exempt these provisions from the application of the Ordinance. To allow time for the Administration to review and to take appropriate adaptive measures, Section 57(4) further provides that this grace period may be extended for another year by resolution of this Council.

During the current one-year grace period the Labour Department has conducted a thorough review of the Women and Young Persons (Industry) Regulations and assessed the implications of removing those women-specific provisions which are incompatible with the Sex Discrimination Ordinance. As the exercise required extensive and time-consuming research and analysis of similar employment legislation in other countries, and Hong Kong's obligations under various International Labour Conventions, the review was only completed in April this year. The report on the review by the Labour Department was put to the subcommittee set up by this Council for the purpose of examining my present motion at its meeting on 19 June 1996.

The review has identified three options to deal with the issue. The first is to remove the employment restrictions in the Regulations. The second is to extend these restrictions to male workers. The third is to preserve the women-specific employment restrictions.

The issues involved are very complex and the implication of each of the options on the labour market needs to be carefully considered before taking a decision. Furthermore, amending regulation 4 of the Women and Young Persons (Industry) Regulations which prohibits the employment of women in underground and tunnelling works would mean that Hong Kong has to denounce the application of the International Labour Convention No. 45 on Underground Work (Women) Convention. The Chinese side will need to be consulted through the Joint Liaison Group if the International Labour Convention No. 45 is to be denounced, as it involves Hong Kong's international rights and obligations after June 1997.

Statutory restrictions over certain aspects such as working hours, overtime employment and compulsory rest days are likely to be controversial. Legislative control in these areas for both men and women in all economic sectors would mean improved benefits for employees but, at the same time, higher labour cost and less flexibility for employers.

I wish to point out that the review report prepared by the Labour Department represents no more than the initial assessment by an internal working group. It merely sets out the possible approaches to resolving the incompatibility between the Women and Young Persons (Industry) Regulations and the Sex Discrimination Ordinance. The Administration has not taken a final view on these important issues. We will have to consult the Labour Advisory Board, and other parties concerned extensively before deciding on the way forward.

Given the complexity and far-reaching implications of the subject, plus the need to consult widely and extensively, it is necessary to seek an extension of the grace period for another year. I am grateful that the subcommittee set up to examine my present motion has indicated its support to extending the grace period under section 57(3) of the Sex Discrimination Ordinance for another year. I confirm that the Administration will undertake to draw up a timetable on the consultation and legislative procedures involved and, to make regular progress reports on the matter to the Manpower Panel of this Council.

Mr President, I beg to move.

End

Witness Protection Bill

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Following is the speech by the Secretary for Security, Mr Peter Lai, in moving the second reading of the Witness Protection Bill in the Legislative Council today (Wednesday):

Mr President,

I move the second reading of the Witness Protection Bill. The Bill seeks to provide a legislative framework for the existing Witness Protection Programmes, and to establish a system for the change of identity of high-risk witnesses.

The existing Witness Protection Programmes are operated by the Police and the ICAC to provide protection for high-risk witnesses. The key features of these Programmes include a professional threat assessment, a high level approving authority, agreements on the offer and termination of protection, relocation arrangements, and an appeal mechanism. Changing the identity of witnesses is not a feature in the existing Programmes. However, taking account of the recommendations of Justice Kempster's Commission of Inquiry into Witness Protection, we consider that changing identity, coupled with other protection measures such as relocation, is effective both in terms of physical protection, and especially in providing reassurance to high-risk witnesses. We have therefore undertaken to introduce legislation to facilitate the change of identity of witnesses and, at the same time, enhance the effectiveness of the existing Witness Protection Programmes by giving them legal backing.

The Witness Protection Bill gives legislative effect to the features of the existing Witness Protection Programmes, in particular, the requirement of witnesses to provide certain information to the approving authority, the assessment criteria for inclusion in the Programmes, the signing of a memorandum of understanding for admission into the Programmes, and the procedures for the termination of protection.

As regards the change of identity of witnesses, we propose that, on the personal recommendation of either the Commissioner of Police or the Commissioner, ICAC and with the Governor's approval, official documents pertaining to a protected witness will be issued under a new fictitious persona. Apart from providing clear statutory powers for officials to change the identity of witnesses, our proposed scheme is comprehensive in that it will not indicate any change of identity has taken place, and the identification documents of the witness's spouse and children can also be covered. This will provide greater reassurance to the protected witnesses. However, the protected witnesses will not be provided with any academic or professional qualifications, since it cannot be done on a fictitious basis when a person does not possess the requisite skills.

We propose to impose penalties for the improper disclosure of certain types of information concerning the Witness Protection Programmes. The Bill provides that disclosure of details of the Witness Protection Programmes by the witnesses involved, without legal authority or reasonable excuse, should constitute an offence punishable by imprisonment for a maximum term of five years. Moreover, we propose that any disclosure of information, without lawful authority or reasonable excuse, as to the identity or location of a protected witness, or any improper disclosure of any information which may compromise the security of a witness, should be punishable by imprisonment for a maximum period of ten years.

The high level approving authority of the scheme will ensure that it is not open to abuse, and address any possible concern about the integrity of official documents issued. The Bill contains provisions to ensure that officials and authorised persons are protected from civil or criminal liability, while acting in good faith and in due execution of their duties in relation to the Programmes.

Mr President, success in criminal investigations and subsequent prosecutions very often depends on the willingness and the co-operation of witnesses to testify in criminal proceedings. It is therefore vital to have effective measures to protect and reassure witnesses, to encourage them to come forward to assist in investigation and to testify in court. We believe that our proposals will achieve this. We have consulted the Security Panel of this Council, and are grateful for the general support given to our proposals.

Thank you, Mr President.

End

#### Waste Disposal (Amendment) Bill

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Following is the speech by the Secretary for Planning, Environment and Lands, Mr Bowen Leung, in moving the second reading of the Waste Disposal (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move the Second Reading of the Waste Disposal (Amendment) Bill. The Bill seeks to amend the Waste Disposal Ordinance (WDO) to facilitate the implementation of charging schemes in accordance with the polluter pays principle.

At present there are two charging schemes under the WDO - one is for the disposal of chemical waste, introduced in March 1995, and the other is for waste disposal at landfills.

Members will recall that the regulation on landfill charging was passed by this Council in June last year and our original proposal was that landfill charges should be paid by a simple mechanism of pre-paid tickets by those who deliver waste to landfills. However, during our further consultation with waste collectors, we were given to understand that a pre-paid ticket system would create serious cashflow problems for waste collectors as they would be required to pay upfront.

To address concerns of the waste collectors, we intend to set up an account billing system to collect landfill charges in arrears. Under this system the account holder could be either the waste producer or the waste collector, and it would also be possible for the landfill operator to run the system, thus simplifying the charging arrangements further, and reducing costs. Such arrangements would require amendments to the WDO, which at present does not allow deferred payment or for charges to be collected other than by public officers. The Bill, therefore, seeks to provide for different methods of charge collection, such as account billing; and to authorise the Director of Environmental Protection to delegate the charge collection work to contractors, such as the waste disposal facility operators.

In order to enable landfill operators to properly collect charges on Government's behalf, we propose that they should be allowed to maintain operational order and security at landfills, and to suspend the provision of landfill services for non-payment of charges and bad debts. As these powers are not provided for in the WDO, we propose to amend it to confer such powers on the Director of Environmental Protection and to allow the delegation of these powers to the contractors as appropriate.

Lastly, we would also like to take this opportunity to repeal section 28 of the WDO in order to meet the requirements of Article 10 of the Bill of Rights. Section 28 of the WDO empowers the Governor in Council to review a decision of the appeal board set up under the Ordinance, where that decision has reversed a decision of the Director of Environmental Protection and the latter considers that exceptional circumstances require the review of the appeal board's decision in the public interest. However, Article 10 of the Bill of Rights provides that, in the determination of his rights and obligations in a suit of law, everyone shall be entitled to, I quote, "a fair and public hearing by a competent, independent and impartial tribunal established by law." Permitting the Governor in Council to overturn the appeal board's decision appears to contravene this Article. In order to remove this inconsistency, we propose to repeal section 28 of the WDO.

Mr President, the Waste Disposal (Amendment) Bill seeks to provide for regulation-making powers to deal with the payment and collection of charges, as well as measures to ensure the maintenance of orderly conduct at waste disposal facilities and to take action against any evasion of charges. Charging schemes are necessary instruments to create an economic incentive for waste producers to practise waste minimisation, reuse and recycling. The amendments proposed in the Bill will facilitate the implementation of charging schemes under the WDO by addressing the concerns of the affected parties. I therefore commend the Bill to Members for their favourable consideration.

Thank you, Mr President.

End

#### Health care policy

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

Question:

Will the Government inform this Council whether, in reviewing the existing policy on fees and charges for medical services in the public sector, consideration will be given to modifying the existing policy by introducing a "means test" system?

Reply:

Mr President,

Our healthcare policy is to ensure that no one is denied adequate medical treatment through lack of means. This implies that everyone should be allowed to enjoy equal access to medical services provided in the public sector, irrespective of their financial status.

I have no intention to depart from this established principle by subjecting well-off patients to means testing with a view to restricting their access to public medical services.

The review conducted by Government seeks to explore different strategies for the future development of our healthcare system against rising public expectations, escalating costs and ageing population. The scope of this exercise covers a wide range of complex and inter-related issues such as cost containment, interface between primary health care and hospital services, role of the private sector, fee structure and financing options. I assure Members that Government will consult public opinion as well as the views of this Council in the process.

End

Employees Compensation Assistance Fund

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Following is a question by the Hon Chan Wing-chan and a reply by the Secretary for the Education and Manpower, Mr Joseph W P Wong, in the Legislative Council today (Wednesday):

Question:

The compensation paid from the Employees Compensation Assistance Fund (the Fund) in the two recent cases was in excess of \$10 million per case, resulting in the current balance of the Fund standing at around \$50 million only. This is causing concern that the Fund may go bankrupt should there be a few more claims involving huge amounts of compensation. In this connection, will the Government inform this Council :

- (a) of the number of cases being handled by the Employees Compensation Assistance Fund Board (the Board); how many of these cases involve claims arising out of the failure of employers to take out workmen's compensation insurance policy for their employees; and whether the Government has estimated if the current balance of the Fund is sufficient to pay the compensation in respect of the cases being handled by the Board;
- (b) whether consideration will be given to reviewing the Fund's operation; and whether the Government will increase its capital injection in the event that the balance of the Fund is insufficient to meet the claims; and

- (c) whether consideration will be given to increasing the number of inspection staff in the Labour Department in order to step up the prosecution of employers who fail to take out workmen's compensation insurance policy for their employees, so as to reduce the number of cases handled by the Board, thus avoiding the danger of the Fund going bankrupt?

Reply:

Mr President,

Since its establishment in 1991, the Employees Compensation Assistance Fund Board (ECAFB) has handled a total of 93 claims. Apart from the two recent cases, each of which involved payments in excess of \$13 million, all other claims involved payments of less than \$2.5 million each. The vast majority of the claims i.e. 79 claims or 85% involved payments of less than \$1 million.

As regards part (a) of the question, ECAFB is currently processing 9 cases. Like all previous cases, they involve employees without cover of employees compensation insurance. We estimate that the current balance of the Fund is more than sufficient to meet the payments arising from these 9 cases. This is based on our assessment that none of the 9 cases would involve huge payments. Furthermore, as at 28 June 1996, the Fund has a balance of \$59.2 million which would be increased by the projected income from the employees' compensation insurance levy of \$21 million for the rest of 1996/1997. This far exceeds the average payments in the past five years of around \$13 million per year.

As regards part (b) of the question, we are constantly monitoring the operation of the Fund. At present, the Fund is financed by a steady source of income from a 1% levy on employees' compensation insurance premium payable by employers. The amount is collected from the insurers by the Employees' Compensation Insurance Levies Management Board. The Government has not provided any capital injection into the Fund and we do not see the need to do so.

As regards part (c) of the question, a total of 123 Labour Inspectors are deployed, among other duties, to inspect industrial and non-industrial establishments to ensure that employers have taken out policies against their liabilities under the Employees Compensation Ordinance. In 1995, Labour Inspectors conducted 58,000 inspections and took prosecution action against 530 employers. We consider that the existing staffing establishment adequate for the purpose. The Department will of course continue its vigilant enforcement of the compulsory insurance provisions under the Ordinance.

End

Gradual liberalisation of rice trade

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Following is a question by the Hon Fred Li Wah-ming and a reply by the acting Secretary for Trade and Industry, Mr Francis Ho, in the Legislative Council today (Wednesday):

Question:

As the Government is reviewing the Rice Control Scheme which has been in existence for forty-one years, will the Government inform this Council:

- (a) whether it has assessed the impact of the liberalisation of the rice import trade on the price of rice; if so, what the outcome is; if not, why not;
- (b) why it has suggested in a paper submitted to this Council in May that a reserve stock should be maintained to cater for 45 days' consumption, whereas in the consultation paper issued by the Government in February this year, it was stated that one month's reserve stock of rice should be adequate; and
- (c) as about 80 per cent of rice in the territory is currently imported from Thailand, what measures the Government will adopt to identify more suppliers so as to reduce the risk of over-reliance on a single market?

Answer:

Mr President,

The Rice Control Scheme was introduced in 1955 with the objective of ensuring a regular and adequate supply of rice to consumers at reasonably stable prices, and to provide a reserve stock to cater for emergency situations or any short term shortage of supply. The Scheme has achieved this objective and served the community well during the past forty one years.

The Administration has recently reviewed the Scheme. Theoretically, if full liberalisation of the rice trade leads to a highly competitive market, consumers will benefit. However, such a situation cannot be taken for granted. Full liberalisation in haste may result in market confusion, price instability and even a highly anti-competitive situation in which the market is dominated by a few stockholders. We will therefore adopt a gradual approach in liberalising the rice trade so as to allow the market to adjust to an increasingly competitive environment. Initially, this will be achieved by a gradual increase in the number of stockholders this year and introduction of an optional quota system next year.

At present, Hong Kong maintains a reserve stock of rice at about 43,200 tonnes, which is adequate for about 45 days' consumption. The proposal to reduce this stock to 30 days' consumption was made in view of the shorter lead time to source alternative supply as a result of improved transportation. After consulting the Rice Advisory Committee and the Consumer Council, we consider that a reduced level of reserve will undermine public confidence in the ability of the system to respond to crisis situations. We therefore conclude that a reserve stock of 45 days' consumption should be maintained.

As regards the source of supply, the Administration does not impose any restriction or requirement on the stockholders. Thailand accounts for about 77% of our total rice import. This pattern, we believe, is largely a reflection of Thailand's ability to supply Hong Kong, the price competitiveness of Thai rice and consumer preference. The Administration does not consider it appropriate or desirable to interfere with the market forces. Given that we have a reserve stock adequate for 45 days' consumption, there is sufficient time for the stockholders to find alternative suppliers in case there is a need to do so.

End

#### Measures to improve industrial safety

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

Question:

In view of the recent spate of industrial accidents, will the Government inform this Council:

- (a) whether it will consider amending the existing legislation and codes of practice on industrial safety with a view to formulating stricter industrial safety standards and stipulating heavier penalties;
- (b) of the establishment and strength of staff in the Labour Department responsible for carrying out industrial safety inspections on factories and construction sites; and whether the Department has specified the number of inspections to be carried out on each factory and construction site per year in order to ensure that employers and employees comply with the relevant industrial safety legislation and code of practice; if so, what the details are; and

- (c) apart from carrying out inspections, what other measures are in place to ensure that employers provide a safe working environment to employees and to enhance the awareness of industrial safety among workers?

Reply:

- (a) It is the Government's policy to improve Hong Kong's industrial safety standards through legislative changes as well as through enhanced publicity, education and promotion. We constantly review the adequacy of existing safety laws and codes of practice to ensure that the sanctions and standards reflect community expectations, the gravity of the offence and the level of compliance.
- (b) As at 21 June 1996, the establishment of factory inspectors stood at 303 against the strength of 258, including 31 under apprenticeship training. The 303 posts include 49 new posts created in May this year. Eight of these new posts have been filled and the remaining vacancies will be filled when the recruitment formalities are completed. At present, 136 officers are engaged in construction site safety, including 10 temporarily redeployed from the factory inspection teams. The remaining 91 are engaged in monitoring safety in manufacturing, shipbuilding, catering, and other industrial establishments.

As regards inspection frequency, different types of construction sites are inspected according to their nature of activity and level of risk, as follows-

<u>Type of sites</u>	<u>Inspection frequency</u>
(1) Hand-dug caisson	sites once every two weeks
(2) Public Works Programme	once a month sites and Airport Core Programme sites
(3) Sites with unsatisfactory	once a month safety records
(4) Other building or civil engineering sites	once every one to three months

The inspection frequency of manufacturing and other industrial undertakings varies. For more hazardous factory operations, the frequency of inspections ranges from once every three months to twelve months.

For both construction sites and factories, special inspections are conducted in response to complaints or arising from major accidents. Special campaigns are also launched each year, in addition to the scheduled inspections, to tackle seasonal hazards such as fire prevention during the dry months, and scaffolds and temporary works during the wet summer months.

- (c) An integral part of the current safety control system is to encourage employers, professionals, safety practitioners and workers to be made more aware of what constitutes a safe working environment and safe practices through training, education and promotion. The Labour Department conducts various types of legislation-related briefing sessions and train-the-trainer courses for the industrial sector, whereas the Occupational Safety and Health Council runs safety awareness, occupational health and management training courses for various sectors. Both organisations publish safety booklets, guides, posters etc. and publicise safety messages and best practices through the media.

After consulting the Panel on Manpower of the Legislative Council, we will publish around August 1996 a Charter for Safety in the Workplace. The Charter will set out the rights of workers to enjoy a safety working environment and the employers' obligations to reduce the risks of accidents. It will also highlight the workers' obligations to follow safety instructions and to co-operate with the relevant authorities in reporting breaches of statutory requirements.

As part of an overall effort to improve safety at the workplace, the Administration will introduce several Bills into the Legislative Council in the 1996-97 legislative session. These will cover, among other things, work safety in confined spaces and construction sites, as well as the provision of a safety management system at the workplace.

A detailed description of the Government's existing and proposed measures to improve work safety is set out in the speech given by the Secretary for Education and Manpower in the Legislative Council during the motion debate on industrial safety on 26 June 1996.

End

Independent body to investigate complaint against police

\* \* \* \* \*

Following is a question by the Hon James To Kun-sun and a written reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

A motion was carried by this Council on 21 April 1993 urging the Government to set up an independent body to receive and investigate complaints in relation to police officers. The Government has also put the proposed Independent Police Complaints Council Bill as a priority item in the Legislative Programmes for 1994-95 and 1995-96, but up to now the Government has still not introduced the Bill into this Council. In this connection, will the Government inform this Council:

- (a) why it has not yet introduced the Bill into this Council; whether it has to wait until the completion of the Comparative Study of overseas Police Complaints Systems and the review of the Complaints Against Police Office's procedures before introducing the Bill; if so, when it will complete these two studies and inform this Council of the outcome;
- (b) of the progress of the drafting of the Bill; whether it will introduce the Bill into this Council before the end of the current session; if not, when the Government will introduce the Bill; and
- (c) whether, in drafting the Bill, the Government will consider expanding the scope of the investigation which can be undertaken by the Independent Police Complaints Council?

Reply:

Mr President,

- (a) On 2 July, the Governor in Council approved the introduction into the Legislative Council of the Independent Police Complaints Council (IPCC) Bill, which aims to give statutory status and to enhance the monitoring role of the IPCC. We have in drafting the Bill taken into account the findings of the comparative study of overseas police complaints systems and the outcome of the independent review of Complaints Against Police Office (CAPO) procedures.

- (b) We will introduce the IPCC Bill into the Legislative Council on 10 July 1996.
- (c) The main function of IPCC is to monitor and review investigations by CAPO, which deals with all complaints against Police officers. The IPCC does not investigate complaints directly. However, where it identifies any inadequacies or discrepancies in Police investigations, they are taken up with CAPO. For example, the IPCC may ask CAPO to reinvestigate any complaint; it may also interview witnesses, complainants and complainees. In addition, members of the IPCC are able to observe CAPO investigations directly. The Bill will provide the legal basis for the IPCC to discharge all these duties. At the same time, we will also introduce a new package of improvement measures aimed at enhancing the independence of the IPCC, and the credibility and transparency of the Police complaints system.

End

#### Waste reduction initiatives

\* \* \* \* \*

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

Question:

In many developed countries, domestic refuse is separated into different categories of waste such as paper, glass, aluminium, and plastic materials prior to collection in order to facilitate recycling. In view of the increasing awareness of the importance of recycling among the public, will the Government inform this Council:

- (a) whether the Government has any long-term plans for recycling waste materials;
- (b) whether it has any knowledge of the results of the trial on separation of domestic refuse in some public housing estates in Tseung Kwan O organised by Friends of the Earth; and
- (c) whether it will assess the feasibility of carrying out similar activities in all public housing estates and the community as a whole?

Reply:

Mr President,

- (a) The Government's overall objective of waste management is to reduce waste at source, to promote reuse and recycling and to ensure that what remains is disposed of in an environmentally cost-effective manner. To this end, the Environmental Protection Department (EPD) provides technical support and information to organisers of waste reduction and recovery programmes, as well as to waste collectors and recyclers. EPD has also introduced a hotline service (Tel No. 2755 2750) to advise the public on the setting up of waste collection schemes to recover recyclable materials such as waste paper and aluminium cans. A pamphlet containing details on how to organise a waste paper separation and collection scheme in residential buildings and office premises has also been printed for distribution to the public.

To further promote waste reduction, a consultancy study commissioned by EPD has recently recommended a number of waste reduction initiatives, including measures to facilitate more waste recovery and recycling. We are consulting interested parties on these recommendations to enable us to formulate a waste reduction plan for Hong Kong for further consultation with the public later in the year.

- (b) The Housing Department has set up waste recycling programmes in all four housing estates in Tseung Kwan O with the assistance of the Friends of the Earth and EPD. In 1995, about 168 tonnes of paper, 60 tonnes of ferrous metals, 4.4 tonnes of aluminium cans and 1.5 tonnes of PET bottles were recovered from the four estates.
- (c) Waste recycling programmes similar to those in Tseung Kwan O are being carried out in over 50 public housing estates and over a thousand private establishments, including schools, commercial offices, banks, hotels and utility companies. Moreover, the Housing Department has included in all new cleansing contracts a requirement that a "salvaging operative" be appointed to deal with waste recovery activities in the estate in question. So far about one-third of public housing estates in Hong Kong have been provided with a "salvaging operative". The further extension of waste recycling programmes to the community as a whole will be addressed in the Waste Reduction Plan mentioned in (a) above.

End

Profit forecasts of listed companies

\* \* \* \* \*

Following is a question by the Hon Sin Chung-kai and a written reply by the acting Secretary for Financial Services, Mrs Lessie Wei, in the Legislative Council today (Wednesday):

Question:

As the performance results recently announced by two newly listed companies have failed to meet the profit forecasts as stated in the respective prospectuses, will the Government inform this Council if it is aware of:

- (a) how many of the newly listed companies providing profit forecasts in their prospectuses in the past three years have announced performance results in the first year after listing which are below the profit forecasts as stated in their prospectuses, please provide a list of these companies together with a breakdown of the difference between the actual and the forecast profits of each of the companies concerned;
- (b) in regard to the companies mentioned in the answer to the second part of (a) above, whether such companies and their guarantors have been penalised; if so, what the details are; if not, why not;
- (c) the average time taken by the Stock Exchange of Hong Kong to investigate into cases of inaccurate profit forecasts by newly listed companies; whether the investigation results of each of these cases will be made known to the public by the Stock Exchange of Hong Kong; if so, how the results will be publicised; if not, why not; and
- (d) whether, given that newly listed companies are not required to state their profit forecasts in their prospectuses under the existing rules governing the listing of securities, the authorities concerned will consider prohibiting newly listed companies to state their profit forecasts; if not, why not?

Reply:

- (a) Between 1 January 1993 and 31 May 1996, 156 companies were newly listed on the Stock Exchange of Hong Kong (SEHK) and 144 had included profits forecasts in their prospectuses. All were able to achieve the profits forecasts. However, one company could only achieve its profits forecasts by the inclusion of an exceptional item, i.e. activities not specifically mentioned in its prospectus. The company involved was Rich City Packaging Holdings Ltd., and its actual profits deviated from its forecast by 5.9%. In addition, a second case is still under investigation by SEHK. It is therefore inappropriate to divulge details at this stage.
- (b) Failure to meet a profits forecast does not in itself constitute a breach of the Listing Rules. However, failure to notify the market earlier of circumstances which the directors believe would render the forecast inappropriate contravenes the Listing Rules. The Rich City case had been considered by the Listing Committee of SEHK. Having considered the circumstances of the case, and in view of the fact that the company had made a statement clarifying its profit and loss account, the Listing Committee decided to take no disciplinary action against the company.
- (c) The time required by SEHK to investigate individual cases of inaccurate profits forecasts will depend on the circumstances of the case. In the Rich City case, the SEHK took about 2 months to complete its investigation. SEHK announces the result of its investigation and the sanction involved, unless the sanction involved is a private reprimand.
- (d) Under the Listing Rules, a company seeking listing must include in its prospectus a statement on the financial and trading prospects of the company for at least the current financial year. Companies and their sponsors may however include profits forecasts in the prospectuses as an additional reference for potential investors. We see no good reason to discourage such a practice.

End

Pre-payment of tertiary tuition fees

\* \* \* \* \*

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

Question:

Regarding the policy adopted by the tertiary institutions funded by the University Grants Committee concerning the collection of pre-payment of tuition fees from new students upon registration, will the Government inform this Council if it is aware of :

- (a) the policy concerning the collection of pre-payment of tuition fees (including the amount of pre-payment) adopted by the tertiary institutions in the past three years;
- (b) how the amount of pre-payment of tuition fees is determined by the tertiary institutions; and whether all or part of the amount of pre-payment will be refunded to the students who drop out before the commencement of an academic year;
- (c) the amount of non-refundable pre-payment of tuition fees collected, together with the number of students involved and the purposes for which such amounts have been used, in respect of each of the tertiary institutions in the past three years; and
- (d) whether the tertiary institutions have received any complaints in the past three years about the amount of pre-payment being set at too high a level; if so, what the total number of such complaints is and whether the institutions will be urged to review the existing policy on the collection of pre-payment of tuition fees as well as the amount of pre-payment?

Reply:

- (a) The Administration understands from the University Grants Committee (UGC) that over the past three academic years, the institutions collected tuition fees in advance from full-time undergraduate students in two equal instalments, each being 50% of the total annual tuition fee. New students were required to pay the first instalment upon registration, which normally took place in August and September each year. Most institutions collected the second instalment around February each year, though the exact dates varied amongst institutions.

- (b) The present practice on refund of tuition fees for students who drop out before the commencement of the academic year varies amongst the institutions. The City University of Hong Kong (CityU) refunds the full amount of tuition fees paid by new students provided that they notify the University of their withdrawal within one month after registration or two weeks after the beginning of the first semester, whichever is the earlier. The Hong Kong Baptist University (HKBU) allows students who withdraw from their studies to apply for refund of the tuition fees paid for the first semester. The amount of refund would be 75% if the student applies for the refund during the week of tuition fee payment, 50% during the first week following the week of tuition fee payment, and 25% during the second week following the week of tuition fee payment. No refund is permitted thereafter. The Lingnan College (LC) only refunds 20% of the tuition fee paid by new students if notice of withdrawal is received before registration or within the first week after the commencement of the first term.

As for The Chinese University of Hong Kong (CUHK), The Hong Kong Polytechnic University (PolyU), The Hong Kong University of Science and Technology (HKUST) and the University of Hong Kong (HKU), tuition fees pre-paid are normally non-refundable. Nevertheless, all the seven institutions are prepared to consider refund of tuition fees on a case by case basis, having regard to the circumstances of individual students.

- (c) The table at Annex A compiled by the UGC shows the total number of new students who discontinued or did not commence their studies after the payment of tuition fees in the past three years, the total amount of fees refunded and the total amount of forfeited tuition fees retained by the institutions. The UGC-funded institutions used the tuition fees collected from students enrolled on UGC-funded courses, including the forfeited tuition fees retained by institutions, to support activities approved by the UGC and the Government.
- (d) None of the UGC-funded institutions received any complaints about the levels of tuition fee instalments in the last three years. Policies and practices regarding the collection of tuition fees are matters for the institutions. They are kept under regular review on the institutions' own initiative as well as in response to appeals from the Joint Committee on Student Finance.

All seven UGC-funded institutions will be introducing modifications to their fee collection arrangements in the 1996-97 academic year for first year undergraduate students, details of which have been collated by the UGC and are shown in Annex B. In addition, the institutions will consider individual requests for deferring the payment of the first instalment of tuition fee from new students who demonstrate genuine financial difficulties while they await financial assistance from the Government under the Local Student Finance Scheme (LSFS).

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Annex A

Refund to tuition fees to new students  
who discontinued or did not commence their studies  
after payment of tuition fees in 1993/94 to 1995/96

Institution	Total no. of students who drop out <sup>1</sup>	Total amount of tuition fees refunded	Total amount of tuition fees forfeited by student and retained by institution
CityU	213 <sup>2</sup>	\$2,195,993 <sup>3</sup>	\$0
HKBU	33	\$283,625	\$163,625
LC	100	\$173,175	\$692,700
CUHK	44	\$24,000	\$519,625
PolyU	38	\$217,345	\$206,630
HKUST	16	\$44,500	\$157,500
HKU	29 <sup>4</sup>	\$0	\$622,000

<sup>1</sup> Not all of these students qualified for refund.

<sup>2</sup> Data available for 1994-95 and 1995-96 only and covers both sub-degree and undergraduate students; 113 of the students were full-time and 100 part-time.

<sup>3</sup> HK\$1,519,731 were refunded to full-time students and HK\$676,262 were refunded to part-time students.

<sup>4</sup> Data available for 1995-96 only, no data available in respect of 1993-94 and 1994-95.

Annex B

<u>Institution</u>	<u>New arrangement for payment of tuition fees by first year undergraduate students in the 1996-97 academic year</u>
CityU	The University will only require new students to pay 10% of tuition fees upon registration; the remaining 90% will be collected in two instalments.
HKBU	The University will allow new students to pay their tuition fees by three instalments. An initial payment of \$5,000 on registration, a second instalment (half of the remaining balance) in November, and a third instalment (the other half of the remaining balance) in late December for tuition fees in respect of the second semester.
LC	The College will allow new students to apply for deferment of payment of 50% of the tuition fees for one month after the due date.
CUHK	The University will introduce an interest-free bridging loan scheme to help new students pay their tuition fees before they receive their grants and loans under the Local Student Finance Scheme.
PolyU	The University will allow new students who meet certain criteria to pay only 1/4 of the first instalment of the tuition fee upon acceptance of offer with the remaining 3/4 to be paid together with the second instalment when they have received grants and/or loans under the Local Student Finance Scheme.
HKUST	The University will allow new students to pay \$5,000 in August and the balance of the first instalment of their tuition fees by 1 October 1996.
HKU	The University will allow new students to pay \$5,000 in September and the balance of the first instalment of their tuition fees by 15 October 1996.

End

Overstaying of one-way permit holders

\* \* \* \* \*

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

Question:

Will the Government inform this Council:

- (a) of the number of people coming to Hong Kong from China on two-way exit permits, as well as number of such people who have overstayed, in each of the past three years;
- (b) of the respective ratios of minors, adult males and females among those who have overstayed;
- (c) whether it has detected any two-way exit permit holders taking up employment while staying in the territory during the past three years; if so, of the types of work they are mainly engaged in; and
- (d) whether, in view of the reports that many two-way exit permit holders have overstayed and gone into hiding to wait for amnesty in 1997, the Government will discuss the problem with the Chinese side; and whether the Government will take other measures to prevent holders of two-way exit permits from overstaying in the territory?

Reply:

Mr President,

- (a) The number of people coming to Hong Kong from China on Two-way Permits (TWP) and the number of overstayers are:

<u>Year</u>	<u>No of TWP Holders</u>	<u>No of TWP Overstayers</u>	<u>No of overstayers who returned to China voluntarily</u>
1993	209,400	17,102	10,282
1994	245,927	26,614	11,450
1995	260,313	38,250	13,246
1996 (Jan - May)	108,022	11,760	5,178

- (b) We do not have a breakdown on the number of minors, and adult males and females among the TWP overstayers.
- (c) In our enforcement action against illegal employment, we have found TWP holders working in Hong Kong, but not all of those found working were overstayers. The number of TWP illegal workers arrested are:

<u>Year</u>	<u>No of arrested TWP Illegal Workers</u>
1994	1,855
1995	2,883
1996 (Jan - May)	944

As we only started to keep separate statistics for TWP illegal workers in 1994, the arrest figure for 1993 is not available. We have not kept separate records specifically on the types of work TWP illegal workers engaged in. Our observation is that most of them take up jobs which require little or no skills, and the common places of work are restaurants, factories, and construction sites.

- (d) It is clear from the Joint Declaration and the Basic Law that entry of Chinese residents in the mainland to Hong Kong after 30 June 1997 will continue to be regulated by the existing arrangements. There is no question whatsoever of an amnesty in 1997. We have not so far seen any evidence of large scale overstaying or illegal immigration into Hong Kong for the purpose of waiting for an "amnesty" in 1997. In fact, the number of TWP overstayers in the first five months of this year has decreased when compared to that in the same period last year (14,801 TWP overstayers during the period Jan - May 1995, as compared to 11,760 TWP overstayers during Jan - May 1996).

Enforcement action against overstayers, particularly those who seek to work illegally in Hong Kong, have been stepped up. The size of the Immigration Task Force has been doubled in October 1995. The number of raids and prosecution actions have also been increased, as evidenced by the following statistics:

<u>Year</u>	<u>No of Raids</u>
1994	1,074
1995	2,160
1996 (Jan - May)	595

<u>Year</u>	<u>No of prosecutions of TWP overstayers</u>
1993	4,106
1994	6,720
1995	10,576
1996 (Jan - May)	5,390

(Note: persons prosecuted in a particular year are not necessarily arrivals and overstayers of that year)

The maximum fines for illegal workers and their employers have been raised in January 1996. Publicity has been increased to warn prospective employers not to employ illegal workers. We also have regular liaison with the relevant Chinese authorities to tackle the problem.

End

#### Public housing tenants' applications for transfer

\* \* \* \* \*

Following is a question by the Hon Albert Chan and a written reply for the Secretary for Housing, Mr Dominic Wong, in the Legislative Council today (Wednesday):

Question:

I have received a number of cases concerning public housing tenants seeking assistance in their applications for transfer to other flats or splitting of households. The tenants concerned claim that they have been interviewed and assessed by professional social workers of the Social Welfare Department (SWD) and that their applications have been recommended by the SWD, but the Housing Department (HD) has still rejected their applications. In view of this, will the Government inform this Council:

- (a) of the basis of the HD's rejection of the SWD's recommendations; and
- (b) why the HD does not directly investigate the family background of the applicants concerned and instead asks them to seek assistance from the SWD in the first instance, bearing in mind that the HD can determine whether or not to accept the SWD's recommendations?

Answer:

Mr President,

The Housing Department receives about 200 requests each month from households living in public rental housing for transfer to other flats or for additional flats as a result of splitting of households. Each application is considered on its merits. The majority of requests can be resolved by the Housing Department. If it appears that there may be social or medical grounds which support a request, or that professional counselling may help to resolve the problem faced by an applicant, the Department will refer the case to the Social Welfare Department for advice.

The Housing Department normally accepts the Social Welfare Department's advice. Where the Housing Department does not concur, the two departments will jointly reassess the situation and reach an agreed conclusion on how to handle the case. There is no question of the Housing Department rejecting the Social Welfare Department's advice.

End

#### Cross harbour tunnels toll charges

\* \* \* \* \*

Following is a question by Dr the Hon Samuel Wong Ping-wai, and a written reply by the Secretary for Transport, Mr Gordon Siu, in the Legislative Council today (Wednesday):

Question:

It has been reported that the Western Harbour Crossing will be completed ahead of schedule and open to traffic at the beginning of next year. In this connection, will the Government inform this Council whether:

- (a) when the Western Harbour Crossing becomes operational, the toll will still be set at \$30 per trip as previously determined; and
- (b) the Government will consider adjusting the tolls for the Eastern Harbour Crossing and the Cross Harbour Tunnel before the Western Harbour Crossing comes into operation, so as to narrow the difference in the tolls charged by the three tunnels?"

Reply:

Mr President,

The toll levels for the Western Harbour Crossing are provided for in Schedule 1 to the Western Harbour Crossing Ordinance. Section 36 of the Ordinance states that the Western Harbour Tunnel Company shall not charge tolls greater than those specified in Schedule 1, which are based on 1997 prices. The level for private cars specified therein is \$30. The specified toll levels will enable the franchisee to service its debts and earn a reasonable return over his investment, taking into account the project cost, market risks and the anticipated traffic volume, for which a detailed study has been conducted.

In line with existing policy, an application for toll increase from the franchisees of the Eastern Harbour Crossing and the Cross Harbour Tunnel will be considered on the basis of its own merits under the terms of their respective franchises.

We appreciate that the toll differential between the Western Harbour Crossing and the two other cross-harbour tunnels might affect usage. We will monitor the traffic volume and pattern of utilisation of the three tunnels after the commencement of operation of the Western Harbour Crossing.

End

Appointment to senior civil service posts

\* \* \* \* \*

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

Question:

The training and accreditation of 'professional accountants' in the territory are undergoing major reforms which aim to raise the standards and international standing of locally qualified professional accountants and expand the field of competency requirements. In the light of this, will the Government inform this Council whether it will review the ranking criteria of civil service posts especially at the Head of Department and Policy Secretary levels so that holders of accredited professional accounting qualifications can be considered for filling such posts?

Reply:

Mr President,

We set the entry requirements for individual civil service grades having regard to the job requirements of the grade concerned. A professional qualification is stipulated for appointment to a particular grade which calls for expertise in that profession.

In respect of professional accountants, the qualifications of the Hong Kong Society of Accountants (HKSA) are accepted for appointment to the following entry ranks -

<u>Entry Rank</u>	<u>Head of Grade</u>
Treasury Accountant Accounting Officer II	) Director of Accounting Services )
Insolvency Officer II	Official Receiver
Auditor Examiner	) Director of Audit )
Assistant Assessor	Commissioner of Inland Revenue
Insurance Officer	Commissioner of Insurance

We last reviewed the entry qualification requirements of the above ranks in 1993/94 when the HKSA introduced a new examination structure for the joint HKSA/Chartered Association of Certified Accountants (ACCA) professional examinations. As a result of the review, we revised the entry requirements for the ranks of Accounting Officer II, Insolvency Officer II, Examiner and Assistant Assessor which do not require full HKSA membership, to reflect changes to the HKSA examination levels. Although HKSA modified the examination structure leading to the full membership of the HKSA, we continue to accept this full membership for entry to the ranks of Treasury Accountant, Auditor and Insurance Officer.

Senior positions in the civil service are normally filled by internal promotion of officers from the lower rank. For appointment or promotion to senior positions at Head of Department and Branch Secretary levels, apart from considering any qualifications relevant to the job, we have to consider the other essential abilities of the officers, such as administrative and management skills, experience, leadership and any special attribute required of the post.

End

#### Complaints against Labour Tribunal

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Following is a question by the Hon Leung Yiu-chung and a written reply by the acting Chief Secretary, the Hon Donald Tsang, in the Legislative Council today (Wednesday):

Question:

Some employers and employees have complained that the presiding officers of the Labour Tribunal often scold the claimants and the defendants while adjudicating claims. In view of this, will the Government inform this Council whether:

- (a) there is any channel for the claimant or the defendant to lodge a complaint during a hearing if they are dissatisfied with the presiding officer's manner; if not, why not; and
- (b) any complaints against presiding officers of the Labour Tribunal have been received over the past five years; if so, what the types of complaints are and how the complaints have been handled, and whether the Government will consider adopting measures to improve the situation?

Reply:

Mr President,

- (a) Parties wishing to complain about the conduct of a Presiding Officer of the Labour Tribunal may do so to the Chief Magistrate. The Chief Magistrate will investigate the complaint and take such action as may be appropriate, but will not interfere with any on-going judicial proceedings or decisions. Parties are informed of these complaint procedures through information pamphlets available in the Labour Tribunal.
  
- (b) In the past five years, the Judiciary has received some 50 complaints about the Labour Tribunal. These were mainly about Presiding Officers not accepting the complainants' evidence, the long waiting times for cases to be heard or concluded and, occasionally, about a Presiding Officer's conduct of the case. Each of these complaints was investigated. Where appropriate, the complainant is advised to pursue the matter through appeal. Waiting times are no longer a problem at the Labour Tribunal as cases are now normally heard and concluded in one to two months. Where the complaint concerns a Presiding Officer's conduct, it is brought to that officer's attention and he is requested to provide an explanation to the Chief Magistrate. Where the Chief Magistrate considers the complaint justified, he submits the case to the Chief Justice.

I have the Judiciary's reassurance that they will continue to ensure that parties to proceedings in the Labour Tribunal receive, and are seen to receive, a fair hearing.

End

Overseas training for administrative officers

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Following is a question by the Hon David Li and a reply by the Secretary for the Civil Service, Mr W K Lam, in the Legislative Council today (Wednesday):

Question:

It has been reported that about 15 administrative officers will be sent to attend a pilot development programme at the University of Michigan in Ann Arbor, which replaces the course previously undertaken at Oxford University. In this connection, will the Government inform this Council:

- (a) of the criteria used in selecting the appropriate university for the development programme;
- (b) of the total cost of sending an administrative officer to the University of Michigan's programme as compared to the cost of sending an administrative officer to the programme at Oxford University; and
- (c) whether it will consider sending administrative officers to similar programmes at a selected university in mainland China?

Reply:

Mr President,

In November 1994, Civil Service Branch invited a number of prestigious universities from different countries to submit proposals for a training programme for Administrative Officers. Selection of the institution to run the course was based on the resource of the teaching faculty, the structure, content, administration and cost of the proposed programme, as well as the specialisation of the institution. The proposal from the University of Michigan was eventually chosen as it was best able to meet our requirements in these regards. The teaching faculty assigned to the programme include renowned experts in different fields, and the University of Michigan itself is also highly reputable. Its Political Science Department, Business School and Law School, which are involved in organising the training programme, are consistently being ranked among the top in the United States.

The average cost of sending an officer to the 3-month course at Michigan University is around \$150,000 as compared to \$220,000 for the 9-month Oxford Course. It should be noted that the University of Michigan's programme is shorter but more compact in that it includes a speaker series in addition to the three core and one elective subjects.

The objective of the new programme in the University of Michigan is to expose young Administrative Officers to the latest concepts in management, public administration and international economics. The first course will begin in September this year. We have no plan to replicate this training programme in other universities at this stage. However, since July 1993, the Administration has been sending Administrative and departmental officers to the Tsinghua University in Beijing to attend a five-week course. The aims of the course are to enhance the abilities of participants in the use of Putonghua and written Chinese, and to increase their understanding of the political, social, economic and legal systems in China. So far 13 courses have been organised.

End

Franchised public transport companies concessionary schemes

\* \* \* \* \*

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

Question:

At present, the Government offers many concessionary schemes to franchised public transport companies to assist them in reducing their operating costs and developing their services. In this connection, will the Government inform this Council of:

- (a) the specific concessionary scheme which the Government offers to each franchised bus company;
- (b) the specific concessionary scheme which the Government offers to each franchised ferry company; and
- (c) the criteria adopted by the Government for determining that concessionary schemes should be offered to the above franchised companies?

Reply:

Mr President,

The Administration offers different concessions to franchised bus and ferry companies.

Franchised bus companies are granted exemptions from fuel tax, first registration tax, annual licence fees for buses and rentals for depots.

Franchised ferry companies are permitted to let space at ferry piers for commercial use and at vehicular ferry pier concourses for public parking, on condition that the revenue so generated is used to cross-subsidise ferry operations. Franchised ferry companies are also exempted from annual licence fees for vessels and rentals for short term tenancy sites.

The criteria for the provision of concessions to franchised transport operators include the question of whether the concessions would help reduce operating costs, improve services and achieve specific Government policy objectives, e.g. to encourage public transport operators to introduce or improve concessionary fares for the elderly.

End

#### Environmental Impact Assessments on 146 government projects

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

Question:

Will the Government inform this Council:

- (a) of the number of infrastructural and construction projects undertaken by the Government over the past three years in which Environmental Impact Assessments (EIAs) have been undertaken, and the main classifications of these projects;
- (b) of the major recommendations concerning environmental protection made in the EIA reports and which of these recommendations have been adopted by the Government; and

- (c) how many of the above EIAs were conducted by private consultancy firms, and what was the total amount of consultancy fees paid by the Government in this regard?

Answer:

Mr President,

- (a) Since 1993, a total of 146 EIAs on Government projects have been undertaken. They are broadly classified as follows:

Port and airport-related projects	9
Feasibility studies	5
Site formation, drainage and water supply	27
Sewerage and waste disposal	24
Roads, bridges and railways	47
Residential developments	31
Miscellaneous	3
Total:	146

- (b) The recommendations arising from EIAs are aimed at preventing and mitigating any adverse environmental impacts attributable to the development projects. They vary according to the nature, scale and location of a project and the environmental impacts it generates. The recommendations include, for example, noise barriers or enclosures for a road project; amendments to the design, shape, timing, sequence and method of reclamation works; conservation measures for projects located in ecologically sensitive areas; and monitoring and auditing arrangements to minimise noise, air and water quality impacts, etc. These are implemented either by appropriate design of the projects or through contractual or lease conditions. There have been occasional difficulties in the past in enforcing proper and full implementation of EIA recommendations. The EIA Bill, which is now being examined by a Bills Committee of the Legislative Council, seeks to introduce a statutory mechanism for enforcing the EIA requirements.
- (c) All the EIAs were carried out by private consultants. The total amount of consultancy fees paid by the Government for the 60 EIAs which have been completed over the past three years are still being collated and the information will be provided to Hon Members as soon as it is available. However, it may be useful to note that for most projects, the cost of the EIA study is less than one percent of the project cost.

End

Air quality in underground car parks monitored

\* \* \* \* \*

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

Question:

As the Environmental Protection Department (EPD) intends to issue a practice note regarding the control of air quality in underground car parks, will the Government inform this Council:

- (a) whether the EPD regularly monitors the air quality in underground car parks; if so, of the results of the inspections conducted by the EPD in the past three years;
- (b) whether, in assessing the air quality in such car parks, the effects of such pollutants as benzene, suspended particulates and ozone emitted by petrol-engined vehicles and diesel-engined vehicles have been assessed; if not, why not; and
- (c) in regard to those car parks with air quality below the required standards, whether the Government has put in place any measures requiring the management companies to improve the air quality in such car parks; and whether the Government will consider introducing legislation to regulate the air quality in underground car parks?

Reply:

Mr President,

- (a) The Environmental Protection Department (EPD) conducted surveys on the levels of carbon monoxide in 38 underground car parks in the territory in late 1992 and early 1993. The surveys showed that half of these car parks have relatively high concentrations of carbon monoxide, which could be reduced if ventilation was improved.
- (b) Pollutants such as benzene, suspended particulates and ozone have not been assessed because carbon monoxide levels are generally indicative of the air quality inside a car park. Other air pollutants are unlikely to be excessive if carbon monoxide is maintained at an acceptable level.

- (c) At present, there are no air quality standards for car parks. However, in consultation with air pollution experts and various professional bodies, the Environmental Protection Department is compiling Practice Notes on the Control of Air Pollution in Car Parks, for issue to developers, professionals and car park management companies. The Practice Notes, which will be issued later this year, will set out the air quality guidelines for carbon monoxide and, as an additional precaution, nitrogen dioxide, and will advise on measures - such as the installation of monitors, car park layout and ventilation requirements - to improve air quality inside car parks. The EPD will monitor compliance with the Practice Notes before considering whether legislation is necessary to regulate the air quality in car parks.

End