



DAILY INFORMATION BULLETIN

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SUPPLEMENT

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Merchant Shipping (Seafarers) (Fees) Regulation

Following is the speech by the Secretary for Economic Services, Mr Gordon Siu, in the motion on the Merchant Shipping (Seafarers) (Fees) Regulation in the Legislative Council today (Wednesday):

Mr President,

First, I'd like to take up Mrs Chow's point that the Administration stands ready, stands ready, to come back and provide any justification, any fact, any figures needed with the hope that we will convince members that what we have proposed is fair and reasonable. If I may, Mr President, I just like to make a few points on the motion.

Firstly, the Motion proposes the repeal of several items of legislation where no increases are actually sought in the fees charged - these items concern fees for miscellaneous services set under section 8 of the Merchant Shipping (Seafarers) (Fees) Regulation and fees payable in relation to crew accommodation under Part I of the Schedule to this regulation. These are existing fees, presently included in regulations made under the Merchant Shipping Ordinance, and they are transferred to the new Seafarer's Ordinance. The Motion, in effect, asks Members to repeal fees which have already been agreed by this Council and which have been in force for some months. Moreover, all fee items under section 8 and Part I of the Schedule are paid by shipping companies in respect of services. The livelihood of seafarers are in no way affected.

Secondly, the Motion proposes the repeal of the great majority of fees to be set under the Seafarers' Ordinance and the Merchant Shipping Ordinance where fee increases are indeed proposed.

The consequence of this motion would be two-fold:

- * firstly, if Members were to vote today to repeal fees for miscellaneous services provided under the Seafarers' Ordinance, the Director of Marine would no longer have the ability to charge any fee for any such miscellaneous service under that Ordinance.

* secondly, and more importantly, the great majority of fees to be made under the Merchant Shipping (Seafarers) (Fees) Regulation falls under a new piece of primary legislation which is the Seafarers' Ordinance. The coming into force of this Ordinance is entirely reliant on there being in place a comprehensive body of supporting regulations. These regulations, I believe have already been agreed by members with the exception of the three regulations. If we are unable to set fees for the services to be provided by the Marine Department under the new ordinance, then clearly that puts in doubt the wisdom of bringing into effect the new Ordinance. We would have then to continue to rely on using an old and outdated piece of legislation. The primary, the new ordinance whose purpose is to regulate the welfare of seafarers then cannot come into effect notwithstanding that it has, in its entirety, the support and backing of Hong Kong's maritime community. This Ordinance provides for the legal backing of various international conventions, including those of the International Labour Organisation as they apply to the seafarers. It cannot be, I suggest the intention of the Legislature when they actually approved the Seafarers' Bill in June 1995, that such a circumstance could be allowed to happen.

I would also like to point out that none of the fees involve any real livelihood dimension - in dollar terms the proposed increases are modest and will have a minimal impact if any on inflation. For example, the fee in relation to Engine Room Watch Rating Certificates and Navigational Watch Rating Certificates will increase from \$140 to \$155. In percentage terms, around 10% similar to that which is proposed for the majority of the items involved. There will only be a handful of items which will have a greater rate of increase - but in respect of most of these items there have been no increases since 1966, 30 years ago, and 1975.

Mr. President, I know some Members have strong feelings on the matter of Government fees. I can assure Members that the Administration has been very cautious and reasonable in proposing the fees for the Seafarers' Ordinance. Indeed, the Administration will still only recover less than 30% of the costs for this group of services even if the fees are implemented. Let me say again these are not livelihood issues - many of the fees concerned are paid by employers, not seafarers; it would be sad if Members were, in rejecting the fees, forcing us to put on the back burner a piece of modern legislation designed to protect the seafarer, his employer and the industry as a whole; a piece of legislation agreed in all aspects by the seafarers themselves.

Mr President, I am afraid I have to urge Members, to reject the Motion.

End

Merchant Shipping (Fees) (Amendment) Regulation

* * * * *

Following is the speech by the Secretary for Economic Services, Mr Gordon Siu, in the motion on Merchant Shipping (Fees) (Amendment) Regulation 1996 in the Legislative Council today (Wednesday):

Mr President,

In response to Mrs Chow's second motion, I have already explained the rationale behind the proposed fee revisions. May I just make the point again that in fact in June 1995 this council approved the new ordinance. Since then we have been working on the whole set, a complete set of regulations and I think members have actually approved all of them with the exception of fees. Now, with this set of regulations on fees being approved, I am afraid we cannot bring in the new ordinance and therefore we are still relying on the use of the outdated existing ordinance. I also would like to reiterate that in fact the increases proposed are very modest, 10% and they were last revised actually 1994 and since then inflation has actually exceeded this level that we have now proposed. Most of the items related to legal notice no. 10 are for examination fees; fees for examinations for certificates of competency as Trawler Masters and Trawler Engineers. These are not fees that have to be paid regularly. Clearly, the proposed increases will have little impact on the livelihood of seafarers as such.

I do urge Members again to reject the motion.

End

Companies Ordinance (Amendment of Eighth Schedule) Order

* * * * *

Following is the speech by the Secretary for Financial Services, Mr Rafael Hui, in the motion on the Companies Ordinance (Amendment of Eighth Schedule) Order 1996 in the Legislative Council today (Wednesday):

Mr President,

First of all, I am grateful that some Members have indicated that they are prepared to approve the various fee proposals put forward by the Companies Registry.

By way of response to the Honourable Selina Chow, perhaps I will make one particular point regarding deficits and interests and loans related to the Companies Registry. The point was made that the Registry would be operating at a deficit without the fee increases on the ground that without the repayment of interest or the loan to the Registry by the government there would be no deficit. The point here is that the Registry is operating at arm's length from the government and is financed partly by a loan from the government. If it is to operate on a quasi-commercial basis as intended, then it is to be expected that it should pay interest on any loans. The Registry were to be given free money on no interest loans, then in financial terms it would make no sense for the government to establish it in the first place. And I am sure we all recall that the setting-up of the trading fund system for the Companies Registry was passed by this council as recently as 1993.

The objective of funding services in this way is to enable those services to respond more effectively to the needs of their users by giving management the financial flexibility to run the services in a more commercial way.

Mr President, the last point I wish to make is this, this Order and the related legislative amendments in fact constitute part of a package of fee proposals in respect of the Companies Registry, two elements of which Members were good enough earlier to support this afternoon and I therefore look forward to your continued support, and to approve the fee revisions.

End

Limited Partnerships Ordinance Order

* * * * *

Following is the speech by the Secretary for Financial Services, Mr Rafael Hui, in the motion on the Limited Partnerships Ordinance (Amendment of Schedule) Order 1996 in the Legislative Council today (Wednesday):

Mr President,

I will only make one point and that is this is again like the previous motion, the increase is needed so as to enable the Companies Registry operating under the trading fund system to continue to develop and to upgrade to meet demands from the users. Not to have the increase will of course mean the tax payers would be subsidising the users, although the users themselves are very keen in fact to have the new developments and the new improvements which would be quite different from what they were used to many years ago almost the Keynesian conditions inside our Companies Registry, and therefore I would continue to urge Members to support the fee adjustment. Thank you.

End

Legal Practitioners (Amendment) Bill

* * * * *

Following is the speech by the Attorney General, the Hon Jeremy Mathews, in moving the second reading of the Legal Practitioners (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Legal Practitioners (Amendment) Bill 1996 be read the second time. The Bill introduces a local appointment system for notaries public in Hong Kong. It provides a statutory basis for the existing practice whereby only solicitors admitted in Hong Kong are appointed as notaries public. It also establishes the criteria and procedures for the appointment of notaries public.

The functions of a notary public in Hong Kong, as in other common law jurisdictions, are primarily to attest, authenticate or certify the due execution of documents and to take oaths and declarations in respect of documents for use in other countries.

Under section 40 of the Legal Practitioners Ordinance, the Registrar of the Supreme Court is required to register every notary public who produces his notarial faculty and who files in the High Court an affidavit of identity and pays the enrolment fee. In practice, all notaries public in Hong Kong are solicitors who have been granted notarial faculties by the Archbishop of Canterbury in England. At present, the Archbishop does not grant notarial faculties to applicants from Hong Kong without the prior approval of the Chief Justice. The applicants also have had to sit and pass a notarial examination organised by the Master of Facilities (who is a High Court Judge) in England. These arrangements, however, have no statutory basis.

The Bill provides new arrangements for examining and appointing applicants as notaries public in Hong Kong. Firstly, it amends the Legal Practitioners Ordinance to give the Chief Justice power to appoint as notaries public solicitors admitted in Hong Kong who are of at least 7 years' standing and who have passed a qualifying notarial examination. Second, it empowers the Chief Justice to set the qualifying examination and to remove from registration, suspend, restore and lift a suspension in respect of a notary public. Third, it specifies the powers of notaries public. Fourth, it provides for the continued keeping of a Hong Kong Register of Notaries Public. Fifth, it preserves the professional position of persons who are notaries public in Hong Kong immediately before the commencement day of this Bill if enacted. Finally, I should make clear that the Bill does not affect the notarial powers of consular officers under the Consular Relations Ordinance.

Mr President, I commend this Bill to this Council.

End

Insurance Companies (Amendment) Bill 1996

* * * * *

Following is the speech by the Secretary for the Financial Services, Mr Rafael Hui, in moving the second reading of the Insurance Companies (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move the Insurance Companies (Amendment) Bill 1996 be read the second time. The Bill seeks to amend the Insurance Companies Ordinance to enhance protection for the insuring public.

The three main objectives of the Bill are -

(a) to update the minimum capital requirements for general and long term insurers and the minimum solvency margin requirements for general insurers;

(b) to ensure that the solvency margin is commensurate with the level of risk covered by the insurer; and

(c) to restrict use of the words "insurance" and "assurance" to persons regulated under the Insurance Companies Ordinance.

A number of other relatively minor or technical amendments are proposed to improve the operation of the Ordinance.

The purpose of the minimum amount of paid-up capital is to ensure that the insurer has a minimum level of financial resources with which to pre-finance its operations and to provide a reasonable safeguard against the risk that its assets may be inadequate to meet liabilities arising from unpredictable events. These minimum requirements are important safeguards of the interests of policy holders.

The current levels of these minimum requirements have not been updated since the Insurance Companies Ordinance was enacted in 1983. Aggregate inflation since then has been about 146%. The real value of these requirements has therefore been eroded and is now inadequate to provide the level of protection for policy holders originally intended. The Administration therefore proposes a 100% increase for the two requirements. The minimum paid-up capital requirement for an insurer intending to carry on or carrying on either general or long term business will be increased from \$5 million to \$10 million, whilst that for both general and long term business or general business alone but including compulsory business (for instance, employees' compensation insurance business) will be raised from \$10 million to \$20 million.

Similarly, the minimum amount of solvency margin will be raised from \$5 million, or \$10 million where the general business includes compulsory business, to \$10 million or \$20 million respectively. This increase will not only compensate for the effect of inflation but will bring the solvency margin requirement more into line with equivalent requirements in Australia, Singapore and Malaysia.

As any increase higher than 100% at this stage would be considered excessive by the insurance industry, we propose to review the need for a further increase within 12 months' time.

The solvency margin required of a general business insurer is also deficient in that it is determined solely by the premium income of an insurer without regard to his claim liabilities. Hence policy holders of an insurer which has no premium income but has outstanding claims are exposed to considerable risks represented by the absence of a solvency margin commensurate with the amount of his claim liabilities. To remedy this, we propose that a general business insurer be required to maintain a solvency margin determined on a "premium basis" or "claim liabilities basis", whichever is the higher.

The bill also proposes to increase by 100% the level of fines set in 1983 for contraventions of the Insurance Companies Ordinance, so as to maintain their deterrent effect.

We further propose to prohibit use of the word "insurance" or "assurance" in business names without the consent of the Insurance Authority, unless the user is an authorised insurer, an appointed insurance agent or an authorised insurance broker regulated under the Insurance Companies Ordinance. The purpose is to prevent the public from being misled as to the authorised status and true nature of the business carried on by persons not regulated under the Ordinance. The proposal is in line with the Banking Ordinance, which restricts use of the word "bank" by persons other than banks.

To allow time for insurers to comply with the proposed capital and solvency margin requirements, a transitional period up to 31st October 1997 is proposed. For restriction on the use of the word "insurance" or "assurance", a transitional period of one year from enactment of the Amendment Ordinance is proposed, since some companies not engaged in the insurance business may be using these words in their business names. Other proposed provisions will apply with effect from the date of enactment.

Thank you, Mr President.

End

Buildings (Amendment) Bill 1996

* * * * *

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

Mr President,

I move the Second Reading of the Buildings (Amendment) Bill 1996.

The Bill seeks to improve the Buildings Ordinance in three areas.

First, as shown in the Kwun Lung Lau landslip, leakage of drains and sewers may affect slope safety. It is therefore essential to ensure that investigations of drains and sewers are done regularly, so as to enable any defect or leakage to be rectified as soon as possible. For public drains, sewers and water mains, Government departments have completed inspection of these buried services in 1995 and necessary follow-up repair will be completed before the wet season this year. In addition, programmes have been drawn up for periodic inspection of these buried services in future. Owners of private properties also have the duty to properly maintain the private drains and sewers serving their buildings. We therefore propose that the Building Authority should be empowered to require owners to hire an authorised person to investigate if there is any leakage, defect or inadequacy with the drains and sewers which serve their buildings, where such drains or sewers are laid in or in the vicinity of any slope or earth-retaining structure, and submit a report of the results to him. The Building Authority will be allowed to exercise this power only if he thinks leakage, defect or inadequacy of the drains or sewers may result in landslips or collapse of structures, and such landslip or collapse may cause a risk of injury to any person or damage to any property.

We also propose that failure to comply with the Building Authority's order or knowingly misrepresenting a material fact in the investigation report will be made offences.

Second, it is important to facilitate the recovery of costs of works carried out by the Building Authority. Under the existing Buildings Ordinance, the Building Authority may, for reasons such as ensuring public safety, serve statutory orders on building owners to carry out building works. In case of non-compliance, the Building Authority will carry out the works on behalf of the owners, and the costs of works should be recovered from the owner of the property at the time when the order is served.

In Hong Kong, properties change hands frequently. An owner served with the order may have already sold his property before the works carried out by the Building Authority are completed. Since the previous owner no longer has an interest in the property, it is often difficult to trace him and recover costs from him.

Since the works in question will enhance the value and assure the safety of the property, we propose that a person who is the owner at the time when the works are completed should be charged for the costs instead. To protect property buyers, the Building Authority will be allowed to do so only if he has registered the order at the Land Registry upon the service of that order. A prospective buyer will therefore have notice of his potential liability before he buys the property.

Third, under the existing Buildings Ordinance, the Building Authority is empowered to apply to the court for a closure order to close a building for, say, safety reasons. When the building becomes fit for re-occupation, the Building Authority will issue a notice of expiry of the closure order and post a copy on the building. However, the building may be demolished subsequent to being served with the closure order. There is currently no provision effecting the automatic withdrawal of a closure order upon the demolition of the concerned building. We therefore propose to amend the Buildings Ordinance to dispense with the service of a notice of expiry of a closure order, when the building to which it relates is demolished or ceases to exist.

Mr President, I commend the Bill to this Council.

End

Dutiable Commodities (Amendment) Bill

* * * * *

Following is the speech by the Secretary for the Treasury, Mr K.C Kwong, in moving the second reading of the Dutiable Commodities (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

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

The Dutiable Commodities Ordinance was enacted in 1963. It deals with the taxation and control of dutiable commodities. With the passage of time, the Ordinance has become inadequate in meeting modern day needs in trade operation and enforcement control. It has also not kept pace with developments in other areas. A major aim of the Bill is to modernise the legislation in order to facilitate trade operation and to improve enforcement and control of dutiable commodities. Thus, the Bill includes provisions for -

- (i) streamlining of procedures in the assessment of duty and licensing;
- (ii) improvements to ensure conformity with Bill of Rights requirements; and
- (iii) introduction of a compounding scheme.

I should say a few words about the compounding scheme. Under the Bill, if a person enters Hong Kong at an entry point carrying with him dutiable goods in excess of the duty free concession and he fails to make a declaration or makes a false declaration to Customs officers, he commits an offence. The Bill proposes that the compounding scheme empower the Commissioner of Customs and Excise to compound that offence if the duty payable in respect of the excess dutiable goods does not exceed \$10,000. The person involved will be subject to a fine equivalent to five times the duty payable. This will allow speedy settlement of the case. However, the person involved will have the right to elect not to have the offence compounded but to have it tried in court. Similar schemes operate in other countries like the United Kingdom, Australia and Singapore where they have proved successful.

Finally, we have also taken the opportunity of this exercise to propose various updating and adaptation measures.

Mr President, I commend the Bill to Members.

End

Companies (Fees and Percentages)(Amendment) Order

* * * * *

Following is the speech by the Secretary for Financial Services, Mr Rafael Hui, in the motion on the Companies (Fees and Percentages)(Amendment) Order 1996 in the Legislative Council today (Wednesday):

Mr President,

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

The Companies (Fees and Percentages)(Amendment) Order 1996 was made by the Chief Justice. It increases certain fees payable to the Registrar of Companies in relation to the inspection and photocopying of liquidators' statements sent to the Registrar under the Companies Ordinance.

The fees are increased, on average, by 9.2% in line with the increase in costs due to inflation as measured by the Government consumption expenditure deflator. These fees were last revised in August 1994.

As a trading fund, the Companies Registry is required to provide an efficient and effective service while meeting the cost of the services that it provides from the income it receives. Since its establishment as a trading fund in August 1993, the Registry has introduced a number of measures to improve its services. These include obtaining customers' views with present and proposed services by way of visits, questionnaires and surveys, and introducing additional services such as on-line indexes of documents and listed company directors in refurbished and user-friendly premises. The latest service introduced last week is a facility to allow customers to have remote access to the registry's names and document indexes and to order company searches by fax. The Registry has budgeted for these modest fee increases to enable it to continue with its programme of developments and improvements in technology and services while ensuring that it can cover its increased costs. The revised fees, if approved, will come into operation on 1 March 1996.

Mr President, I beg to move.

End

Registered Trustees Incorporation Ordinance Order

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Following is the speech by the Secretary for Financial Services, Mr Rafael Hui, in the motion on the Registered Trustees Incorporation Ordinance (Amendment of Second Schedule) Order 1996 in the Legislative Council today (Wednesday):

Mr President,

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

The reasons for this proposal are identical to those I have just outlined in moving the first motion except that the proposed revised fees in this case are in relation to inspection, certification and registration of documents, and related matters, under the Registered Trustees Incorporation Ordinance.

Thank you. Mr President.

End

Bankruptcy (Fees and Percentages)(Amendment) Order

* * * * *

Following is the speech by the Secretary for Financial Services, Mr Rafael Hui, in the motion of the Bankruptcy (Fees and Percentages)(Amendment) Order 1996 in the Legislative Council today (Wednesday):

Mr President,

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

The Bankruptcy (Fees and Percentages)(Amendment) Order 1996, and the next three motions that I am going to move namely the Bankruptcy (Amendment) Rules 1996, the Companies (Fees and Percentages)(Amendment) (No. 2) Order 1996, and the Companies (Winding-up)(Amendment) Rules 1996 were all made by the Chief Justice. These are to increase the fees payable to the Official Receiver's Office in relation to proceedings in bankruptcy under the Bankruptcy Ordinance and in the winding-up of companies under the Companies Ordinance.

Most of the fees were last revised in November 1994. We propose to revise them generally in line with the increase in costs due to inflation. This is measured at 9.2% as calculated by the movement of the Government Consumption Expenditure Deflator. The actual fee revisions will sometimes differ slightly from the inflation rate due to the need to round fees up or down so as to facilitate collection.

Where a fee has not been revised since 1988, the increase has been confined to 25% even though inflation since then has been 104.5%. This is to reduce the impact of the revision to a reasonable level. We propose to revise these fees each year by up to a maximum of 25% until they have reached the same level, in real terms, as in 1988. In relation to the costs of summoning a meeting of creditors, provision is also made for an additional charge for room hire. This is to reflect properly the extra costs that are incurred when it is necessary to hire rooms for meetings attended by numbers of creditors that are too large to be accommodated in the Official Receiver's Office.

The expected revenue from the fee being revised represents only around 11% of the Official Receiver's total revenue. This is because the majority of his revenue is derived from fees which are calculated according to fixed percentages, based on the realisation of assets, dividends paid out and interest on bank deposits.

Due to the nature of insolvencies, the amount of fees and charges collected presently falls far short of the costs incurred by the Official Receiver's Office. In the current financial year, the total revenue is estimated to be \$88.3 million, representing only 52% of the total expenditure. The low cost recovery rate is due mainly to the fact that approximately 83% of insolvency cases have realisable assets of less than \$50,000, an amount insufficient to meet the Official Receiver's costs. The increases in fees and charges being proposed in relation to personal bankruptcies and company windings-up, are estimated to produce a total additional income of around \$215,000 per annum. As a consequence, the cost recovery rate would increase only marginally to 52.12%.

The level of fee increases proposed takes careful account of the ability of those who are required to pay the fees to bear additional charges. For this reason, I am not recommending more substantial revisions which might otherwise be justified.

The Bankruptcy (Fees and Percentage) (Amendment) Order 1996 deals with the 14 fees and charges under bankruptcy. The total amount of additional income from the proposed increases in bankruptcy fees and charges is estimated to be about \$105,000 per annum. This represents an average increase of just 0.8% when expressed as a percentage of the total bankruptcy income, estimated to be \$12.8 million for the year 95 and 96.

Thank you. Mr President.

End

Bankruptcy (Amendment) Rules

* * * * *

Following is the speech by the Secretary for Financial Services, Mr Rafael Hui, in the motion on the Bankruptcy (Amendment) Rules 1996 in the Legislative Council today (Wednesday):

Mr President,

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

The Bankruptcy (Amendment) Rules 1996 revise the amount of deposit payable upon the presentation of a bankruptcy petition and in respect of compositions or schemes of arrangements put forward by debtors.

At present, a creditor presenting a petition for the bankruptcy of a debtor must deposit \$10,000 with the Official Receiver to cover the Official Receiver's initial costs and expenses of administration of the estate. A debtor who petitions for his own bankruptcy must also deposit \$10,000 with the Official Receiver.

We propose to reduce the amount of deposit in respect of a debtor's petition following the recommendation of the Bankruptcy Report of the Law Reform Commission published on 29 May 1995. The Report considered that people should not be discouraged from recourse to bankruptcy proceedings because of an unnecessarily high level of deposit required.

The Report recommends that, at 1991 price levels, the level of deposit should be reduced from \$10,000 to \$5,000. Having regard to inflation since then, we now propose that the level of deposit be now reduced from \$10,000 to \$8,000.

Although the Law Reform Commission recommended a similar reduction in the deposit payable in respect of a creditor's petition, we consider a higher level of deposit is not beyond the reach of creditors, most of whom are trade creditors, financial institutions or banks. Given that the existing level of deposit of \$10,000 was set 11 years ago, we consider that a modest increase of 12.5 per cent to \$11,250 is now justified.

The Bankruptcy (Amendment) Rules 1996 also revise the deposit payable when a bankrupt or a debtor lodges a proposal for a composition on satisfaction of his debts or a scheme of arrangement of his affairs out of monies to be provided by another person. The existing level is \$10,000 and was last revised in November 1993. The inflation rate since then has been 17.8%. We propose to increase this level only by 12.5% to \$11,250. This reflects the significant amount of work that the Official Receiver may be required to undertake in connection with such procedures.

Thank you. Mr President.

End

Companies (Fees and Percentages)(Amendment) (No 2) Order

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Following is the speech by the Secretary for Financial Services, Mr Rafael Hui, in the motion on the Companies (Fees and Percentages)(Amendment) (No 2) Order in the Legislative Council today (Wednesday):

Mr President,

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

The Companies (Fees and Percentages)(Amendment) (No 2) Order 1996 deals with the 13 fees and charges applicable to company windings-up. As with the related fees under the Bankruptcy (Fees and Percentages)(Amendment) Order 1996, we propose to increase these fees generally in line with inflation to cover increases in costs, except where they have not been revised for some years, where we are proposing a more gradual adjustment.

The total amount of additional fee income from the proposed increases in fees and charges for company winding-ups is estimated to be \$110,000 per annum. This represents an average increase of just 0.2% when expressed as a percentage of the total income for winding-ups, estimated to be \$45.6 million for 1995-96.

Thank you. Mr President.

End

Companies (Winding-up)(Amendment) Rules

* * * * *

Following is the speech by the Secretary for Financial Services, Mr Rafael Hui, in the motion on the Companies (Winding-up)(Amendment) Rules 1996 in the Legislative Council today (Wednesday):

Mr President,

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

The Companies (Winding-up)(Amendment) Rules 1996 revise the amount of deposit for the presentation of a petition for the winding-up of a company and rationalise the cost of summoning a meeting of creditors or contributories.

The present level of deposit of a petition is \$10,000 and we propose to increase it to \$11,250, being the same as that proposed for the deposit for a creditor's petition under the Bankruptcy (Amendment) Rules that I moved earlier.

The existing fee for all disbursements, printing, stationery and postage when the Official Receiver summons a meeting of creditors or contributories is calculated in a cumbersome and obscure manner, involving a sliding scale per creditor or contributory depending on the number of such persons attending. We propose now to update this to a fixed fee and bring it into line with the parallel fee under the Bankruptcy (Fees and Percentages) (Amendment) Order 1996, which we have proposed to increase from \$1,320 to \$1,440, with the additional charge for room hire when the numbers of creditors are too large to be accommodated in the Official Receiver's Office.

Thank you. Mr President.

End

Buses park overnight at housing estates

* * * * *

Following is a question by the Hon Cheng Ka-foo and a reply by the Secretary for Transport, Mr Haider Barma, in the Legislative Council today (Wednesday):

Question:

The Traffic and Transport Committee of the Southern District Board has passed a motion urging the Government to forbid the China Motor Bus Co Ltd (CMB) and Citybus Ltd to have their buses parked overnight at the bus terminals in public and private housing estates in the Southern District in order to avoid causing nuisance to nearby residents. In this connection, will the Government inform this Council whether it will put into effect the measure mentioned above in the Southern District; and if so, whether similar measure will be implemented at the bus terminals in public and private housing estates in other districts?

Reply:

Mr President,

In response to the motion passed by the Traffic and Transport Committee of the Southern District Board in November 1995, the Transport Department has conducted a comprehensive review of the overnight parking of buses at terminals in the Southern District.

The findings were submitted to the Traffic and Transport Committee last month following which it accepted that arrangements for overnight parking of buses at 3 out of the 4 terminals can be continued. The exception is the Ap Lei Chau Bus Terminal because of its very close proximity to housing blocks. The parking of buses overnight at this terminal will cease before the end of March this year. With the agreement of the Committee, the buses so displaced will instead be parked overnight along the section of the Heung Yip Road in the Wong Chuk Hang industrial area. This particular problem has therefore been solved.

The overnight parking of buses at terminals, and at some on-street locations, is a long standing practice necessitated by operational needs. The bus companies must first obtain the specific approval from the Commissioner for Transport who in turn consults the relevant District Board and government departments concerned before granting permission. All District Boards are aware of these arrangements.

End

Air-conditioning buses

* * * * *

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

Question:

Will the Government inform this Council:

(a) of the number of air-conditioned buses and non air-conditioned buses of three of the franchised bus companies (i.e., the Kowloon Motor Bus Company Limited, the China Motor Bus Company Limited and the Citybus Limited), as well as the proportion between these two types of buses in the fleets of each of the three franchised bus companies, in each of the past three years;

(b) of a breakdown of the existing number of air-conditioned buses and non air-conditioned buses of the three franchised bus companies operating on each specified route, together with the increase in the number of air-conditioned buses in each of the three franchised bus companies in each of the past three years;

(c) of the difference in fares on average between air-conditioned buses and non air-conditioned buses; and

(d) how the three bus companies determine the number of air-conditioned buses and non air-conditioned buses to be deployed on each route and the difference in fares between the two types of buses?

Reply:

Mr President,

The Hon Wong Wai-yin has asked for a lot of facts and figures. For easy reference, I have provided these in the Annex to my reply.

Turning to the deployment of buses on each route, our feedback is that most commuters welcome air-conditioned buses since they are cleaner, more comfortable and quieter. Having said this, some commuters of course opt for non air-conditioned buses because of the lower fares.

There are different fare scales for both air-conditioned and non air-conditioned buses. The main reason is because the vehicle price as well as operating costs for air-conditioned buses are higher than those for non air-conditioned buses. The Traffic and Transport Committees of the District Boards are consulted on service proposals and recommended fares.

End

Policies in handling refugees and illegal immigrants

* * * * *

Following is a question by the Hon Emily Lau a reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

With regard to the recent statement made by Chinese officials that the Hong Kong Special Administrative Region Government may repatriate all Vietnamese migrants immediately upon their entering the territory after the change in sovereignty in 1997, will the Government inform this Council:

- (a) of the existing laws which govern the policies relating to the handling of refugees and illegal immigrants;
- (b) how these policies are now enforced; and,
- (c) under what circumstances will the existing policy of "repatriation upon arrest" be implemented?

Reply:

Mr President,

(a) The law governing the handling of illegal immigrants in general is set out in Sections 4, 11, 18, 19 and 38 of the Immigration Ordinance (Cap. 115). The law relating to the handling of illegal entrants of Vietnamese origin is contained in Part IIIA of the Immigration Ordinance. Extracts of the relevant parts of the Ordinance are attached as Annex to the written version of this reply.

(b) In general, our policy requires that illegal immigrants, unless there are exceptional humanitarian or compassionate grounds, be repatriated to their country of origin at the earliest opportunity. Exceptions are made in respect of certain types of illegal entrants, e.g. those found in workplaces, or those who committed other crimes, where the illegal entrants are repatriated to their country of origin after they have served whatever sentences imposed by the courts. In the case of illegal entrants of Vietnamese origin, we have undertaken as part of the Comprehensive Plan of Action to examine and determine their refugee status in accordance with UNHCR's criteria (i.e. whether they have a well-founded fear of persecution). Those who are determined to be non-refugees are repatriated to Vietnam as soon as they are accepted for return by the Vietnamese Government and when appropriate arrangements can be made for their repatriation. As regards those who are screened in as refugees, the UNHCR arranges for their resettlement elsewhere.

(c) Repatriation of illegal immigrants depends not only on the powers available under the Immigration Ordinance, but also on the agreement of the receiving country or region to accept back persons believed to be its citizens. Normally, when the receiving country is able to verify the identity of the illegal immigrant, repatriation can then be effected. In the case of illegal immigrants from China, we have an arrangement with China to immediately repatriate illegal immigrants arrested in Hong Kong without any verification of the illegal immigrants' identity by China.

End

Marine traffic safety

* * * * *

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

Question:

A number of reclamation projects are now in progress and this has resulted in the narrowing of the fairways in the harbour. In this connection, will the Government inform this Council:

(a) of the number of traffic accidents which have occurred in the territory's waters over the past three years, and the number of such accidents which have resulted in injury and death; and

(b) what is the number of traffic accident blackspots in the territory's waters, and what measures are in place to reduce traffic accidents at these spots?

Reply:

(a) First of all I would like to clarify that no fairways in Hong Kong waters will be narrowed as a result of reclamation projects. Of course, while construction work is being carried out in some areas, in connection, for example with the western harbour crossing and the new MTR railway tunnel, the fairways might be narrowed on a temporary basis. Once these projects are completed by the end of 1996 or early 1997, all fairways will return to their original width, i.e. at least 380m. I can assure Members that no fairways will be narrowed permanently as a result of any reclamation project.

Turning to part (a) of the question, the number of marine traffic accidents over the last 3 years are:

1993 - 286

1994 - 239

1995 - 294

The majority of these accidents are minor incidents. Of these, 16 accidents led to injury or death in 1993, 9 in 1994 and 7 in 1995.

(b) As regards marine traffic accident blackspots, the Director of Marine has identified three areas - near Tsing Yi, Yaumatei, and Central where minor accidents have tended to be more frequent. Positive action has been taken by the Marine Department to enhance marine safety in these particular spots as well as in other areas within Hong Kong waters. These activities include:

- (i) the realignment of fairways and anchorages to ease the movement of ocean-going vessels and reduce conflict areas;
- (ii) the implementation of marine pilotage reform, including to provide more training opportunities for pilots, and require all vessels of 3,000 tonnes or above to take a pilot;

- (iii) the upgrading of our Vessels Traffic System by deployment of additional staff, new equipment and additional control centres. An example of this is the opening of a new marine traffic control station at Ma Wan to supervise the increasing marine traffic in this area;
- (iv) the expansion of working hours of harbour patrols and the addition of more launches to patrol services. It is our target, ultimately, to provide 24-hour patrol service; and
- (v) the amendment of vessel speed limits to take account of traffic level and operational needs.

In addition to the above marine traffic management improvements, a study, taken by the Marine Department, on Risk Assessment and the Strategic Use of Hong Kong Waters is now in progress. This study will be completed within this year and should assist us to formulate future policies on the optimum use of Hong Kong waters.

End

Indoor air pollution

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

Question:

Will the Government inform this Council of the following:

(a) what are the principal indoor air pollutants commonly found in commercial buildings, factories and residential premises in Hong Kong, and what effects these pollutants have on public health;

(b) whether such buildings are designed and operated to provide sufficient outside air for each unit inside each building; if so, whether there are guidelines specifying the minimum level of fresh air to be provided, and what action will be taken if the supply of fresh air is below the specified level;

(c) whether the Government has carried out any research to gather data and information on indoor air quality and its associated health risks; if so, how many buildings are affected by indoor air pollutants, and how many occupants are put at health risk due to the presence of indoor air pollutants;

(d) whether any measures, apart from the publication of educational materials, have been adopted to prevent building-related illnesses (e.g. Legionnaires' disease) occurring; and

(e) whether any strategies or plans have been drawn up to improve indoor air quality; if so, what are the details?

Reply:

Mr President

(a) The most commonly found air pollutants in commercial and residential buildings include carbon dioxide, tobacco smoke, volatile organic compounds, microbes, radon gas, and air-borne particulates. The types of pollutants found in factories are setting specific, depending on the chemicals and processes employed. Long-term exposure to high concentrations of indoor air pollutants may have harmful effects on health. Exposure to environmental tobacco smoke can lead to lung cancer while a microbe found in water-cooled air conditioning system can cause Legionnaires' Disease.

(b) Buildings in Hong Kong are designed to provide sufficient fresh air for each occupant. The Building (Planning) Regulation sets out the required standards of ventilation for office and residential buildings. The Factories and Industrial Undertakings Ordinance requires adequate ventilation in factories and notifiable workplaces. The Public Health and Municipal Services Ordinance also requires owners of public places such as restaurants and cinemas to design and operate their ventilation systems to ensure adequate circulation of fresh air. Offenders are liable to penalties such as fines and suspension of business licence.

(c) We have recently commissioned a consultancy study on indoor air pollution in offices and public places. When completed in mid 1997, the study will provide information for the assessment of the nature and extent of indoor air quality problems and the need for prevention and mitigation measures.

(d) An effective means to prevent building related illnesses is to ensure adequate ventilation; this is currently effected through legislation governing buildings and workplaces. In addition, the prohibition of smoking in public places under the Smoking (Public Health) Ordinance can reduce the health impact of environmental tobacco smoke. As regards Legionnaires' Disease, preventive measures include a code of practice issued in December 1994 on the design, installation, operation and maintenance of air-monitoring and water systems, monitoring the occurrence of Legionnaire's Disease and investigating notified cases. Apart from information leaflets on the disease, a hotline has been set up by the Electrical and Mechanical Services Department to handle public enquiries. A territory wide survey on cooling towers is also being carried out and will be completed by April this year. The data from this survey will assist in identifying the source of the disease in case of an outbreak.

(e) The need for longer term measures to improve indoor air quality will be assessed in the light of the findings of the consultancy study on indoor air pollution mentioned earlier. In the meantime, we propose to extend the statutory provisions governing ventilation in factories and industrial undertakings to office buildings. The proposed new legislation, which will cover matters such as ventilation and maintenance requirements, will be submitted to this Council later this year.

End

Use of tear gas

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

Question:

Will the Government inform this Council:

(a) of the dates and locations when tear gas was used in Hong Kong in the last five years, together with the circumstances giving rise to such use and the quantity used on each occasion;

(b) whether there are any policies and guidelines governing the use of tear gas; if so, what the details are; and

(c) whether any tests have been conducted regarding possible harmful effects of tear gas on human beings, particularly when used in confined areas; if so, what the results are?

Reply:

Mr President,

Between 1991 and 1995, the Police used CS ((-chloro-benzylidenemalononitrile) gas on 25 occasions to maintain order in Vietnamese migrant detention centres (five times), to prevent smugglers escaping in "Tai Fei" or "Chung Fei" (17 times), to arrest armed or violent criminals (twice), and to deal with a civil disorder (once). From 1991 to 1995, the Correctional Services Department have used CS gas on 15 occasions in the Whitehead, High Island and Nei Ku Detention Centres to restore order during disturbances or during camp transfer operations. The quantity of CS gas used on each occasion varied from one round to over 3,800 rounds of CS cartridges and grenades.

The use of CS gas is subject to the general principle of use of minimum force in achieving specific objectives. This principle is provided in, e.g., Rule 38 of the Immigration (Vietnamese Migrants) (Detention Centres) Rules, Rule 238 of the Prisons Rules and the relevant internal guidelines on the use of force of the Police Force. In essence, these provide for the following:

- (a) only the minimum level of force should be applied;
- (b) the use of force is to restore order quickly;
- (c) whenever possible, warning will be given;
- (d) force will not be used as a punitive measure;
- (e) force will cease immediately the objective has been achieved;
- (f) the degree of force permissible is determined by the senior officer present;
and
- (g) the decision to use CS gas within buildings, if required, rests with the senior officer present.

The Government does not conduct tests itself but keeps itself abreast of research conducted overseas on the effects of the use of tear gas. In the late 1970s, the Police Force replaced CN (ω -chloroacetophenone) with CS smoke because the latter had been proven to be a much less toxic chemical agent. In addition, research so far has not been able to establish that tear smoke will cause prolonged or seriously harmful effect if it is used properly.

End

Telephone lines for elderly under CSSA Scheme

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

Question:

According to guidelines of the Comprehensive Social Security Assistance (CSSA) Scheme, only those elderly people who live alone or are physically handicapped or have special needs are eligible for subsidy from the Social Welfare Department for the provision of telephone lines, whereas other elderly people have to apply for subsidy from certain welfare funds for such a purpose. In this connection, will the Government inform this Council:

(a) how many of the elderly people in receipt of CSSA payments are living alone and how many are not;

(b) how many of the elderly people in each of the groups mentioned in (a) above receive subsidy from the Social Welfare Department for the provision of telephone lines and how many do not;

(c) what criteria are adopted by the Social Welfare Department for approving applications for subsidy for the provision of telephone lines made by those elderly people who are not living alone; and

(d) whether consideration has been given to allowing all elderly people in receipt of CSSA payments to be granted subsidy for the provision of telephone lines; if so, what is the outcome?

Reply:

(a) Of the elderly persons currently in receipt of CSSA, about 53,300 are living alone, about 23,900 are living in residential institutions and about 16,600 are living in a family.

(b) We estimate that about 8,400 elderly clients living alone and about 3,700 elderly clients living in a family are receiving special grants to pay for their monthly telephone charges. We have no readily available statistics on the number of elderly CSSA clients who have received special grants for the provision of telephone lines.

(c) Elderly CSSA clients not living alone may be provided with special grants for installing telephone lines if they can demonstrate a need for this facility to maintain contact and communication with other people. This special grant would be provided, for example, if all other members of the household were habitually not at home during the day and the elderly person thus left alone had no other easy access to a telephone.

(d) Special grants for installing telephone lines are provided to those who need such a facility. It would not be appropriate to provide this special grant to all elderly clients regardless of whether they have such a need. For example, most elderly clients living in residential institutions already have access to communal telephones; many already have their own telephone lines installed before they join the CSSA Scheme; and some living in private tenements are able to use communal telephones provided by their landlords.

End

Fuel supply to airlines at airport

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

Question:

Will the Government inform this Council:

(a) of the circumstances leading to the necessity for adoption of special arrangements for the distribution of fuel to airlines at Kai Tak airport immediately before Christmas last year;

(b) what is the prescribed minimum level of fuel supply at the airport and whether the level of supply will be increased upon the commissioning of a new fuel tank; and

(c) what is the present progress regarding the project to construct additional fuel receiving facilities; and whether the commencement of the project has been delayed, and if so, what the reasons are?

Reply:

(a) On 27 December 1995, the management of the Oil Companies Tank Farm at Kai Tak airport advised the Director of Civil Aviation that scheduled deliveries of aviation fuel from Singapore to the Tsing Yi oil depots would be delayed by 2-3 days because heavy seas on the delivery route required the oil companies' tankers to reduce speed. Consequently the total stock of aviation fuel in Hong Kong fell below the usual level maintained by the oil companies. Fuel rationing at Kai Tai airport was put into effect on that date and lifted on 2 January 1996 upon arrival of the tankers and replenishment of stocks.

(b) The oil companies supply aviation fuel continuously from the Tsing Yi oil depots so as to maintain the stock at the airport close to the maximum level of about 27000 cubic metres, which is equivalent to 2.7 days' consumption. A new fuel tank is expected to be commissioned in March 1996. This will increase the total storage capacity at Kai Tak to 35000 cubic metres, which is equivalent to 3.5 days' consumption.

(c) The additional fuel receiving facilities currently being constructed by the oil companies at Kai Tak comprise the new fuel tank mentioned in (b) above and a second dolphin for off-loading fuel from barges. Construction of the new dolphin was due to commence in September 1995 but has been delayed due to objections raised by a utility company, which has expressed concern that the works may affect a submarine gas pipe. Discussions are under way between the companies concerned to resolve the matter.

End

Court's interpretation of "owner" under HOS property

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Following is a question by the Hon Bruce Liu Sing-lee and a written reply by the Secretary for Housing, Mr Dominic Wong, in the Legislative Council today (Wednesday):

Question:

In the judgment in M.P. 3630 of 1994 (Chan Chi Hung and Law Lai Wan vs Tse Ying Piu and Wong Yin Lai Flavia) (the "said judgment") delivered in September 1995, the judge interpreted paragraph (a) of the Schedule to the Housing Ordinance, Cap 283 to mean that an owner of a Home Ownership Scheme Property ("HOS Property") shall have "first paid to the Authority the amount of the premium" before completing the sale of the property to a new purchaser. That is to say, such owner cannot use the proceeds of sale to pay the premium to the Authority. In this connection, will the Government inform this Council:

(a) whether the administration accepts the reality which is that an owner of HOS property would sell his property and concurrently on completion of his sale pay the premium to the Authority from the proceeds of such sale; and

(b) if so, in order to remove any doubt cast by the said judgment, whether the Administration intends to amend the Schedule to the Housing Ordinance?

Answer:

Mr President,

When a Home Ownership Scheme (HOS) flat is sold, it is common practice for the purchaser's solicitor to send the assignment document and the sale proceeds to the vendor's solicitor, subject to an undertaking that the vendor will pay the premium to the Housing Authority before the completion of the sale. The assignment takes effect only after payment of the premium. In this way, the vendor can cover the required premium payment from the sale proceeds. The use of this form of transaction is subject to mutual agreement between the vendor and the purchaser.

The requirement for payment of premium under the Schedule is clear, and solicitors have generally not encountered difficulties in handling the sale of HOS flats either before or after the court case mentioned.

End

Reference date for expenditure guideline projections

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Following is a question by the Hon Sin Chung-kai and a written reply by the Secretary for the Treasury Kwong Ki-chi, in the Legislative Council today (Wednesday):

Question:

It is mentioned in the "Practitioner's Guide - Management of Public Finances" published in March 1995 by the Finance Branch that the reference date for expenditure guideline projections is 1990-91 and that the expenditure ceiling for 1990-91 has been used to determine the expenditure guideline projections for subsequent years. Will the Government inform this Council :

(a) of the criteria adopted for choosing 1990-91 as the "reference date" for expenditure guideline projections; and

(b) whether a new reference date for the 1996-97 expenditure guideline projection will be adopted; if so, how many expenditure guideline projections will be covered by this new reference date?

Reply:

The government has for many years followed the fundamental principle that government expenditure, over time, should be planned to grow at a rate no faster than the forecast trend growth rate of the economy measured in terms of the Gross Domestic Product. This broad working hypothesis was reinforced with the introduction of the Medium Range Forecast in 1986-87. From that time, the additional resources which could be made available each year to fund new/improved government services was controlled by reference to the forecast trend growth rate of GDP. However, at that time there were no formal overall expenditure guidelines.

In 1990, given the substantial infrastructural investment planned over a number of years, particularly in connection with the Airport Core Programme, and the need to assure ourselves that this investment could be accommodated without breaching the principle of controlling expenditure referred to above, the Financial Secretary adopted a fixed reference point for the purpose of planning future government expenditure. This fixed reference point was based on projected spending in 1990-91 and was used to determine the expenditure guidelines for 1991-92. These guidelines were published, for the first time, in the printed version of the Budget speech in March 1992.

Since that time, the expenditure guidelines have been rolled forward each year to take account of -

- (i) the forecast trend growth rate of GDP;
- (ii) the effect of price changes; and
- (iii) changes in the scope of government activities (for example the guidelines have been reduced to reflect the creation of government trading funds, the expenditure on which ceases to be a charge on the General Revenue Account).

The expenditure guidelines for 1996-97 have been prepared on this same basis. There is no intention, at this time, to adopt a new reference date in calculating the expenditure guidelines for future years.

End

Complaints on withholding imported workers' visas

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Following is a question by the Hon Lau Chin-shek and w written reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

It was reported that on 18 December last year more than 30 imported workers employed by a construction and transportation company lodged a complaint with the police about the withholding of their Chinese passports by a labour service company. Before the police has informed the workers concerned of the results of the investigation, the labour service company has intimated recently that the passports of these workers are already kept in Guangzhou. In this connection, will the Government inform this Council:

- (a) how the police will handle complaints from imported workers about the withholding of their passports by labour service companies (including those operated by people from mainland China and those operated by Hong Kong people);

(b) whether the police will institute legal proceedings against labour service companies or individuals following investigations that the labour service companies or individuals concerned are found to have withheld the passports of imported workers; and

(c) what measures does the Government have to assist those imported workers whose passports are being withheld in mainland China so that they can return to their homes as early as possible?

Reply:

Mr President,

(a) Upon receipt of complaints from imported workers about the withholding of their passports by labour service companies, irrespective of their country of origin, the Police will investigate to ascertain if any criminal offence has been committed. Where necessary, the Police will also liaise through established channels with the appropriate authorities in the country of origin of the workers or the companies concerned.

(b) The fact that a person may be holding another person's passport does not necessarily mean that a criminal offence has been committed. There are, however, certain specific charges that can be considered where the circumstances justify, such as possession of unlawfully obtained travel document under Section 42(2)(c)(i) of the Immigration Ordinance, or being a money lender demanding or accepting the passport as security for a loan contrary to Section 29(5) of the Moneylenders Ordinance. The Police will decide whether to institute legal proceedings against the labour service companies concerned depending upon the merits of the case, and may if necessary seek advice from the Attorney General's Chambers.

(c) When necessary the Immigration Department, in consultation with the Labour Department, will liaise with the relevant authorities in China through established channels to assist those imported workers who do not have valid travel documents with them, with the aim of facilitating their return to China.

End

"Shenzhen - Hong Kong convergence" concept

* * * * *

Following is a question by the Hon Allen Lee Peng-fei and a written reply by the Financial Secretary, the Hon Donald Tsang, in the Legislative Council today (Wednesday):

Question:

The economic development and people's livelihood between Hong Kong and the Shenzhen and Zhuhai Special Economic Zones in Guangdong Province in China are becoming increasingly closer, and there are reports that the officials in Shenzhen have drawn up a proposal on economic co-operation between Shenzhen and Hong Kong advocating the so-called "Shenzhen - Hong Kong convergence" concept. In this connection, will the Government inform this Council whether:

(a) it is aware of the details of the above-mentioned proposal and whether it knows of the "Shenzhen-Hong Kong convergence" concept; if so, whether the Government has discussed the proposal with the Chinese officials; and

(b) it has discussed the comprehensive and long-term economic co-operation between Hong Kong and Shenzhen/Zhuhai with the officials in Shenzhen and Zhuhai or other Chinese officials; if so, what are the details?

Reply:

The Hong Kong Government has not received any report or proposal from the Chinese side on the subject of "Shenzhen - Hong Kong convergence", nor has the subject been raised with us by Chinese officials. No discussion of such a report has taken place between the Government and the Chinese side.

We believe it is essential to maintain a high level of economic co-operation between Hong Kong and the neighbouring regions in Guangdong Province. We pursue this fully. For example, the Hong Kong Government plays an active part in developing the border liaison network with relevant authorities in Guangdong Province. More recently, the Infrastructure Co-ordinating Committee (ICC), brings together senior officials on both sides to co-ordinate the development of cross-border road, bridge, marine channel and railway projects, as well as air traffic control and airspace management in the Pearl River Delta. However, there has been no focused discussion on comprehensive and long-term economic co-operation between Hong Kong and Shenzhen/Zhuhai.

We remain committed to strengthening economic ties between Hong Kong and neighbouring regions in Guangdong Province, while leaving our private sector to identify and pursue the commercial opportunities. We are always willing to consider any new proposals for improving bilateral economic links, which are consistent with the principle of "one country, two systems" and with Hong Kong's status as a separate customs territory. Given the spirit of the Sino-British Joint Declaration and the Basic Law and our international commitment to the World Trade Organisation, Hong Kong's economic relationship with Shenzhen/Zhuhai, Guangdong or the rest of China should be one of mutual benefit, pursued on the basis of separate economic systems and policies.

End

"Pre-recorded" telephone enquiry service

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Following is a question by the Hon Chan Kam-lam and a written reply by the Chief Secretary, the Hon Anson Chan, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council :

(a) whether the "pre-recorded" telephone enquiry service currently provided by various government departments in Cantonese and English will also be provided in Putonghua, so as to facilitate members of the public, particularly the elderly and new immigrants, to use this service;

(b) whether the government will consider training telephone operators or personnel responsible for answering telephone enquiries to use Putonghua; and

(c) of the estimated additional costs that will be incurred annually in providing such service?

Reply:

Mr President,

(a) Many departments have recognised the need to improve their telephone enquiry systems to meet the needs of the public, particularly the elderly and new immigrants. At present there are eight computerised telephone enquiry systems which provide services in Putonghua. These include the Department of Health (on Aids counselling and pharmaceutical services), the Social Welfare, Regional Services, Labour, Census and Statistics and Civil Aviation Departments and the Office of the Telecommunications Authority. The Rating and Valuation and the Education Departments also plan to introduce Putonghua to their computerised telephone enquiry system during 1996.

Other departments which have a major interface with the public such as the Immigration, Legal Aid, Water Supplies and Customs and Excise Departments are also considering introducing this service in future.

(b) Training courses on handling telephone calls in Putonghua are being provided by the Government to personnel responsible for answering telephone enquiries.

(c) Where a computerised telephone enquiry system exists, the additional cost of adding Putonghua as a language is not substantial, although this does vary depending on the complexity of the programming work involved.

End

Pilot scheme to bring professionals from China

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

Question:

The Government launched a pilot scheme in March 1994 under which 1,000 employment visas are to be issued to bring in professionals from China to fill professional and managerial vacancies in non-Chinese funded firms in the territory. In this connection, will the Government inform this Council whether:

(a) the Government has assessed if the scheme has impeded the training of local professionals and their career development;

(b) any corresponding interim and long-term policies have been formulated since the introduction of the pilot scheme to train up local professionals with a view to abolishing the scheme at a later date; and

(c) consideration will be given to reviewing the scheme as soon as the number of employment visas issued has reached a level of 50% of the quota under the Scheme?

Reply:

Mr President,

As regards part (a) of the question, the pilot scheme to bring in professionals from China is strictly restricted to those who possess special qualifications and experience of China which are in demand, but not readily available in Hong Kong. All employers wishing to apply for quota under the scheme are required to establish and substantiate their need for a particular professional from China and each application is carefully scrutinised by the Immigration Department before deciding whether it should be approved.

As of 31 January 1996, 688 out of the 1,000 quotas allocated have been approved for which 374 employment visas have been approved. It is not likely that the small number of such professionals who have so far entered Hong Kong for employment, will have any impact on the training and career prospect of the local professionals.

As regards parts (b) and (c) of the question, the pilot scheme is a limited extension to the existing policy on the entry of overseas professionals who possess special skill, knowledge or experience of value to but not readily available in Hong Kong. Whether the pilot scheme should continue depends on the local demand and supply of such professionals from China. In view of the slow take-up and utilisation rate of the quotas under the pilot scheme, we will closely monitor the progress and conduct a review as and when a sufficiently large number, say 75% of the visas have been approved.

End

Government departments to bear own postal cost

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Following is a question by the Hon Elizabeth Wong Chien'Chi-lien and a written reply by the Secretary for Economic Services, Mr Gordon Siu, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

(a) whether government departments will be required to stamp all letters sent out as from 1 April this year; if so, whether the new arrangement will cause extra work to government departments;

(b) if the answer to (a) is in the affirmative, will the Government provide a breakdown by department of the estimated increase in expenditure on staff cost in the financial year 1996/97 arising from the introduction of the arrangement mentioned in (a) above?

Reply:

(a) Government departments are required to pay individually for their own postage with effect from 1 April 1996 under the Post Office Trading Fund operation. The purpose is to reflect the true cost of the postal service used by government departments and to introduce a financial discipline on them to economise on the use of such services. This, however, does not mean that they have to affix stamps to every letter they send. Same as for the private sector, apart from using stamps to pay for postage, government departments can use franking machines to frank postage or post letters vide the Prepayment In Money or Permit Mailing systems. These arrangements, which are designed to meet the needs of business and bulk posters, obviate the need for affixing stamps.

(b) Given the availability of alternative means for paying postage, we envisage that only a very small proportion of letters sent by government departments would need to be affixed with stamps. The workload involved would be minimal and can be coped with by existing staff of all departments.

End

Rental allowance to District Board members to be introduced

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Following is a question by the Hon Ambrose Lau and a written reply by the Secretary for Home Affairs, Mr Michael Suen, in the Legislative Council today (Wednesday):

Question:

It is mentioned in the Policy Commitments published by the Government last year that an accountable office rental allowance of \$4,500 will be introduced to assist District Board members to set up ward offices in their constituencies so that they could discharge their duties more effectively. Will the Administration inform this Council -

- (a) of the effective date of the introduction of the allowance;
- (b) whether the Administration agrees with the prevalent view of District Board members that the amount of the allowance is insufficient for such purpose;
- (c) whether the Administration will consider raising the allowance to a more realistic amount to achieve the intended purpose;
- (d) whether maximum flexibility will be allowed in the use of the allowance so that its intended purpose can be achieved; and
- (e) whether the procedural steps for the disbursement of the allowance will be kept to a minimum?

Reply:

Mr President,

(a) We intend to submit a proposal for introducing a new Office Rental Allowance for District Board members to the Finance Committee on 8 March 1996. Subject to Finance Committee's approval, the allowance will be payable to District Board members from 1 April 1996.

(b) The allowance is intended to assist District Board members to set up and maintain ward offices to enable them to discharge their duties in relation to District Board business more effectively. The amount of \$4,500 was worked out on the basis of a survey conducted in 1995 which established that the rent for an office of 30 square metres ranged from \$5,000 for offices in public housing estates to \$9,000 for those in commercial buildings. An average rental of \$7,000 was thus considered a reasonable ceiling. Given that a rental element equivalent to \$2,500 is already included in the existing honorarium for District Board members, this new office rental allowance has been set at \$4,500 per month.

(c) The amount is considered reasonable. Subject to the approval of Finance Committee, the allowance will be revised annually.

(d) We intend that recipients of the new allowance will be able to use it against rental costs as well as other office maintenance costs including rates, management charges and utilities expenses. District Board members may also pool their allowance to run joint offices. We consider this approach to be one which will give District Board members maximum flexibility in determining how they choose to spend their office rental allowance.

(e) The allowance will be accountable and tax-exempted. District Board members will have to provide supporting documentation when claiming reimbursement. This procedure will be simple and straightforward.

End

Traffic flow after Western Harbour Crossing opening

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

Question:

The Western Harbour Crossing (WHC) is scheduled to be completed and open to traffic in 1997. The increased traffic flow arising from the opening of the WHC will bring a heavy burden on the narrow roads in the Central and Western District. In view of this, will the Government inform this Council:

(a) of the anticipated increase in traffic and pedestrian flow in the District after the opening of the WHC; and

(b) whether there are any road and footpath improvement projects to tie in with the opening of the WHC; if so, what progress has been made to date, and whether these projects will be completed on time?

Reply:

Mr President,

Whilst the opening of the Western Harbour Crossing (WHC) is not expected to result in any significant increase in traffic in Central District, there will be an increase in through traffic in Western District. At present, an average of about 55,000 vehicles a day travel through Western District with peak hourly flows of 4,000 vehicles in the morning and 4,200 in the afternoon. This is forecast to increase to 74,000 vehicles with peak hourly flows of 5,400 in the morning and 5,600 in the afternoon. We do not expect the WCH to have any adverse impact on pedestrian flow.

To cope with the increase in traffic, seven road improvement projects, with suitable pedestrian facilities, are in hand. Five will be completed in 1996 and the remaining two before mid 1997. Details are provided in the Annex.

Annex

(1) Belcher Bay Link

Progress remains good and the scheduled completion date is September 1996

(2) Rock Hill Street Extension and associated traffic management measures

Work is on schedule with completion in July 1996.

(3) Smithfield Extension

Work is proceeding at full speed. The scheduled completion date is June 1997

(4) Victoria Road Improvement Stage 2 phase 1

Under construction with scheduled completion date in November 1997. Improvement works on carriageway will be completed by mid-1997.

(5) Junction of Victoria Road/Cadogan Street Widening

Upon partial termination of the tenancy affected, works will commence in August 1996. The scheduled completion date is December 1996.

(6) Pedestrian Subway and junction improvements at Pok Fu Lam Road/Pokfield Road

Work is in hand and the scheduled completion date is June 1996.

(7) Pok Fu Lam Road Widening - Stage V

Work is in hand and the scheduled completion date is September 1996.

End

Attendance record of HK Museum of Art

* * * * *

Following is a question by Dr the Hon David Li Kwok-po and a written reply by the Secretary for Recreation and Culture, Mr T H Chau, in the Legislative Council today (Wednesday):

Question:

In order to boost public attendance at the Hong Kong Museum of Art (the Museum) and enhance the public's appreciation of the art treasures on display in the Museum, will the Government inform this Council:

(a) of the attendance record of the Museum in the past three years;

(b) whether the Government will consider allowing groups to tour the Museum free of charge;

(c) whether additional provision will be allocated for the launching of publicity campaigns to publicise the Museum's activities; and

(d) whether the Museum will establish closer ties with its counterparts in overseas countries, such as the Metropolitan Museum of Art in New York, and arrange the loan of exhibits from these overseas organisations to add variety to its own exhibits?

Reply:

I am replying on behalf of the Urban Council.

Concerning the first part of the question, the attendance record of the Hong Kong Museum of Art in the past three years is as follows:-

<u>Year</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
Attendance	155,000	147,000	143,000

These figures do not include attendance at the Flagstaff House Museum of Teaware in the Hong Kong Park, where part of the Museum's collection of Chinese tea wares and antiquities are on display, or attendance at educational and extension activities organised by the Museum. The attendance record of the Flagstaff House Museum of Teaware and educational and extension activities in the past three years is set out below:-

Attendance

<u>Year</u>	<u>Teaware Museum</u>	<u>Educational & Extension Activities</u>
1993	224,000	16,000
1994	185,000	27,000
1995	173,000	38,000

As regards the second part of the question, the Urban Council at present charges \$10 for normal admission and \$5 for admission by the disabled, students and senior citizens aged 60 or over. To attract more visitors to the Museum, the Urban Council has implemented a number of incentive schemes. These are:

(a) A 30% group discount for groups of 20 visitors or more, for both normal and concessionary admission.

(b) An annual museum pass for unlimited admission to Council's four main museums (Art, History, Space and Science) at \$100 for normal admission and \$50 for concessionary admission. A 50% discount is offered for museum pass purchased after 1 October as they are only valid for six months.

(c) A group pass which admits four visitors but is valid for one visit only. The pass is calculated at the normal rate for the admission of two and is \$20 each.

(d) A monthly pass, mainly targeted at tourists, at \$50 each and is valid for one month from the date of issue. A 10% discount is offered to holders of the pass at all museums' shops and the Council's publication centres.

(e) For pre-booked group visits of 20 people or more, the group leader is admitted free and a free guided tour is given by docents trained by the Museum.

The Urban Council is currently examining ways and means to further popularise museum facilities, particularly those of the Hong Kong Museum of Art.

Regarding the third part of the question, publicity for museum activities is an ongoing effort of the Urban Council's Public Information Unit and a variety of methods are used. These include issuing press releases and feature articles to the electronic and print media, placing advertisements for major exhibitions in newspapers and magazines, advertising packages at MTR stations, Star Ferry Approaches, on TV stations and radios, arranging press conferences and previews of exhibitions for the media and inviting the mass media to attend opening ceremonies of exhibitions. In addition, the Museum produces posters, handouts, exhibition catalogues, and souvenirs to help publicise special events. As part of the Urban Council's current exercise to formulate a 5 Year Plan for the museum services, the need for additional publicity will certainly be examined.

Finally, on the question of maintaining closer ties with overseas museums, since the opening of the Museum of Art in Tsim Sha Tsui in November 1991, the Museum has jointly organised 18 major exhibitions with museums and institutions in Canada, China, France, Germany, Italy, Japan, Spain, Switzerland, the United Kingdom and the United States. The Museum will continue to maintain an international character in its exhibition programmes.

End

Manpower resources for transport-related studies

* * * * *

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

Question:

In regard to the manpower resources required for various transport-related studies (such as the Bus-only-lane Study, the Freight Transport Study and the Parking Demand Study) being carried out by the Transport Department, will the Government inform this Council :

(a) whether the existing establishment of professional staff in the Transport Department is adequate to handle the extra workload arising from the above studies;

(b) if the answer to (a) is in the negative, whether additional staff have been or will be recruited; if so, what are the details; and

(c) whether a forecast has been made of the additional manpower resources required for implementing the recommendations of the studies; if so, what are the details?

Reply:

Mr President,

Of the three studies mentioned, the Freight Transport Study and the Parking Demand Study have been completed with the assistance of consultants under the management of Transport Department. These studies are being examined by the Administration.

The Bus Only Lane Study will also be assigned to consultants who will assist in evaluating and designing bus-only lanes and implementing recommended schemes. Transport Department is now preparing a consultancy brief and the Study is scheduled to commence in August this year. A special team comprising a Senior Engineer, an Engineer and one Senior Transport Officer, has been set up through the temporary redeployment of staff. Funds have been sought for the creation of these posts in the 1996/97 estimates.

Two other important studies will also commence later this year. These are the Third Comprehensive Transport Study (CTS-3) and the Electronic Road Pricing Feasibility Study. While the former will be undertaken using existing departmental resources, the latter will require the creation of a dedicated project team comprising professional engineering and technical staff. Funds have also been sought in the 1996/97 estimates for this purpose.

The longer term manpower resources that may be required for implementing the recommendations of the various studies will be considered when specific action plans are drawn up.

End