



# DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES  
BEACONSFIELD HOUSE, HONG KONG. TEL.: 842 8777

Wednesday, January 18, 1995

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Transcript of the Governor's media session

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The following is the transcript of the media session by the Governor, the Rt Hon Christopher Patten, after opening the 25th Hong Kong Fashion Week this (Wednesday) morning:

Governor: Morning. I'm delighted to 've been able to open the Fashion Exhibition. It's an example of the best of Hong Kong, a good example of how we dominate the world in the fashion industry. I think the way in which the exhibition year after year gets bigger and bigger is an example of how we've been able successfully to move upmarket to improve our quality and design, and to get a bigger share of the international market as a result. Can I say one other thing? I am sure that everyone would have been deeply distressed by the tragic earthquake in Japan. All of us who have seen the scenes on the television and the pictures in the newspapers will, I think, have been particularly moved. I wrote yesterday to Mr Nogami, the Japanese Consul-General in Hong Kong, to express to him and to the Japanese Government our condolences on behalf of the people of Hong Kong, at the loss of life, the bereavement and the tragedy in Japan. We have a very close relationship, as you know, with Japan, and therefore, I think, we're particularly moved by what has happened there. And our thoughts and our prayers are with everyone in Japan at the moment. We are making enquiries or trying to make enquiries about whether any of those who have lost their loves in Kobe are citizens of Hong Kong. It's, as you can imagine, not easy to get through at the moment. But we're trying to make contact with the British Embassy to find out whether there is anyone from Hong Kong who is missing or who's lost their life. And obviously we will keep you posted about whatever we've found out. But I just want to say for the record how concerned we are at what's happened.

Question: Mr Governor, yesterday Mr Lu Ping said that if any Government department refuses to hand over information or file to the Chinese Government, that is a violation of the Joint Declaration, and he also warned that if that happened, they would mean business. What's your reaction to that and do you think that is a serious threat to Hong Kong Government?

Governor: We put out a statement yesterday, a comprehensive statement, and I don't want to add to that. I would just say that I hope people will remember that what we're talking about are the careers and livelihoods of men and women, that what we're talking about is the best way of securing the good government of Hong Kong. And I don't think this is a subject which it's sensible to discuss through short-tempered sound bites on television. I think the time has come to cool it and to try to take forward a serious discussion in the Joint Liaison Group or in any other forum which others think may be convenient. I think we want to talk about these matters in private and not have people making angry statements about them in public.

Question: Do you think Mr Lu's comments are baffling the morale of the civil servants?

Governor: I've said all I want to say.

Question: Do you think that Lu Ping's request for details of the nationalities of individual civil servants is justified ...

Governor: Our statement yesterday made the position perfectly clear on that.

Question: If the Chinese Government wants to get vetted reports of the civil servants, will the Hong Kong Government pass that to them ?

Governor: We made a statement yesterday. It's perfectly clear and I don't think it's helpful to add to it because, to repeat what I have said in case you didn't catch it, I think that it's in the interest of civil servants to try to cool this dispute and that which is not of our making, rather than indulge in government by sound bite.

Question: (on integrity checks)

Governor: I've just made a statement which all those of you who have taken it down will have been able to understand. We made a full statement yesterday. I am not going to add to the substance of the statement I made yesterday or to the words that I have just used because I have to have concern, and the Chief Secretary has to have a concern, for the morale and the well-being of the thousands of civil servants who work for us in Hong Kong. And I don't think it's very sensible to get involved, as I said earlier, in a public dispute. I think we should try to resolve these questions as calmly and dispassionately and objectively as possible in the interest of the people of Hong Kong.

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Civil servants' information to be resolved in the interest of HK people

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The transfer of information on civil servants should be dealt with as calmly, dispassionately and objectively as possible in the interest of the people of Hong Kong, the Governor, the Rt Hon Christopher Patten, said today (Wednesday).

At the media session after opening the 25th Hong Kong Fashion Week, Mr Patten reiterated that the statement yesterday was talking about the best way of securing the good government of Hong Kong.

He said: "I have to have concern, and the Chief Secretary has to have a concern, for the morale and the well-being of the thousands of civil servants who work for us in Hong Kong."

He noted that the questions were about the careers and livelihoods of civil servants and in their interest, it was not very sensible to get involved in a public dispute.

"I think the time has come to cool it and to try to take forward a serious discussion in the Joint Liaison Group or in any other forum which others think may be convenient," Mr Patten added.

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"Made in Hong Kong" -- a mark of quality

\* \* \* \* \*

The fashion business displays Hong Kong at its best. The swift and stylish response to customer demand and to competitive pressure is Hong Kong's speciality.

The Governor, the Rt Hon Christopher Patten, said this today (Wednesday) at the opening ceremony of the 25th Hong Kong Fashion Week.

He noted that Hong Kong's speed and style were based upon several factors, such as years of investment in new technology and in the education and training of experts in the field; an open market free from Government interference but backed by fair rules that apply evenly to every player.

He said: "It is that substance of consistent commitment, flavoured with the dash of designers talent and entrepreneurial initiative, that has made Hong Kong in its own right the world's third largest clothing exporter - or the world's largest if you add on our re-export trade."

Mr Patten added that it was long term commitment that had made Hong Kong the hub for the sourcing of garments for delivery to every continent and that had made the label "Made in Hong Kong" a mark of quality around the world.

Hong Kong's fashion industry is well poised to seize the opportunities that the phasing out of the multi-fibre arrangements by 2005 will bring, he noted.

He said: "The competitive spirit and business acumen of our clothing manufacturers is very well-known. The growing reputation of Hong Kong's own designers carries great promise for the future."

"But Hong Kong isn't just poised and planning, it is acting decisively to grasp the opportunities."

End/Wednesday, January 18, 1995

#### Monitors submit report on ORP operation

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The monitors appointed to observe the Orderly Repatriation Programme operation this (Wednesday) morning have submitted their report to the Chief Secretary.

The two monitors, a Justice of the Peace Mrs Chau Ma Pui-kin and Mr Samir Rahman from Oxfam, observed the transfer of 104 Vietnamese migrants from Victoria Prison to the Airport.

Mrs Chau and Mr Rahman commented that the operation was well planned and organised.

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#### 104 Vietnamese depart on orderly repatriation flight

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A group of 104 Vietnamese migrants returned to Vietnam today (Wednesday) on the 20th flight under the Orderly Repatriation Programme (ORP).

All the returnees, comprising 41 men, 24 women, 20 boys and 19 girls, were from High Island Detention Centre. The oldest is 57 years old and the youngest 10 months old.

Most of them arrived in Hong Kong in 1988 and 1989 with only a handful of them coming to the territory in 1990 and 1991.

The group was the largest on a single flight since the programme started in November 1991 and brought the total number repatriated on ORP flights to 1,089.

The returnees were transported to the airport early this morning for pre-departure security checks before boarding their flight for Hanoi.

The Refugee Co-ordinator, Mr Brian Bresnihan, said he was pleased that this morning's operation went smoothly.

"It remains our objective to repatriate all screened-out Vietnamese migrants to Vietnam. There is no future for them in Hong Kong and the best option for them is to volunteer to go back to Vietnam," he said.

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Fee revisions under two amendment regulations

\* \* \* \* \*

Fees for registration as fire service installation contractors will be revised with effect from March 9 this year, a Government spokesman announced today (Wednesday).

Licence and permit fees for the manufacture, storage and conveyance of certain dangerous goods will also be adjusted on the same date, he said.

Details of the fee revisions are set out in the Fire Service (Installation Contractors) (Amendment) Regulation 1995 and Dangerous Goods (General) (Amendment) Regulation 1995 to be gazetted on Friday (January 20).

"The fees had been revised to take into account the increase in costs since their last review in 1993," the spokesman explained.

Following are details of the fee revisions:

Under the Fire Service (Installation Contractors) (Amendment) Regulation 1995

<u>Item</u>	<u>Existing Fee</u>	<u>Revised Fee</u>
(a) Registration		
- Class 1, Class 2 or Classes 1 and 2	\$1,135	\$1,250
(b) Written examination		
- Class 3	\$640	\$705

(c)	Interview - Class 3	\$695	\$765
(d)	Workshop inspection - Class 3	\$575	\$630
(e)	Workshop re-inspection - Class 1, Class 2, Classes 1 and 2 or Class 3	\$575	\$630
(f)	New workshop inspection - Class 1, Class 2, Classes 1 and 2 or Class 3	\$575	\$630
(g)	New workshop re-inspection - Class 1, Class 2, Classes 1 and 2 or Class 3	\$575	\$630
(h)	Change of registered name or registered address - Class 1, Class 2, Classes 1 and 2 or Class 3	\$290	\$320
(i)	Change of qualified person - Class 1, Class 2 or Classes 1 and 2	\$365	\$400

Under the Dangerous Goods (General) (Amendment) Regulation 1995

<u>Item</u>	<u>Existing Fee</u>	<u>Revised Fee</u>
(a) Licence/permit for storage of each store of dangerous goods in category 5, class 1, 2 or 3 (substances giving off inflammable vapour)	(per annum)	(per annum)

-	in quantities not exceeding 500 L	\$190	\$210
-	in quantities exceeding 500 L but not exceeding 2,500 L	\$365	\$400
-	in quantities exceeding 2,500 L but not exceeding 5,000 L	\$550	\$605
-	in quantities exceeding 5,000 L but not exceeding 25,000 L	\$1,815	\$2,000
-	in quantities exceeding 25,000 L	\$5,445	\$5,980
(b)	Licence/permit for storage of dangerous goods in category 2, other than liquefied petroleum gas	(per annum)	(per annum)
(i)	for each store		
-	not more than 10 cylinders	\$330	\$365
-	more than 10 but not more than 50 cylinders	\$660	\$725
-	more than 50 cylinders	\$1,650	\$1,810
(ii)	for each tank	\$825	\$905
(c)	Licence/permit for storage of each store of dangerous goods in categories 3-10, other than category 5, class 1, 2 or 3 or category 9A	(per annum)	(per annum)
-	not exceeding 25 kg	\$365	\$400
-	exceeding 25 kg but not exceeding 100 kg	\$730	\$800
-	exceeding 100 kg	\$1,815	\$2,000
(d)	Licence/permit for manufacture of dangerous goods of any category other than category 1 or 9A	(per annum for each category of goods manufactured)	(per annum for each category of goods manufactured)
		\$980	\$1,080

	(per annum)	(per annum)
(e) Licence/permit for conveyance of dangerous goods in category 2 or 5	\$660	\$725
(f) Duplicate, amendment or endorsement on a licence/permit in (a)-(e)	\$180	\$200

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#### Applications invited for Language Fund

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Organisations, individuals and schools including kindergartens that are interested in undertaking projects or activities to improve language standards in Hong Kong are now invited to apply for allocation from the Language Fund.

The fund is aimed at supporting proposals and initiatives that will raise standards in Chinese (including Putonghua) and English, enhance existing efforts and meet temporary shortfalls in language teaching resources.

In addition, the Language Fund will encourage research into problem areas and initiation of new approaches.

Projects or activities to be funded should be able to fulfil any one or more of the following objectives:

- \* to improve motivation for language learning;
- \* to enhance the quality of teacher education for language in education;
- \* to increase the supply and quality of textbooks, reference materials and appropriate teaching aids; and
- \* to launch innovative projects which maximise proficiency.

Interested parties may wish to note that among the first batch of 35 successful applications announced in December 1994, 23 were Chinese language (including Putonghua) projects, eight English language projects and four concerned with improving proficiency in both English and Chinese. There was a balanced mix of research, teaching and learning resource materials, teacher training, curriculum and student activity projects.

The Language Fund also welcomes new ideas and innovative projects from schools. In the first fund allocation exercise, two of the approved projects were initiated by individual schools. One involved the joint effort of two secondary schools in developing an English language teaching package while the other undertook a Chinese poem-writing competition.

The Language Fund Advisory Committee has identified some possible areas in which proposals may be drawn up. These include:

- \* improvement of the skills of language teachers and production of additional teaching materials;
- \* programmes to promote students' interest in language learning and develop the language skills of listening, speaking, reading and writing;
- \* development of reference materials on what constitutes good Chinese language use in Hong Kong as a useful reference for teachers and the public;
- \* trying out of various approaches to the development of bilingual proficiency at all levels, in particular pre-primary and primary levels;
- \* training of professionals in translation who are proficient in both English and Chinese;
- \* local research into child language development and the acquisition of bilingual proficiency;
- \* local research into language requirements, language uses and desired profiles of bilingual proficiency for academic and vocational purposes;
- \* investigation into and provision of language improvement measures for the working population;
- \* research programme to follow the academic and personal development of groups of students, matched for academic ability and experiencing different medium of instruction models;
- \* assessment on language proficiency in Hong Kong; and
- \* regular surveys of language ability of new entrants to jobs with respect to listening, speaking, reading and writing skills.

Starting from January 20, Language Fund application forms will be available from the General Enquiries Section of the Education Department, 15/F, Wu Chung House, 213 Queen's Road East, Wan Chai or by writing to the Language Fund Secretariat in Room 1123 of the same building. The Secretariat may be contacted for enquiries on 2892 6642 or by fax on 2574 0340.

Applications will be called for twice a year with the deadline for the first call this year on March 31 and that for the second call on September 30.

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Red packets for elderly people

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Thirty-eight residents of the Wan Chai Housing for the Elderly were each given a red packet (Lai See) today (Wednesday) to celebrate the forthcoming Lunar New Year, thanks to the Tang Shiu Kin and Ho Tim Charitable Fund.

The elderly people were also treated to a sumptuous lunch, followed by a series of performances including Cantonese opera, lion dance and ribbon dance.

Officiating at the presentation ceremony at Po Leung Kuk, the Director of Social Welfare, Mr Ian Strachan, said the Lai See distribution had been a benevolent tradition of the Tang Shiu Kin and Ho Tim Charitable Fund Committee to convey their new year wishes as well as their care and concern for people in the community.

About 5,200 single-parent families receiving Comprehensive Social Security Allowance and some 1,100 elderly people will also be given Lai See before the Lunar New Year.

Each single-parent family will receive \$250 and an elderly person, \$100. More than \$1.40 million from the Fund has been earmarked for this purpose.

The Fund, which is administered by the Social Welfare Department, provides immediate financial assistance to individuals or families to cope with sudden hardship.

"For many years, the Fund has helped many needy people in the community.

"During the last year, the Fund spent about \$3.24 million and had helped 1,378 cases altogether," Mr Strachan said.

Also present today were Dr Ho Tim, Lady Shiu-kin Tang and members of the Fund's Committee.

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Five nominations for MC elections received today

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A total of five nominations of candidates were received today (Monday) for the Municipal Council Elections on March 5.

The total number of nominations received so far is 109.

The nomination period will last until next Monday (January 23).

The breakdown of nominations by district is as follows:

Central and Western	4
Wan Chai	5
Eastern	11
Southern	5
Yau Tsim Mong	6
Sham Shui Po	3
Kowloon City	8
Wong Tai Sin	9
Kung Tong	13
Tsuen Wan	2
Tuen Mun	7
Yuen Long	7
North	5
Tai Po	5
Sai kung	2
Sha Tin	13
Kwai Tsing	3
Islands	1

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Total: 109

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One more nomination received for DB by-election

\* \* \* \* \*

One nomination was received today (Wednesday) for District Board by-election on March 5 in respect of Yau Ma Tei constituency of Yau Tsim Mong district.

The nomination was submitted by Mr Wong Sui-man (45), a manager.

So far, two nominations have been received since the nomination period started on January 9. The nomination period will end next Monday (January 23).

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Fresh water cuts in Tuen Mun and Kwai Chung

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In order to facilitate water mains connection, fresh water supply to some premises in Tuen Mun and Kwai Chung will be suspended from 10 pm on Friday (January 20) to 6 am the following day and from 8 pm on Saturday (January 21) to 7 am the next day respectively.

The suspension will affect all the premises bounded by Lung Mun Road, Tuen Tsing Lane, Wu Shan Road and the waterfront in Tuen Mun, including the LRT depot, Sun Tuen Mun Centre, Siu Shan Court, Butterfly Estate, Wu King Estate, Siu Hei Court, Marina Garden, Miami Beach Towers, Pierhead Garden, Richland Garden, Melody Garden, Yuet Wu Villa, San Wah Cold Storage and the Tuen Mun Riding School.

In Kwai Chung, the affected areas will include Yuet Lai Court, Lai King Estate, Lai King MTR station, Yin Lai Court, Kwai Fong Court, Kwai Chung police quarters, Kwai Hing MTR station, Sun Kwai Hing Garden, Kwai Chung police station and all the premises at Lai King Hill Road.

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Hong Kong Monetary Authority money market operations  
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	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	2,129	0930	-2,092
Closing balance in the account	1,124	1000	-2,567
Change attributable to :		1100	-2,611
Money market activity	-1,892	1200	-2,619
LAF today	+887	1500	-2,092
		1600	-1,892

LAF rate 3.75% bid/5.75% offer TWI 121.0 \*-0.1\* 18.1.95

Hong Kong Monetary Authority

EF bills		EF notes/Hong Kong Government bonds				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	6.15	16 months	2605	6.35	98.46	7.72
1 month	6.34	22 months	2611	6.90	98.36	8.03
3 months	6.53	27 months	3704	6.15	95.90	8.32
6 months	6.87	33 months	3710	7.25	97.37	8.50
12 months	7.34	59 months	5912	8.15	97.70	8.92

Total turnover of bills and bonds - \$29,618 million

Closed January 18, 1995

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Motion debate on Wong Wai Tsak Tong

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Following is the speech by the Secretary for Planning, Environment and Lands, Mr Tony Eason, in the Legislative Council motion debate on Wong Wai Tsak Tong's land ownership today (Wednesday):

Mr President,

There has been a lot of surmise and guess work today about what happened in 1905. Some members have expressed certainty about circumstances about which there can be no such certainty. It is not established that a mistake was made and it is not likely at this distance in time that it can be so established. Mr President, we cannot proceed on the basis of guess work, we cannot proceed purely on the basis of the brilliant clarity of hindsight. We should not pretend that something so complex is so simple. The Wong Wai Tsak Tong was first granted land on Cheung Chau by a Block Crown Lease as long ago as 1905. Since then, the Tong has been granted additional land on Cheung Chau under New Grants with the result that the Tong is now the registered owner of 90% of the private land on Cheung Chau.

The Tong sub-leased most of its land on Cheung Chau, using a simple form of sub-lease which is renewable, on the same terms, every five years until the termination of the Block Crown Lease.

The Block Crown Lease, like the majority of New Territories leases, was extended to 30 June 2047 by the New Territories Leases (Extension) Ordinance relatively recently.

The legal position today is therefore that the Tong is the holder of a lease from Government in respect of the majority of the private land on Cheung Chau with a term up to 2047. Although it may be argued that the Tong has not acted entirely reasonably, this is - and must be - the starting point from which our handling of the disputes which have arisen between the Tong and its sub-lessees must proceed. Our approach to this problem is to identify the specific problems about which there are disputes and to address them in a practical way to try to resolve those disputes. For several years, we tried to do this by mediation between the two parties in the hope that an agreement could be reached. Sadly, this effort proved to be in vain and we have reluctantly concluded that we have no choice but to introduce legislation to regulate the relationship between the Tong and its sub-lessees.

There are three issues about which there are disputes:

First, the renewal of sub-leases;

Second, the payment of Government rent; and

Third, the charging by the Tong of fees for giving its agreement to modifications and land exchanges affecting its lease. This issue arises when a sub-lessee wishes to redevelop the sub-leased property in a way which affects the Tong's interest as head lessee.

The Bill which I will introduce into this Council in April this year will deal with these issues in the following ways.

First, all sub-leases registered in the Land Registry at any time prior to the coming into effect of the legislation will be renewed from the date they would otherwise have expired until 27 June 2047, with the exception of sub-leases which have already been extended beyond 8 November 1994 - the date on which the majority of sub-leases expired - by agreement between the parties.

Second, the Bill will provide that Government rent will be payable directly by the sub-lessees to Government. The Tong will only be entitled to collect from the sub-lessees the amount of rent specified in the sub-lease.

Third, the Tong will be deemed to have agreed to modifications and exchanges unless it has reasonable grounds for objecting to them. The Tong will be allowed to charge sub-lessees no more than an amount equivalent to 10% of the premium charged by Government for such modifications and exchanges. This is in recognition of the Tong being the owner of the land and the fact that, but for the legislation, the Tong would not be obliged to agree to enter into any modifications or exchanges of the sub-leased land.

The effect of these proposals will be that, after the legislation has been enacted, the sub-lessees will have certainty as to their interests in their property through to 2047. They will pay Government rent direct to Government. They will be able to continue to occupy and enjoy all the benefits of their properties as they have done in the past. It will be possible to buy and sell properties on the land sub-leased from the Tong in the normal way, just as it was until the current disputes created uncertainty in the minds of prospective purchasers and the banks who were asked to lend money in the form of mortgages. Those sub-lessees who wish to redevelop, in a way that requires some modification of the Tong's lease or a land exchange affecting that lease, will be able to do so in the knowledge that the Tong will not be able unreasonably to frustrate their proposals and with certainty as to the level of fees which the Tong can charge for giving its consent.

The motion before us today calls on the Administration to do something quite different from the proposals I have just outlined - to use legislation to revoke the Tong's status as the leaseholder. In the free-for-all context of a Motion Debate and given the strong feelings that have been running on this issue, as politicians, Members may feel that nothing less than an extreme solution is what should be proposed. As legislators, however, they should consider very carefully what this would mean. It would surely not be right to enact legislation depriving a landowner of property legally come by. To do so in this case would ignore the legal rights of the Tong as holder of a lease from Government and create uncertainty in the minds of others as to whether the Government might one day seek to dispossess them in a similar way.

We must deal with the situation currently obtaining on Cheung Chau. But we must do so in a way that respects the legal rights of the parties involved. I am sure that when we bring the proposed legislation to this Council in the near future, Members will examine it soberly and with their traditional respect for the rule of law and abhorrence of arbitrary deviation from it.

Mr President, I can only agree with the first part of the original motion which is acceptable to the Administration. Neither the rest of it nor any of the amendments proposed would, in our view, provide a sound legal basis for the equitable solution which is required in this case. In the circumstances, the Officials will not support the original motion or any of the amendments and the Administration would have great difficulty in proposing legislation which would comply with any such motion. Similarly, should Members introduce legislative amendments or proposals in like spirit in due course, this also would present the Administration with considerable difficulty. I feel bound, Mr President, to counsel Members against raising the expectations of those they seek to assist that what they are proposing would achieve an easy and quick solution to the problem.

Thank you, Mr President.

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Secretary for Housing's speech on first-time home buyers

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Following is the speech by the Secretary for Housing, Mr Dominic S W Wong, in the Legislative Council motion debate on "Assistance to first-time home buyers" tonight (Wednesday):

Mr President,

It is the Government's policy objective under the Long Term Housing Strategy to provide adequate housing at an affordable price or rent to the people of Hong Kong. At present, over 52% of our population lives in public housing : 41% in public rental housing and 11% in various home ownership schemes in the public sector. Over the past ten years, we have made efforts to increase the home ownership rate in the community from 33% to 48%.

Subsidised schemes for home purchase

To achieve this, I must say again that we have indeed introduced various subsidised housing schemes to help eligible families to purchase flats. Under the Home Ownership Scheme (HOS) and the Private Sector Participation Scheme (PSPS) operated by the Housing Authority, flats are sold at up to 48% off the market price to eligible families who earn an income of less than \$22,000 per month. Loans of up to 95% of sale price, underwritten by the Housing Authority and repayable over a period of twenty years, are granted to beneficiaries, with interest charged at the prime rate plus half a percentage point. So far, about 190,000 flats have been sold. A further 57,000 such flats are expected to be offered in the next three years, and production is expected to increase steadily, as will also the number of public housing rental flats to be built.

The Housing Authority also administers a Home Purchase Loan Scheme which, since 1988, has helped 9,000 eligible families to buy flats in the private sector. There is an annual quota of 1,500, with an interest-free loan ceiling of \$300,000, or an option to receive a grant of \$2,600 per month for 48 months for mortgage repayment.

There is also another scheme, the Option to Rent or Buy Scheme, which targets tenants affected by the Comprehensive Redevelopment Programme, clearers from squatter areas and Temporary Housing Areas, and Waiting List applicants due for public housing allocation. The first 1,214 flats were sold at a price level below that of HOS and PSPS, with similar financing arrangements. I can assure members that more such flats will be offered this year and also in the future years.

The Government has also responded to calls for housing subsidies from sandwich class families who are not eligible for public housing and yet cannot afford to buy flats in the private market. In August 1993, the Sandwich Class Housing Loan Scheme was introduced as an interim measure, with a government loan of \$2 billion operated by the Housing Society. The scheme assists about 4,000 sandwich class families by giving them loans of up to \$550,000 at very low interest to meet down-payments for home purchase. Recently we have launched the Sandwich Class Housing Main Scheme. Sites are granted to the Housing Society at half full-market value to build flats for sale at prices affordable to families with an income between \$22,001 and \$44,000 per month. The first 1,024 flats in Tsing Yi are now being sold at a discount of about 40% off the market price, with major banks agreeing to offer a mortgage ceiling of 80% and with the last 10% underwritten by the Housing Society itself. These flats are four and a half times over-subscribed. I am confident that the Government's undertaking to assist some 24,000 sandwich class families to buy their own homes before the year 2000 can be achieved.

The schemes which I have just outlined go a long way towards meeting the community's growing aspiration for home ownership. It is our declared policy commitment to ensure that just under 60% of families in Hong Kong will own their own homes by the end of 1997. Over the next few years, we will help an additional 180,000 families to buy their own homes through the various subsidised housing schemes I have just mentioned.

#### Task Force on Land Supply and Property Prices

Members will recall that, in response to a wide body of public opinion early last year that property prices had risen beyond the affordability of average households in Hong Kong, the Government set up the Task Force on Land Supply and Property Prices which proposed a package of measures in June last year to cool the over-heated residential property market. The three-pronged approach to tackle the problem of property prices has been followed up vigorously. First, we have dampened speculation by modifying the consent scheme to restrict private sales of uncompleted flats and various types of resale. Second, we aim to increase land for housing supply, and have established an inter-departmental Housing Project Action Team to accelerate housing projects already in the pipeline. We aim to provide land to encourage the private sector to produce about 195,000 flats in the next six years. Third, we are striving to streamline planning and development processes, enhance our knowledge of the market situation and increase our responsiveness to it. Since the package of measures was announced, the prices of new flats have fallen by about 10 to 30% depending on locations, and many speculators have already left the market. We are satisfied that the recommendations of the Task Force are being effectively implemented without undue interference in market forces. The resulting moderation in property prices will help first-time home buyers to purchase their own homes.

### Private developers' schemes

The Government and public housing organisations are not alone in helping first-time home buyers to purchase their own homes. Private developers too have been offering a variety of supplementary financing schemes to boost the marketability of their flats.

### Mortgage ceiling

Some members have called on the Government to encourage banks to provide preferential mortgage loans at more than 70% of property value. Our view is that several schemes to promote home ownership are already in existence for those who are in genuine need of help, that is to say, the low and middle income groups. While trying to help first-time home buyers to buy their own homes, we need to be conscious of another equally important objective, that of preserving the stability of the banking system which is the backbone of our economy. Any problem which puts pressure on its health would threaten to destabilise other sectors of the economy, and have effect on the population at large.

There are good reasons why banks maintain a prudent lending policy and refrain from increasing the lending limit. First, the mortgage ceiling provides banks with a prudent margin of comfort against any erosion of the security for their mortgage loans owing to fluctuations in property prices. The banking sector's exposure to property loans has, I understand, already reached about 40% of total loans for use in Hong Kong. This is a high figure. Second, there are a number of uncertain factors : the rising interest rates in the United States; the possibility of a trade dispute between China and the United States; the macro economic adjustment still underway in China; the consolidation which has been taking place in the local property market, and so on. All these factors underline the need to maintain prudence in the banking sector, which is in turn essential for the financial stability of Hong Kong. Lending decisions are commercial decisions, and clearly the banking sector will need to take careful decisions on their own. The Government cannot and will not encourage banks to take higher risks than necessary. Nor can a government guarantee any risks above the 70% mortgage for a special class of people whose income earnings are already above the income cut-off level of \$44,000 per month for the sandwich class. Such preferential treatment is not justified.

### Tax concession for mortgage interest payments

Some members have urged the Government to introduce a tax concession for mortgage interest paid by first-time home buyers. There are good arguments against such a concession. Under the current tax regime, home owners already enjoy two tax benefits. First, any capital gain on disposal of a private residential property by a home owner is not subject to profits tax. Second, a home owner is exempt from property tax on private residence. Granting relief for mortgage interest payments would have the effect of singling out this group of people for even more favourable treatment. Moreover, to provide a tax concession for first-time home buyers would add complexity and cost to the tax system, and is contrary to the international trend to abolish or limit tax relief on home mortgage interest payments. It should also be remembered that personal allowances for salaries tax purposes are not designed in favour of specific classes of expenditure. To introduce a concession for housing expenditure would also make it difficult in future to resist similar requests for other classes of expenditure not incurred in the production of assessable income.

### Conclusion

In conclusion, we share Members' views that some first-time home buyers may need assistance to purchase their own homes, but we do not agree that the motion and the amendment moved by the Honourable Fung Kin-kee and the Honourable Tso Shiu-wai respectively are the only solutions. As I have explained at length, the Government, public housing organisations and the private sector have already put in place a wide range of schemes, options and measures to assist first-time home buyers to purchase their own homes. These are concrete plans in themselves which can meet the aspiration for home ownership for those who are genuinely in need of help, without changing our prudential banking supervision policy or our low tax policy. I would stress also that the Government would continue to make land available to increase the supply of both public and private housing in Hong Kong. For these reasons, Mr President, the Administration does not support the motion or its amendment.

Thank you.

End/Wednesday, January 18, 1995

Film Censorship (Amendment) Bill 1995

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Following is the speech by the Secretary for Recreation and Culture, Mr James So, in moving the second reading of the Film Censorship (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move the second reading of the Film Censorship (Amendment) Bill 1995.

The object of the Bill is to give effect to the policy changes arising from the public opinion survey conducted by the Television and Entertainment Licensing Authority (TELA) in 1994, as well as to make minor amendments to the Film Censorship Ordinance to improve its operation.

In order to gauge the prevailing standards of morality and propriety of the public so that the film censorship standards and film classification system adopted by TELA can keep pace with changes in social attitudes, TELA conducts a public opinion survey once every two years. The latest such survey was completed in early 1994.

Let me briefly outline the main findings of the 1994 survey. First of all, there is strong support for TELA to continue its role as the film censorship authority. We are also heartened to learn that the film censorship standards adopted by TELA resemble closely those held by the majority of respondents. In response to the public wish for clearer standards governing the depiction of triads, imitable criminal behaviour and perverted sexual behaviour in films, additional film censorship guidelines covering these matters have been formulated and will be gazetted on 27 January.

The results of the survey as a whole demonstrate general public support for the existing three-tier classification system and standards, and I wish to emphasise here that we have no intention of changing this three-tier system. All our new measures will be incorporated within this three-tier framework.

However, there are two important issues arising from the survey which need to be addressed by legislative amendments. Firstly, there is a clear and strong support for imposing more stringent control on the public display of Category III film posters in view of the public nuisance they caused. More than 70 per cent of the respondents wished to see posters for Category III films being subject to censorship, as oppose to the present arrangement whereby film posters are regulated under the Control of Obscene and Indecent Articles Ordinance through a voluntary submission system. Secondly, the findings indicated that the existing Category II classification embraced a very broad range of films. A refinement of this classification into two sub-categories would help provide more information to the public, in particular parents, to choose films for their children or for themselves.

Mr President, I would now like to highlight the important clauses of the Bill.

To implement the refinement to the existing Category II classification, Clause 6 of the Bill enables film censors to classify Category II films as either "Not suitable for children below 12 and parental guidance is recommended" or "Not suitable for persons below 18". Same as the existing Category II, these two sub-categories are advisory in nature. The purpose is simply to provide more information in the form of age advice to movie-goers. I should add that in terms of the standards to be applied, we are not changing the goal posts.

In the light of the overwhelming public support for tightening control on the public display and publication of posters of Category III films, Clause 15 of the Bill makes it a compulsory requirement that advertising materials of Category III films must be submitted to TELA for approval prior to public display or distribution. The reason for the control to apply to all advertising materials of Category III films is to ensure that the use of excessively offensive material for film promotion will not be permitted, whether in the form of film posters, newspaper advertisement, stills, billboards or handbills. Offenders are liable to a maximum fine of \$200,000 and imprisonment for one year.

To cater for the situation where publicity for a film needs to start prior to obtaining a classification, Clause 15 introduces an arrangement whereby advertising materials of all films intended for exhibition can be submitted to TELA for examination on a voluntary basis.

We are also proposing other minor changes to the Film Censorship Ordinance. These changes include the following :-

- (a) To cater for the common situation whereby alterations and additions such as sub-titles and soundtracks are made to an approved film when it is published as videotapes or laserdiscs, TELA is empowered under Clause 9 to examine videotapes and laserdiscs which contain alterations to the version approved and to give an appropriate classification;
- (b) In line with the expansion in scope of the Film Censorship Ordinance, Clause 17, 18 and 19 expand the terms of reference of the Board of Review so that the Board can in future review TELA's decisions not only in respect of films, but also their advertising materials and packaging; and
- (c) The number of non-official members of the Board of Review will be increased from six to eight to allow for greater community participation.

Mr President, the aim of our film censorship policy is to maintain a balance between the need to protect public morals on the one hand, whilst safeguarding freedom of expression and artistic creation as well as the rights of the individual to information on the other. I believe that our proposal to require advertising materials for Cat III films to be approved before publication is a necessary measure to achieve this fine balance. I hope that this, together with other proposals in the Bill, will gain the support of Members.

Mr President, I beg to move.

End/Wednesday, January 18, 1995

### Occupational Retirement Schemes (Amendment) Bill

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Following is the speech by the Secretary for Financial Services, Mr Michael Cartland, on the Occupational Retirement Schemes (Amendment) Bill 1995 in Legislative Council today (Wednesday):

Mr President,

The Occupational Retirement Schemes (Amendment) Bill 1995 before the Council today seeks to amend the principal Ordinance so as to enable the Registrar of Occupational Retirement Schemes to regulate and monitor private retirement schemes more effectively. The proposals would allow greater flexibility in the investment of scheme assets without compromising the safeguards. This is in line with our overall objective of ensuring that private occupational retirement schemes are properly managed and funded, thus providing greater certainty that retirement benefits will be paid to scheme members when they fall due.

The Bill's primary proposal seeks to resolve practical difficulties encountered by trustee administrators of pooled schemes in complying with the statutory requirement to separate the assets of each participating scheme in a pooling agreement. Pooled schemes account for the majority of all private occupational retirement schemes. In practice pool administrators combine not only the administrative duties but also the assets of each participating scheme. Strict separation of assets between each of the participating schemes is costly to administer, inhibits diversification of investment and results in lower returns for scheme members. Inevitably this in turn discourages the small-scale employers from establishing a scheme within a pool. To overcome these problems, pooling of assets will be permitted. There will be two safeguards. Firstly, the assets of each scheme will have to be kept separate from those of the employer and remain under trust. Secondly, the annual accounts of each scheme maintained by the trustee administrator of a pooling agreement will be required to conform to a common accounting year, and be audited by the same auditor.

The Bill's second purpose is to seek to relax statutory investment restrictions upon scheme assets but without compromising safeguards against fraud or mismanagement. The statutory investment restrictions have been criticised by scheme administrators as being too severe. They have a point. Investment in mutual funds is prohibited, as is investment in shares not listed on the Unified Exchange or any stock market not recognised by the SFC, for instance in shares on emerging stock markets such as Taiwan, Indonesia and Spain. We consider these criticisms and concerns justified and propose to relax the restriction by allowing scheme administrators to invest up to 100 per cent of a scheme's assets in mutual funds, and up to 15 per cent of the assets in the listed shares of companies on stock exchanges not recognised by the SFC but legally established and regulated as stock exchanges in accordance with the laws of the jurisdictions in which they are established. Investment in private companies will, however, continue to be prohibited.

The Bill also proposes to make a number of miscellaneous amendments to the Ordinance to facilitate administration of schemes by the Registrar. These amendments briefly include -

- the imposing of a requirement to obtain the approval of the Registrar before any changes are made to the registered particulars of a scheme which may materially alter the grounds upon which the scheme has been registered;
- the imposing of penalties for breaches of such requirements;
- the empowering of the Registrar to amend the Occupational Retirement Schemes Register, and to prescribe the payment of fees for changes in scheme particulars; to cancel registration of a scheme upon its termination or winding up; and to make rules relating to approval and notification procedures for changes.

Mr President, with these remarks, I commend the Occupational Retirement Schemes (Amendment) Bill to this Council.

End/Wednesday, January 18, 1995

Employment (Amendment) Bill 1995 introduced to LegCo

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Following is the speech by the Secretary for Education and Manpower, Mr Michael Leung, in moving the second reading of Employment (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move the Second Reading of the Employment (Amendment) Bill 1995.

This Bill seeks to improve the amount of severance payment (SP) and long service payment (LSP) for long serving workers, and to rectify some ambiguities in the provisions of maternity leave and sickness allowance under the Employment Ordinance.

At present, an employee's entitlement to severance payment and long service payment is calculated at the rate of two-thirds of a month's wages for each year of service, subject to a maximum limit of 12 months' wages or \$180,000, whichever is the less. This arrangement has the effect of limiting the reckonable service of an employee to 18 years.

To enable long serving employees to earn severance payment and long service payment beyond 18 years, we now propose to remove the ceiling of 12 months' aggregate wages. The years of reckonable service for the calculation of SP and LSP will be increased from the current limit of 18 years to 25 years plus 50 percent of any remaining service immediately upon enactment of this Bill. This limit will be increased by two years on 1 October 1995 and every subsequent year until it reaches 43 years on 1 October 2003. There will be no ceiling as from 1 October 2004, which means that all years of service will be reckoned thereafter. The absolute payment ceiling will also be increased from the current limit of \$180,000 to \$210,000 when the amendment takes effect. This ceiling will be increased by \$20,000 on 1 October 1995 and on 1 October of every subsequent year until it reaches \$390,000 on 1 October 2003. This comprehensive and forward-looking package of improvements will provide substantial improvements to severance payment and long service payment immediately for our hardworking labour force and in the long term further enhancement of the benefits as this will raise both the absolute payment ceiling and the reckonable length of service on a gradual basis and within a definite time-table.

Let me now turn to the provisions on maternity protection. At present, a female employee who has been employed by the same employer under a continuous contract for a period of not less than 26 weeks shall be entitled to maternity leave. However, the law is silent on how to count the 26 weeks when the pregnant employee is about to take maternity leave. We propose to remove this ambiguity by specifying in the law that the 26-week period should be counted backward from the expected date of commencement of maternity leave. To improve protection to pregnant employees, we also propose to make late payment of maternity leave pay an offence liable to a maximum fine of \$10,000.

Under the existing provisions of the Employment Ordinance, an employer is not liable to pay sickness allowance to an employee unless the employee meets the specific requirements in the Ordinance. Among other things, the day of sickness has to be specified in an appropriate medical certificate issued by a medical practitioner. However, as the law now stands, a medical certificate issued by a registered dentist is not regarded as an appropriate medical practitioner certificate. An employee having encountered a dental injury or received a dental surgical operation requiring a few days' sick leave is at present unable to receive any sickness allowance. To rectify this anomaly, we now propose to include the medical certificate issued by a registered dentist as a valid document for the purpose of claiming sickness allowance.

Mr President, the proposals in the Bill are the result of the very careful deliberations by the Labour Advisory Board (LAB). They contain further improvements to provisions in the earlier version of the Bill which was withdrawn before the Third Reading on 14 December 1994. Those earlier proposals had been recommended by the LAB and represented the delicate balance achieved through serious negotiations by the employers' and employees' representatives serving on the Board. We therefore felt it was essential to take the matter back to the LAB for further discussion. I should like to reassure this Council that the sole purpose was to enable us to consult the LAB again on the important issue of severance payment and long service payment. This new package of improvements put together by the LAB at two special meetings last month takes fully into account the interests of both the employers and the employees and the views of this Council and the community. I am pleased to note there has been general support for this new package.

I should like to take this opportunity to place on record my thanks to the members of the LAB for their understanding, co-operation and patience in the formulation of the package of proposals in this Bill. The progressive improvement to the LSP and SP with a definite timetable is a major step forward in improving employees' welfare.

I should also like to thank Members of the LegCo Manpower Panel for their support of the proposals in this Bill and I share their wish for a speedy passage through the Council today.

End/Wednesday, January 18, 1995

Employment (Amendment) Bill goes through three readings

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Following is the speech by the Secretary for Education and Manpower, Mr Michael Leung, in moving that the second reading debate on the Employment (Amendment) Bill 1995 should not be adjourned in the Legislative Council today (Wednesday):

Mr President,

I move under Standing Order 42(3A) that the second reading debate on this Bill shall not be adjourned and the debate be proceeded with now.

I am moving this motion to enable the above Bill to be passed in one single sitting today, so that all the improvements we have proposed for the provisions of Severance Payment and Long Service Payment, as well as the clarifications of the provisions for maternity leave and medical certificates under this Bill can take effect as soon as possible. The Labour Advisory Board, the Manpower Panel of this Council and representatives of the political parties whom I met in the last couple of weeks all expressed an earnest wish, which I also fully share, for the speedy enactment of the Bill.

I therefore propose that the three readings of the Bill should be taken in one sitting today to enable eligible workers to benefit from these proposals without any further delay. I commend this Bill to Members for passage in one sitting.

Thank you, Mr President.

End/Wednesday, January 18, 1995

Second reading of Buildings (Amendment) (No. 2) Bill

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Following is the speech by the Secretary for Planning, Environment and Lands, Mr Tony Eason, at the resumption of second reading debate on the Buildings (Amendment) (No. 2) Bill 1994 in the Legislative Council today (Wednesday):

Mr President,

I am grateful to the Honourable James Tien, the Chairman of the Bills Committee for supporting the Bill, and to all the other Members of the Bills Committee for their careful and detailed deliberations on this legislation in recent weeks.

The legislative proposal regarding hand-dug caissons is that they should be banned subject to certain exceptions. The legislation aims to protect the health and safety of caisson workers who are susceptible to pneumoconiosis, hearing impairment and serious accidents. A total ban could interfere with other types of manual excavation which are valid practices and do not need such controls.

Members of the Bills Committee were concerned that the exemption of hand-dug caissons of 3 metres deep or less might defeat the aim of the legislation to protect the health and safety of workers. I will move an amendment during the committee stage which will reduce the risk to workers working in hand-dug caissons up to 3 metres deep.

Another exemption proposed is where the use of hand-dug caissons is the only practical construction method or there is no other safe engineering alternative. The decision as to whether a hand-dug caisson proposal falls with the special circumstances and thus can be approved by the Building Authority will only be made after scrutiny by professional officers at least three levels. Further expert advice may also have to be sought. The Labour Department will also be informed of all approved building plans involving the use of hand-dug caissons so that it can monitor the situation. The provision is to cater for very exceptional circumstances and the restricted geotechnical situation of Hong Kong. In some cases, the use of machines may be more dangerous, especially on steep slopes.

The Administration will closely monitor the safety and health of caisson workers and will consider requiring employers to arrange for regular medical examinations of workers engaged in hand-dug caisson operations. The Administration will also keep statistics on all approved hand-dug caisson operations and will provide reports to this Council on a quarterly basis if required.

The provisions regarding hand-dug caissons will commence 12 months after the Bill is passed to enable the building industry to prepare for the ban.

Thank you, Mr President.

End/Wednesday, January 18, 1995

Committee Stage of Buildings (Amendment) (No. 2) Bill 1994

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Following is the speech by the Secretary for Planning, Environment and Lands, Mr Tony Eason, at the Committee Stage Amendments of Buildings (Amendment) (No. 2) Bill 1994 in the Legislative Council today (Wednesday):

Mr Chairman,

I move that clauses 1(1), 3 and 6 of the Bill be amended as set out under my name in the paper circulated to Members.

The amendment to clause 1(1) changes the short title of the Ordinance following the arrival of the new year.

The amendment to clause 3 imposes an additional condition in relation to the exemption of hand-dug caissons which are 3 metres deep or less. As I have said previously, the Administration believes that it will reduce the risk to workers by providing for hand-dug caissons to be better ventilated. This amendment has been discussed and agreed by the Bills Committee.

The amendment to clause 6 amends the proposed sewage tunnel protection area from 100 metres from either side of a sewage tunnel to 50 metres. After the Bill was published in the Gazette in September 1994, representations were made by the professional bodies that the proposed sewage tunnel protection area of 100 metres from either side of a sewage tunnel was too wide. We have accepted this.

Thank you, Mr Chairman.

End/Wednesday, January 18, 1995

Securities and Futures Commission (Amendment) (No.2) Bill 1994

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Following is the speech by the Secretary for Financial Services, Mr Michael Cartland, at the committee stage of the Securities and Futures Commission (Amendment) (No.2) Bill 1994 in the Legislative Council today (Wednesday):

Mr Chairman,

I move that the clause 1 and 4 as set out in the paper circulated to Members.

For the reason I have already explained, the Administration can accept deletion of the phrase 'is about to contravene' which is the subject to these amendments.

Mr Chairman, I beg to move.

End/Wednesday, January 18, 1995

Leveraged Foreign Exchange Trading (Amendment) Bill 1994

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Following is the speech by the Secretary for Financial Services, Mr Michael Cartland, at the committee stage of the Leveraged Foreign Exchange Trading (Amendment) Bill 1994 in the Legislative Council today (Wednesday):

Mr Chairman,

I move that the clause specified be amended as set out in the paper circulated to Members.

For the reason I have already explained, we can accept deletion of the phrase 'is about to contravene' which is the subject to this amendment.

Mr Chairman, I beg to move.

End/Wednesday, January 18, 1995

Two bills on SFC's investigatory powers

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Following is the speech by the Secretary for Financial Services, Mr Michael Cartland, in the resumed second reading debate on the Securities and Futures Commission (Amendment) (No.2) Bill 1994 and the Leveraged Foreign Exchange Trading (Amendment) Bill 1994 in the Legislative Council today (Wednesday):

Mr President,

I am most grateful to the Honourable Peter Wong and other Members of the Bills Committee for the careful consideration given to the two Bills. The Bills aim at providing the legal basis for the Securities and Futures Commission (SFC) to provide reciprocal investigatory assistance to overseas regulators under the Securities and Futures Commission Ordinance and the Leveraged Foreign Exchange Trading Ordinance.

I would like to emphasise with particular reference to the comments we have just heard from Mr Chim Pui-chung, that it is not the purpose of these two bills to widen the powers of the SFC. Under the two Bills, the investigatory powers given to the SFC to enable it to assist overseas regulators will be no wider than those presently available to the SFC under the two ordinances. In other words, cases presented by overseas regulators must involve circumstances similar to those which, had the cases arisen in Hong Kong, would have enabled the SFC to invoke its investigatory powers under the two ordinances.

The Bills Committee in this connection did express concern that the phrase "is about to contravene legal or regulatory requirements" in the proposed section 59A(1)(a) and (b) of the Securities and Futures Commission (Amendment) (No.2) Bill 1994 and the proposed section 63A(1)(a) and (b) of the Leveraged Foreign Exchange Trading (Amendment) Bill may give the Securities and Futures Commission (SFC) broader powers of investigation that it has in local cases. These words had originally been adopted so that in certain circumstances a regulatory body could exercise its powers to prevent anticipated breaches of legal or regulatory requirements.

But in view of the comments of the Bills Committee, we have reconsidered the proposed wording and concluded that we can accept deletion of the phrase "is about to contravene". I will therefore move, at the Committee Stage, amendments to this effect. With regard to the question of safeguards and checks and balances with reference to the powers of the SFC that was raised by Mr Chim, Mr Chim is in fact well aware of the existing channels of recourse and in fact he mentioned some of them. There is a formal Securities and Futures Commission appeals body appointed by the Governor which hears statutory appeals on specified matters against decisions of the SFC. The SFC is also subject to the purview of the ICAC and the Commissioner for Administrative Complaints. And there is also, as Mr Chim mentioned, the possibility of recourse to the courts the judicial review. The Administration's view is that there are adequate checks and balances, but that obviously in all circumstances one cannot expect to please all the customers all of the time, and it's an inevitable fact of life. And that there will be those who're dissatisfied with the decisions and it's up to them to decide whether to take the recourses that are available. The Administration does look into complaints and will consider in future the possibility of amending or improving those checks and balances. That said, Mr President, I believe that the question of how the powers are exercised by the SFC is not raised by this bill because as I have indicated, these bills do not seek to widen these powers.

Mr President, in the light of those comments, I commend the Securities and Futures Commission (Amendment) (No.2) Bill 1994 and the Leveraged Foreign Exchange Trading (Amendment) Bill 1994 to Members.

End/Wednesday, January 18, 1995

#### Traffic accidents involving buses

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Following is a question by the Hon Roger Luk Koon-hoo and a reply by the Secretary for Transport, Mr Haider Barma, in the Legislative Council today (Wednesday):

Question :

Regarding the serious traffic accidents involving franchised buses in recent months, will the Administration inform this Council :

- (a) whether such accidents have primarily been caused by human errors; and
- (b) what measures are being taken by the operators to improve safety standards?

Reply :

Mr President,

In 1994, there were 274 accidents involving franchised buses which resulted in fatalities and serious injuries. All these accidents have been investigated, although the outcome of some recent cases are still awaited. From the information available so far, it can be said that about 100 of these accidents can be attributed to errors on the part of bus drivers, mainly turning negligently at junctions, driving too fast or following other vehicles too closely.

All four franchised bus companies recognise the importance of safety. Newly recruited drivers are required to undergo a 4 to 6 weeks training programme and pass stringent driving tests set by both the bus companies and the Transport Department before they are allowed to drive a bus on the roads. Drivers are also required to take refresher training programmes and familiarisation training for new routes and new bus types. Their performance is monitored by inspectors who board buses. All bus companies have restrictions on working hours. Bus companies also have safe driving bonus schemes to promote safe driving amongst the drivers.

In response to recent bus accidents, the Administration has asked bus companies to exercise closer supervision of the performance of their bus drivers and to remind their drivers of the importance of road safety.

End/Wednesday, January 18, 1995

#### Labour disputes involving foreign domestic helpers

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Following is a question by the Hon Mrs Peggy Lam and a reply by the Secretary for Education and Manpower, Mr Michael Leung, in the Legislative Council today (Wednesday):

Question :

Recently there has been an increase in the number of cases involving foreign domestic helpers who sued their employers for mistreatment, thus becoming able to stay in the territory legally and take up part-time employment whilst awaiting the completion of the litigation process. In this connection, will the Government inform this Council :

- (a) of the number of such cases scheduled for hearing at present;

- (b) of the average waiting time for such cases to be heard in court; and
- (c) whether foreign domestic helpers are allowed to find jobs to make a living during the pre-hearing period?

Reply :

Mr President,

Foreign domestic helpers who wish to sue their employers for mistreatment may lodge their complaints with the Police, the Labour Department, the Labour Tribunal or the Minor Employment Claims Adjudication Board (MECAB). However, statistics are not kept specifically on foreign domestic helpers as a category of complaint. I am nevertheless advised by the Judiciary Administrator that the number of labour dispute cases involving foreign domestic helpers which are now awaiting adjudication by the Labour Tribunal is in the region of 500. 19 cases involving foreign domestic helpers are awaiting hearing by MECAB.

At present, the average length of time between the lodging of a claim with the Labour Tribunal and its adjudication is around 6.5 months. The waiting time for adjudication is expected to be reduced with the setting up of MECAB from 23 December last year.

Foreign domestic helpers whose contracts have been terminated prematurely may be allowed to remain on visitors' condition pending the hearing of their claims against their previous employers. As visitors, they are not allowed to take up employment during the periods of their permitted stay in Hong Kong.

End/Wednesday, January 18, 1995

Student representatives on councils of tertiary institutions

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Following is a question by Dr the Hon Conrad Lam Kui-shing and a reply by the Secretary for Education and Manpower, Mr Michael Leung, in the Legislative Council today (Wednesday):

Question :

It is learnt that the boards of governors of individual tertiary institutions hold different attitudes towards student participation, and that this has given some students the impression that the boards of governors of their institutions are discriminating against them. In this connection, will the Government inform this Council :

- (a) of the tertiary institutions in which students are represented on the institutions' boards of governors;
- (b) how the respective numbers of student and staff representatives on these institutions' boards of governors are determined;
- (c) whether the staff and student representatives on the institutions' boards of governors enjoy equal rights; if not, what are the institutions' reasons; and
- (d) whether there are any tertiary institutions in which students are not represented on the institutions' boards of governors; if so, which are those institutions and what are the institutions' reasons for excluding student representatives on their boards of governors?

Reply :

Mr President,

It is understood that the question refers to the "Councils" of the tertiary institutions as the governing executive bodies, as set out in the Chinese version of the question. Accordingly, my reply is :

- (a) The Administration understands that students are represented on the Councils of five of the tertiary institutions : namely the University of Hong Kong, the Hong Kong Polytechnic University, the City University of Hong Kong, the Hong Kong Baptist University and the Hong Kong Institute of Education.
- (b) The numbers of student and staff representatives on the institutions' Councils are specified in the respective Ordinances or Statutes of the institutions concerned.
- (c) The Administration understands that both staff and student representatives of the Councils of the institutions enjoy equal rights. However, different institutions have defined different areas of business where participation in discussion by individual members is excluded. These concern mainly matters affecting the appointment, promotion and other personnel matters relating to the staff of the institutions as individuals as well as matters affecting the admission and academic assessment of students as individuals.

- (d) The Chinese University of Hong Kong, the Hong Kong University of Science and Technology, Lingnan College, the Open Learning Institute of Hong Kong and the Hong Kong Academy for Performing Arts do not have student representatives on their Councils. The Administration understands that these institutions consider the existing channels for students to express their views to be both adequate and reasonable. There are extensive student representation on many of the institutions' various Boards and Committees such as the Senate or Academic Board, Student Affairs Committee, Student Consultative Committee, etc. on which matters affecting students on different aspects are discussed on a regular basis.

End/Wednesday, January 18, 1995

#### Cases of teacher suicide

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Following is a question by the Hon Simon IP Sik-on and a reply by the Secretary for Education and Manpower, Mr Michael Leung, in the Legislative Council today (Wednesday):

Question :

It has been reported that at least four cases of teacher suicide have occurred since the beginning of November last year. In this connection, will the Administration inform this Council whether it has conducted any investigations into teacher suicides to ascertain if there are any common factors in such suicides, if so, what the findings are?

Reply :

Mr President,

Police investigations into the four recent suicide cases involving teachers are still continuing. Nevertheless, the Education Department has conducted its own enquiries with the school authorities concerned to try to find out whether the deaths of these teachers were related to their work in schools. On the basis of the information thus revealed to the department, it appears that in at least three of the four cases, there is no such indication.

In the fourth case concerning a teacher at a Government school which has attracted some press coverage including suggestions that the deceased had been unfairly treated at work and over promotion, the department has interviewed the principal and some of the teachers of the school. It has also carefully reviewed the records on the deceased's work and performance. The department has concluded that there is no ground to support these suggestions.

However, we have to await the Police's investigation reports before the causes of these suicides may be identified.

End/Wednesday, January 18, 1995

#### Levy for Pneumoconiosis Compensation Fund

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Following is a question by the Hon James Tien Pei-chun and a reply by the Secretary for Education and Manpower, Mr Michael Leung, in the Legislative Council today (Wednesday):

Question :

A resolution was passed by this Council on 21 July 1993 to increase the rate of levy for the Pneumoconiosis Compensation Fund by 15 times, raising it from 0.02% to 0.3%. At the meeting of the LegCo Panel on Manpower held on 8 December 1994, officials of the Education and Manpower Branch disclosed that the Government would further raise the levy rate to 0.45%. In this connection, will the Government inform this Council:

- (a) whether, in considering the further increase of the levy rate to 0.45%, it has taken into account the impact of the new levy rate on the construction industry as well as sought the views of the construction sector;
- (b) how long the levy rate at 0.45% will remain unchanged; and
- (c) whether it will consider injecting funds into the Pneumoconiosis Compensation Fund to stabilise the levy rate in the long term, so as to avoid hampering the development of the construction industry?

Reply :

Mr President,

The LegCo Manpower Panel was briefed on 8 December 1994 on the need to raise the rate of levy for the Pneumoconiosis Compensation Fund from 0.3% to 0.45%. The position of the levy was further discussed at the meeting on 3 January 1995. An increase in the rate of the levy is necessary to ensure that it will be able to meet its long-term commitments. The possible need for this second phase of increase was already made known to this Council when the rate of levy was last increased from 0.02% to 0.3% in July 1993.

If the rate of levy remains unchanged, it is estimated that the Fund will run into a deficit in 1996 and 1997. The Pneumoconiosis Compensation Fund Board will not then be able to meet the payments due to all eligible beneficiaries.

As regards the 3 specific questions, first, the impact of the proposed increase in the rate of the levy on the construction industry is not expected to be significant. Assuming that the proposed rate of levy comes into effect on 1.4.95, our preliminary assessment is that the operating costs of the construction industry will be increased by 0.006% in 1995, by 0.041% in 1997 and 0.071% in 1999. The construction sector has been consulted on this proposed increase through the Pneumoconiosis Compensation Fund Board on which the Hong Kong Construction Association is also represented.

Second, the proposed levy rate of 0.45%, if implemented, will be kept under regular review, having regard to the actual income and expenditure of the Pneumoconiosis Compensation Fund. However, barring any unforeseen downturn in the construction industry, it is estimated that a levy rate of 0.45% will ensure that the Fund maintains a healthy balance well into the year 2000. The situation will need to be reassessed if further development, improvements are made to benefits payable to pneumoconiotics under the scheme.

Finally, the Pneumoconiosis Compensation Scheme is a collective liability scheme established for the specific purpose of providing compensation to post- 1981 pneumoconiotics through the Pneumoconiosis Compensation Fund. The Fund is to be financed by a levy on the building and construction industry and the quarry industry where the bulk of pneumoconiosis cases are detected. For this reason, there is no question for Government to inject funds into the Fund for the sake of stabilising the levy rate. Nevertheless, as I have stated in the earlier part of my answer, we will keep the levy rate regularly under review to ensure that the Fund can continue to honour its financial commitments without difficulty. In this connection, both the financial position of the Fund and the impact on the construction industry will be closely monitored, so that they can be taken into account when there is a need to revise the rate of levy further.

End/Wednesday, January 18, 1995

Public liability insurance being examined by Travel Industry Council

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Following is a question by the Hon Fred Li and a reply by the Secretary for Trade and Industry, Mr T H Chau, in the Legislative Council today (Wednesday):

Question :

There are at present quite a number of travel agents who have not taken out "public liability" insurance policies for their package tours. This often gives rise to problem in determining the responsibility for compensation in the event of an accident. Tourists on such tours are also not given adequate protection. In this connection, will the Government inform this Council of the following :

- (a) what immediate contingency measures and short-term solution does the Government have to tackle the problem in view of the approaching peak tourist season during the Lunar New Year; and
- (b) whether the Government will, in the long term, consider introducing legislation requiring travel agents to take out "public liability" insurance policies for their package tours; if not, what the reasons are?

Reply :

Mr President,

In reply to part (a) of the Honourable Member's question, we have discussed with the Travel Industry Council and the Consumer Council possible ways to improve protection for outbound travellers, in particular the need for insurance coverage for both outbound travellers and travel agents.

The Travel Industry Council has accepted in principle that travel agents should take out public liability insurance to protect their clients, and has appointed an ad hoc committee to consider possible options. The committee aims to submit its recommendations to the Travel Industry Council next month.

As an interim measure, the Travel Industry Council has asked its members to encourage their clients to take out travel insurance themselves and to provide them with detailed information on the travel insurance services available. It has also advised travel agents to disclose details of the insurance coverage included in the travel services provided to their clients. In addition, the Consumer Council and the Travel Industry Council have strengthened their publicity efforts to promote the awareness of travellers of the benefits of being covered by an insurance policy when travelling outside Hong Kong.

Regarding part (b) of the Honourable Member's question, as I have just mentioned, the issue of public liability insurance is being examined by the Travel Industry Council. In the light of the recommendations of the Travel Industry Council and the advice of the Advisory Committee on Travel Agents, the Government will consider whether it is necessary to introduce legislation requiring travel agents to take out public liability insurance for their package tours.

End/Wednesday, January 18, 1995

#### Implementation of Target Oriented Curriculum Programme

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Following is a written question by the Hon Man Sai-cheong and a written reply by the Secretary for Education and Manpower, Mr Michael Leung, in the Legislative Council today (Wednesday):

Question :

The Target Oriented Curriculum (TOC) programme will be introduced by the Government in Primary One classes in 70 primary schools with effect from September this year, and full implementation of the programme will take place in September 1996. In this connection, will the Government inform this Council :

- (a) how the mechanism to be set up by the relevant authority to undertake periodic reviews of the TOC programme will operate, and
- (b) what measures will be adopted by the Government to assess the effectiveness of the TOC programme?

Reply :

Mr President,

(a) The Director of Education intends to establish soon a Committee to monitor the phased introduction of the Target Oriented Curriculum (TOC) starting in the school year 1995-96. The membership of the Committee is being finalised, and is likely to include educationalists, school principals and teachers as well as parents. The Committee will meet regularly to monitor the progress of the implementation plan, identify problems arising from implementation and recommend solutions. It will also evaluate the effectiveness of TOC during implementation and advise the Director on future development.

(b) The effectiveness of TOC can be measured among the three target groups below using the following criteria -

(a) For Pupils

- cognitive development - whether there is better development in pupils' thinking and communication skills;
- learning behaviour - whether there is more active, pleasurable and effective participation in learning activities;
- attitude - whether pupils' attitude towards school work is more positive, confident and independent;
- achievements - whether pupils' achievements at the end of primary or secondary education are higher in terms of their ability to apply what they have learned in school to their daily life.

(b) For Schools and Teachers

- whether more effective teaching is being adopted through better planned and more stimulating approach, tailored to meet the pupils' abilities and needs.

(c) For Parents

- whether parents are better informed about their children's progress, strengths and weaknesses in specific areas of learning and measures to deal with the weaknesses identified.

The means of measurement can include questionnaires, observations and assessments of performance in the three core subjects of Chinese, English and Mathematics. A decision on the specific techniques to be employed will be made after taking advice from the Monitoring Committee.

End/Wednesday, January 18, 1995

Part-time court interpreters

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Following is a question by the Hon Moses Cheng Mo-chi and a written reply by the Chief Secretary, the Hon Mrs Anson Chan, in the Legislative Council today (Wednesday):

Question:

The remuneration of part-time court interpreters is of a relatively low level which makes it difficult to attract suitable people to take up the job. In a recent trial of an assault case, the progress of the trial has been impeded because of difficulties in finding a part-time court interpreter who speaks the Wenzhou dialect. In this connection, will the Government inform this Council :

- (a) of the number of times that part-time court interpreters were employed by the Judiciary in the past year;
- (b) of the amount of money allocated to the Judiciary for employing part-time court interpreters this year, and whether the allocation is sufficient;
- (c) of the current method of calculating the remuneration of part-time court interpreters; and whether such method of calculation differs from the method of calculating the remuneration of part-time interpreters employed by tribunals established by the Government such as the Insider Dealing Tribunal; if so, why there is such a difference; and

- (d) whether the Government will review the remuneration system of part-time court interpreters shortly so as to attract suitable people to take up the job, thus ensuring that the normal operation of the court is not affected?

Reply:

Mr President,

The Judiciary engages part-time interpreters in cases where interpretation service cannot be provided by the full-time Court Interpreters. These are mostly cases involving foreign languages (other than English and Cantonese) or involving dialects not commonly spoken in Hong Kong. When interpretation is required for a foreign language or a dialect which is rarely spoken in Hong Kong, particularly when a trial is complex and involves technical subjects, the Judiciary has occasionally encountered difficulties in finding suitable interpreters. This is usually due to the scarcity of persons fluent in both English and the foreign language or dialect concerned. Many of these freelance interpreters have their own regular work and cannot spare the time to do the court interpretation at the specified time. The level of remuneration is not usually the problem, but where it appears to be a significant inhibiting factor in a particular case, the Judiciary Administrator may exercise her discretion to authorise a higher rate.

In the particular case referred to in the question, interpretation of the Wenzhou dialect was required. There were three freelance interpreters on the Judiciary's register at the time. However, one of them was away from Hong Kong at the time of the trial, and another declined to do the court interpretation for this case because he knew some of the people involved in it. The remaining interpreter was engaged by the Judiciary, but was objected to by the defence on the first day of the trial. The case, therefore, had to be adjourned. Another interpreter was subsequently engaged through a private sector agency.

The specific information requested in parts (a) to (d) of the question is as follows -:

- (a) In the last financial year, the total number of times that part-time interpreters were engaged by the Judiciary was 9,402, involving a total of 24,700 man-hours of work.

- (b) The amount of money allocated to the Judiciary for employing part-time interpreters in the current financial year is \$4.63 million. This is likely to be inadequate because of an unexpected increase in demand for foreign language interpreters. To quote an example, there was a recent 398-day trial which required interpretation for a significant number of Vietnamese-speaking witnesses.
- (c) The current rate of remuneration of part-time court interpreters engaged by the Judiciary is the same as that applicable to other non-government interpreters engaged by government departments. The Judiciary's rate is determined by reference to the market rate, although the two rates are not strictly comparable, as the market rate also cover elements like overheads, profit margin, etc which are not applicable in the case of the Judiciary's rate. The method of calculating the remuneration of part-time interpreters employed by tribunals under the Administration follows that adopted by the Judiciary. Special rates may be paid in some particular cases heard by these tribunals, having regard to their complexity and technical nature.
- (d) The rate of remuneration of part-time interpreters is reviewed every two years. A review is currently being conducted. The Judiciary is also reviewing the feasibility of engaging staff on a contract basis for the provision of foreign language interpretation which has become increasingly common in the courts, such as Tagalog interpretation.

End/Wednesday, January 18, 1995

#### Role of Securities Clearing Company

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

Question:

Will the Government inform this Council whether:

- (a) it is aware of the organisational structure of the clearing house operating under the Hong Kong Stock Exchange; if so, what the organisational structure is; and

- (b) it will consider allowing investors to open accounts directly with the clearing house; if so, whether there will be any government department responsible for handling complaints lodged by investors who have suffered losses; if not, what the reasons are?

Answer:

- (a) The Government is aware of the organisational structure of the Hong Kong Securities Clearing Company Ltd (Clearing Company). It is a non-profit distributing company, incorporated for the purpose of establishing and operating a centralised securities clearing and settlement system for Hong Kong. The primary function of the Clearing Company is to provide services for the clearing and settlement of transactions in securities admitted into the Central Clearing and Settlement System (CCASS) and effected on the Stock Exchange of Hong Kong Ltd. (the Stock Exchange).

The Clearing Company is a company limited by guarantee of HK\$50 million and has six members: the Stock Exchange, Bank of China, Hang Seng Bank Ltd, Standard Chartered Bank, The Bank of East Asia Ltd and The Hongkong and Shanghai Banking Corporation Ltd. The Stock Exchange provides 50% of the guarantee and each of the member banks provides 10%.

It is governed by a Board of Directors comprising 10 Stock Exchange appointees, an appointee from each of the five member banks, five directors appointed by the Financial Secretary to represent the public interest, and the Chief Executives of the Stock Exchange and the Clearing Company.

- (b) The Clearing Company was designed to provide "wholesale" automated clearing and settlement services to financial intermediaries, such as stockbrokers and banks. Investors are not able directly to participate in CCASS. They must use financial intermediaries, such as stockbrokers and custodians, to access Clearing Company services.

The question of allowing investors to open accounts directly with CCASS is one which would continue to be reviewed by the Clearing Company and the Securities and Futures Commission (SFC). The matter requires considerable thought and analysis. The following issues, among others, would need to be addressed.

One of the main roles of the Clearing Company is to act as settlement counterparty to all stockbrokers. This role controls the systemic risks of broker defaults. If investors were to participate in CCASS, they would add risk and cost to CCASS operations. Investor access to CCASS would require consideration of what risk management measures would apply to investors and how much they would be required to pay to participate in CCASS. This raises the question of whether investors would be willing to pay the necessary costs.

The Securities (Clearing Houses) Ordinance would need to be reviewed to determine whether legislative amendments would be necessary if the Clearing Company were to change its role from being a wholesale clearing house to also become a retail clearing house.

Another question is whether the Clearing Company is the appropriate entity to provide investors with access to CCASS. This question requires analysis of the appropriate roles of not only the Clearing Company, but also the Stock Exchange and listed companies and their registrars who under the Companies Ordinance are responsible for recording and transferring ownership interests of the company shareholders.

Investors participation in CCASS would not be a panacea. Even if investors were to have direct access to CCASS, they would still remain at risk during the settlement process if a broker or custodian has defaulted or become incapacitated.

The handling of complaints lodged by investors concerning market matters rests primarily with the Stock Exchange and the SFC. An investor who has suffered pecuniary loss as a result of any act done in the course of, or in connection with, the stockbroking business of a stockbroker in relation to any money or securities entrusted to the stockbroker or his employees may claim compensation from the Compensation Fund pursuant to section 109 of the Securities Ordinance. The Compensation Fund is set up by legislation, funded in part by transaction levy and administered by the Stock Exchange and the SFC.

End/Wednesday, January 18, 1995

Local workers employed on new airport project

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Following is a question by the Hon Henry Tang Ying-yen and a written reply by the Secretary for Education and Manpower, Mr Michael Leung, in the Legislative Council today (Wednesday):

Question :

Regarding the employment of construction workers for the Chek Lap Kok Airport project, will the Government inform this Council of:

- (a) the number of local construction workers who have been interviewed for employment by the project contractors since the commencement of the construction works; among these workers, how many have been employed and what are the main positions in which they are employed; how many have been rejected and what are the reasons for rejection; and
- (b) the respective numbers of illegal workers who have been arrested and contractors who have been charged since the commencement of the construction works?

Reply :

Mr President,

Up to 31 December 1994, a total of 11,962 construction workers have been employed on the Chek Lap Kok airport project and other Airport Core Programme (ACP) projects. Of this total, 8,751 or 73.2 per cent are local workers. It has been a long-standing tradition of the local construction industry that workers are employed directly by contractors and subcontractors on a contract by contract basis. The employment of construction workers for ACP works follows the same pattern. For this reason, very few local construction workers use the Local Employment Service (LES) of the Labour Department as a channel to seek employment. The total number of construction workers who are registered with the LES at any one time is about 200.

We therefore do not have any statistics on the number of local workers who were interviewed by the ACP project contractors and the number of such workers who were not offered employment. However, in accordance with the arrangement under the existing special labour importation scheme for ACP projects, employers who wish to import labour are required to register their vacancies with the Local Employment Service (LES) of Labour Department for a minimum period of four weeks in order that local workers are given first priority to apply for them. Labour Department will also send such information to the construction workers' union, inviting their members to make use of the Department's employment service or to make direct referrals to the contractors concerned. These measures have been in place since October 1992.

Up to now, a total of 539 referrals of local construction workers have been made to contractors for selection interview through the LES. In addition, the Construction Industry Employees General Union and the Shipbuilding, Machinery and Steel Industries Employees General Union have made 103 direct referrals to the contractors. As a result, a total of 105 of such referrals have resulted in employment.. 480 have been rejected by the contractors for various reasons, including inappropriate working experience and poor performance during the interviews, 28 have declined offers and 29 are still waiting for the results.

Local construction workers for ACP projects have been employed mainly in positions such as carpenters, concreters, crew, electricians, bar-benders, welders, skilled and unskilled labourers.

So far, no illegal workers have been arrested at the Chek Lap Kok airport project site. No ACP contractors have so far been charged for employing illegal immigrants.

End/Wednesday, January 18, 1995

Special team co-ordinates hiring of local workers for airport project

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Following is a question by the Hon Pang Chun-hoi and a written reply by the Secretary for Education and Manpower, Mr Michael Leung, in the Legislative Council today (Wednesday):

Question :

Will the Government inform this Council whether it will consider setting up a special division in the Labour Department responsible for co-ordinating the recruitment of local workers for the New Airport Project and stepping up publicity for such work, so as to ensure that local workers are accorded priority in employment?

Reply:

Mr President,

At present, the Tsuen Wan Office of the Local Employment Service of Labour Department is co-ordinating efforts in the recruitment of local workers for the New Airport and related Projects. Additional resources have been earmarked in 1995-96 for the establishment of a special placement team comprising 1 Labour Officer, 2 Assistant Labour Officers and 2 Clerical Officers in the Labour Department to strengthen co-ordination of the work in the recruitment of local workers for the Airport Core Programme Projects and to step up publicity on such work.

End/Wednesday, January 18, 1995

Enforcement action and publicity to combat hawking of counterfeit goods

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Following is a question by the Hon Howard Young and a written reply by the Secretary for Trade and Industry, Mr T H Chau, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council :

- (a) whether the Government is aware that there are many hawkers selling counterfeit goods of famous brand names in tourist areas such as Tsim Sha Tsui; and
- (b) what actions the Government will take to eradicate these illegal activities in the tourist areas so that Hong Kong's reputation as the "shoppers' paradise" will not be damaged?

Reply :

Mr President,

The Government is aware of the problem, but the operational experience of the Customs and Excise Department indicates that only a small proportion of hawkers in tourist areas are engaged in selling counterfeit goods.

To combat this problem, the Customs and Excise Department conducts frequent raids on hawker black spots, gathers intelligence from trade mark owners and liaises closely with other Government departments, such as the Police and the Urban Services Department, in operations against hawking of counterfeit goods. In 1994, there were 356 counterfeiting cases involving hawkers, resulting in seizure of 40,906 items valued at \$2.37 million.

In addition to street-level operations, the department also conducts raids against places where counterfeit goods are stored. In 1994, 62 storage places were detected, resulting in 68 arrests and the seizure of 616,178 items valued at \$24.15 million.

Apart from enforcement action, publicity has also been stepped up to emphasise that counterfeiting is an offence and that the availability of counterfeit goods in Hong Kong damages Hong Kong's international reputation.

End/Wednesday, January 18, 1995

Scheme to reduce frequency of night shift for nurses

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

Question:

Regarding the Continuous Night Shift Scheme implemented by the Hospital Authority in mid-1994 to minimise the wastage of nurses, will the Government inform this Council :

- (a) of the number of hospitals in the territory which have applied to join this scheme and the respective numbers of nurses who have been given approval to join this scheme in each of the participating hospitals;
- (b) what are the criteria adopted by the Hospital Authority to appraise the applications filed by the hospitals;
- (c) whether there are any hospitals whose applications to join the scheme have been turned down, if so, what the reasons are;

- (d) of the total resources allocated by the Hospital Authority to this scheme together with a breakdown of the resources allocated to each participating hospital; and
- (e) when this scheme will be reviewed; and how the Government will monitor and assess its effectiveness?

Reply:

As at January 12, 1995, 117 nurses in 16 public hospitals have joined the Continuous Night Shift Scheme. A detailed breakdown is attached.

Since the key objective of this scheme is to reduce the frequency of night shift for nurses to an average of once per week, the applications filed by individual hospitals are evaluated by the Hospital Authority Head Office based on their operational requirements and the expected outcome. So far only one application was rejected.

The Hospital Authority has provided sufficient resources for individual hospitals to carry out the service targets contained in their business plans. Hospitals implementing the scheme are operating within their annual budget but additional resources could be allocated to them if necessary. A review of the effectiveness of the scheme is expected to be completed by February 1995.

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**Breakdown of Hospitals Implementing the  
Continuous Night Shift Scheme as at 12 January 1995**

<u>Hospital</u>	<u>No of Staff</u>
Prince of Wales Hospital	14
United Christian Hospital	4
Tsan Yuk Hospital	10
Caritas Medical Centre	2
Tuen Mun Hospital	10
Tung Wah Hospital	1
Queen Mary Hospital	17
St John Hospital	1
Kwong Wah Hospital	9
Princess Margaret Hospital	2
Yan Chai Hospital	11
Grantham Hospital	15
Pamela Youde Nethersole	10
Eastern Hospital	
Nam Long Hospital	2
Queen Elizabeth Hospital	9
	<hr/>
	117

End/Wednesday, January 18, 1995

Construction insurance for 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 Works, Mr James Blake, in the Legislative Council today (Wednesday):

Question:

It is learnt that the reclaimed land on which the Kansai International Airport in Osaka, Japan is sited has been continuously subsiding since the airport came into operation. This has led to many people in the territory worrying about whether the same problem would happen in the Chek Lap Kok New Airport. Although officials from the New Airport Projects Co-ordination Office have stated that the soil of the two sites and the reclamation methods employed are different, will the Government inform this Council:

- (a) whether it will consider requiring the Provisional Airport Authority (PAA) and the contractors for the project to take out insurance for the runways during the construction period and after they are brought into use, so that adequate compensation can be claimed to cover the repair cost of the runways and associated facilities in case of a subsidence; and
- (b) whether, in considering the safety and operation of the runways, the PAA will, apart from adopting the design provided by the project consultants or contractors, invite a third party such as an insurance company to conduct an independent assessment of the safe operation of the runways; if not, what the reasons are?

Reply:

Mr President,

- (a) As mentioned in our reply to a Member's question raised on 10 November 1993, the unique experience at the new Kansai Airport in Japan is not applicable to Chek Lap Kok. There is no evidence so far of the reclamation site having problems with soil settlement. Based on studies of other major reclamation works and observations on a test embankment constructed at Chek Lap Kok in 1982, the Provisional Airport Authority (PAA) adopted a technique which involved the removal of upper layers of soft marine mud. With this removed, it is estimated that the average settlement of reclamation areas will be between 40 and 50 centimetres over a long period. Prediction of settlement, in particular the rate at which it occurs, is always difficult because of variations in geological conditions. Instrumentation has therefore been installed to monitor settlement as reclamation progresses and results so far confirm that the settlement is performing within our expectations. Provision has already been made to accelerate settlement by mechanical means or surcharge, which are normal practices in Hong Kong.

The responsibility for settlement performance lies with the platform designers, while designers for follow-on works such as runways, drainage and so on must ensure that their designs take into account anticipated settlements. The Government is satisfied that the PAA have, through their consultants or contractors, sufficient insurance in place to cover the design and construction of the new airport. Details on the construction insurance as advised by PAA is as follows -

- (i) The Government requires the PAA to effect and maintain through their consultants or contractors, Professional Indemnity insurance in respect of design of the airport project which, subject to availability, is to continue in effect for a period up to 10 years after completion of the project;
- (ii) Greiner Maunsell, the Master Plan Consultants, who were responsible for preparation of the design of the Airport Platform, have Professional Indemnity insurance in place under their Agreement with the PAA dated 14 July 1990; and

(iii) Mitchell, McFarlane Brentall & Partners International Limited and WS Atkins & Partners, Overseas, the designers of the airport runways and pavements, also have Professional Indemnity insurance up to the maximum available in the international insurance market of \$10 million which is to be maintained (to the extent that it continues to be available) for a period of 12 years after completion of the works.

(b) The new airport will require an Aerodrome Licence from the Director of Civil Aviation prior to opening for normal commercial operations. This will include the need to confirm the runway is safe for full operation. The Government and the PAA are currently considering the procedures that will be involved to complete the Aerodrome Licence process.

End/Wednesday, January 18, 1995

#### Services for elderly mental patients

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

#### Question:

It is reported that 30 per cent of the elderly people in the territory, totalling over 160,000, suffer from mental illness of varying degrees. However, there are only 20 psychogeriatric practitioners and five outreaching teams for psychogeriatric services in the territory. In this connection, will the Government inform this Council :

- (a) of the measures to be taken to enhance the provision of services for the elderly suffering from mental illness, and
- (b) whether additional resources will be provided for the development of different types of psychogeriatric rehabilitation services, such as extending the scope of services of the outreaching teams beyond providing services in the care and attention homes?

Reply :

Most of the mental illnesses suffered by elderly people in Hong Kong are mild in nature and can be appropriately treated by primary care physicians.

For the elderly with more severe mental illness which require specialist psychiatric care, a comprehensive spectrum of services are available in the public sector including acute care, extended care, ambulatory care and community care. These services are staffed by well qualified psychiatrists, psychologists, psychiatric nurses, occupational therapists, social workers and other health care workers in the medical as well as social welfare services.

The Hospital Authority has developed psychogeriatric services as a sub-specialty development of psychiatry. The intention of establishing these teams is to offer expert care to special cases, and especially to develop outreach community care programmes. This will augment the quality of care by ensuring continuity of care through close collaboration with other carers and by providing appropriate early detection and intervention of patients with special mental illness. For the most cost-effective use of resources, these teams are currently concentrating on the larger elderly homes where they can see more patients per visit, and train up the staff to better care for a larger number of patients.

The Working Group on Care for the Elderly has recommended that four additional psychogeriatric teams be set up to cater for projected demand. To this end, funds have already been secured for the Hospital Authority to set up a new psychogeriatric team in 1995/96 to serve the eastern part of Hong Kong. Funds for the remaining three teams will be sought.

End/Wednesday, January 18, 1995

#### Operation of highways maintenance vehicles

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Following is a question by Rev the Hon Fung Chi-wood and a written reply by the Secretary for Transport, Mr Haider Barma, in the Legislative Council today (Wednesday):

Question:

On the Tolo Highway on 4 December last year, a truck smashed into the rear of a highway maintenance vehicle which had a big arrow signal light on display. The truck pushed the vehicle forward for more than 100 metres before it stopped, and the truck driver sustained serious injuries and died. In connection with this, will the Government inform this Council :

- (a) of the details of the accident and the location at which the highway maintenance vehicle was parked;
- (b) whether the operation of highway maintenance vehicles as well as road sweepers is a common cause giving rise to traffic accidents; and
- (c) whether the Government has issued any guidelines on the safe operation of such vehicles; and whether consideration will be given to introducing further safety measures?

Reply

Mr President,

- (a) This traffic accident occurred at about 3.30 pm on 4 December 1994. A Highways Department contractor was collecting traffic signs and cones from the fast lane of the Tolo Highway northbound near the Ma Liu Shui interchange with the Tate's Cairn Highway, following completion of road maintenance works at that location. Part of the lane was closed to traffic at that time. To draw motorists attention to this, advance warning signs were placed at both sides of the northbound carriageway at 600, 400, 200 and 100 metres before the beginning of closed part of the lane. In addition, vehicle equipped with a yellow flashing arrow sign was positioned at the start of the closed section, to direct traffic into the adjacent lane.

Despite these warning signs, a light goods vehicle crashed into the rear of the sign vehicle and pushed it forward about 36 metres before it came to a halt. The accident resulted in a fatal injury to the driver of the light goods vehicle, slight injury to the driver of the sign vehicle and serious damage to both vehicles.

- (b) The operation of highways maintenance vehicles, including road sweepers, is not a common cause of traffic accidents.
- (c) The Code of Practice for the Lighting, Signing and Guarding of Road Works contains clear guidelines for the safety of road works and for the operation of road maintenance vehicles. The code includes special requirements for work on expressways. This document is currently being reviewed by Highways Department, Transport Department and the Police with a view to improving road safety requirements. The measures being considered include the mounting of strobe lights on maintenance vehicles 4.5 metres above road level to make them more visible to drivers at a greater distance.

End/Wednesday, January 18, 1995

Widening of footpath along Cenotaph square

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

Question:

Will the Government inform this Council whether it will take steps to widen the pavement running along the North wall of the Cenotaph square (on the southern side of Connaught Road Central) to allow safer movement of pedestrians?

Reply

Mr President,

The section of footpath in Connaught Road Central north of the Cenotaph is about one metre wide. While this may seem quite narrow, the footpath is not heavily used. Widening the footpath would require setting back the existing wall and reducing the size of the Cenotaph square turfed area.

We will study this proposal further in consultation with concerned departments, taking account of the need to ensure pedestrian safety. I will write to the Honourable Member on the outcome in due course.

End/Wednesday, January 18, 1995

Drafting of telecoms "self-provision" licence completed

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Following is a question by the Hon Albert Chan Wai-yip and a written reply by the Secretary for Economic Services, Mr Gordon Siu, in the Legislative Council today (Wednesday):

Question:

It is stated in the Policy Commitments of the 1994 Policy Address that the Government will issue licences to allow companies and organisations to provide their own "external circuits for intra-corporate telecommunications" in the early part of this year. In connection with this, will the Government inform this Council :

- (a) what is the progress so far in the issue of such licences and what are the terms for granting such a licence; and
- (b) what companies and organisations are eligible to apply for such a licence?

Reply :

- (a) The drafting of the new "self-provision" licence is substantially completed. We have circulated the draft licence to the telecommunications industry for consultation and are considering, together with the Law Draftsman, the comments received for incorporation into the proposed licence.

As regards the terms of the licence, the licence will permit the licensee to set up an external private circuit, such as by satellite, for its own communications use. The licensee will not be allowed to offer any external public telecommunications service and the self-provided circuit will not be allowed to be connected to any public telecommunications network in Hong Kong unless for the specific purpose of connecting up the various locations of the licensee's business in Hong Kong as approved by the Telecommunications Authority.

- (b) Any legal person such as a company or an organisation is eligible to apply for a licence. A licence will be granted if the Telecommunications Authority is satisfied that the licence conditions could reasonably be complied with.

End/Wednesday, January 18, 1995

Office market being closely monitored

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Following is a question by Dr the Hon David Li Kwok-po and a written reply by the Secretary for Planning, Environment and Lands, Mr Tony Eason, in the Legislative Council today (Wednesday):

Question:

The "Review of the Office Market" prepared by the Planning, Environment and Lands Branch does not recommend any administrative measures to stabilise office prices/rents in the short term. However, in the Government's June 1994 announcement, the Secretary for Planning, Environment and Lands, mentioned that, having implemented measures intended to cool residential prices, the commercial property market is now subject to the attention of the property task force. The Government has not stated categorically that their November 1994 announcement has superseded their June 1994 announcement and investors are left to wonder as to whether or not there would be Government intervention in the commercial property market. Moreover, Hong Kong office rentals are the highest compared with its major competitors in the Asia-Pacific Region, making Hong Kong the most expensive business centre in the Region. Although the supply will increase significantly after 1996, there is no indication that the rentals will drop significantly as the demand remains strong. Will the Government inform this Council, besides increased supply, what other short-term and medium-term measures will be implemented to monitor the commercial property market on one hand, and ease the pressure of rental increase on the other?

Answer:

In July 1994, a Working Group was established under the Task Force on Land Supply and Property Prices to review the commercial property market. The objectives of the review were to establish whether there was a problem and, if so, to recommend measures to ameliorate the situation. The Report on the Review of the Office Market, published in November 1994, concluded that there was no case for Government intervention in the office market, but there was a need to monitor the situation.

Since then, we have been monitoring the office market closely. A Report entitled "Updated Property Market Statistics for the Domestic and Office Sectors" is compiled monthly by the Rating and Valuation Department. In order to make the Report more comprehensive, we have recently included a rental index for selected office developments, a report on supply and a forecast of supply of office premises.

The statistics suggest that office rentals have softened since the last quarter of 1994. This is attributed to increased supply and a slight fall in demand. Some 500,000 sq m of office space were completed in 1994, which is 21% more than in 1993. The forecast supply for 1995 and 1996 totals about 950,000 sq m. and substantial additional supply is expected to come on stream later. While the supply of Grade A accommodation in core Central will remain tight during the next two years or so, there will be a healthy supply in other districts. This, coupled with the supply coming from composite industrial/office buildings, should be sufficient to meet demand in the years to come.

Despite rising rents, the number of overseas companies operating in Hong Kong has continued to increase since 1991. This reflects our underlying competitiveness and the fact that rent is only one of several key operating costs. With businesses continuing to find Hong Kong an attractive place to operate and given the healthy supply forecast, we still see no need for Government intervention now or in the foreseeable future. Close monitoring of the situation will continue however.

End/Wednesday, January 18, 1995

LegCo passes Wong Wai Tsak Tong motion

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An amended motion urging the Government to introduce legislative measures expeditiously to resolve the dispute relating to Wong Wai Tsak Tong's land ownership on Cheung Chau and to revoke the Tong's status as the leaseholder, so as to restore the property rights of the affected residents, was passed at the Legislative Council sitting today Wednesday).

The motion was introduced by the Hon Lee Wing-tat with amendments proposed by the Hon Edward Ho and the Hon Tam Yiu-chung.

After Members spoke on the motion, the Secretary for Planning, Environment and Lands, Mr Tony Eason, replied for the Government.

Another motion urging the Government to assist first-time home buyers in getting preferential bank loans at 90 per cent of property prices was also passed.

The motion was proposed by the Hon Frederick Fung with amendments sought by the Hon Alfred Tso.

The Secretary for Housing, Mr Dominic Wong, replied for the Government.

During the sitting, five bills including one private member's bill were passed with amendments.

These bills were the Employment (Amendment) Bill 1995, the Buildings (Amendment) (No.2) Bill 1994, the Securities and Futures Commission (Amendment) (No.2) Bill 1994, the Leveraged Foreign Exchange Trading (Amendment) Bill 1994 and the private member's bill - the Kadoorie Farm and Botanic Garden Corporation Bill.

The Employment (Amendment) Bill 1995 went through the first, second and third readings in one single sitting. Speaking at the second reading debate on this bill, the Hon Lau Chin-shek announced that he would resign as a Legislative Council Member with effect from tomorrow (Thursday).

The Film Censorship (Amendment) Bill 1995 and the Occupational Retirement Schemes (Amendment) Bill 1995 were introduced for first and second readings with debates on them adjourned.

The Secretary for Security, Mr Alistair Asprey, presented the Report by the Controller, Government Flying Service on the Administration of the Government Flying Service Welfare Fund for the year ended March 31, 1994.

The Secretary for Education and Manpower, Mr Michael Leung, presented the Hong Kong Examinations Authority Financial Statements for the year ended August 31, 1994 with Programme of Activities September 1, 1993 to August 31, 1994.

End/Wednesday, January 18, 1995