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Transcript of the Governor's media session

Following is the transcript of the media session by the Governor, the Rt Hon Christopher Patten, after visiting the Strategic Sewage Disposal Scheme High Priority Programme this (Wednesday) afternoon:

Governor: I'm delighted to have been able to see for myself today the work being done on the first stage of our strategic sewage disposal project. It's an enormous part of our plans for ensuring improvements in Hong Kong's environment. It should, as you know, by 97 when it is open -- the first part -- to deal with about 70 per cent of the pollution in Victoria Harbour. We are at present talking to Chinese officials about further stages in the project. We want to do an environmental impact assessment involving Chinese experts as well as our own to decide on what is the best environmental option for future stages. But this project, despite occasional criticisms from the touch-lines, this project stands on its own and was always the essential first stage in giving Hong Kong the sort of sewage and storm water system that it needs. The work once again has gone forward extraordinarily rapidly and I would like to congratulate everybody who has been involved in the design team and the consultancy in managing the project. And of course, above all, those workers who are down there 150 metres below ground level digging the tunnels and working to give Hong Kong the sewage scheme that a civilised and modern city like this requires. At the end of the day, I repeat, the main benefit will be to the quality of the waters around our shores -- a 70 per cent improvement in the water quality in the harbour. And we'll get the remaining 30 per cent in stage 2 or subsequent stages when we deal with the sewage which is at present being discharged from the northern and western ends of Victoria island. But this will be a very good start and I look forward to being back next year in the first part of the year to see the project coming into operation.

Question: (on freezing of Government fees and charges)

Governor: We are talking to legislators about that at the moment. I think the idea for freezing charges, some of which for technical and managerial services, was first proposed by a party which argues that it's pro-business but it's not a very pro-business thing to do. And I don't think it's got very much to do with people's welfare either. Of course we're all concerned to see inflation coming down. The year before I came here as Governor, inflation was just under 14 per cent. The latest very welcome figures have inflation running at six and a half per cent. They may have been exceptionally good for December 95. But I think that we all agree that inflation is somewhere around eight, eight and a half per cent. So that is a considerable improvement on the figures of a few years ago. Why do we have that improvement? Not because we've been handing

out subsidies regardless of need. To freeze all charges does exactly that. It gives everybody a subsidy whether they need it or not. It's a bad way of using taxpayers' money because sooner or later someone has to pay for it. So I very much hope that we can find a sensible way forward with the Legislative Council. That's what we're working for. We've had good discussions. I think that K C Kwong, the Treasury Secretary, has had a good dialogue with legislators and I hope that it can lead to us continuing to do things in the sensible Hong Kong way which has given us nearly four decades of economic growth.

Question: Governor Patten. What do you envisage to see emerged from the three days of talks in Peking?

Governor: I hope that we get some reassurance about issues which have concerned people in Hong Kong. And these are very much the sort of issues that Malcolm Rifkind, the Foreign Secretary, was addressing when he went up to Peking. I think first of all, it would be a very sensible thing if the Preparatory Committee were to make it clear that it respects the democratic wishes of the people of Hong Kong. People in Hong Kong were promised by China as well as Britain a steady process of democratisation to underpin the guarantee given to our human rights and civil liberties and I think it would be nice if the Preparatory Committee can make it clear that it stands by that commitment to people in Hong Kong and that we weren't going to see a damaging rupture of our legislative arrangements in Hong Kong. Secondly, I think it would also be helpful if after the worrying things that were said by the Preliminary Working Committee last autumn, it could be made clear that the question of Hong Kong's human rights legislation would be left to the SAR Government and that Government should respect the international covenants and the Bill of Rights and make sure that Hong Kong's legislation is in line with that Bill of Rights. I also think it's very important that the Preparatory Committee underlines that it stands foursquare by Hong Kong's autonomy. It's not just enough to make vague promises of standing by the Joint Declaration and the Basic Law if at the same time people are threatening our autonomy over welfare spending or economic policy or other matters. So an underlining of our autonomy is important. And finally, I just hope that the Preparatory Committee will speak up for Hong Kong, will sound as though it recognises and respects the opinions of people in Hong Kong. And I hope it will also make the perfectly obvious point to those members who are from the mainland -- who are from the PRC -- that those who represent overwhelmingly according to elections and opinion polls, public opinions in Hong Kong and the voters in Hong Kong, should be included in discussions about the future of Hong Kong. I think that is imperative. So if we got those four messages out to the Preparatory Committee plus some good news on right of abode, confirming what Mr Qian Qichen said to Malcolm Rifkind in Peking a few weeks ago, I think it would be cause for everybody to throw their hats in the air, including those hard hats.

Question: Do you think Peking has been purposely vague on the right of abode issue, both for dual nationals and for say, people like Indian citizens who are protesting yesterday?

Governor: I didn't find Mr Qian Qichen's message on right of abode at all unclear. It was very clear. What he said was that those who had permanent residence in Hong Kong before 1997 would have it after 1997. You can't be clearer than that. Of course we recognise that there are certain technicalities that need to be discussed in the Joint Liaison Group. But the sooner we get along with that, the sooner we can turn into hard reality that important commitment and promise from Mr Qian Qichen the better.

Question: Mr Patten, what is your standpoint on those Hong Kong Indian minorities who wish to have a right of abode and full British passport after 1997?

Governor: I think you know that I've campaigned for that in Britain as well as in Hong Kong, publicly as well as privately. I totally support those ethnic minorities who are worried about the question of right of abode and certainly Chinese officials could help clear up that worry. But I also think that it would be nothing but a good thing if the British Government would make it clear that they had full British passports.

Question: Are you confident that your wishes will get full British support?

Governor: Well, they have had a very considerable understanding and a certain degree of support from the Foreign Affairs Select Committee of the House of Commons and from a number of Members of Parliament in Westminster. So I hope I can build on that and get wider support in both the Government and the opposition.

Question: Will you be surprised that you are not invited to the handover ceremony?

Governor: I wonder if we could deal with that question once and for all and just forget about it, because it is so absurd and so trivial and so beside the point when you compare all the other big issues that Hong Kong has to deal with. If I were to say to you as the Governor of Hong Kong that I was going to tell the Chinese side who could represent them at the handover ceremonies in 1997 you would think I've taken leave of my senses. You would think that I was not only extremely rude, not only extremely undiplomatic but interfering in the way which was totally absurd in international relations. And if you think that about how that behaviour would look if I was to do it and just to put the argument the other way round. It is not an issue for any sort of negotiation, full stop. The British Government decides who represents it at those ceremonies and that won't be negotiated with anybody.

Question: Do you think that a freeze on public charges can help tackle higher unemployment and inflation at all?

Governor: I don't believe that a freeze is a helpful way of dealing with unemployment or inflation. I can see that if inflation is a great deal higher than it may have a temporary effect on the inflationary psychology, but that's at the expense of distorting our overall economic policy and distorting our tax system and giving subsidies regardless of need. I therefore prefer to see money used sensibly and effectively and if we are going to give subsidies, see them focused on those who have a real need or have a real disadvantage.

Question: What are you going to do to tackle the problem?

Governor: Well, if you look at the latest inflation figures, though they may be exceptionally good and we may not be able to sustain them at that level, and if you compare them with the inflation figures of two or three years back, I think you will see that we've made considerable progress.

Question: ... you now have a problem with China ... regarding stage two. How do you ... that hurdle?

Governor: Well, rather like building the airport. Despite the criticism and despite some rather intemperate things that were said, we just kept on going. We kept on digging holes in the ground and kept on heading towards our objective of a decent sewage treatment scheme for Hong Kong. We didn't take very much notice of what was said about what we could or couldn't do before 1997. We've always taken the view that the sewage strategy before 1997 is our business. This project doesn't straddle 1997. We've equally taken the view that because the next stages do straddle 1997 and because one of the environmental options which needs to be considered is a long sea outfall into Chinese water that that is an issue which is a matter of legitimate interest and concern for the Chinese side. So I think it's important to distinguish between stage one and stage two. And, we have as in many other ways ignored much of the politics and the propaganda and just got on with the business of doing things for the interest of Hong Kong.

One other issue. I've put out, I've published this afternoon the full copy of a letter that I have written to the Hong Kong Journalists Association about the Broadcasting Bill dealing with some of the intemperate and the wrong-headed criticisms that have been made about the announcement yesterday on our decision to postpone a bill, a consolidating bill while getting on with priority issues like dealing with video on demand, paid-TV and the Bill of Rights and freedom of speech aspects

of broadcasting which I repeat, just in case anybody did not get the point yesterday. We are totally committed to putting into legislation as reasonably soon as we can after the Law Reform Commission have looked as they are at the moment at the Telecommunication Ordinance. They are due to report within the next few weeks and then we will be dealing with Section 13 of the Telecommunication Ordinance which deals with the ability of the government to pre-censor television programmes as well as with other matters. I repeat, there is no question at all of us having backed off on those matters. One or two people have also questioned where we stand on cross-media ownership and foreign ownership of newspapers and media organisations and on that our position is equally clear, straight forward and sensible. There is a Consumer Council report on the subject. We have committed to replying to the Consumer Council within six months on that subject and we'll do so and hope that our proposals can carry the support of the community and the legislators. But I repeat, there is no question whatsoever of us having been back sliding on our commitment to ensure that all that legislation touching freedom of speech which needs to be brought in line with the Bill of Rights will be brought in line with the Bill of Rights before 1997. That is what I've said before. We've accomplished 80 per cent of the task and we intend to finish the rest as soon as we reasonably can. So I hope that's entirely clear. And just one other matter for the record. We've had no communication whatsoever from the Chinese side about our intentions on the broadcasting front. OK.

Question: Can you give us an example of how Mrs Wong will be affected by this freeze?

Governor: If Mrs Wong is, as she's likely to be, paying some sort of tax, she'll be finding some of her tax in effect going to pay to subsidise Mrs Lee next door who may be using more of a service or more of a product than she is. The point about not allowing charges to rise in line with costs is you fetch up completely distorting prices for utilities. You fetch up completely distorting fares so that some people who don't use the service in effect subsidise it through their taxes and help somebody else who is using more of the service than they do. That's never been the Hong Kong way of doing things. Of course we need and must continue to fight inflation as vigorously as possible. That's what we've been doing. But I don't think that a blanket freeze right across the board of all charges is a sensible way of doing that. And we're discussing with the Legislative Council, some of whom take a different point of view how we can resolve the present impasse. And I hope we'll be able to do so. It's in everybody's interest that we do. But it's part of the normal dialogue of politics in an open society like Hong Kong. And I don't think anybody should get too desperate about it. Thanks very much.

End

Governor's letter on comments on Broadcasting Bill

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Following is the full text of a letter the Governor, the Rt Hon Christopher Patten, has sent to the Hong Kong Journalists Association relating to comments made on the Broadcasting Bill:

24 January 1996

I was disappointed by your reaction on behalf of the Hong Kong Journalists Association to our announcement yesterday about the Broadcasting Bill and related issues. You seem to be suggesting that the Hong Kong Government's intention is to back away from important broadcasting and freedom of speech issues. Nothing could be further from the truth. What we are proposing is the most efficient way of tackling the top priority tasks in this area as quickly as possible. Let me explain the background to these proposals and why we believe they represent the best way forward.

Our original intention, as set out by the Secretary for Recreation and Culture to the Legislative Council on 19 July 1995, was that the Broadcasting Bill should be an omnibus piece of legislation covering the following components. First, it should bring all legislation governing broadcasting licensing into one ordinance. Second, it should ensure that broadcasting was regulated by reference to the nature of the service rendered rather than the technology employed to deliver it. Third, it should deal with the issues of ownership of the media in Hong Kong, including foreign ownership, so as to reflect the status of Hong Kong as the broadcasting centre of Asia. In addition, we had intended to use the Broadcasting Bill to bring Section 13C of the Telecommunication Ordinance, in line with the Bill of Rights, by removing the powers to prohibit programming presently vested in the Governor-in-Council and the Broadcasting Authority, and to vest similar powers in the courts.

It does not take an expert in the field to recognise the sheer complexity of these issues, and the time it would necessarily take if they were all to be resolved in a single comprehensive piece of legislation. We therefore examined each of the components of the proposed Bill carefully to see if there were ways in which we could make accelerated progress on those items of top priority, for example by extracting them from the main body of the legislation and proceeding with them separately.

This is exactly how we have decided to proceed. On video on demand, for example, it was clear that we needed to put a regulatory framework in place as soon as possible, given Hong Kong Telecom's announced intention to introduce video on demand in July. Rather than delay this by working through the proposed Broadcasting Bill, we will be proceeding by way of an early amendment to the Television Ordinance. On the pay TV market, we need to complete our review of this before the Wharf Cable's exclusivity period finishes at the end of May. So again we will be dealing with this issue, separately, as a matter of priority.

We are also giving priority to the amending powers to prohibit programming enshrined in Section 13C of the Telecommunication Ordinance. This is, I know, a matter of particular concern to your members. As you are aware, the Government undertook to carry out a comprehensive review of existing laws which might affect press freedom or freedom of expression and have taken considerable steps, particularly over the last two years or so, to repeal or amend those laws which are either obsolete or may threaten freedom of expression. Since 1992, the Government has examined 53 provisions in 27 ordinances. We have completed action on 43 of these and are now addressing the remaining laws. Section 13C of the Telecommunication Ordinance is one of these. The Government has taken the view that the amendment to this ordinance is a priority and cannot wait until the more complex and comprehensive Broadcasting Bill is ready. We will therefore be proposing amendments to Section 13C of the Telecommunication Ordinance as a separate issue and will tackle this alongside any other changes to that Ordinance which are likely to be needed following the publication of the Law Reform Commission's report on the interception of telecommunications and mail. Their recommendations are expected in a few weeks time.

So any suggestion that we are somehow going slow on freedom of information issues is unfounded. On the contrary, we have gone out of our way to be as flexible as possible in dealing with legislation on these issues in order to accelerate progress.

Finally, on the question of changes to the rules on foreign and cross-media ownership, action is already in hand to address these. The Consumer Council has just released its recommendations on this issue, and the next step is for the Government and the public to have the opportunity to consider them. As with all competition reports commissioned by the Government from the Consumer Council, we are committed to responding to the Council's report within six months. We will keep to this deadline.

In the light of this background, I hope you will agree that there is no question of our backing away from the substantive broadcasting and freedom of information issues that the Broadcasting Bill was originally intended to address. Our approach will ensure that the most pressing tasks are dealt with in the quickest and most effective manner. You have my assurance that momentum will be maintained in all the priority areas.

In view of the public interest in this issue, I am making this letter available to the media today.

Governor

Kevin Lau Esq
Vice Chairman
Hong Kong Journalists Association
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Hong Kong

End

Public consultation on discrimination starts

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The Secretary for Home Affairs, Mr Michael Suen, urged members of the public to express their views on the two consultation documents on discrimination on the grounds of family status and sexual orientation released today (Wednesday).

Speaking at a press conference to launch a two-month public consultation on these two areas of discrimination, Mr Suen said the documents summarised the issues identified in the studies undertaken by the Home Affairs Branch (HAB), and also set out possible measures to address the issues concerned.

Calling on members of the public to actively participate in the discussions, Mr Suen pointed out that the possible measures outlined in the documents only served as a basis to invite comments.

"We have no preconceived ideas on these measures and welcome other suggestions on these issues. The public response will guide us in mapping out the future course of action in these two areas," Mr Suen said.

Each of the measures outlined carried with it particular implications which would have an effect on the community, he said: "It is therefore imperative that the public should consider these issues thoroughly and make their views known.

"Findings of the studies will be reported to the Legislative Council after we have analysed all submissions from the public."

On the format of the consultation papers, Mr Suen said both adopted a similar approach.

Each document summarised HAB's research into overseas experience in handling the respective area of discrimination and carried an assessment of local circumstances through meetings with various non-government organisations (NGOs) and interested parties.

"We have met with over 30 groups, including women's groups, homosexual groups, employer and employee organisations, religious groups, social service groups, educational bodies, financial institutions and academics.

"In respect of the study on sexual orientation, an opinion survey has been conducted to gauge public attitude towards different forms of sexual orientation," he said.

Turning to the findings of the study on discrimination based on an individual's family status, Mr Suen said discussions with various concerned groups indicated that persons, more often women, who were taking care of young children and those of single parent families were the two categories most likely to be discriminated against.

"Such discrimination is found to occur predominantly in the areas of employment and in the provision of accommodation," he said.

At present, a variety of welfare and support services, retraining schemes and legislative initiative, such as the Sex Discrimination Ordinance and the Parent and Child Ordinance, were available to offer relief and assistance to persons concerned, Mr Suen noted.

Should the community feel that more should be done to enhance equal opportunities for persons of different family status, a number of possible legislative and non-legislative measures were listed in the document.

On the legislative option, Mr Suen invited members of the public to air their views particularly on the definition of "family status", areas of activity or concern to be covered, and the enforcement mechanism of any such legislation.

As for non-legislative measures, the following have been suggested by the interested groups in the course of their discussions with HAB:

- * Strengthening social services through improved provision of child care, care for the elderly and family services and through better co-ordination of these services to meet the needs of those with family responsibilities;
- * Introducing employment-related incentives, such as flexible working hours, parental leave systems and child care support, by employers to assist employees in balancing the demands of work and family;
- * Stepping up public education to promote a better understanding of different family status and to minimise negative attitudes towards persons of a particular family status.

Turning to sexual orientation, Mr Suen said divergent views had been expressed on the issue of discrimination in this area.

He said homosexual groups, in their discussions with the Branch, indicated that the major areas of discrimination were in employment and in the provision of accommodation and services.

"Related problems including self-stigmatisation, concealment of sexual orientation and public misconceptions about homosexuality are also set out in the document to enable a better understanding of the issues faced by homosexuals," he said.

Meanwhile, other groups have expressed reservations on accepting homosexuality as a normal form of sexual orientation.

They are concerned about the possible effects of the community's general acceptance of homosexuality on young people in particular.

Mr Suen pointed out that similar to the study on family status, the option to outlaw discrimination was examined with reference to overseas experience, and covered the issues to be considered in the definition of "sexual orientation", the areas of activity or concern to be addressed, and the enforcement mechanism.

As for non-legislative measures, the following have been suggested by the interested parties:

- * Strengthening public and school education to improve public awareness of different forms of sexual orientation and to instil in the public the necessary respect for the rights of a person of a different sexual orientation;
- * Enhancing counselling and support services for homosexuals to alleviate problems such as self-rejection and self-stigmatisation, and providing more training to service providers;
- * Encouraging employers to extend employees' benefits for married couples to same-sex partners so as to enhance equal treatment for persons of different sexual orientations.

Mr Suen said in addition to these two studies, the Education and Manpower Branch was conducting another one on age discrimination.

"After the completion of the three studies, the Government will carry out a study on racial discrimination.

"This study will follow a similar approach as the studies on discrimination on the grounds of family status and sexual orientation," he said.

Reiterating the Government's firm commitment to promoting equal opportunities for all, Mr Suen said given the complexity of the issues, a measured and prudent approach was required for Hong Kong's circumstances.

"This will minimise possible drawbacks of hasty action," Mr Suen added.

Copies of the consultation papers are now available at district offices. Members of the public are invited to submit their views in writing to HAB on 31st floor, Southorn Centre, 130 Hennessy Road, Wan Chai, by March 31.

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Advertising Code of Practice for telecommunications industry

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The Telecommunications Authority announced today (Wednesday) the promulgation of an Advertising Code of Practice (the Code) for the telecommunications industry. The Code sets out the basic guiding principles in relation to the promotion of telecommunications services.

"It is believed that these guiding principles will help preserve the good image of the telecommunications industry and the goodwill of operators who wish to advertise their services," a spokesman for the Office of the Telecommunications Authority (OFTA) said.

"They will also serve as preventive measures to curb the appearance of malicious advertising."

The Code was drafted in consultation with the industry, the Consumer Council and the Telecommunications Users and Consumers Advisory Committee. Many of their useful comments have been incorporated. It is to operate with immediate effect and the industry is to observe it on a voluntary basis.

OFTA will closely monitor the implementation of the Code and welcomes feedback from the industry.

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Fire Services Ambulancemen's Union petition

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In response to press enquiries on the petition by the Hong Kong Fire Services Ambulancemen's Union on ways to improve the delivery of emergency ambulance services, a spokesman for the Fire Services Department today (Wednesday) said the department is studying the letter presented by the union.

He clarified that the shortage of ambulancemen was not a principle factor contributing to the three per cent shortfall in the 92.5 per cent performance target pledged for 1995.

"Rather, our efforts to meet the pledged target were affected by such factors such as an increase in emergency calls in remote areas, inclement weather conditions during the summer months, road closures and prevailing traffic congestion," he said.

He pointed out that in fact performance in the last quarter of 1995, when compared with the third quarter last year, had improved by two per cent, and the department was able to achieve a 90.3 per cent level following the redeployment of ambulances to provide better coverage as recommended by a consultant tasked to review the emergency ambulance services.

On the claim that there was a manpower shortage, the spokesman said: "The department was to delete 294 ambulanceman posts as a result of transferring the non-emergency removals to the Hospital Authority, which was completed last October.

"However, the deletion programme by natural wastage has not been fully achieved and we still have 140 crew members left over.

"The department has submitted a proposal to the Government to retain this surplus and this particular proposal will immediately make available half of the manpower needed to achieve the 95 per cent long term target as recommended by the consultant," he said.

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Salary survey featured in Monthly Digest of Statistics

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A feature article entitled "Salary Statistics of Middle-Level Managerial and Professional Employees" is published in the January 1996 issue of the Hong Kong Monthly Digest of Statistics.

The Annual Survey of Salaries and Employee Benefits - Managerial and Professional Employees (Excluding Top Management) has been conducted annually by the Census and Statistics Department since 1984.

The survey collects information relating to salary rates and fringe benefits of managerial and professional employees from about 200 large companies in selected major economic sectors.

Over the past 12 years under review, the average salary rate for middle-level managers and professionals showed the highest percentage increase in the financial institutions and insurance sector as compared with that in other economic sectors. Analysed by occupational group, employees engaged in banking and insurance management enjoyed the highest rate of increase in salary rate.

The article also contains average monthly salary rates in June 1995 for selected common occupations across different economic sectors, and also statistics on the entitlement of middle-level managerial and professional employees to various kinds of fringe benefits.

The January 1996 issue of the Hong Kong Monthly Digest of Statistics is now on sale at \$50 a copy. It contains most up-to-date information on Hong Kong's situation regarding economic growth, the labour market, inflation and many other social economic issues.

Purchase of the publication can be made at the Government Publications Centre, ground floor, Low Block, Queensway Government Offices, 66 Queensway, Hong Kong. The publication is also available for sale at the Publications Unit of the Census and Statistics Department, 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong. Regular subscription can also be arranged with the Publications (Sales) Office of the Information Services Department on 2598 8194.

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Vitasoy investigation reports

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In response to press enquiries on Vitasoy investigation reports, a spokesman for the Department of Health confirmed that the department has received two copies of the investigation reports this (Wednesday) afternoon from Vitasoy International Holdings Ltd in connection with the incidents of "sour-taste" Vitasoy products.

"A meeting of an Ad Hoc Working Group of the Hygiene Services Committee will be held as soon as possible to discuss and consider the reports in detail," the spokesman said.

The Ad Hoc Working Group comprises Urban and Regional Councillors and representatives of the Department of Health and the two municipal services departments.

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Amusement rides operation fees to be revised

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Fees specified in the Amusement Rides (Safety) Ordinance and the Amusement Rides (Safety) (Operation and Maintenance) Regulation will be revised with effect from March 8, subject to the approval of the Legislative Council.

"The existing fees were introduced in December 1994 and since then have not been revised.

"A recent costing review shows that they are much below the cost of providing the service," a spokesman for the Recreation and Culture Branch said today (Wednesday).

"It is government policy that fees should in general be set at levels sufficient to recover the full cost of providing the services.

"However, as the new arrangements for control of the operation of amusement rides have only been implemented for just about a year, we consider it more appropriate to revise the fees generally by reference to the Government Consumption Expenditure Deflator movement which is nine per cent from 1994-95 to 1995-96 with two exceptions."

"They are the fees relating to the approval of a person as surveyor and amendment to a limited certificate of approval held by a surveyor, which will be increased by three per cent only," the spokesman added.

The Amusement Rides (Safety)(Fees)(Amendment) Regulation 1996 to provide for the fee increases will be published in the Gazette on January 26 and tabled in the Legislative Council on January 31.

Following are the details of the existing and proposed fees, as well as the full cost of providing these services:

	<u>Existing Fees</u> \$	<u>Fees to take effect on 8 March 1996</u> \$	<u>Full cost of providing the service at 1995-96 price</u> \$
For approval of a person as :			
a) a surveyor	4,950	5,100	5,104
b) a competent person	2,530	2,765	3,486
c) a qualified person	640	700	1,364
For amendment to a limited certificate of approval held by :			
a) a surveyor	4,950	5,100	5,104
b) a competent person	2,530	2,765	3,486
c) a qualified person	640	700	1,364
For the designation by name of any person who may exercise powers conferred by section 19 and 20 of the Amusement Rides (Safety) Ordinance :	140	153	927

	<u>Existing Fees</u> \$	<u>Fees to take effect on 8 March 1996</u> \$	<u>Full cost of providing the service at 1995-96 price</u> \$
For approval of the commencement of operation of an amusement ride in : (Note)			
a) Category A	155	170	453
b) Category B	275	300	658
c) Category C	2,530	2,765	3,543
d) Category D	4,950	5,410	7,146

For permission to resume operation of the ride in : (Note)

a) Category A	155	170	453
b) Category B	275	300	658
c) Category C	2,530	2,765	3,543
d) Category D	4,950	5,410	7,146

Note :

An amusement ride in -

- (a) category A means any ride which is permitted to carry not more than 2 persons;
- (b) category B means any ride which is permitted to carry not more than 5 persons;
- (c) category C means any ride which is permitted to carry not more than 20 persons; and
- (d) category D means any ride which is permitted to carry 21 or more persons.

Allowance to jurors to be increased

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The Allowances to Jurors (Amendment) Order, which provides for an increase in the allowance and the maximum additional allowance payable to jurors, has been made by the Governor on December 29 last year and will be published in the Gazette on Friday (January 26).

Under the Order, which forms part of the subsidiary legislation of the Jury Ordinance, the allowance will be increased from \$240 to \$280 a day or part of a day.

The revision follows a review by the Judiciary in November 1995 which concludes that allowance should be increased to \$280 a day, or part of a day.

It is anticipated that the proposed revision will entail an additional recurrent expenditure of \$0.47 million per annum, a government spokesman said today (Wednesday).

End

DB chairmen appointed convention ambassadors

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The chairmen of all 18 District Boards (DBs) have been appointed as Convention Ambassadors for the territory by the Hong Kong Tourist Association.

Attending a certificate-presentation ceremony today (Wednesday), the Director of Home Affairs, Mrs Shelley Lau, said she was pleased that DBs had committed themselves to promoting tourism in Hong Kong.

Mrs Lau said the Home Affairs Department had launched an 18-District Tourism Promotion Project recently.

"The Working Party set up for this purpose is now planning to produce a package of informative brochure highlighting the unique characteristics of each district and favourite tourist spots in Hong Kong," she said.

"The aim is to encourage more tourists to visit Hong Kong and to tie in with the Hong Kong tourism strategy with the full participation and support of the local community.

"Our intention is to enhance the importance of District Administration and tourism in Hong Kong at the same time."

Mrs Lau thanked the Hong Kong Tourist Association for its pledge to support the 18-District Tourism Promotion Project.

The Hong Kong Convention Ambassador Programme was inaugurated by the Hong Kong Tourist Association in November 1994.

The objective is to encourage local people to help build up Hong Kong's international status by spreading positive messages to their overseas counterparts and associates about the city and its attractions as an international convention destination.

Over 600 professionals, academics and association executives have been appointed as Hong Kong Convention Ambassadors so far.

Also attending the ceremony today were Legislative Councillor, Mr Howard Young; the Secretary for Economic Services, Mr Gordon Siu; and the Executive Director of the Hong Kong Tourist Association, Mrs Amy Chan.

End

Students to show creativity at computer contest

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Twelve teams from local secondary schools will test their creativity at the finals of the Education Department's Computer-assisted Learning Module Design Contest this Saturday (January 27), with meritorious entries being promised a chance to be incorporated into a CD-ROM programme for schools.

The entries are computer programmes and presentations designed by students that help users to learn a range of topics ranging from prepositions and historical events to the structure of teeth and the Earth.

Some of the finalist programmes are interactive. Many are user-friendly. Others take a light-hearted approach to learning or operate in an attractive multi-media environment.

The Education Department, in conjunction with the Hong Kong Association for Computer Education, has organised the Computer-Assisted Learning (CAL) Modules Design Contest, CAL'96, for all full-time secondary school pupils in Hong Kong.

Dr Miranda Tse, Project Director of CAL'96, said: "The main objective of this function is two-fold: first, to promote computer education among our secondary school pupils; second, to develop CAL programmes for Hong Kong schools by tapping the talents of our own students."

After keen competitions in the heats and semi-finals, 12 finalist projects will be competing for the three Grand Prizes, and the Most Creative Award. A "Grand School Prize" will also be awarded to the school with most credit points. Prizes for the Outstanding Civic Education Project and Outstanding Teaching Tools will also be awarded.

The overall standards of the entries are very high and there are some very outstanding projects. The CAL modules belong to one of the following categories:

- (A) Languages
- (B) Humanities
- (C) Mathematics and Science
- (D) Technical and Cultural Subjects

The finals will be held on Saturday in the Studio Theatre, Hong Kong Polytechnic University.

The panel of adjudicators for the final contest will include: Professor Francis Chin, Head, Department of Computer Science, University of Hong Kong; Professor Daniel Yeung, Head, Department of Computing, Hong Kong Polytechnic University; Mr Teng Shiu-bong, Head of Computer Education Section, Education Department; Mr Ki Wing-wah, Lecturer, Computer Studies, Department of Curriculum Studies, University of Hong Kong and Mr She Mang, Head of Mathematics, Science and Computer Education Section of Curriculum Development Institute, Education Department.

The finalists will run their programmes in front of the adjudicators and all the guests.

The results of the final contest will be announced in a prize-giving ceremony in the afternoon. Mr Ng Kwok-chuen, Deputy Chief Executive of the Education Department's Curriculum Development Institute, will be the officiating guest.

After the contest, the organisers will modify and duplicate the programmes which will then be used as share-ware in schools in Hong Kong. The programmes will be modified using Hypertext with the support of tertiary education institutions.

A live demonstration of the three Grand Prizes winning projects will also be held as the finale at the prize-giving ceremony.

Enquiries can be directed to Dr Miranda Tse of the Education Department's Curriculum Development Institute on 2892 5814.

End

21-Gun Salute for the Queen

* * * * *

Royal Navy's saluting guns will fire for the first time this year at midday on February 6 - on the anniversary of Her Majesty the Queen's accession to the throne.

The 21-Gun Salute will be fired from one of the Peacock class patrol crafts of Hong Kong Squadron from a position adjacent Fenwick Pier in Victoria Harbour.

Other 21-Gun salutes to be fired in 1996 are as follows:

April 22 (Monday) - Anniversary of HM the Queen's Birthday

June 3 (Monday) - Anniversary of HM the Queen's Coronation

June 10 (Monday) - Anniversary of the Duke of Edinburgh's Birthday

June 15 (Saturday) - HM the Queen's Official Birthday

August 5 (Monday) - Anniversary of HM the Queen Mother's Birthday

All salutes take place at noon. Details of other gun salutes during 1996 will be announced in due course.

End

Three lots of land to let

The Lands Department is inviting tenders for the short-term tenancies of three pieces of government land in Kowloon and the New Territories.

The first and second lots, both located off Fung Shing Street, Ngau Chi Wan, Kowloon, have an area of 3,970 and 1,320 square metres respectively. The two lots are intended for parking of motor vehicles excluding container vehicles with their prime movers and trailers attached.

The tenancies for both lots are for two years, renewable quarterly.

With an area of 2,830 square metres, the third lot is located in Tui Min Hoi, Sai Kung. It is designated for use as a workshop for re-cycling of waste materials.

The tenancy is for three years, renewable quarterly.

The closing date for submission of tenders for all three lots is noon on February 9.

Tender forms, tender notices and conditions may be obtained from the Sai Kung District Lands Office, third floor, Sai Kung Government Offices, 34 Chan Man Street, Sai Kung; the Lands Department, 14th floor, Murray Building, Garden Road; and the District Lands Office, Kowloon East, 10th floor, Yau Ma Tei Car Park Building, 250 Shanghai Street, Kowloon.

Tender plans can also be inspected at these offices.

End

Hong Kong Monetary Authority money market operations

	\$ million	Time (hours)	Cumulative change (\$million)
	-----	-----	-----
Opening balance in the account	1,718	0930	+584
Closing balance in the account	2,507	1000	+584
Change attributable to :		1100	+584
Money market activity	+586	1200	+585
LAF today	+203	1500	+585
		1600	+586

LAF rate 4.25% bid/6.25% offer TWI 123.9 *+0.1* 24.1.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.42	2 years	2711	5.60	100.68	5.26
1 month	5.40	3 years	3901	5.57	100.40	5.50
3 months	5.35	5 years	5012	6.38	102.28	5.92
6 months	5.29	7 years	7211	6.82	103.86	6.21
12 months	5.21	5 years	M502	7.30	104.73	6.24

Total turnover of EF bills and notes - \$21,662 million

Closed January 24, 1996

End



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SUPPLEMENT

Wednesday, January 24, 1996

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Hong Kong must hold fast to its budgetary principles

* * * * *

The Financial Secretary, the Hon Donald Tsang, said today (Wednesday) that the Government will hold fast to its economic and budgetary principles in order to maintain steady economic growth and improve the livelihood of the community.

Speaking at the motion debate on "Freezing of fees and charges" at the Legislative Council today, Mr Tsang urged Legislative Councillors to reflect on the consequences of moves to freeze fees and charges and subsidise services from the public purse.

"If an operation does not pay its own way, then it ends up competing for resources with other public services.

"And the result is always the same: the standard of the utility service gradually declines as over the years it loses out in the battle for resources," Mr Tsang said.

He said that at a time the economy was facing challenges on many fronts and growing more slowly, Legislative Councillors' frustration was understandable.

"But we have to recognise that this is the low point of the economic cycle. That despite this, we still maintain a respectable growth of about five per cent, with inflation easing and unemployment stabilised," he said.

"The inflation rate is coming down because we have addressed, and continue to address, the bottlenecks that tend to exert upward pressure."

He also noted that the unemployment rate had stabilised at about 3.5 per cent.

"Unemployment is a complex subject, and a problem that the Government takes very seriously.

"Again, the correct response of our community must be to seek out the appropriate long term measures, not snatch at 'quick fix' palliatives that would only serve to make the situation worse," he said.

Mr Tsang said that at about \$151 billion Hong Kong's reserves were at a very healthy level and its public finances were in good shape.

"This is not the right time to fritter away an advantage so hard won," he said.

He said the Government had attempted, with the advice of the Legislative Council, to prioritise so as to meet the aspirations of the community without breaching the fundamental guideline of living within its means.

"The community at large, including this council, has generally supported our common sense approach.

"And provided we hold true to our economic and budgetary principles, we can and will maintain the steady growth that will improve the livelihood of all," he said.

End

FS in debate on freezing of fees and charges

* * * * *

Following is the speech by the Financial Secretary, the Hon Donald Tsang, in the motion debate on Freezing of government, public bodies and utility companies' fees and charges, and public housing rentals in the Legislative Council today (Wednesday):

Mr President,

The motion before the Council this evening quotes two problems and two opportunities, and then goes on to suggest a four-part remedy. I must respectfully put it to Members that this construction, though superficially neat and attractive, is not well founded.

First, inflation. At an average of 8.7% for 1995 as a whole this is still higher than we would like it to be, but as the Secretary for the Treasury has pointed out, it is now heading in the right direction. Certainly we are no longer in the situation of five years ago when the increase in CPI(A) was well into double digits and seemingly spiralling out of control. The rate is coming down because the resource situation has eased, and also because we have addressed, and continue to address, the bottlenecks that tend to exert upward pressure. The way to keep inflation under control is to maintain that unspectacular, but in the long run more effective, course.

Second, the unemployment rate. Unemployment is a complex subject, and a problem that the Government takes very seriously. It seems that the rate has stabilised at about 3.5% - which is the envy of most communities in the world but higher than we have become used to. Again, the correct response of our community must be to seek out the appropriate long term measures, not snatch at "quick fix" palliatives that would only serve to make the situation worse. The theme of long term economic fundamentals is one to which I will return in my Budget Speech in six weeks' time.

The surplus. Unfortunately for the proposer of the motion, we are in fact expecting a deficit. I shall not go into detail here because this is a matter more appropriately dealt with in the Budget by which time more up-to-date data will be available. Suffice to say that my predecessor when presenting the 1995-96 Budget forecast a deficit of about \$2.6 billion and I have no reason at this point to think that will prove very wide of the mark. But I shall not dwell on the point: even if there were a surplus, it would not be correct to use it in the way implied by the motion.

The reserves. Yes, at about \$151 billion our reserves are at a very healthy level. Yes, our public finances are in good shape. Yes, when compared with the chaos we see elsewhere in the world the Hong Kong community has every right to take pride in its prudent management of the common wealth. No, this is not the right time to fritter away an advantage so hard won.

We have reached the enviable position we have today not by accident, but by design. The Administration has adopted a set of prudent budgetary principles and applied them steadfastly. The community at large, including this Council, has generally supported our common sense approach. Thus the Government has not pretended it can be all things to all men, making extravagant promises leaving future generations to pick up the bill. Rather we have attempted - with the advice of this Council - to prioritise so as to meet the aspirations of the community without breaching the fundamental guideline of living within our means. The International Monetary Fund has recently conducted one of its regular inspections, and once again Hong Kong has passed with flying colours. Their advice on this point exactly matches my own inclinations: Our reserves are there for rainy days, not for cloudy periods.

The Secretary for Transport and the Secretary for Economic Services have pointed to our good fortune in enjoying basically reliable and affordable utility and transport services. Flick the switch, electricity. Turn the tap, fresh water. Pick up the phone, a dialling tone and the ability to call anywhere in the world. Set out to travel, a wide range of reasonably efficient modes. Hong Kong citizens take these and other services for granted and long may they continue to do so. Yet many communities in the region do not have them. Why is this? I urge Members to pause to reflect for a moment on what it is that makes these services work. As with our public finances, this is not an accident. It is the result of a sensible partnership between the public and private sector. The Administration, acting on behalf of the public, provides the framework. Private companies provide the services. The result has generally been reasonable prices paid by the consumer and a reasonable profit earned by the investor.

What would be the consequence of moves to artificially suppress profits, or subsidise services from the public purse? We do not have to speculate, we can report from direct observation of communities that have gone down these routes. Without a reasonable profit, there is no new investment and the service declines. This obviously applies to private companies. It tends to apply also - but more subtly - to public corporations also. Because if an operation does not pay its own way, then it ends up competing for resources with other public services. More kidney machines for our hospitals, or more new buses? More computers in school, or more carriages on the MTR train? More welfare facilities, or more modern ferries? And so on. And the result is always the same: the standard of the utility service gradually declines as over the years it loses out in the battle for resources. The commuter who saves 50 cents on his bus fare may thank you tomorrow. But what will he say to you in two years' time when he is walking to work? Or at least spending twice as long in the queue. To borrow an analogy used by Ms Chan Yuen-han, there are not many Forrest Gumps in Hong Kong.

Mr President, I do not propose to repeat all the familiar but sound arguments on fees and charges, or on public housing rents. These have been well covered by the Secretary for the Treasury and the Secretary for Housing. In conclusion let me just say this.

No-one doubts the motives of those who want to improve the livelihood of our community. After all that is one of the prime objectives of the Government too. What is at issue is how best to do so. At a time when the economy is facing challenges on many fronts and growing more slowly, I can well understand Members' frustration: indeed I share it. But we have to recognise that this is the low point of the economic cycle. That despite this, we still maintain a respectable growth of about 5%, with inflation easing and unemployment stabilised. And that provided we hold true to our economic and budgetary principles, we can and will maintain the steady growth that will improve the livelihood of all.

With these remarks, I urge Members to oppose the motion in any form.

End

Realistic examination on fare increases urged

* * * * *

The Secretary for Transport, Mr Haider Barma, today (Wednesday) said that in considering applications for increases in public transport fares, Legislative Councillors should look at such proposals in a realistic manner.

"With respect, the discharge of responsibility does not lie in the outright rejection of such applications; surely responsibility must extend to an examination of all the facts and figures as well as taking into account the basis on which public transport is provided and recognising the full implications of any decision," he added.

"To reject such increases on the grounds that this would spiral inflation and adversely affect the economy is too simplistic. The impact on livelihood needs to be seen in proper perspective.

"For the five year period from 1991 to 1995, the average annual impact on the Consumer Price Index arising from all public transport fare increases equated to a meagre 0.29 percentage points.

"The current public transport component of the average household expenditure is less than five per cent."

Speaking at the motion debate on "freezing of fees and charges", Mr Barma said: "Of late there has been a growing temptation to politicise each and every application for a fare adjustment. To say the least, the tendency to focus on increases in percentage terms is misleading.

"In reality the increases in dollar terms is minimal and affordable, with increases on the majority of individual routes well under \$1."

End

S for T in debate on freezing of fees and charges

* * * * *

Following is the speech by the Secretary for Transport, Mr Haider Barma, in the motion debate on Freezing of Government, public bodies and utility companies' fees and charges, and public housing rentals in the Legislative Council today (Wednesday):

Mr President,

I dare say many of us in the Chamber this evening are experiencing a sense of *deja vu*. This is because the call to reject or defer proposals for increases in fees and charges as well as transport fares has become an instinctive battle cry of some political parties and Members of this Council. What is more, motion debates on this subject seem to have become a fixture in the Council's calendar at this time of the year to preempt the cycle of applications for fare adjustments from transport operators.

I make no apologies for repeating and reiterating the points I have made over the past two years in debates pertaining to transport fares because the arguments remain totally valid.

One of the fundamental pillars of our well-established transport policy is to provide a reliable, efficient and affordable transport system in Hong Kong which meets the economic, social and recreational needs of our community. The rationale for this policy cannot be disputed when over 10 million commuter trips are made by public transport daily. Our buses carry 3.5 million passengers a day; the MTR, KCR and LRT account for another 3.2 million; over 1.7 million use PLBs; another 200,000 travel by ferries and 320,000 by trams whilst some 1.3 million use taxis.

We have, by world standards, a first-class transport system. Although the Government provides the regulatory framework for this, it is the private sector that provides the services. This approach has served Hong Kong well. Our franchised transport operators, over the years, have made sizeable investments and as business ventures, they must be allowed to make a fair and reasonable return on their investments. Operating costs increase and an adjustment in transport fares, in turn, becomes a necessity.

As for our 2 railway corporations, I agree with everything the Honourable James Tien has said, both the MTRC and KCRC operate on prudent commercial principles. It is through annual adjustments in fares that both MTRC and KCRC generate the necessary funds to implement comprehensive maintenance and service improvement programmes.

But, Mr President, I must question the views pertaining to transport fares expressed by the Honourable Chan Yuen-han and the Honourable Yum Sin-ling. One has to be realistic. If franchised operators are not permitted to make a modest return on their investment why should they continue in the business? It becomes quite ludicrous when, for example by comparison, individuals can earn a better return on their saving deposits, than can, say, a ferry company on its huge capital outlay. If transport operators lose money and go bankrupt, what would happen? If public transport comes to a halt Hong Kong would become paralysed. Do the critics expect the Government to subsidise public transport? Worse still, would Government have to take over? The full implications and consequences of freezing transport fares must be fully understood. This is unquestionably illustrated by the fact that the operating costs of our franchised bus and ferry companies totalled \$5 billion in 1995. If the private sector withdrew, and the Government was forced into running buses and ferries, funding would then have to come from the public purse and my guess is that this would have to be at the expense of other programme areas.

It would be totally wrong to think that applications for increases in transport fares are endorsed by the Administration simply to boost the coffers of transport operators. It may help if I outline again the criteria which the Administration takes into account. These are -

- (a) the increase in operating costs since the last adjustment;
- (b) efforts made to reduce costs and increase revenue, e.g. economy measures and other sources of revenue such as advertising;
- (c) the availability and quality of service provided having regard to passenger demand and feedback;
- (d) future development plans and service improvement programmes;
- (e) forecast of future costs, revenue and return;
- (f) public affordability and acceptability including the impact on livelihood.

Having very carefully weighed all these factors, the Administration will then form a view as to whether an increase is justified and if so, the level of increase that is warranted. And of course it is not just the Administration that looks at the facts and figures. The LegCo Transport Panel is fully briefed - indeed the bus and ferry companies and other transport operators present their case to LegCo. The proposals are scrutinised by the Transport Advisory Committee and recommendations are submitted to Executive Council for endorsement.

The impact of fare increases must be looked at realistically. To reject such increases on the grounds that this would spiral inflation and adversely affect the economy is too simplistic. The impact on livelihood needs to be seen in proper perspective. For the five year period from 1991 to 1995, the average annual impact on the Consumer Price Index arising from all public transport fare increases equated to a meagre 0.29 percentage point. The current public transport component of the average household expenditure is less than 5%.

Mr President, of late there has been a growing temptation to politicise each and every application for a fare adjustment. To say the least, the tendency to focus on increases in percentage terms is misleading. In reality the increase in dollar terms is minimal and affordable, with increases on the majority of individual routes well under \$1.

Mr President, it is certainly right and proper for Members of this Council to be concerned about increases in public transport fares. With respect, the discharge of responsibility does not lie in the outright rejection of such applications; surely responsibility must extend to an examination of all the facts and figures as well as taking into account the basis on which public transport is provided and recognising the full implications of any decision.

Mr President, I urge Hon Members to vote against the motion.

End

SES in debate on freezing of fees and charges

* * * * *

Following is the speech by the Secretary for Economic Services, Mr Gordon Siu, in the motion debate on Freezing of Government, public utility corporations' fees and charges, and public housing rents in the Legislative Council today (Wednesday):

Mr President,

Public utilities

I would like to comment on those parts of the motion and the proposed amendments related to tariffs charged by public utility corporations in the public and private sections in my area of responsibility.

I shall talk briefly about electricity supply, telecommunications and then some other government fees and charges which are mentioned in the motion and the amended versions of the motion.

I join my colleagues here today and urged Members to reject the motion and the amendments. This is because the motion urges us to take a course of action which would not be in the long term interests of Hong Kong.

Supply of electricity

I shall start with electricity supply. When the Government considered proposals from our power companies to revise charges, we take into account all relevant factors, social, economic, as well as the long term well-being of Hong Kong. This is because of our power companies have a very important role to play in supporting Hong Kong's economic development.

Our two power companies operate under two Scheme of Control Agreements agreed with the Government. The Government's objectives in negotiating these agreements are to ensure that:

- * consumers get a reliable and efficient service - one which will expand to meet increasing demands at a reasonable price;
- * that shareholders of the company in term get a reasonable return on their investment - this would encourage them to continue to make the necessary investments, particularly those in the longer term;
- * the companies are also then enable to compete successfully in the financial markets when funds are needed for the expansion programmes; in particular to keep the cost of borrowing down;
- * the companies by so doing are also permitted to avoid financial difficulties which could otherwise lead to their collapse; and
- * these objectives are all achieved without any direct subsidy from public funds and with a minimum of governmental interference.

Under the respective Scheme of Control Agreements, the companies have agreed to subject their development proposals and tariffs adjustment to Government approval. There is in return, a formula to determine the maximum level of profit that each company can earn.

In approving tariffs adjustment, the Government seeks to strike that delicate balance between the interests of consumers and shareholders. On the one hand, consumers require affordability of tariffs but at the same time every member of the public expect certainty that the demand on electricity supply will be met without the brownouts and blackouts to which other parts of the region are subject. As regard shareholders, they need that reasonable rate of return on their investment and a climate of investment to enable them to meet the expectation of the general public on the certainty, the certainly of power supply.

When we look at tariff adjustment we seek to ensure that any increase in tariff is the minimum, the minimum necessary to allow the company, in return for meeting its obligations to receive a reasonable level of profits. On a year to year bases, the actual tariff charged to consumers may even be below that then the level approved for that year. For instance, the most recent tariff increase for the Hong Kong Electric Company in January was well below the prevailing inflation rate and the level which had been approved under the company's Financial Plan.

This system of applying the Scheme of Control Agreements on our power companies has served Hong Kong well. We have a reliable supply of electrical power to our homes, our factories, offices, efficiently generated and sufficient to meet all our demands. The average tariff level of the two power companies has only increased by 35 per cent since 1983, compared to a 172 per cent increase in the consumer price index for the same period. In real terms, the cost of electricity has fallen over 49 per cent during the past twelve years.

Telecommunications

I would now like to turn to telecommunications. Telecommunications services play a vital role in supporting our economic development. That these services are reliable, efficient and advanced gives Hong Kong a vital competitive edge in supporting our domestic business and industrial sectors. We in Hong Kong are proud, and indeed fortunate, to have one of the most advanced and sophisticated telecommunications networks in the world. This is one of our main competitive strengths, one we must develop if Hong Kong is to retain successful and competitive into the Information Age of the 21st Century.

Our present enviable situation has arisen through the foresight and substantial investment of the telecommunications industry. This is being enhanced through the introduction of competition in our local networks. The future investment of telecommunications companies - and they are committed to investments in excess of \$32 billion over the next 10 years - depends on having a reasonable rate of return and a favourable investment climate in which to raise funds. Market forces in the highly competitive areas of telecommunications industry are more than sufficient to keep tariffs down. Where competition has only recently been introduced, we have to ensure that there is no predatory pricing. Any freeze on tariff levels as suggested by the motion therefore made no sense. When market forces already operate to the full the least governmental interference the better.

Fees Proposals

Turning now to government fees.

Public Cargo Working Areas (PCWA) fees

First, our proposal to increase public cargo working area fees. I did propose some modest adjustments to this Council in October last year. Our aim was to do no more than to recover costs for what are essentially commercial operations - and very large one at that. The intention of those proposals was, through a phased programme, to remove the public subsidisation of the current service and get a reasonable rate of return on the average net fixed assets valued at historical prices. Our first phase proposal was for an average increase of 20 per cent with a rate of return of only eight per cent. This has to be seen in the context of continued growth in the number of ships using the port and the continued growth in demand for cargo-handling facilities. Pricing such fees below cost and market demand makes no commercial sense or economic sense.

Merchant Shipping (Seafarers) fees

Secondly, I have tabled proposals for adjustment to seafarers fees. In setting these fee, we have adopted an approach where by most of the fees are revised by about only 10 per cent to bring them in line with current price levels. The proposed fees still only recover 22 per cent of the total cost incurred in providing such services.

Airport Car Parking Charges

I would like to make one more illustration as to why it makes no sense to put a general fees on charges. I intended in the near future to put the Members the proposals to airport car parking fees. These fees are not the major item but any freeze on them, as is urged by this motion, would produce some unintended and totally undesirable consequences. The principle in setting the fees for the airport car park is not to raise revenue, but to ensure that there are always spaces available at the airport for airport users. The fees have to maintain a relativity with car-parking fees in the neighbouring areas, otherwise there would be an influx of casual car drivers into that car park that all available spaces would be quickly filled and those who genuinely need to drive the car to the airport would have to drive around the airport time and again waiting for a space to become available.

Conclusion

Mr President, Hong Kong may be going through some adjustment in its economic development. But these are not the worse of times. Inflation, for example, is on the decline. We all working to improve the situation. We do have to strike a balance when considering fee and tariff revisions. It would in my view be irresponsible to endorse all proposals for revisions to fees and tariffs without reference to wider social or economic considerations. But it would also be irresponsible to freeze all fees and tariffs without considering their merits. To do so would be to trade the future for the present. As leaders with vision, I urge Members to look beyond the immediate present to the future, and to the future well-being of Hong Kong.

End

User-pays principle reiterated

* * * * *

The Secretary for the Treasury, Mr K C Kwong, today (Wednesday) told the Legislative Council that the Government does not apply the guiding principle of "user pays/full cost recovery" blindly.

In certain carefully selected areas such as education and health care where there was compelling social justification, the Government deliberately subsidised very heavily, he said.

"Outside those areas, help is given only to the individuals and families in need. Not as a blanket across the board subsidy to all users irrespective of need," he said.

"It would not be sensible to design a system whereby ordinary taxpayers subsidised the comfortably off," he noted.

Speaking at a motion debate on "fees and charges", Mr Kwong said: "If we are able to continue to make the broad assumption that routine fee adjustments will go through, then we will be better able to focus our attention, and resources, on meeting the community's expectations."

End

Motion debate on visa-free entry to UK

* * * * *

Following is the speech by the Secretary for Security, Mr Peter Lai, in the motion debate on visa-free entry to UK in the Legislative Council today (Wednesday):

Mr President,

The Government shares the importance placed by the community and Honourable Members on a high degree of travel convenience for HKSAR passport holders, so that the travel convenience of Hong Kong residents after 1997 would not be adversely affected. The ability of our residents to travel to the rest of the world freely and without hindrance is an important ingredient in the continued prosperity of Hong Kong, which is an international trade and financial centre and has an externally oriented economy.

It is therefore important that as many countries as possible, but particular those having close economic and tourist ties with Hong Kong, should be ready to allow HKSAR passport holders visa-free entry after 1 July 1997. One of these countries is of course the United Kingdom. The British Government had made clear that a decision on visa-free entry could not be taken until further information was available on the HKSAR passport, including arrangements for the secure production and issue of the passport, and eligibility criteria.

Indeed this type of information would be sought by any third country considering visa free access for HKSAR passport holders. As Honourable Members know, the recent signing of the Agreed Minute on HKSAR passports, and the Foreign Secretary's visit to Beijing have helped to provide these information. The technical details of the passport, the role and responsibilities of the current Immigration Department and future HKSAR Immigration Department are now known. The two sides still have to continue technical discussions on the important question of eligibility criteria, which in turn involves the question of permanent resident status, based on the helpful assurances on this issue given by Vice Premier Qian Qichen to the Secretary of State in Beijing recently. The Secretary of State has made clear, during his recent visit to Beijing earlier this month, that the British Government will be able to consider the issue of visa-free entry to the UK for HKSAR passport holders in the near future. He indicated that he hoped it would be possible to reach a decision some time over the next two to three months.

The Hong Kong Government fully supports visa-free access to the United Kingdom, and indeed to any country or territory, for HKSAR passport holders. We have endeavoured to explain to third countries the arrangements involved in the issuing of the new HKSAR passport, to convince them of mutual benefits that a greater degree of travel convenience for Hong Kong people will bring, and to give reassurances about returnability to Hong Kong where necessary.

Honourable Members also referred to the question of BN(O) passport holders continuing to enjoy visa-free access to the United Kingdom. Such an arrangement has been in place since the introduction of the BN(O) passport in 1987. The BN(O) passport contains a statement: "In accordance with UK Immigration Rules, the holder of this passport does not require an entry certificate or visa to visit the United Kingdom." The British Government have no plans to change this arrangement.

It is no doubt in Hong Kong's interest that both the HKSAR passport and the BN(O) passport have good, world-wide reception. To achieve this requires not only the efforts of the Governments involved, but also a continuation of the good track record that Hong Kong travellers have demonstrated so far when they are overseas. I am optimistic that, with both the Governments and the people giving their efforts and playing their part, this should be an achievable objective.

Thank you Mr President.

End

Criminal Appeal (Amendment) Rules

Following is the speech by the Chief Secretary, the Hon Anson Chan, in moving the resolution on the Criminal Appeal (Amendment) Rules 1995 in the Legislative Council today (Wednesday):

Mr President,

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

On 5 July 1995, the Official Languages (Amendment) Ordinance 1995 was passed by this Council. The Amendment Ordinance provides for the removal of the restriction on the use of Chinese in the higher Courts and certain tribunals. It enables a judge or judicial officer presiding over a court hearing, as well as lawyers representing the parties, to use either or both of the official languages.

The Judiciary is committed to put in place a framework which enables Chinese, along with English, to be used in all judicial proceedings in Hong Kong before 1 July 1997. To meet this target, a Steering Committee on the Use of Chinese in Courts, appointed by the Chief Justice and chaired by Mr Justice Patrick Chan, recommended a phased implementation strategy enabling the use of Chinese first in the District Court, to be followed by the High Court and then the Court of Appeal.

We now propose that the criminal proceedings of the District Court should be allowed to be conducted in Chinese. As a result, it will be necessary to put in place rules to cover appeals from these cases.

We propose to change the present use of language in District Court criminal appeal proceedings. The proposed change will enable the parties to file their documentation in either Chinese or English. It also enables the parties, the lawyers or the judge to use Chinese at the hearing when it is appropriate to do so. The aim is to provide for a just and expeditious disposal of the proceedings. There is a built-in procedure whereby a party who does not understand a court document which is served on him can request for a translation of the document.

The Criminal Appeal (Amendment) Rules 1995 made by the Chief Justice, under the Criminal Procedure Ordinance and the Official Languages Ordinance, will upon commencement provide for the use of both of the official languages in criminal appeal proceedings taken under the Criminal Procedure Ordinance. The rights of the various parties set out in the Rules reflect the provisions of the Official Languages Ordinance and amplify those rights, where necessary, to reflect the effect of having to use particular languages in particular circumstances. The court will consider which official language will expeditiously dispose of the proceedings justly in making its decision as to which language it will use and its decision will be final.

Pursuant to Section 9 of the Criminal Procedure Ordinance, the Rules require the approval of this Council by resolution.

The provisions concerning the use of language in these Rules are applicable to three other sets of Rules for the District Court, namely - the Criminal Procedure (Appeal Against Discharge) (Amendment) Rules 1995; the Criminal Procedure (Applications Under Section 16) (Amendment) Rules 1995 and the Criminal Procedure (Reference of Questions of Law) (Amendment) Rules 1995. They will each be the subject of a separate resolution.

Mr President, I beg to move.

End

Criminal Procedure (Appeal Against Discharge) (A) Rules

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Following is the speech by the Chief Secretary, the Hon Anson Chan, in moving the resolution on the Criminal Procedure (Appeal Against Discharge) (Amendment) Rules 1995 in the Legislative Council today (Wednesday):

Mr President,

I move the second resolution standing in my name on the Order paper.

The Criminal Procedure (Appeal Against Discharge) (Amendment) Rules 1995 made by the Chief Justice will, upon commencement, provide for the use of both of the official languages in proceedings for an appeal against discharge taken under the Criminal Procedure Ordinance. Pursuant to Section 9 of the Criminal Procedure Ordinance, they require the approval of this Council by resolution.

Mr President, I beg to move.

End

Criminal Procedure (Section 16) (A) Rules

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Following is the speech by the Chief Secretary, the Hon Anson Chan, in moving the resolution on the Criminal Procedure (Applications Under Section 16) (Amendment) Rules 1995 in the Legislative Council today (Wednesday):

Mr President,

I move the third resolution standing in my name on the Order paper.

The Criminal Procedure (Applications Under Section 16)(Amendment) Rules 1995 made by the Chief Justice will, upon commencement, allow the use of both of the official languages in an application under section 16 of the Criminal Procedure Ordinance which provides for the discharge of the accused after committal without a hearing under certain conditions. Pursuant to Section 9 of the Criminal Procedure Ordinance, they require the approval of this Council by resolution.

Mr President, I beg to move.

End

Criminal Procedure (Questions of Law)(Amendment) Rules

* * * * *

Following is the speech by the Chief Secretary, the Hon Anson Chan, in moving the resolution on the Criminal Procedure (Reference of Questions of Law)(Amendment) Rules 1995 in the Legislative Council today (Wednesday):

Mr President,

I move the fourth resolution standing in my name on the Order paper.

The Criminal Procedure (Reference of Questions of Law) (Amendment) Rules 1995 made by the Chief Justice will, upon commencement, provide for the use of both of the official languages with reference to a question of law taken under the Criminal Procedure Ordinance. Pursuant to Section 9 of the Criminal Procedure Ordinance, they require the approval of this Council by resolution.

Mr President, I beg to move.

End

Criminal Procedure (Witnesses' Allowances) (A) Rules

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Following is the speech by the Attorney General, the Hon Jeremy Mathews, in moving the resolution on the Criminal Procedure (Witnesses' Allowances) (Amendment) Rules 1996 in the Legislative Council today (Wednesday):

Mr President,

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

The rates of allowances payable to witnesses in criminal proceedings are prescribed in the Criminal Procedure (Witnesses' Allowances) Rules, made by the Chief Justice under the Criminal Procedure Ordinance. The Rules provide that the maximum allowance payable to an ordinary witness is \$240 for each day, or \$120 for part of a day. A higher rate, namely a maximum of \$1,400 for each day, or \$700 for part of a day, is prescribed for a professional or an expert witness. The existing rates were last revised in 1993 and should now be updated.

At the Finance Committee meeting on 15 October 1993, Members agreed to delegate authority to the Secretary for the Treasury to approve future changes in the rates of the allowances for ordinary witnesses and jurors, in accordance with movements in the median monthly earnings of employees in Hong Kong, and for professional and expert witnesses, in accordance with changes in the mid-point salary of a Medical and Health Officer. In order to maintain the value of the rates of the allowances, it was also agreed that the rates should be reviewed biennially.

Accordingly, the Judiciary conducted a review of the allowances in November last year. It was recommended that the maximum allowance payable to an ordinary witness be increased to \$280 for each day, or \$140 for part of a day, and that the maximum allowance payable to a professional or an expert witness be increased to \$1,690 for each day, or \$845 for part of a day. The increase in the allowances was approved by the Secretary for the Treasury under the authority delegated to him by Finance Committee to take effect from 26 January 1996.

The Criminal Procedure (Witnesses Allowances) (Amendment) Rules 1996 will, upon their commencement, bring into effect the new rates. In accordance with Section 9B of the Criminal Procedure Ordinance, they require the approval of this Council by resolution.

At the same Finance Committee meeting, Members also approved the proposal that the allowances payable to ordinary, professional and expert witnesses attending a coroner's inquiry be increased to similar levels. These allowances are set out in the Coroners (Witnesses' Allowances) Rules, made under the Coroners Ordinance. The new rates are reflected in the Coroners (Witnesses' Allowances) (Amendment) Rules 1996 which will be the subject of a separate resolution.

Mr President, I beg to move.

End

Coroners (Witnesses' Allowances) (A) Rules

* * * * *

Following is the speech by the Attorney General, the Hon Jeremy Mathews, in moving the resolution on the Coroners (Witnesses' Allowances) (Amendment) Rules 1996 in the Legislative Council today (Wednesday):

Mr President,

I move the second resolution standing in my name on the Order paper.

As I explained earlier, the Coroners (Witnesses' Allowances) (Amendment) Rules 1996 made by the Chief Justice will, upon commencement, bring into effect the new rates of allowances approved by the Secretary for the Treasury under the authority delegated to him by the Finance Committee on 15 October 1993. Pursuant to Section 22A of the Coroners Ordinance, they require the approval of this Council by resolution.

Mr President, I beg to move.

End

Police practice in videotaping rallies

* * * * *

Following is a question by the Hon Sin Chung-kai and a reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

On 17 December 1995, the Police used portable video cameras to videotape a rally on the pavement opposite the Xinhua News Agency in Wan Chai. In this connection, will the Government inform this Council of the following:

- (a) why it was necessary for the Police to videotape the rally and take close-up shots of individual participants, despite the fact that no violation of the law had occurred;
- (b) how the Police will handle the video tapes concerning the rally, and whether such tapes will be destroyed; and
- (c) whether there is any code of practice in the Police setting out how to videotape the faces of individual participants in a rally and the circumstances under which such videotaping should be done?

Reply:

Mr President,

- (a) It is the general practice of the Police to videotape major public meetings, processions and demonstrations irrespective of where they are held. Videotaping enables the Police to review their operations and crowd management strategy so that future deployment can be improved. In cases where offences are committed, such video-tapes may also be used as evidence in court. There had, for example, been a few cases for which people were charged and convicted with tapes being used as evidence.

Under normal circumstances, police officers could video-tape an event from a reasonable distance. On the occasion mentioned by the Honourable Member, three two-man teams were deployed to tape the procession. As the east-bound two lanes of Queen's Road East as well as the pavement were already occupied by the procession, and one lane was closed to ensure the safety of the procession, one of the video-teams had no alternative but to stand close to the edge of the second lane in order to avoid being hit by the oncoming traffic using the next (outer) lane, which was at that time the only lane open to traffic. As a result, the video team had to stand very close to the congregation which probably gave the unintended impression that they were taking close-up shots of members of the procession.

- (b) The videotapes are all securely locked up and access to them is strictly controlled. After senior police commanders have reviewed the tapes, they will be destroyed or wiped clean three months after the date of filming. Tapes required as evidence in a criminal proceeding may need to be kept until after the cases have been closed, and then destroyed.
- (c) In carrying out their duties, police officers are required to follow the following guidelines in videotaping:
- (i) the focus should be on the event, not the personalities; and
 - (ii) filming should be carried out by officers conspicuously identified as police officers, who should be accompanied by officers in uniform where possible.

Officers deployed for such duties are fully trained and briefed to ensure that no undue alarm is caused to participants of public gatherings.

End

Referee's consent on loan applications

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Following is a question by the Hon Ngan Kam-chuen and a reply by the Secretary for Financial Services, Mr Rafael Hui, in the Legislative Council today (Wednesday):

Question:

At present, applicants for credit cards and/or personal loans from banks furnish information on their referees without the need to seek the latter's consent. When an applicant becomes insolvent and has disappeared, the financial institution concerned will make enquiries or even seek to recover the debt from the referee, thus causing nuisance to the referee. In this connection, will the Government inform this Council:

- (a) whether it knows of the number of such cases in the past 3 years; and
- (b) whether consideration has been given to requiring financial institutions such as banks and finance companies to stipulate that applicants must submit their referees' written consent before their applications can be processed; if not, why not?

Reply:

The Hong Kong Association of Banks and the Deposit-taking Companies Association have not received any complaints about attempts made by authorised institutions to recover debts from the referees of borrowers or credit card users in the past three years. The Hong Kong Monetary Authority (HKMA) is aware of one complaint from a referee who was approached by a bank to help locate a credit card user who had put down his name as a referee in the application form without his consent. While the Police keeps statistics on reported criminal cases related to debt recovery, it does not keep record of cases specifically on complaints by referees.

The Administration considers it a good practice for authorised institutions under the Banking Ordinance to require applicants for personal loans and credit cards to obtain the prior consent of the referees before the latter's names are entered into the application form. The HKMA has written to the banking industry associations to recommend authorised institutions to adopt this practice. The need for further guidance on this matter will be considered by the Working Party to be formed by the HKMA and the industry associations to develop a Banking Code of Practice, which aims to promote good banking practices and a fair and transparent relationship between authorised institutions and their customers.

End

Travel agents' liability for compensation

* * * * *

Following is a question by the Hon Fred Li Wah-ming and a reply by the Secretary for Trade and Industry, Miss Denise Yue, in the Legislative Council today (Wednesday):

Question:

It has been reported that three Hong Kong tourists were killed and nine others injured in the white water rafting tragedy which occurred on New Year's Day in Bali, Indonesia. It has also been revealed that one of the travel agents who organised the tour had not taken out travel insurance policy for the members on the package tour, thus raising public concern over travel agents' liability for compensation. As the existing legislation does not require travel agents to take out travel insurance policies for members on their package tours, will the Government inform this Council:

- (a) which party should be held responsible if there is inadequate compensation cover against injury and death of tour members in the event of accidents occurring during the tour period;
- (b) of the number of registered travel agents in the territory at present; of these, how many have taken out travel insurance for members on their package tours, and what is the proportion of these agents to the total number of registered travel agents;
- (c) what is the Government's stance as to whether travel agents should be required to take out travel insurance for members on their package tours; and
- (d) whether the Government will, in the long run, consider introducing legislation requiring all travel agents to take out travel insurance for members on their package tours; if not, why not?

Reply:

Mr President,

Regarding part (a) of the question, it would be difficult to state categorically which party or parties should be held responsible if there is inadequate compensation cover against injury and death of tour members in the event of accidents occurring during the tour period. Clearly it would depend on the circumstances of individual cases. But generally speaking, a travel agent might be liable if there is legally substantiated proof of negligence on its part in the course of discharging duty. Outbound travellers should also be responsible for looking after their own safety and, where appropriate, take out insurance cover to protect themselves.

In reply to part (b) of the question, as at the end of 1995, there were 1,218 licensed travel agents. Only a small number of them are actually involved in the organisation of outbound package tours. According to information disclosed to the Registrar of Travel Agents, 20 major tour operators which represent 80% of the market share of package tours, have taken out travel insurance for their clients.

As regards part (c) of the question, the Administration believes that both travel agents and travellers should be free to decide whether, and how much, travel insurance should be taken out. Tour members should, however, be advised of the details of insurance coverage by outbound package tour operators if it is included in the package tour service. Travel agents should also, as a matter of professional practice, encourage and remind their clients to take out insurance policies to protect themselves.

As regards part (d) of the question, the pros and cons of requiring, on a mandatory basis, all travel agents to take out travel insurance for members on their package tours were examined in detail and thoroughly last year by the relevant parties, including Members of this Council, the Travel Industry Council, the Consumer Council, the Advisory Committee on Travel Agents and the Travel Industry Compensation Fund Management Board. The subsequent recommendation put to the Administration was that to ensure basic protection for outbound travellers on package tours, the Government should introduce a package tour accident contingency fund scheme. The scheme should be a no-fault scheme offering immediate emergency financial relief to victims of accidents on package tours abroad or their families.

The Administration is now actively drafting the rules for the operation of this contingency fund. Our aim is to bring the fund into effect hopefully before the Lunar New Year holidays and certainly before the Easter holidays. The need to introduce legislation requiring all travel agents to take out travel insurance for members on their package tours may be reviewed at a later stage in the light of the operation of the contingency fund scheme.

End

Illegal immigrants involvement in crimes

* * * * *

Following is a question by the Hon Cheung Hon-chung and a 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 proportion of street crimes committed by illegal immigrants to the total number of street crimes;
- (b) what measures have been put in place by the Government to prevent illegal immigrants committing crimes in the territory?

Reply:

Mr President,

We do not differentiate between "street crimes" and " non-street crimes" in our statistical record, and therefore no separate statistics on the category of "street crimes" is available. Nevertheless, I believe the common perception of "street crimes" include robbery, burglary, snatching, pick-pocketing and the various types of theft. I will therefore use the statistics on these crimes in my reply. Also, as the status of the culprits can only be ascertained upon arrest, I can only provide the number and proportion of IIs arrested for "street crimes" to the total number of persons so arrested. In addition, I will include in my reply the relevant figures for IIs from China only, as over 99% of II criminals detected came from China.

I shall now answer the two specific questions in turn.

- (a) The number of IIs arrested for robbery has increased, from 104 in 1993 to 194 in 1994, and to 203 in 1995. These figures represent about 4%, 8.7% and 10.8% respectively of the total number of persons arrested for robbery in those years. Less than 0.5% of the arrested IIs was involved in robbery with firearms, and last year there was only one II so arrested.

The number of IIs arrested for burglary has also increased, from 54 in 1993 to 119 in 1994, and to 224 in 1995. These figures represent about 3%, 7% and 11% respectively of the total number of persons arrested for this crime in those years.

For snatching, there were 22, 23, and 31 IIs arrested in the past three years respectively. These figures represent about 7.8%, 6.8% and 10% respectively of the total number of persons arrested for this crime during those years.

The number of IIs arrested for various types of theft (including pick-pocketing) has decreased from 227 in 1993 to 198 in 1994, but has increased slightly again to 208 in 1995. These figures represent about 1.5% of the total number of persons arrested for the crime in each of those three years. In the past three years, there were only 16 IIs arrested for pick-pocketing.

- (b) We are concerned at the increase in the number of IIs involved in crimes like robbery, burglary and snatching, and are taking measures to tackle the problem. These measures fall into three main areas: prevention from entry, detection of those who evaded border control, and combating crime.

Prevention from Entry

We believe that the problem of II crimes is best solved at source; that is, by preventing IIs from entering Hong Kong. To this end, the Police have set up checkpoints at strategic locations along the border, and conducted vigilant patrols both on land and at sea. The Police and the Immigration Department also maintain regular liaison with the Chinese authorities to seek their co-operation in tightening border control on the Chinese side. At the latest round of Border Liaison Review Meeting held on the 22nd of this month, we conveyed our serious concern to the Guangdong side about the significant increase in crimes committed by IIs. The Chinese side has undertaken to co-operate in intercepting IIs in order to control the problem at source. In addition, the Police Anti Illegal Immigration Control Centre collects intelligence on IIs and the related criminal activities, such as the prevalent routings and methods of entry into Hong Kong. In the past two years, a total of 14 criminal cases were detected as a direct result of the intelligence provided by the Centre.

Detection

The Police, the Labour Department and the Immigration Department have frequently mounted territory-wide operations against IIs. They include identity-card checks, raids at work places such as construction sites and industrial buildings, hill side sweeps and other special locations where IIs are believed to be hiding.

It is worth noting that the prevention and detection measures I have just described have resulted in the decline of illegal immigrants over the past three years, from 37517 in 1993, to 31521 in 1994 and to 26824 in 1995.

Combating Crime

As part of the general crime prevention measures (whether involving IIs or otherwise), the Police conduct daily anti-crime operations such as beat patrol, high-rise patrol, road block operations etc. For the more serious crimes, such as armed robberies and syndicated prostitution, the Police Organised Crimes and Triad Bureau collects intelligence on the activities of the criminals concerned and make arrests as appropriate.

The Government shares the concern of the community on the increase in crime in the past year, especially on crimes committed by IIs, and our security forces will remain vigilant in combating this problem in the year ahead. We are on course to meet the target to deploy an additional 400 policemen on the streets in 1995-96. In addition, a further 220 front line Police posts will be created in 1996-97 to strengthen Police presence on the streets. There will thus be a substantial increase in police officers on the front-line between now and 1996-97, and this should help solve the problem of II crimes.

End

Privatisation scheme on car park management

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Following is a question by the Hon Choy Kan-pui and a reply by the Secretary for Housing, Mr Dominic S W Wong, in the Legislative Council today (Wednesday):

Question:

The Housing Authority has been implementing a phased privatisation scheme on the management of car parks in its housing estates. In this connection, will the Government inform this Council:

- (a) of the savings in expenditure arising from the implementation of the scheme, as well as a comparison of the actual savings with the estimated savings, in each of the past three years; and

- (b) whether there is an increase in the number of crimes involving vehicles in privately-managed car parks in the housing estates in the past three years; if so, what are the reasons, which districts have the higher number of crimes reported and what are the major types of crimes committed?

Reply:

Mr President,

The actual savings from the Housing Authority's car park privatisation scheme in each of the past three years are -

1993	\$6 million
1994	\$14 million
1995	\$39 million

These savings are in line with the savings estimated before the scheme was launched.

In 1995, there were 1,073 cases of vehicle-related crimes in all car parks and parking spaces in public housing estates, compared with 1,261 in 1994 and 1,018 in 1993. This represents a slight increase over the period. Of the 1,073 cases in 1995, 764 were in privatised car parks in public housing estates. We do not have the figures for 1994 and 1993, and therefore cannot determine the trend.

The districts which have the highest reported number of vehicle-related crimes in 1995 are :

Sha Tin	213 (20%)
Tai Po	141 (13%).

One reason is that some smugglers have made use of the convenience of these districts for transporting stolen vehicles out of the territory through the border. In addition, there is a high concentration of families with teenage children in these new towns where vandalism and juvenile crime are an increasing problem.

In 1995, the types of vehicle-related crimes committed in privatised car parks in public housing estates are theft from vehicles (48%), theft of vehicles (31%) and criminal damage (21%).

End

Collection of air passenger departure tax

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Following is a question by the Hon Howard Young and a reply by the Secretary for the Treasury, Mr Kwong Ki-chi, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council whether it will review the existing arrangement for the collection of the air departure tax and the method of sale of air departure tax coupons at Kai Tak Airport in order to achieve a more efficient way of collecting the tax, such as introducing the use of vending machines for the sale of air departure tax coupons at the airport?

Reply:

Mr President,

We review periodically the arrangement for the collection of the Air Passenger Departure Tax (APDT). For example, arising from such reviews and with Members' support, we enacted legislation recently to allow hotels to sell APDT coupons to their guests to obviate the need for them to pay separately at the airport on departure. The legislation will come into operation on 1 February 1996.

In considering alternative collection methods, we have to take into account their costs and efficiency. We did examine the feasibility of using vending machines in 1995. Apart from operational problems, our assessment was that the cost of collection of the APDT using vending machines would be higher than that under the current collection arrangements. At the present stage, therefore, we do not think it appropriate to introduce vending machines for the sale of APDT coupons.

End

Pre-packed food products inspection

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

Question:

Recently, some paper-packed drinks have been found to have been contaminated with bacteria, and this has aroused doubts about the effectiveness of the monitoring of food hygiene by the Department of Health, and the efficiency as well as the adequacy of staff resources of the department. In this connection, will the Government inform this Council:

- (a) of the number of Health Inspectors in the Department who are assigned to carry out inspections of packed food products and drinks on the market;
- (b) of the number of Health Inspectors in the Department who can be deployed on an urgent basis in the event of an emergency;
- (c) whether the Department has any contingency measures on how to cope with emergencies similar to the incident mentioned above; if so, whether such contingency measures include arrangements for immediate press release and deployment of staff;
- (d) whether the Department has put in place a set of rules stipulating that actions should be taken and relevant information be disseminated to the public in the event of the number of complaints on contaminated food products and drinks received reaching a certain level; and
- (e) whether the Department has any regular inspection system for conducting sample checks and laboratory tests on various types of food products and drinks available on the market?

Reply:

The regular inspection of pre-packed food products on sale in the local market is carried out by a dedicated surveillance unit staffed by 33 health inspectorate staff under the Hygiene Division of the Department of Health.

There are 85 health inspectorate staff working in the Hygiene Division of the Department of Health engaging in a wide range of duties including food surveillance and control of border entry points. About half of these 85 officers can be redeployed to deal with emergencies. Furthermore, as in the case of the recent recall of Vitasoy products, the department will conduct joint operations with the Urban Services Department and Regional Services Department to mobilise the maximum number of personnel within the shortest time possible.

The Department of Health has an established system to cope with public health emergencies, including public announcements and staff deployment. However, the actual measures to be taken must be carefully considered in the circumstances of each individual case to avoid causing undue public alarm. The number and nature of complaints received are among the factors taken into account before a decision is taken.

A surveillance programme is in place to carry out regular inspection and sampling of food products on sale in the local market to ensure that they are in compliance with the required standards.

End

HK Sports Development Board administration costs

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Following is a question by the Hon Paul Cheng Ming-fun and a written reply by the Secretary for Recreation and Culture, Mr T H Chau, in the Legislative Council today (Wednesday):

Question:

According to figures published in the Hong Kong Sports Development Board (SDB)'s 1994/1995 Annual Report, staff and administrative costs account for about 60 per cent of the SDB's total expenditure, leaving about 40 per cent being spent on activities relating directly to the promotion and development of sports in the territory. In this connection, will the Government provide this Council with the following information:

- (a) the proportion, in terms of the number and cost, of the coaching staff to the overall staff establishment in SDB;

- (b) a detailed breakdown of the costs, functions, and areas of responsibilities for coaches at the various levels within the SDB, the National Sports Associations and the Hong Kong Sports Institute;
- (c) a breakdown by number and cost of the non-coaching staff of the SDB;
- (d) the number of staff on expatriate terms and the cost of employing these expatriates relative to the total staff costs; and
- (e) the justification for having expatriate staff involved primarily in administrative, managerial, and fund-raising functions?

Reply:

As the main thrust of the question seems to be centred around the general administration cost of the Hong Kong Sports Development Board (SDB) as opposed to its direct expenditure on sports development, it would seem better if we were to provide a breakdown of the expenditure of the SDB in such a manner instead of concentrating on the expenditure on coaching activities. Sports development is generally taken to include coaching, athlete support, coach education, sports science, sports medicine and sports promotion.

The SDB's 1994/95 Annual Report presents the financial figures of the SDB and the Hong Kong Sports Institute (HKSI) on a combined basis for the first time following their integration. The breakdown of the expenditure by the main components is set out below :

<u>Item</u>	<u>Cost</u> <u>(\$M)</u>	<u>SDB</u>	<u>HKSI</u>	<u>Total per</u> <u>Annual Report</u>
Staff costs	87.0	12.2%	36.1%	48.3%
Administration	21.6	3.4%	8.5%	11.9%
Staff and Administration cost	108.6	15.6%	44.6%	60.2%
Sports development & promotion expenditure (including a \$4 million allocation to Sports Promotion Funds)	71.5	33.3%	6.5%	39.8%
Total	180.1	48.9%	51.1%	100%

The figures in paragraph 2 can be further broken down by reference to general administration costs and expenditure on sports development as follows :-

<u>Item</u>	<u>Cost</u> <u>(\$M)</u>	<u>SDB</u>	<u>HKSI</u>	<u>Total</u>
<u>General Administration</u>				
Staff costs - Facilities management	22.9	-	12.7%	12.7%
- Administration	13.0	4.4%	2.8%	7.2%
Administration costs	<u>21.6</u>	<u>3.4%</u>	<u>8.5%</u>	<u>11.9%</u>
	57.5	7.8%	24.0%	31.8%
<u>Sports Development</u>				
Staff costs	51.1	7.8%	20.6%	28.4%
Sports development & promotion expenditure	<u>71.5</u>	<u>33.3%</u>	<u>6.5%</u>	<u>39.8%</u>
	<u>122.6</u>	<u>41.1%</u>	<u>27.1%</u>	<u>68.2%</u>
Total	180.1	48.9%	51.1%	100%

Turning to question (a), on the basis of the cost centres mentioned in paragraph 1, the number of staff deployed for sports development work to the total establishment of the integrated SDB in 1994/95 was 144 : 352. The corresponding ratio for staff costs was \$51.1M : \$87M.

As regards question (b), the SDB itself does not employ any coaches. All such staff are employed by the HKSI. There were 70 of them (consisting of 28 permanent and 42 non-permanent staff) looking after 11 residential and 7 non-residential sports at the HKSI in 1994/95. The total staff costs amounted to \$26.2 million. Details on the coaching staff employed by individual National Sports Associations are not available as they are met from the block grants to the associations and do not form part of the SDB/HKSI establishment.

Concerning question (c), of the total number of staff of the SDB in 1994/95 (352), 208 officers (consisting of 185 permanent and 23 non-permanent staff) were engaged in non-sports development work at a cost of \$35.9 million. 166 (consisting of 145 permanent and 21 non-permanent staff) were deployed for the management of the various facilities of the HKSI at a cost of \$22.9 million, and 42 (consisting of 40 permanent and 2 non-permanent staff) for general administration and financial control duties at a cost of \$13 million.

Regarding question (d), a total of 10 expatriate staff were employed by the SDB and the HKSI in 1994/95. At present, there are 6 expatriate staff. With the departure of the incumbent Chief Executive in January 1996, the remaining 5 expatriate staff, including the Director of the HKSI, are engaged primarily in coaching work. The staff cost is \$6.4 million. However, the SDB now applies the same terms of employment to both local and expatriate staff. In other words, all staff are employed on local terms.

Finally, on question (e), no expatriate officer will be employed to perform administrative, managerial, and fund-raising functions after the departure of the incumbent Chief Executive.

End

Payment of Crown rent

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

Question:

At present, the Government issues demand notes to the public for the payment of rates, salaries tax, etc. However, in recent years no demand notes have been issued by the Lands Department to owners in respect of Crown rent payable. In this regard, will the Government inform this Council of the following:

- (a) why different procedures and criteria are adopted in the collection of revenue;

- (b) whether, given the existing policy under which the Government has the right to resume the land if the respective Crown rent is not duly paid by its owner, the Government agrees that the existing arrangement of the Government resuming the land on account of non-payment of Crown rent without issuing demand notes to the owners concerned is in contravention of the principle of equity; and
- (c) in regard to a case in which an owner who made enquiries about payment of Crown rent matters was asked to pay an "enquiry fee" afterwards, what are the reasons for levying such a charge without giving any prior notice of the charge?

Reply:

Mr President,

- (a) For land in the urban area, demand notes to land owners for payment of Government rents are issued by the Treasury. In the rural area of the New Territories, the addresses of a vast majority of land owners are either imprecise or incomplete. It has therefore been a long established practice that land owners collect the demand notes for Government rents at the relevant District Lands Office and make payments at the nearest Sub-Treasury, which is normally in the same building where the District Lands Office is located;
- (b) although we do not send demand notes to owners of land in the rural area, efforts are made to contact them to remind them to pay Government rents before we initiate re-entry proceedings. Even if a re-entry notice has been registered, land owners still have the right to petition the Governor or to apply to the High Court for relief against the re-entry. It should be pointed out however that there has not been any case of re-entry for non-payment of Government rents in at least the last ten years; and
- (c) we do not charge a fee for answering public enquiries about outstanding Government rents, but a fee has to be paid in advance if a written reply is required. This practice is well known among those concerned, in particular among the professionals who may represent the land owners.

End

Importation of labour

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Following is a question by the Hon Tsang Kin-shing and a written reply by the Secretary for Education and Manpower, Mr Joseph Wong, in the Legislative Council today (Wednesday):

Question:

With regard to the recent agreement reached between the Government and the labour sector on the issue of importation of labour, will the Government inform this Council:

- (a) why the Government has held negotiations on the Supplementary Labour Scheme with representatives of the labour sector only without including the political parties within this Council;
- (b) whether there is any trade-off in the negotiation process; what is the rationale for setting 2,000 imported workers as the trigger point for review and not some other figure; and whether this arrangement is contrary to the policy of fixing the ceiling at 5,000 imported workers mentioned in the Governor's Policy Address;
- (c) what are the reasons for not establishing any mechanism for reviewing the ceiling of foreign workers imported for airport-related projects; and
- (d) how the Government has sought the public's views during the negotiation period and whether the Government has taken such views into consideration?

Reply:

Mr President,

- (a) The Government conducted extensive consultations on the Supplementary Labour Scheme (SLS) proposal since its announcement in October 1995. We had discussions with the Labour Advisory Board, employer and employee groups, political parties within the Legislative Council and individual Legislative Councillors.

- (b) The Government's decision to revise the original SLS proposal includes the introduction of a review mechanism which will be triggered when a total of 2,000 visa applications has been approved. We believe that the revised SLS, taken in total, strikes a reasonable balance between the interests of employees and those of employers. The Government's decision has been generally accepted by many Legislative Councillors, employer and employee representatives and the community at large.
- (c) The Special Labour Importation Scheme for ACP and related projects has a well established system for reviewing its quota ceiling which is based on a projection of the locally available on-site construction work labour force and the total labour requirements of the projects involved.
- (d) During the consultation period, public opinion on the proposal was reflected through an independent opinion poll, media reports, press editorials and articles written by academics and interested parties. We have also taken note of the views expressed directly to the Government. We have taken all these views into consideration before reaching a decision.

End

Slope stabilisation works at Kwun Lung Lau

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

Question:

In regard to slope stability works at Kwun Lung Lau, will the Government inform this Council whether:

- (a) it is aware of the progress of the works; and whether the Hong Kong Housing Society has encountered any difficulties in the supervision of the works; if so, what the difficulties are; and

- (b) whether the Hong Kong Housing Society has adopted the hand-dug caisson method in carrying out the works; if so, whether the Government will consider requiring the Hong Kong Housing Society to adopt an alternative method in view of the inherent danger in using the hand-dug caisson method?

Answer:

Mr President,

- (a) Staff of the Buildings Department make regular visits to monitor the progress of the slope stabilisation works at Kwun Lung Lau. Permanent remedial work in front of Block D has been largely completed. Work at the back of Block D has commenced at the end of November 1995 and is progressing on schedule. The Hong Kong Housing Society has not encountered any difficulty in the supervision of the works.
- (b) In view of the special condition of the site, hand-dug caissons have been involved in the remedial works. Approval was given after the submission of all proper safety measures by the contractor. As those parts of the works involving caissons have now been largely completed, there is little point in considering alternative construction methods. Starting from 1 February 1996, there will be a general ban of the use of hand-dug caissons under the Buildings Ordinance.

End

APIs publicising anti-drug abuse message

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Following is a question by the Hon Eric Li Ka-cheung 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) whether it has reviewed the practical effectiveness of the current Announcement of Public Interest (API) publicising the anti-drug abuse message among teenagers; if so, what the results are; if not, when such a review will be conducted; and
- (b) what is the normal period for airing an API publicising the anti-drug abuse message among teenagers before it is replaced, and what are the criteria adopted by the Government for changing its content?

Reply:

Mr President,

- (a) The Narcotics Division conducts household surveys from time to time to collect data for assessing public awareness of the anti-drug publicity carried out by the Action Committee Against Narcotics (ACAN), including anti-drug messages conveyed through API's. The last such survey was conducted in 1994. Separately, in November 1995 the Information Services Department commissioned a survey to evaluate the effectiveness of the three latest API's of the fight crime publicity campaign. These API's also covered anti-drug messages.

The 1994 Survey conducted by the Narcotics Division showed a high degree of awareness of the anti-drug API's among the respondents: 99% of all respondents who had encountered anti-drug publicity quoted TV as their major source. 264 of the 1426 respondents enumerated in the Survey were aged below 21. It was noted that young people were more aware of those API's which had been recently produced, and that API's which use a more explicit approach and targeted specifically at young persons are more effective. (One of the four API's covered in the survey, one which used an explicit approach and was correctly interpreted by over 60% of the young persons surveyed.)

The survey by the Information Services Department covered a sample of over 100 secondary school students. General feedback of the survey was that the messages carried on the API's were well received. Over 90% of the respondents remembered the slogans of the API's; about 30% thought that the API's effectively disseminated the intended messages.

- (b) The Government produce two to three new anti-drug API's annually. The API's are reviewed every month, and may be rotated or changed in order to achieve maximum publicity and impact. The criteria for changing an API include the current drug abuse situation, the timing of the year (e.g. more publicity is targeted at young people during summer vacation, Christmas and New Year), and the specific needs of a particular target group (such as parents and youth-at-risk).

End

Policy on land grants to foreign governments

Following is a question by the Hon Albert Chan Wai-yip 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 of:

- (a) the Government's policy on land grants made to foreign governments, including the Chinese Government;
- (b) the procedure for making such land grants; and
- (c) the Government's policy on setting the premiums for such land grants; in particular, how the premium is determined, and whether there are circumstances under which payment of the premium is exempted?

Reply:

Mr President,

- (a) Land grants to other governments are rare. They have to be fully justified on the merits of each case;
- (b) such land grants, if justified, are made in the same manner as other land grants by private treaty; and
- (c) premiums for these land grants are determined in the same manner as those for other land grants by private treaty. Each case has to be considered on its own merits.

End

Non-discriminatory policy on AIDS

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Following is a question by Dr the Hon Edward Leong Che-hung and a written reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):

Question:

Since the signing of the Community Charter on AIDS by the Government and the Hospital Authority (HA) a year ago, will the Administration inform this Council :

- (a) whether the 'non-discriminatory policy on AIDS' has been promulgated in the work place of Government departments and public hospitals under the management of HA as stipulated in the Charter, if so, what measures have been taken by the Government and HA to promote the policy among the 180,000 civil servants and 40,000 HA staff;
- (b) if the answer to (a) is in the negative, whether a time schedule for carrying out all the commitments stipulated in the Charter has been drawn up by the Government and HA; and
- (c) how long it will take to provide AIDS education in the work place to all civil servants and HA staff?

Reply:

- (a) Both the Government and Hospital Authority (HA) have promulgated a 'non-discriminatory policy on AIDS'.

The Government's policy was formally promulgated to all Government branches and departments in a Civil Service Branch Circular issued on 9 January 1996. A copy is attached. A designated senior officer in each branch and department will co-ordinate the implementation of the AIDS policy, including the handling in confidence of AIDS related enquiries. Education programmes such as workshops and seminars will be organised, with the assistance of the Department of Health, for staff.

Similarly, the HA has advised all hospitals to initiate concerted action to support the Charter by contributing to the world-wide effort of curbing the spread of HIV, educating and enhancing staff awareness on HIV/AIDS and encouraging the adoption of a non-discriminatory policy in the workplace setting.

A half-day seminar for all Hospital Chief Executives and senior management staff in HA hospitals was held in November 1995. In the seminar, senior executives were briefed on the projected trend of the AIDS epidemic in Hong Kong and current policy on the provision of clinical service for AIDS patients, staff with occupationally acquired HIV infection and the employment of HIV-infected health care workers. The implications of the Charter, particularly with regard to HIV/AIDS and the workplace as well as safeguarding the rights of HIV/AIDS patients and preventing discrimination, was also covered in the seminar.

Appropriate infection control measures have been implemented in all HA hospitals as an insurance against HIV/AIDS disruption in the workplace.

- (b) Both Government and the HA are promulgating a "non-discriminatory policy on AIDS" in the workplace.
- (c) Both Government and the HA recognise that AIDS education is an ongoing process. Within Government, departments have been asked to arrange workshops/seminars for their staff on a regular and continuous basis, having regard to resources available. In addition, educational materials such as posters and pamphlets will be issued to departments to enhance AIDS awareness and to discourage discrimination in the workplace.

As for the HA, apart from the ongoing professional and vocational training of health care professionals on HIV/AIDS, a series of education programmes will be organised for all hospital staff to ensure the commitments stipulated in the Charter are met.

End

Supplementary statements on government accounts

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Following is a question by the Hon Christine Loh Kung-wai and a written reply by the Secretary for the Treasury, Mr Kwong Ki-chi, in the Legislative Council today (Wednesday):

Question:

With reference to the statement in the Financial Secretary's 1994/95 Budget speech that supplementary statements on the Government's accounts concerning certain selected government activities will be prepared on an experimental basis in order to show the full cost of such activities, will the Government inform this Council what progress has been made in preparing such statements?

Reply:

The Financial Secretary informed Members in his 1994/95 Budget Speech that there were strong reasons for retaining the existing cash-based accounts. Nevertheless, he also proposed, on an experimental basis, to prepare supplementary statements to help us see the full cost of selected activities.

We have subsequently conducted a pilot study which involved the production of Resource Accounts for four selected departments aimed at comparing the full costs of government programmes with the results achieved. We have also commissioned a consultancy study to advise on the accounting issues that need to be addressed in introducing such accounts. The studies indicate that while Resource Accounts would provide supplementary costs information to aid management, the extent of its direct applicability for management decisions would vary, depending on the type of activities involved. We therefore intend to conduct a further pilot study and produce Resource Accounts for a selected number of services-provider departments. This study should help us consider how we can fully utilise Resource Accounts for management purposes.

End

Measures to stabilise the police force

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Following is a question by the Hon David Li Kwok-po and a written reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

The Commissioner of Police admitted recently that the departure of many of his most senior officers before 1997 would hit the police force. Will the Government inform this Council what measures are being implemented to stabilise the police force in the run up to 1997?

Reply:

Mr President,

We are determined to maintain the Police Force as one of the finest in the world. It is the Force's declared policy, fully supported by the police staff associations, to encourage all officers to remain in service across 1997. The joint efforts of management and staff will continue in that direction.

Specifically, the following measures have been implemented to stabilise the Police Force in the run up to 1997 :

- (a) The Joint Declaration is clear that police officers previously serving in the Hong Kong Government may continue to serve the future Special Administrative Region Government without any change in conditions of service.
- (b) To ensure that the Force will maintain an optimal staffing level, a Manpower Planning Survey was conducted in May 1995. During this exercise, all officers at the rank of Inspector and above were interviewed and encouraged to remain in service. The result is reassuring - 82% indicated that they would continue to serve beyond 1997. 11% were "undecided".
- (c) The Force has a sufficient pool of qualified officers at all levels for consideration for promotion. In the event that those undecided chose to leave, the vacancies arising can all be filled through normal promotions.

- (d) The Force will offer improved promotion opportunities to those who remain in service as well as good career prospects to new entrants.

We will continue to monitor the situation closely and take appropriate measures as necessary. The Force Management will continue its close liaison with the staff associations to keep the situation under review. So far, the picture emerging indicates that the Force will be able to manage the changes ahead without compromising its very high standards.

End

Projections of demand for electricity

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Following is a question by Dr the Hon Law Cheung-kwok and a written reply by the Secretary for Economic Services, Mr Gordon Siu, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

- (a) whether the Government knows of the statistical methods adopted by the China Light and Power Company Limited and the Hong Kong Electric Company Limited in projecting the territory's long-term demand for electricity; if so, what are the details of such statistical methods;
- (b) how the two companies' projections of demand for electricity are monitored to ensure their accuracy; and
- (c) whether the Government has conducted any assessment of what impact any deviations in such projections will have on the determination of tariffs?

Reply:

- (a) The Government is aware of the statistical methods used by the two electricity companies to project demand for electricity over the longer term. The China Light and Power Company's demand forecast is produced by analysing the historical data on the pattern of electricity consumption and the outlook for economic development. Projections on sales are derived from micro analysis of electricity consumption in 22 different customer classes. Each class is analysed through a combination of econometric and time-series techniques to establish the long-term relationship between electricity consumption in that class and the underlying economic and social factors. The results are cross-checked against a macro analysis, which relates overall electricity consumption with gross domestic product and the price of electricity. The Hongkong Electric Company's demand forecast is obtained from the joint application of three forecasting methods. The main method used is the trend of demand over time, supplemented by a sectional method which forecasts demand in the domestic, commercial and industrial sectors and an econometric method which correlates demand growth with economic indicators such as gross domestic product.
- (b) Projections of demand for electricity submitted by the electricity companies in support of proposals for financing of new capital expenditure are examined by the Government having regard to the reasonableness of the forecasting methodology and input assumptions and the Government's own forecasts. The companies' forecasts of demand are monitored continuously by the Government on a yearly basis through the financial monitoring and auditing arrangements provided for under the Scheme of Control Agreements to ensure that they remain realistic.
- (c) The basic tariff that the companies may charge over the life of their current financing plan is determined when the plan is approved by the Government. Every year, when the companies submit their forecasts for the annual auditing review, the Government conducts an assessment of the impact on tariffs of any deviations in the company's projections. The Scheme of Control Agreements also provide for the companies to submit a new financing plan for the Government's approval whenever variations in the projections are such as to increase basic tariffs significantly above those previously approved.

End

Retirement and resignation rates in police force

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Following is a question by the Hon Ambrose Lau Hon-chuen and a written reply by the Secretary for Civil Service, Mr Michael Sze, in Legislative Council today (Wednesday):

Question:

Civil servants wishing to retire are normally required to submit their applications one year prior to the date of retirement, and those wishing to resign have to give three months' notice (leave is normally not counted as part of the three-month notice period). It is learnt that serving "gazetted officers" of the Police Force generally have more than 20 years of service and that the leave they have accumulated may range from three months up to half a year (directorate and expatriate police officers may even accumulate up to one year of leave). With the transfer of sovereignty just one and a half years away, will the Government inform this Council

- (a) of the existing number of applications for retirement, as well as the existing number of notices of resignation received from officers in the Police Force management?
- (b) whether it has estimated the possible wastage among the Police Force management in the next two years?

Reply:

Mr President,

As at 1st January 1996, the number of applications for retirement and resignation received from officers in the management ranks of Inspector to Senior Assistant Commissioner, who are to commence leave prior to finally leaving the service in the 18 months January 1996 to June 1997, now totals 134. This represents just 3.1% of staff at that level and compares very favourably with the wastage rates in the civil service as a whole of 4.8% over the past 12 months.

To understand the situation of the Police Force as a whole, it is important also to take into account wastage rates among the junior ranks. The number of Junior Police Officers (JPO) leaving the service has been decreasing over the past four years from a monthly average of 113 in 1991 to currently 74 each month. This represents a 3.6% annual turnover of staff. This slow rate of staff turnover also compares very favourably with other sectors in government. There is no indication, at this time, of an increase in the number of leavers from the JPO ranks.

Force management completed a Manpower Planning Survey in May 1995 to obtain direct feedback from staff as to their intentions with regard to 1997. Manpower Planning is an ongoing process examining the various scenarios of different levels of leavers so as to provide necessary information to Force management to consider any adjustments that may need to be made to the various contingency measures that are now in place.

The Manpower Survey provided an insight into the possible intentions of staff in the ranks of Inspector to Senior Assistant Commissioner. At that time 173 officers, 6.9% of those surveyed, indicated an intention to leave the service from July 1995 to 1 July 1997; a further 275 (11%) were undecided. It is worth noting that the number of applications to retire which have been received so far is in line with the findings of the 1995 Survey. This merely confirms the validity of that exercise.

The force replacement policy provides for promotion and recruitment as soon as an officer commences leave prior to finally leaving the service. Discounting known leavers and the undecided officers, the number of officers who will compete for promotion, remains well in excess of the number of vacancies which are likely to arise. The situation will continue to be monitored closely.

End

Construction of the new airport

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

Question:

With regard to the construction of the new airport, will the Government inform this Council of the following:

- (a) whether the new airport can start operating within the first quarter of 1998 as scheduled, given that two to three franchises of the facilities in the new airport have yet to be awarded by the Chinese and British governments, and having regard to the present progress in construction works and other related projects; and

- (b) when the construction of the second runway of the new airport is expected to be completed and when the second runway will come into operation?

Reply:

Mr President,

The new airport project is on schedule to meet the target opening date of April 1998.

We have reached agreement with the Chinese side of the Airport Committee of the Sino-British Joint Liaison Group on award of the three most urgent franchises for air cargo, aircraft catering and aviation fuel supply services. Discussions in the Airport Committee on two other franchises for aircraft base and line maintenance and aircraft ramp handling services are underway. Meanwhile construction works are progressing on schedule to allow full commissioning, testing and trials before airport opening in April 1998. At the end of 1995, the new airport was 47% completed while the overall Airport Core Programme was 48% completed.

The timing for construction of the second runway and for bringing it into operation is being examined by the Administration in consultation with the Airport Authority. We will take into account factors such as the latest forecasts on air traffic demand, capacity utilisation of the first runway and the financial and economical implications involved. No conclusions have yet been reached.

End

FSD's emergency ambulance service

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

Question:

The shortage of resources in the Fire Services Department's emergency ambulance service is becoming increasingly serious, particularly so in the New Territories. Will the Government inform this Council:

- (a) of the strength of the ambulance crew and the number of ambulance calls received in each of the past three years (with a separate breakdown of the number of emergency calls received), together with the percentage increase/decrease in each of the years concerned;
- (b) of the percentage of the services which have attained their targets set out in the Performance Pledge over the past three years; whether the percentage shows a downward trend, and if so, why; and
- (c) whether the Government will increase the number of ambulance crew as well as the number of ambulances so that the ambulance service can operate at the normal establishment levels to achieve the targets set in the Performance Pledge; if so, when will this be implemented; if not, why not; and whether there are any measures to improve the current situation?

Reply:

- (a) The strength of the Ambulancemen grade in the past three years is:

<u>Year</u>	<u>Number of Ambulancemen as at 1 April</u>
1995	1,865
1994	1,920
1993	1,963

The decrease in crew strength in 1994 and 1995 was due to the hiving off of most non-emergency ambulance services to the Hospital Authority. This programme started in March 1994 and was completed in September 1995.

The number of ambulance calls attended in the past three years are:

<u>Year</u>	<u>Number of Ambulance Calls</u>		
	<u>Emergency</u>	<u>Others</u>	<u>Total</u>
1995	317,749 (+9.8%)	107,594 (-21.0%)	425,343 (-0.0%)
1994	289,289 (+7.6%)	136,046 (-21.5%)	425,335 (-3.8%)
1993	268,943	173,361	442,304

() denotes the % increase/decrease over the previous year.

It should be noted that in responding to ambulance calls, priority is always given to emergency calls.

- (b) Our target is for 95% of emergency calls to be reached within a ten minutes' travel time. The percentage of emergency calls which have attained the target travel time in the past three years is -

<u>Year</u>	<u>% emergency calls reached within target travel time</u>
1995	89.5
1994	91.7
1993	92.5

The decrease in 1995 was mainly due to deteriorating traffic conditions, long travelling distances in the New Territories and the increased number of emergency calls. The unusual number of disruptions caused by typhoons, rainstorms, flooding and road closures in the second and third quarters of 1995 also had a significant impact on performance.

- (c) Government remains committed to achieving the target set in the Performance Pledge. The Government commissioned a Consultancy Study on Emergency Ambulance Service last year to identify ways to achieve cost-effective improvements in the provision of emergency ambulance services. A list of improvement measures recommended and which the Fire Services Department has already implemented is at the Annex. These measures, and the completion of the hiving off programme of non-emergency ambulance services to the Hospital Authority, resulted in an improvement in performance in the last quarter of 1995 to 90.3%. Other measures which require more detailed examination and longer timeframes to implement are being considered. These measures include further efficiency improvements, improvements in staffing levels and development of further ambulance depot facilities in areas of increased local demand.

**Measures implemented by the FSD
to improve performance immediately**

- (a) Ambulances are stationed in fire stations in addition to ambulance depots to extend emergency ambulance cover. The fire stations involved include North Point, Kotewall Road, Ap Lei Chau, Kwai Chung, Sheung Shui and Sha Tau Kok.
- (b) Ambulances and their crew are redeployed from stations with relatively adequate manning to those where manning is inadequate to meet local demand.
- (c) The Fire Services Communication Centre has streamlined its operational procedures for ambulance deployments to achieve more effective mobilisation.
- (d) The transfer of residual non-emergency cases to another agency is being actively pursued to enable FSD to better concentrate on its delivery of emergency ambulance services.
- (e) The performance of ambulance aid motorcycles, which provide life-saving first aid before an ambulance reaches the scene, has been included in the calculation of emergency ambulance performance.

End

Measures to improve emergency ambulance services

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The Government has taken measures to improve the performance of the Emergency Ambulance Service, resulting in 90.3 per cent of emergency calls being reached within the target 10 minutes' travel time in the last quarter of 1995.

In replying a question by the Hon Wong Wai-yin in the Legislative Council today (Wednesday), the Secretary for Security, Mr Peter Lai, said the improvement came as a result of measures implemented by the Fire Services Department, and the completion of the hiving off programme of non-emergency ambulance services to the Hospital Authority.

Mr Lai said the Government had commissioned a Consultancy Study on Emergency Ambulance Service last year to identify ways to achieve cost-effective improvements in the provision of emergency ambulance services.

The improvement measures that were recommended and which the Fire Services Department has implemented include:

- * Stationing of ambulances in fire stations in addition to ambulance depots to extend emergency ambulance cover. The fire stations involved include North Point, Kotewall Road, Ap Lei Chau, Kwai Chung, Sheung Shui and Sha Tau Kok;
- * Redeployment of ambulances and their crew from stations with relatively adequate manning to those where manning is inadequate to meet local demand;
- * Streamlining of the Fire Services Communication Centre's operational procedures for ambulance deployments to achieve more effective mobilisation;
- * Actively pursuing the transfer of residual non-emergency cases to another agency to enable the Fire Services Department to better concentrate on its delivery of emergency ambulance services; and
- * Including the performance of ambulance aid motorcycles, which provide life-saving first aid before an ambulance reaches the scene, in the calculation of emergency ambulance performance.

Mr Lai said other measures which required more detailed examination and longer timeframes to implement were being considered.

"These measures include further efficiency improvements, improvements in staffing levels and development of further ambulance depot facilities in areas of increased local demand," he said.

Mr Lai stressed that the Government remained committed to achieving the target set in the Performance Pledge.

"Our target is for 95 per cent of emergency calls to be reached within a 10 minutes' travel time," he said.

The percentage of emergency calls which have attained the target travel time is 92.5, 91.7 and 89.5 for 1993, 1994 and 1995 respectively.

"The decrease in 1995 was mainly due to deteriorating traffic conditions, long travelling distances in the New Territories and the increased number of emergency calls," Mr Lai said.

"The unusual number of disruptions caused by typhoons, rainstorms, flooding and road closures in the second and third quarters of 1995 also had a significant impact on performance," he explained.

End