



## DAILY INFORMATION BULLETIN

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

Wednesday, May 29, 1996

<u>Contents</u>	<u>Page No.</u>
Agreement with Chinese side on second runway welcomed .....	1
Secretary for Transport on Western Corridor Railway .....	1
36th JLG meeting to be held in London .....	2
Airport Committee Meeting .....	2
Chief Secretary begins US tour in Seattle .....	3
Experts meet on slope safety .....	4
Adjustment of annual fees for insurers .....	6
Pilotage due for services in Tolo Channel to be revised .....	7
Views on Trade Effluent Surcharge invited .....	7
Lands Department meets performance target .....	8
New arrangements for allocation of primary graduate posts .....	9
Symposium on Design and Build .....	10
Yuen Long lot to let .....	11
Trader heavily fined for possessing controlled medicines .....	12
Operators of five unlicensed guesthouses fined .....	13
Hong Kong Monetary Authority money market operations .....	13

Agreement with Chinese side on second runway welcomed

\* \* \* \* \*

In response to media enquiries on the announcement of tomorrow's (Thursday) Airport Committee Meeting, a government spokesman said:

"The Government welcomes the announcement that the Airport Committee is to meet tomorrow morning to sign the agreed minute on the construction of the second runway for the new airport at Chek Lap Kok and associated facilities. "This is excellent news and represents a major step forward for the airport project.

"Tremendous progress has already been made on the project and the agreement will enhance Hong Kong's role as a centre of international aviation."

End

Secretary for Transport on Western Corridor Railway

\* \* \* \* \*

In response to media enquiries on matters relating to the proposed Western Corridor Railway, the Secretary for Transport, Mr Haider Barma, said today (Wednesday):

"It is encouraging that the Chinese side have pledged their support of the Western Corridor Railway (WCR) and our Railway Development Strategy.

"We agree entirely with the Chinese side that construction of the WCR should not be delayed. For this project to be completed by 2001 as planned, construction work will have to start by early 1998 at the latest. "No decisions on the WCR have been taken and of course the Chinese side will be fully consulted before any decisions are taken.

"In order to fine tune their preliminary proposal submitted earlier to the Government, the Kowloon Canton Railway Corporation are embarking on further technical studies.

"These studies will help improve the current preliminary design to support decisions, establish a firm alignment of the railway and to improve the accuracy of the estimated cost of the project.

"How they should go about these studies is a matter for the KCRC. No Government funds are involved and the results will in no way commit the Hong Kong Government or indeed the future SARG to going ahead with this railway project.

"We will be happy to brief the Chinese side to keep them informed of developments."

End

36th JLG meeting to be held in London

\* \* \* \* \*

The following is issued on behalf of the Office of the British Senior Representative of the Sino-British Joint Liaison Group:

The 36th meeting of the Sino-British Joint Liaison Group will take place in London from June 5 to 7, 1996.

The British team will be led by the British Senior Representative, Mr Hugh Davies. The other members of the British team will be Mr Alan Paul (Counsellor, Office of the British Senior Representative, Sino-British Joint Liaison Group), Mr Nicholas Ng (Secretary for Constitutional Affairs, Hong Kong Government), Mr Robert Peirce (Political Adviser, Hong Kong Government), and Mr Sherard Cowper-Coles (Head of Hong Kong Department, Foreign and Commonwealth Office).

End

Airport Committee Meeting

\* \* \* \* \*

The British and Chinese sides have agreed that a meeting of the Airport Committee will be held in Hong Kong tomorrow (Thursday) to discuss and sign an Agreed Minute on the construction of the second runway for the new airport at Chek Lap Kok and associated facilities.

End

### Chief Secretary begins US tour in Seattle

\* \* \* \* \*

The Chief Secretary, Mrs Anson Chan, spent the first day of her three-week visit to the United States meeting prominent members of the Seattle/Tacoma community.

Mrs Chan began her programme in Seattle yesterday (Tuesday) with an early meeting with President and Chief Executive Officer of Boeing Company, Mr Phil Condit.

During the meeting, they discussed the importance of the unconditional renewal of China's Most Favoured Nation (MFN) status.

Mrs Chan expressed her appreciation for Boeing's strong support for the normalisation and improvement of US-China trade relations, especially in the continued unconditional renewal of China's MFN status.

Mrs Chan then attended a breakfast meeting with the Seattle civic and business community where she gave a presentation highlighting the three institutions underpinning Hong Kong's success and way of life.

These included an economy that has consistently seen real GDP growth of 6.5 per cent per year for the last 10 years, a clean and efficient civil service and a independent judiciary.

Mrs Chan also emphasised the importance of maintaining strong US-Hong Kong relations as Hong Kong is a vital trading and business partner of the US and a strong US partner in international law enforcement.

Following the breakfast meeting, Mrs Chan met with Mr Steve Bolmer, Microsoft's Executive Vice President. The two discussed the importance of enforcing international intellectual property rights.

Mrs Chan's visit to Seattle was concluded with a tour of Boeing Company. The tour included viewing a Boeing 777 being constructed for Cathay Pacific Airways and a walk through the Boeing assembly plant.

The Chief Secretary's visit to seven cities in the US serves to foster closer economic and cultural ties between the US and Hong Kong. Mrs Chan departed Seattle yesterday for San Francisco where she will meet with members of the business community and the academic field.

The Greater Seattle region has very strong ties with both Hong Kong and China. Greater Seattle is an important gateway for US-China and US-Hong Kong trade. In 1994, China and Hong Kong were ranked the second and fifth largest exporter through the port of Seattle respectively.

Hong Kong spent a total of \$1.115 billion on Washington state exports in 1994 making it the tenth largest buyer of Seattle's goods in the world. Also in 1994, Washington imported \$1.106 billion worth of goods from Hong Kong.

End

#### Experts meet on slope safety

\* \* \* \* \*

The Geotechnical Engineering Office (GEO) of the Civil Engineering Department has made significant inroads in the study and implementation of measures to reduce slope failures in Hong Kong.

And, according to the Slope Safety Technical Review Board (TRB) which is conducting its third meeting in the territory, Hong Kong faces challenges which are unique in the world.

The Board is also of the view that GEO and the wider geotechnical community have made "leading edge" contributions to the understanding of slope failure mechanisms, to the quality and cost-effectiveness of geotechnical construction, and to the reduction of landslide risk.

The Board, established following the Kwun Lung Lau slope failure of July 1994, advises the Government through GEO on technical aspects of slope safety in the territory. It has a continuing review responsibility for the on-going and planned GEO programmes.

The Board believes that new advances, already being carried forward within GEO, will result in further progress in reducing risk of landslips. These are:

- \* tightly integrated approaches to slope safety assessment;
- \* improved risk-based slope management systems; and
- \* more generic, prescriptive design and construction methods.

Central to such developments will be the improved recording of, and access to, slope stability and location data which will then provide the basis for enhanced warning systems.

The Board has already established an effective linkage with the professional community through meetings with the Hong Kong Institute of Engineers, and is maintaining an active interest in future manpower requirements.

The first two meetings, comprising Professor Robin Fell, Sir John Knill and Professor Norbert R Morgenstern, were held in July and December last year.

The three Board members have extensive, world-wide academic and practical experience with the design, construction and stabilisation of slopes, including in Asia and the Pacific Rim. Following are their short biographies:

#### Professor Robin Fell

Professor Fell is Head of the Department of Geotechnical Engineering in the University of New South Wales, Australia.

He is the joint author of a research study on landslide risk assessment for Hong Kong completed in 1995, and has worked extensively on slope and dam safety in South-east Asia and Australasia.

#### Sir John Knill

Sir John is an Emeritus Professor of Engineering Geology at Imperial College, London, and former Chairman and Chief Executive of the Natural Environment Research Council of the United Kingdom.

He was a member of the panel which reported on the Sau Mau Ping failure in 1976 and wrote independent reports on the two fatal landslides of 1995.

#### Professor Norbert R Morgenstern

Professor Morgenstern is a University Professor of Civil Engineering in the University of Alberta, Edmonton, Canada and past President of the International Society of Soil Mechanics and Foundation Engineering.

He was a member of the panel which reported on the Sau Mau Ping failure in 1976 and was the author of the independent report on the Kwun Lung Lau failure of 1994.

End

Adjustment of annual fees for insurers

\* \* \* \* \*

Fees payable by authorised insurers upon authorization and annually thereafter will be adjusted from July 12.

The Insurance Companies (Authorisation and Annual Fees) Regulation 1996 which prescribes the amount of fees will be gazetted this Friday (May 31).

A government spokesman said today (Wednesday) that in line with government policy, it was necessary to revise the level of fees to recover the costs of supervision of insurers and their insurance agents by the Office of the Commissioner of Insurance.

"The adjustment in fees, apart from adjustment for inflation and the rising costs of supervision to cope with increasing sophistication and complexity of the insurance industry, represents the last phase of increase towards full cost-recovery," he said.

"The proper supervision of the insurance industry is necessary not only to improve the protection of the insuring public but also to uphold the industry's integrity, and hence public confidence in it, as well as to enhance the reputation of Hong Kong as an international financial centre."

On commencement of the regulation, the authorisation or annual fee payable by an insurer carrying on either long- term insurance business or general insurance business is \$227,300.

"The increase in fees will add marginally to the operating costs of the insurers," the spokesman added.

End

Pilotage due for services in Tolo Channel to be revised

\* \* \* \* \*

Shipping agents and the Hong Kong Pilots Association have reached an agreement that the additional pilotage due for providing pilotage services in Tolo Channel will be increased from the existing \$1,800 to \$3,500, a Marine Department spokesman said today (Wednesday).

Due to the remoteness of Tolo Channel from Victoria Harbour, the two parties agreed that a reasonable amount of additional pilotage due should be levied when a marine pilot is required to board a ship or disembark from a ship at Tolo Harbour.

The revised fee, endorsed by the Pilotage Advisory Committee, will be operational on July 15, 1996 under the Pilotage (Dues) (Amendment) Order 1996, which will be gazetted this Friday (May 31).

End

Views on Trade Effluent Surcharge invited

\* \* \* \* \*

The Government is seeking views from 30 specified trades and industries subject to the Trade Effluent Surcharge (TES) before embarking on a TES review as promised when the Sewage Charging Scheme was introduced in April last year.

A letter inviting their views was issued by the Planning, Environment and Lands Branch today (Wednesday).

A branch spokesman said: "The review will address those areas that, during the past year, have attracted particular attention from some trades liable for the TES, for example, measurement by COD (Chemical Oxygen Demand) rather than BOD (Biochemical Oxygen Demand), and the discharge factors.

Those who wish to make a submission should write to the Environment Division of the Planning, Environment and Lands Branch, 20th Floor, Murray Building Garden Road, Hong Kong, before June 21.

"The views will be considered carefully by the Working Group on the Review before the scope of the study is finalised," the spokesman said.

It is expected that the review will start in August for completion in six months. This will be followed by consultation with relevant trades and industries.

End

Lands Department meets performance target

\* \* \* \* \*

The Director of Lands, Mr Bob Pope, is confident that his department will be able to meet its performance targets even though there are challenges and difficulties ahead.

Mr Pope was speaking today (Wednesday) at the Certificate Presentation Ceremony for 39 land executives who had successfully completed a two-year departmental training programme on land administration.

Mr Pope said there was great expectation from the public that the department would provide a high-quality service in all aspects.

"I shall count on the support and contribution of all grades and ranks in the department including newly confirmed land executives in maintaining a high standard of performance and providing good service to the community within the resources available," he said.

"I congratulate all the 39 land executives on your success, not only in the training but also in your confirmation to the post.

"This means that you will have the obligation to maintain a high standard of performance in various aspects of land work and to fulfil the department's performance pledges.

"I hope that with your drive, determination and commitment, you will be able to help the department to complete its mission successfully in this new era where importance is placed on efficiency, effectiveness and results."

The departmental course in land administration, jointly organised by the Lands Department and the Hong Kong Polytechnic University, provides formal land administration training for newly recruited land executives who must pass this for confirmation to the Government's permanent and pensionable establishment.

End

New arrangements for allocation of primary graduate posts

\* \* \* \* \*

The Education Department today (Wednesday) announced new arrangements for the allocation of graduate teaching posts in aided primary schools in the 1996-97 school year.

The new arrangements followed a review by the Working Group on Provision of Primary Graduate Teachers, the findings of which were announced on Tuesday.

A Senior Education Officer, Mr K M Lau, said under the new arrangements, graduate teaching posts in the 1996-97 school year will be allocated in the form of two quotas - one for appointment of pre-service graduates and the other for regrading serving teachers.

Mr Lau said schools will be responsible for recruiting pre-service graduates or regrading their own graduate teachers.

"As recommended by the Working Group, 20 per cent of the posts created each year starting from the 1996-97 school year will be reserved for pre-service graduates to maintain the attractiveness of the teaching career at primary school level to good quality new teachers," Mr Lau said.

The Government has announced that 300 graduate teaching posts will be created in the 1996-97 school year. These will be made available to Government and aided primary schools (including primary special schools and the primary section of combined-level special schools).

"Based on the ratio of government primary schools to aided primary schools, the 300 posts will be apportioned to 18 government and 282 aided schools respectively," Mr Lau said.

"Among the 282 posts for aided schools, 56 will be reserved for appointment of pre-service graduates at entry rank.

"In view of the limited number of primary graduate posts available, each school will be restricted to a maximum of two posts in the 1996-97 school year, which includes posts already obtained in previous exercises."

Mr Lau said schools without any graduate posts may apply for one or both of the quotas, while schools already having one graduate post should apply for either one of the quotas only.

"The arrangement is to achieve a more balanced distribution of graduate posts among schools," he said.

As recommended by the Working Group, new teachers appointed at the Assistant Primary School Master/Mistress rank should possess a Hong Kong Bachelor of Education degree in Primary Education (Full-time) while serving teachers to be considered for appointment should possess a recognised Hong Kong first degree or equivalent qualification.

The Education Department has issued an administration circular to aided schools giving details of application for the pre-service quota. Another circular inviting applications for a quota for regrading serving teachers will be issued shortly.

In allocating quotas to schools, priority will first be given to schools without any graduate posts and then to schools already having one graduate post, Mr Lau said.

Supervisors of schools wishing to bid for a pre-service quota should apply not later than June 12. Schools will be notified about the allocation of quota by the end of June 1996 so that teacher recruitment can be carried out.

End

#### Symposium on Design and Build

\* \* \* \* \*

Over 170 architects, contractors and government officials will attend a one-day symposium tomorrow (Thursday) on "Design and Build in the Hong Kong Building Industry" organised by the Architectural Services Department (Arch SD). The symposium is one of a series of functions being arranged to commemorate the department's 10th Anniversary, said a spokesman for Arch SD.

"Over the past few years, the use of 'Design and Build (D&B)' has gained prominence both locally and overseas as an alternative to the traditional design, bid and construct system.

"The symposium aims at sharing experience in the current use of D&B to provide guidance and insight on its continuing use as a building procurement vehicle," he said.

Papers on selected aspects of D&B will be presented by people who are actively involved in the subject, including the department's Assistant Director, Mr Andrew Lamont, and Chief Architect, Mr Michael Chong.

They will respectively present papers on the evaluation of D&B tenders and role of the employer's requirements.

End

Yuen Long lot to let

\* \* \* \* \*

The Lands Department is inviting tender for the short-term tenancy of a piece of government land in Yuen Long, New Territories.

The lot, with an area of about 10,950 square metres, is located at Tin Shui Wai Areas 25, 25B and 27. It is intended for use as a fee-paying car park for the parking of motor vehicles, excluding container vehicles but including container tractors without container trailers.

The tenancy is for two years, renewable quarterly.

The closing date for submission of tender is noon on June 14.

Tender form, tender notice and conditions may be obtained from the Lands Department, 14th floor, Murray Building, Garden Road, and the District Lands offices of Kowloon and Yuen Long. Tender plan can also be inspected at these offices.

End

### Trader heavily fined for possessing controlled medicines

\* \* \* \* \*

Chinese medicine traders are today (Wednesday) reminded that trading in medicines containing or claiming to contain ingredients of endangered species without a licence could result in very heavy penalties if convicted by the courts.

The warning was issued by an Agriculture and Fisheries Department's (AFD) conservation officer, Mr Cheung Chi-sun, after a trader was convicted on Monday (May 27) and fined \$425,000 for possessing medicines claiming to contain rhino and tiger ingredients, bear gall bladder powder, musk grain, pangolin scale and sea turtle scale.

Mr Cheung said under the Animals and Plants (Protection of Endangered Species) Ordinance, any person found guilty of importing, exporting or in possession of a highly endangered species for commercial purpose without a licence is liable to a maximum penalty of \$5 million fine and two years' imprisonment.

The control covers a wide variety of endangered species, including their parts, derivatives and medicines containing or claiming to contain tiger or rhino ingredients. The case came to light during a raid by AFD officers at two branches of a medicine shop in Wan Chai last September.

More than 85 packets of controlled medicines claiming to contain ingredients of rhino and tiger and some other endangered species specimens were seized.

The case was heard in the Eastern Magistracy on May 27 where the shop-owner pleaded guilty to possessing controlled medicine without licence. He was fined \$425,000.

While hoping that heavy fines could serve an effective deterrent, Mr Cheung called on members of the public to refrain from buying highly endangered species and medicines containing or claiming to contain ingredients of rhino and tiger as possession of such items without a licence for personal use was already an offence.

He also urged the public to report any illegal activities on endangered species to AFD by calling 2733 2144.

End

Operators of five unlicensed guesthouses fined

\*\*\*\*\*

The operators of five guesthouses were fined \$13,000 each yesterday (Tuesday) by San Po Kong Magistracy after pleading guilty to operating unlicensed guesthouses in Kowloon Tong.

Of the guesthouses involved, two are located in Rutland Quadrant, two in Cumberland Road, and the remaining one in Norfolk Road.

The operators, whose certificates of exemption expired last November, had been reminded by officers of the Home Affairs Department's Licensing Authority to cease operation until a licence had been granted to them. However, when the officers conducted a two-day operation in December last year against unlicensed guesthouses catering mainly for local residents, they found these guesthouses were still in operation without a licence. The operators were subsequently charged under Section 5 of the Hotel and Guesthouse Accommodation Ordinance.

A spokesman for the department said unlicensed guesthouses would not be tolerated and enforcement action would continue to be taken against them to ensure all such establishments are being operated with proper regard for building and fire safety.

He also appealed to members of the public to help in the crackdown on unlicensed guesthouses by reporting them to the Licensing Authority on 2881 7034.

End

Hong Kong Monetary Authority money market operations

\*\*\*\*\*

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	1,627	0930	+334
Closing balance in the account	1,550	1000	+334
Change attributable to :	1100	+334	
Money market activity	+328	1200	+338
LAF today	-405	1500	+338
		1600	+328

LAF rate 4.00% bid/6.00% offer TWI 124.6 \*+0.1\* 29.5.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.04	2 years	2805	6.30	100.50	6.11
1 month	5.05	3 years	3904	6.30	99.54	6.58
3 months	5.09	5 years	5103	6.75	98.49	7.25
6 months	5.21	7 years	7305	7.60	100.13	7.72
12 months	5.54	5 years	M502	7.30	99.82	7.48

Total turnover of EF bills and notes - \$27,585 million

Closed May 29, 1996

End



# DAILY INFORMATION BULLETIN

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

## SUPPLEMENT

Wednesday, May 29, 1996

<u>Contents</u>	<u>Page No.</u>
<u>Legislative Council meeting :</u>	
Motion debate on fair trade legislation .....	1
Hotel Accommodation (Miscellaneous Provisions) Bill .....	5
Dentists Registration (Amendment) Bill .....	7
Nurses Registration (Amendment) Bill .....	8
Immigration (Amendment) (No 2) Bill .....	8
Fire Safety (Commercial Premises) Bill .....	10
Public Health and Municipal Services (Amendment) Bill .....	12
"One-route one-airline" policy explained .....	12
BN(O) passports for CI holders .....	14

/Funds allocation .....

<u>Contents</u>	<u>Page No.</u>
Funds allocation by Arts Development Council .....	16
Compulsory school education system review .....	17
Emergency ambulance service performance target .....	18
Abandoned buffaloes under proper control .....	20
Implementation of new town development programme .....	21
Termination of public housing tenancies .....	22
Guidelines on scope of change of land use .....	25
Appeals against amount of sewage charges .....	26
Measures to promote use of Putonghua .....	28
US/HK procurement arrangement .....	29
Measures to improve quality of major watercourses .....	30
Allied Group investigation .....	34
Mechanism for monitoring Commercial Crime Bureau .....	36
Control over labour importation services agencies .....	37
Functions of Rice Advisory Committee .....	39
Safety of Daya Bay Nuclear Power Station .....	40

Motion debate on fair trade legislation

\* \* \* \* \*

Following is the speech by the Secretary for Trade and Industry, Miss Denise Yue, in the motion debate on legislation on fair trade in the Legislative Council today (Wednesday):

Mr President,

I welcome this opportunity to outline the Government policy on the promotion of competition in Hong Kong.

The Government is fully committed to the promotion of free trade and competition which is the best guarantee of economic efficiency, low prices and consumer protection. As we all know, Hong Kong is a totally open economy which exposes its traders and producers to acute international competition. The Government's policy of promoting free trade and competition has not only met the needs of traders and producers but also served Hong Kong well. Hong Kong is recognised as one of the most competitive economies in the world. Last year, we came third in the World Competitiveness Report published by the International Institute for Management Development and the World Economic Forum in Switzerland.

The reason I have to particularly cite the result of the Report is because some of the Honourable Members had mentioned about that many other economies, including those in Asia, had already put legislation on fair trading in place. The Government is open-minded as to whether or not legislation on fair trading should be introduced in Hong Kong. But, even without the enactment of such legislation, Hong Kong had already earned the reputation as the third most competitive economy in the world.

Honourable Members are very familiar with our basic economic philosophy of minimum Government intervention in market forces, which we believe is the best formula for enhancing competition and efficiency on the one hand, and keeping costs and prices down on the other. However, where necessary, the Government does take appropriate and pragmatic measures to rectify any unfair business practices, safeguard competition and protect consumer interests. For examples, in order to discourage unfair, deceptive or misleading business practices, the Government has put in place a package of legislation including the Trade Descriptions Ordinance, the Control of Exemption Clauses Ordinance, the Unconscionable Contracts Ordinance, the Supply of Services (Implied Terms) Ordinance and the Sales of Goods (Amendment) Ordinance. A Consumer Legal Action Fund under the Consumer Council has been established since November 1994 to assist consumers individually or collectively to take legal action against unscrupulous traders. A new Trade Practices Division has been set up in the Consumer Council to examine business practices which may prevent, restrict or distort competition, with a view to tendering advice to the Government on measures to promote healthy competition.

Apart from the above measures, the Government recognises that there are circumstances where free competition may not be practicable, for example circumstances

- (a) where a very high level of investment is required;
- (b) where there is a need for prudential supervision; or
- (c) where there is a need to protect the long-term interest of consumers.

In such cases, through the use of various instruments, the Government will need to achieve a reasonable balance between a justified monopolistic or oligopolistic situation on the one hand, and the benefits of quality services and fair prices on the other.

In respect of the sectors in the economy which are subject to Government controls, a key imperative in the formulation of such controls is the promotion of competition and protection of consumer interests. These controls are reviewed and revised from time to time to identify areas for possible improvement and to meet the needs of changing circumstances. The Government has taken a sector-specific approach to promote greater competition in the relevant business sectors.

Since 1993, the Government has provided funds to the Consumer Council, for the purpose of conducting a series of studies on the state of competition in six major business sectors affecting the daily life of the general public, namely : banking, supermarkets, domestic water heating and cooking fuel market, telecommunications, broadcasting, and residential property market. So far, the Consumer Council has published five sector-specific study reports. The remaining one on residential property market will be published very soon. The Government is committed to publishing a Government Response to each sector-specific study report within six months of its release.

The Government has responded, positively and constructively, to these reports. We have already provided responses to the studies on banking, supermarkets, and the domestic water heating and cooking fuel market. Major recommendations accepted by the Government and the progress of their implementation include -

- (a) removing the interest rate cap for time deposits in phases. The liberalisation of interest rate commenced in October 1994. Since November 1995, the interest rates for deposits fixed for 7 days and longer have been deregulated. The deregulation has been a success. Over 99% of the retail time deposits have been deregulated without causing any adverse impact on the stability of the banking industry. Consumers have benefited from wider access to market interest rates and the banking system has absorbed the effects of the deregulation well;

- (b) improving the collection of statistical data on supermarkets and providing expert advice to the Consumer Council in monitoring competition among supermarkets more effectively; and
- (c) the Government accepting that, if feasible, a common carrier system would inject competition into the domestic gas supply market to consumers' benefit. A study of the feasibility of such a system will be commissioned. An Energy Advisory Committee will be set up to advise the Government on energy policy and other related matters, including tariff increases by the two power companies and the Hong Kong and China Gas Co Ltd.

Apart from responding to the Consumer Council's studies, the Government, in pursuance of the sector-specific approach, has introduced in recent years new policy initiatives to promote healthy competition in specific business sectors or service areas. Some examples of these initiatives include:

- (a) on telecommunications, since last July, the local fixed telecommunications network services have been opened to competition. The Hong Kong Telephone Company and three new telephone companies have been licensed to provide all forms of fixed network services in competition with each other. Comprehensive safeguards have been included in the licence conditions to protect consumer interests, promote fair competition and prevent anti-competitive practices;
- (b) on broadcasting, as a matter of policy, the Government has incorporated clauses to ensure free economy in all broadcasting licences renewed since 1994. All licences now include such clauses which should help to ensure that broadcasters do not engage in unfair or anti-competitive trade practices;
- (c) on medical services, legislation was amended in August 1995 to provide for the introduction of a universal licensing examination for the registration of medical practitioners in Hong Kong. This will provide a level playing field to those seeking to enter the profession in Hong Kong;
- (d) on transport services, in renewing bus franchises, bus routes are granted on a non-exclusive basis. This will pave the way for increased competition, where necessary, and will provide flexibility needed for adjustments in bus operations to deal with the changing operating environment;

- (e) on legal services, the Government is preparing legislation to abolish mandatory fee scales for conveyancing and probate work in order to promote competition and enhance consumer interests; and
- (f) on rice trade, the Government is currently considering introducing more competition into the trade without affecting the stability of rice supply.

At present, the Government is not providing a system of controls across the board. Whether there is a need for such across-the-board controls in Hong Kong is the focus of today's motion. We note that the views expressed by Members today are divergent and even conflicting. At one end of the spectrum, we have heard that governmental or legislative intervention, which probably would result in a huge bureaucratic apparatus and more red tape and which would distort markets and the allocation of resources, should not be pursued since it would stifle enterprise, reduce efficiency and damage the economy. At the other end of the spectrum, views have been expressed that monopolistic tendencies and anti-competitive practices already exist in some sectors of the economy and that anti-trust and fair trading laws should be introduced, and a fair trade commission should be set up, to give consumers a fair deal.

The different approaches advocated by Honourable Members are reflective of the diverging views of the general public towards the development of a competition policy in Hong Kong. Because of the differing views within the community, the Government has commissioned the Consumer Council to conduct a study to provide an overall assessment of the competition environment in Hong Kong. The report is expected to be released by the middle of this year.

Whilst there are differing views within the community as to what regulatory framework, or what means, Hong Kong should adopt in order to enhance competition, I believe there is no disagreement on what our fundamental objective should be, which is to promote competition and to give consumers adequate protection.

Mr President, the Government, in the pursuit of its competition policy, is adopting a step-by-step, pragmatic approach in the formulation of instruments and framework that are most suitable for promoting healthy competition in the different sectors of Hong Kong's economy. The Government is open-minded as to whether or not comprehensive legislation on competition or fair trading should be introduced in Hong Kong. We will consider this question in the light of findings of the Consumer Council study on the overall assessment of the competition environment in Hong Kong. We will also invite the public to comment on the findings of the Consumer Council study and examine these comments before arriving at a view.

Thank you.

End

Hotel Accommodation (Miscellaneous Provisions) Bill

\* \* \* \* \*

Following is the speech by the acting Secretary for Home Affairs, Mrs Stella Hung, in moving the second reading of the Hotel Accommodation (Miscellaneous Provisions) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move the Second Reading of the Hotel Accommodation (Miscellaneous Provisions) Bill 1996.

The main objective of the Bill is to amend the definition of "hotel" in the Hotel Proprietors Ordinance and the Hotel Accommodation Tax Ordinance; and the definition of "hotel" and "guesthouse" in the Hotel and Guesthouse Accommodation Ordinance in order to specify the scope of the definitions. The other amendments to the Hotel and Guesthouse Accommodation Ordinance are to streamline the operation of the licensing scheme under that Ordinance.

The existing definitions of "hotel"; and "hotel" and "guesthouse" in the three Ordinances have allowed establishments which offer accommodation only to limited categories of persons, for example, to persons of a particular nationality or clients of one tourist agency, to operate outside the ambit of the Ordinances. A High Court Judgement in March 1996 also has implications on the scope of application of the three Ordinances. It ruled that hotels that accepted guests with prior reservations would not fall within the purview of the Ordinances. A potential loophole has been created whereby hotels could claim that they let rooms in response to prior reservations (for example, telephone booking) and should not be subject to the Ordinances. This loophole needs to be plugged so that the licensing scheme under the Hotel and Guesthouse Accommodation Ordinance would continue to apply to all hotels to ensure the efficacy of safety in them; and that hotel accommodation tax should continue to be payable by all hotels under the Hotel Accommodation Tax Ordinance. Otherwise there would be serious revenue implications.

Clauses 2, 4 and 5 of the Bill amend the definition of "hotel" in the Hotel Proprietors Ordinance, the definition of "hotel" in the Hotel Accommodation Tax Ordinance, and the definition of "hotel" and "guesthouse" in the Hotel and Guesthouse Accommodation Ordinance respectively to address the above-mentioned deficiencies.

The Bill proposes other amendments to the Hotel and Guesthouse Accommodation Ordinance to improve the operation of the licensing scheme. Clauses 6 and 7 amend the Ordinance so that the Licensing Authority can issue licences of up to three years' validity to obviate the need for annual licence renewal, as is the case now. We intend to issue three-year licences on a case by case basis. In principle, such licences will be granted only to those establishments that have shown integrity of continuing to fulfil the fire and building safety standards and that would not abuse the licensing control.

Clauses 8 and 9 allow notices under Sections 19 and 20 of the Ordinance to be served by posting them in a conspicuous part of the premises without the need to state the name of the addressee. At present, notices may be served to the responsible person of a hotel or guesthouse personally or by registered post to direct remedial works under Section 19 and to notify the Administration's intention to apply from the District Court for closure order under Section 20. Serving of these notices would be difficult where the whereabouts or identity of the responsible persons are not known. It would assist operationally if these notices could be served by posting them in a conspicuous part of the premises.

Clause 9 also amends Section 20 of the Ordinance to allow any person authorised by the Secretary for Home Affairs in writing to enter into a hotel or guesthouse to execute any remedial works while a closure order is in force. Clause 10 provides that it shall not be an offence for a person so authorised to enter into the closed premises. These amendments address a flaw in the Ordinance in that the premises, once closed by order, may not be re-entered for carrying out remedial works. Without these works, the premises cannot be made safe and cannot be reopened as a hotel or guesthouse.

Clause 11 extends the time limit for prosecution of offences under the Ordinance. Under Section 26 of the Magistrates Ordinance, the Licensing Authority is time-barred from prosecution if an offence (for example, breach of licence conditions) has been committed more than six months before the Authority issues the summons. This is unsatisfactory because an offence may occur immediately after an inspection of the premises by the Licensing Authority at the time of renewal of the licence and in these circumstances the offence will not be discovered shortly. Many offences may be time-barred from prosecution. Clause 11 proposes that any prosecution under the Ordinance shall be commenced either within six months of the commission of the offence; or within six months of the offence being discovered by or coming to the notice of the Authority, whichever is the later.

Mr President, the Bill improves the definitions in three Ordinances to ensure, inter alia, that the fire and building safety of all hotels and guesthouses will continue to be regulated by the licensing scheme under the Hotel and Guesthouse Accommodation Ordinance; and that hotel accommodation tax is payable by all hotels. The Bill also improves the day to day operation of the licensing scheme under the Hotel and Guesthouse Accommodation Ordinance. I recommend the Bill to Members.

Thank you, Mr President.

End

Dentists Registration (Amendment) Bill

\*\*\*\*\*

Following is the speech by the Secretary for Health and Welfare, Mrs Katherine Fok, in moving the second reading of the Dentists Registration (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Dentists Registration (Amendment) Bill 1996 be read the second time.

This Bill proposes two changes. The first proposed change concerns the Licensing Examination. Under the existing Dentists Registration Ordinance, applicants whose standard of achievement is equivalent to the passing of the Licensing Examination are qualified to be registered as dentists in Hong Kong. However, the Ordinance does not specify the qualification which is recognised for this purpose, that is, the award of a degree of dentistry by the University of Hong Kong. We propose to spell out clearly the qualification deemed to be equivalent to the passing of the Licensing Examination for the purpose of registration of dentists in the Ordinance.

The second proposed change is to require the applicant to show that he has not been convicted in Hong Kong or elsewhere of any offence punishable by imprisonment, when he applies for the issuance and renewal of practising certificates. This is necessary because the Secretary of the Dental Council is not empowered under the existing Ordinance to ask the applicant to submit such information, but such information is required in order for the Secretary to issue or renew the practising certificates.

End

Nurses Registration (Amendment) Bill

\* \* \* \* \*

Following is the speech by the Secretary for Health and Welfare, Mrs Katherine Fok, in moving the second reading of the Nurses Registration (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Nurses Registration (Amendment) Bill 1996 be read the second time.

This Bill aims to restrict the use of the title "nurse". The existing Nurses Registration Ordinance does not provide for sanctions against the use of the title "nurse" by unqualified persons. However, since nursing is a recognised profession, we propose to restrict the use of the title to qualified persons only, namely registered nurses and enrolled nurses. Any unauthorised use of the title would therefore be an offence.

End

Immigration (Amendment) (No 2) Bill

\* \* \* \* \*

Following is the speech by the Secretary for Security, Mr Peter Lai, in moving the second reading of the Immigration (Amendment) (No 2) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move the Second Reading of the Immigration (Amendment) (No 2) Bill 1996. The Bill seeks to amend the definition of a lawfully employable person, and to impose a duty on the employer to inspect the travel document of any person who is not a permanent resident before employing him.

In response to the growing community concern on the impact of illegal employment activities in Hong Kong, the Administration has launched a vigorous campaign against illegal workers and their employers. The strength of the Immigration Task Force deployed to tackle this problem has been doubled. As a result, there have been significant increases in the number of anti-illegal employment operations and arrests. In 1995, a total of 2,160 such operations were conducted, representing an increase of 101% when compared with 1,074 operations carried out in 1994. Also in 1995, 5,833 illegal workers and 2,302 employers were arrested, an increase of 7.9% and 62.6% respectively over the number of 5,404 illegal workers and 1,416 employers arrested in 1994.

However, the number of prosecutions in respect of employers who employ illegal workers is still relatively low. In 1994 and 1995, the percentage of employers who were prosecuted was 64% and 51% respectively. This compares with 70% and 80% of illegal workers prosecuted during the same period. One of the main reasons is that, at present, there are two impediments affecting the effective control of illegal employment. First, the Immigration Ordinance defines a person holding a Hong Kong identity card as lawfully employable, albeit that the holder may be committing a breach of his condition of stay by taking unapproved employment. Secondly, whilst employers are required by law to inspect the Hong Kong identity cards of potential employees, most identity cards do not indicate whether the holders are being restricted to a specific employment. As a result, contract workers, mostly foreign domestic helpers, are able to obtain unapproved employment by presenting their identity cards for inspection by the employers. Such an employer cannot be prosecuted unless it can be proved, by the Crown, that he was aware of the restriction on the employee.

To remove the first obstacle, we are seeking to amend the law to make non-permanent residents not lawfully employable if they breach a condition of stay imposed on them. This means that employers who employ non-permanent identity card holders for any full-time or part-time job outside the scope of the authorisation approved by the Director of Immigration will commit an offence under section 17I of the Immigration Ordinance, which carries a maximum fine of \$350,000 and imprisonment for three years.

To overcome the second obstacle, we also propose to require employers to inspect the travel documents held by job-seekers who are holders of non-permanent identity cards, as well as their Hong Kong identity cards, to ensure that they are lawfully employable before offering them employment.

To help employers to identify more easily contract workers who are not free to take up employment without prior permission from the Director of Immigration, the Immigration Department has introduced a bilingual and easy-to-read immigration stamp on travel documents of foreign domestic helpers and imported workers. Meanwhile, the Immigration Department is also progressing with the exercise to issue "W"-prefix identity cards to all foreign domestic helpers. These "W"-prefix identity cards are already issued to imported workers under the Importation of Labour Schemes. The new stamp and the "W"-prefix identity card will together make it easier for employers to discharge their responsibility under the law. Employers who have doubts in ascertaining the employability of job-seekers can also make enquiries through the Immigration Department telephone hotline and faxline.

The amendments I have just outlined form part of our package of measures to combat illegal employment. The Bill facilitates the prosecution of unscrupulous employers of illegal labour, and enables law-enforcement agencies to tackle the issue more effectively at source.

Thank you, Mr President.

End

Fire Safety (Commercial Premises) Bill

\* \* \* \* \*

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

Mr President,

I move the second reading of the Fire Safety (Commercial Premises) Bill.

In January 1994, following a tragic fire at a bank in Shek Kip Mei, in which 13 people died, the Fire Investigation Team established to examine the circumstances of the incident found that certain types of premises are subject to particular fire risks. These premises are typically older commercial premises, where members of the public are likely to be present in significant numbers. In the light of the Investigation Team's recommendations, we concluded that steps must be taken to reduce this risk by upgrading the fire safety measures in these premises to up-to-date standards as far as practicable. We also concluded that this could only be done effectively through legislation.

The Investigation Team identified a need to upgrade the fire safety installations and means of escape in such commercial premises. After further consideration we concluded that, if the proposed legislation is to be complete, it should include requirements to upgrade the standard of means of access and of the use of fire resistant materials.

The provisions in the Bill will apply to premises with a total floor area exceeding 230 square metre where members of the public are likely to be present in significant numbers. Such premises include banks, off-course betting centres, jewellery and goldsmith shops, supermarkets, department stores and shopping arcades. The Director of Fire Services and the Director of Buildings, who will be the enforcement authorities, will be empowered to direct owners of the prescribed premises to implement specified fire safety measures. These measures, which will cover the provision of fire service installations and equipment, means of escape, means of access and the use of fire resistant materials, are already enshrined in codes of practice which have been issued by the authorities after extensive consultation.

We have maintained consultation with concerned business and professional bodies throughout the process of formulating this Bill. We have been encouraged by the level of support we received for these proposals. In fact, several of the larger commercial establishments have made significant efforts to anticipate this Bill, by taking appropriate action based on the recommendations on which we consulted them. This early, voluntary action is a clear endorsement of the fact that our proposals are sound and reasonable.

Nevertheless, we understand that there have been some concerns on the application of these fire safety measures to other premises. We have already accepted that individual premises vary so much in their design and in their construction that each case will need to be considered on its own merits. We have explained to those concerned that the enforcement authorities will adopt a flexible approach, and will only require measures to be implemented which are reasonable and practicable. Nevertheless, the enforcement authorities need to be provided with the appropriate statutory powers to ensure compliance with these measures when it is necessary and in the interest of public safety.

Honourable Members may be assured that our enforcement action will be taken on a measured, step-by-step basis. We do not propose to use a sledgehammer to crack a nut, and minor transgressions will be handled as such. It is only where owners of such premises refuse to comply with a reasonable requirement that we shall take stronger enforcement action. The enforcement authorities will be empowered under this Bill to issue fire safety directions to the owners of premises requiring improvements to fire safety measures for their premises. Any owner who fails to comply with such a direction will be subject to a penalty. For more serious offences, the enforcement authorities may apply to the District Court for an order prohibiting the premises from being used for the prescribed commercial activities.

We have identified some 500 premises without sprinkler systems. We must take early action to improve fire safety measures in these particularly inadequate premises. The Director of Fire Services and the Director of Buildings have already formed a working group to consider the necessary enforcement actions and implementation plan for these premises.

We believe that with the enhanced control of fire safety standards in commercial premises that this Bill will provide, the risks to life and property will be greatly reduced.

Thank you, Mr President.

End

Public Health and Municipal Services (Amendment) Bill

\*\*\*\*\*

Following is the speech by the acting Secretary for Recreation and Culture, Mrs Rita Lau, at the resumption of the second reading debate on Public Health and Municipal Services (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I am very grateful to Members for their support of the Public Health and Municipal Services (Amendment) Bill 1996.

As I have explained when I introduced the Bill into this Council on 15 May 1996, the purpose of the Bill is to facilitate early removal of articles which are causing obstructions to scavenging or street sweeping operations. At present, law enforcement officers need to give at least 24 hours notice to the owner of an obstructing article before the article can be removed. This is obviously undesirable as the effectiveness of scavenging operations would be severely hindered by the unduly long notice. To address this problem, it is necessary to shorten the minimum period of notice given to the owner. This Bill proposes to shorten the period from 24 hours to within 4 hours and this would certainly provide an effective tool to enhance scavenging operations.

End

"One-route one-airline" policy explained

\*\*\*\*\*

Following is a question by the Hon Christine Loh and a reply by the acting Secretary for Economic Services, Mr Leo Kwan, in the Legislative Council today (Wednesday):

Question:

It was announced recently that an agreement had been reached between the Swire Group, CITIC Pacific and China National Aviation Corporation (CNAC) over the ownership rights of Dragon Air and Cathay Pacific Airways. In view of the fact that prior to the announcement of the agreement, the Government had been entertaining an application by CNAC for a licence to launch an airline in Hong Kong, will the Government inform this Council whether the Government has changed the "one-route one-airline" policy and whether, in principle, any qualified party may obtain such a licence?

Reply:

Mr President,

China National Aviation Corporation (Hong Kong) Limited (CNAC(HK)) has applied for an Air Operators Certificate (AOC), not a licence. An AOC may be granted if Government is satisfied that the company is competent to secure the safe operation of aircraft for the flights intended. It is essentially a mark of technical competence to operate a public transport service.

By itself, an AOC will not enable a company to operate air services to and from Hong Kong. To operate a scheduled service, a company would further require:

- (a) a licence for a specific route granted by the Air Transport Licensing Authority (ATLA), an independent body established under the Air Transport (Licensing of Air Services) Regulations; and
- (b) designation by the Government as a Hong Kong airline which can operate on the route under the relevant air services agreement.

The processing of CNAC(HK)'s application for an AOC has no direct bearing on Government's "one airline one route" policy which concerns designation of airline for a specific route under the relevant air services agreement. An AOC and an ATLA licence are pre-requisites to designation but designation of an airline by the Government is not automatic.

International air transport is highly regulated. Hong Kong airlines can only operate in the international arena and unlike many of their competitors do not enjoy the financial benefits of a large domestic market. Furthermore, they face keen competition. Our bilateral agreements with other governments normally permit their airlines to exercise reciprocal traffic rights on the same routes as our airlines. Moreover on the major international routes, such as those between Asia and North America, there is frequently additional competition from other third country airlines. Therefore, the most heavily travelled routes to and from Hong Kong have long been well served by several established operators.

In these circumstances, the Government has decided that as a general rule, and subject to the existing arrangements, in any given case, designation in respect of routes available to Hong Kong will be limited to one airline per route. The airline first licensed by ATLA for a route will normally be the one to be designated for that route.

Designation of more than one Hong Kong airline on any route would be considered only in circumstances where it was judged that more competition was needed in the public interest and that the traffic was sufficient to sustain a substantial operation by more than one Hong Kong airline. It would not be in Hong Kong's trade and other economic interests to see internecine competition by Hong Kong airlines weakening their overall ability to compete against foreign airlines.

There are other circumstances where the Government is prepared to exercise flexibility. They are:

- (a) where one airline has been licensed and designated for a route, but for commercial reasons chooses not to or ceases to serve that route or does not operate services on it satisfactorily, consideration would be given to designating another licensed airline in place of the first; and
- (b) where the primary roles of the airlines licensed to serve a route are different. There are routes, such as Hong Kong/Manchester and Hong Kong/Osaka where, in addition to an airline primarily carrying passengers, there is a second designated airline carrying air freight only.

In conclusion, the general rule of one airline, one route has served Hong Kong well up to the present and the Government sees no reason for change.

End

#### BN(O) passports for CI holders

\* \* \* \* \*

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

Question:

With regard to the large number of applications by holders of Certificate of Identity (CI) for naturalisation which will lead to an increase in the number of applications for British National (Overseas) (BN(O)) passports, will the Government inform this Council of the steps which it will take:

- (a) to ensure that there will be no time gap between a successful applicant's surrender of a CI and receipt of a BN(O) passport; and

- (b) to preserve the validity of visas endorsed in a CI when its holder has acquired a BN(O) passport?

Reply:

Mr President,

- (a) A Certificate of Identity or CI is issued to a person who does not hold and is unable to obtain a national passport or other travel documents. It is therefore the normal practice to require a naturalised British Dependent Territories citizen (BDTC) to surrender his CI for cancellation at the time when a certificate of naturalisation is issued to him. Applications for BN(O) passports may be made at the time of issue of naturalisation certificates, and the normal processing time for a BN(O) passport application is 15 - 17 working days. Priority in processing BN(O) passport application will be accorded to those who have urgent travel needs.

However, in the light of the large number of applications for naturalisation received recently, and in view of the restriction on persons newly naturalised as BDTCs to apply for a BN(O) passport within three months of their successful naturalisation, we have reviewed our normal practice on the cancellation of CIs. Starting 1 July this year, successful naturalisation applicants will not, repeat not, be required to surrender their CIs when they collect the naturalisation certificates. Instead, they will only have to surrender their CIs when they collect their BN(O) passports. This will ensure that there is no time gap between the surrender of a CI and the receipt of a BN(O) passport.

- (b) As regards the validity of visas in the CI, it will be up to the holder, after collecting his BN(O) passport, to approach the relevant consulate/commission to have a visa transferred to the passport if he, now a BN(O) passport holder, still requires a visa for that particular country of destination.

End

Funds allocation by Arts Development Council

\* \* \* \* \*

Following is a question by the Hon Elizabeth Wong and a reply by the acting Secretary for Recreation and Culture, Mrs Rita Lau, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council what mechanism is put in place to monitor the allocation of funds by the Hong Kong Arts Development Council?

Reply:

The Hong Kong Arts Development Council (ADC) is a statutory body set up under its own Ordinance on 1 June 1995. Under Section 5 of the Hong Kong Arts Development Council Ordinance (the Ordinance), the ADC is empowered to formulate and implement proposals in regard to the promotion and broad development of the arts, and to disburse grants to organisations and individuals for the planning, development and promotion of the arts in any way it considers appropriate.

As an independent statutory body, with almost half of its members nominated by the arts community, and having its own employed staff, the ADC enjoys a high degree of autonomy in determining how its funds should be used to meet the needs of the development of the arts.

The Government monitors the work of the ADC through the following means:

- (a) The Secretary for Recreation & Culture is an ex-officio member of the ADC; and he or his representative attends all meetings of the ADC. Members of the Recreation & Culture Branch also participate in the work of the ADC through their membership of the three boards under the ADC, i.e. the Strategic Development Board, the Resource Management Board and the Artform Board.
- (b) Section 11 of the Ordinance requires the ADC to submit to the Government a programme of its proposed activities and estimates of its income and expenditure.

- (c) Section 15 of the Ordinance requires the ADC to submit, after the close of each financial year, a report on its activities and affairs for that year, a statement of the accounts for that year, and an auditor's report on the accounts, to the Governor for tabling before the Legislative Council.
- (d) Section 14 of the Ordinance empowers the Director of Audit to carry out examinations into the economy, efficiency and effectiveness with which the ADC has used its funds in carrying out its functions, powers and duties. The Director of Audit may report to the Legislative Council the results of such examinations.

End

Compulsory school education system review

\* \* \* \* \*

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

Question:

As the Board of Education is undertaking a comprehensive review of the nine-year free and compulsory school education system, will the Government inform this Council:

- (a) Whether the Board will study the feasibility of providing 11 years (Primary 1 to Secondary 5) of free and compulsory education, given that the completion of Form 5 education is generally regarded by most employers as the basic entry requirement for employment; if not, why not; and
- (b) whether the Government will consult the public before a decision is taken on the findings of the review?

Reply:

Mr President,

As regards part (a) of the question, according to its terms of reference, the sub-committee set up under the Board of Education will study the 9-year compulsory education system in the light of recent developments in education, and to make recommendations to the Board of Education on measures to further enhance the system. In other words, the sub-committee will not study the feasibility of providing 11 years of free and compulsory education.

Government's policy of providing nine years of free and compulsory education for our children from the age of 6 to 15 is in line with that of many countries and territories, including some advanced ones. In addition, we provide heavily subsidised senior secondary education or technical education for about 95% of our children beyond the age of 15. Also, to ensure that no one is deprived of a place in our education system because of a lack of means, we offer financial assistance to needy students. In the circumstances, we have no plan to extend the existing 9-year period of free education to 11 years.

As regards part (b) of the question, we look forward to receiving the Board of Education's advice by the end of this year. We will decide whether to consult the public in the light of the Board's advice.

End

Emergency ambulance service performance target

\* \* \* \* \*

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

Question:

A resolution was passed at the joint meeting of the Panels on Health Services and Security held on 15 April this year urging the Government to use the 'response time' instead of the 'travel time' as the performance target for the emergency ambulance service (EAS). In this connection, will the Government inform this Council:

- (a) of the additional numbers of ambulances, ambulance crew members as well as fire and ambulance equipment required as a result of adopting the 'response time' as the performance target for the EAS; and
- (b) whether provision will be made in the 1997-98 financial year to enable the Fire Services Department to put into effect the adoption of the 'response time' as the performance target for the EAS?

Reply:

Mr President,

- (a) The Administration shares Honourable Members' concerns that our emergency ambulance service should continue to operate to the best standard practicable. To this end, we engaged a consultant last year to review the delivery of the emergency ambulance service. The Consultant concluded that it is more realistic to first take action to ensure that the emergency ambulance service can reliably meet the performance target of answering 95% of all emergency calls within a ten minute travel time, before we consider switching to a response time target. We have accepted the consultant's recommendations. We are, therefore, concentrating our efforts on finding ways to achieve and, if possible, to improve on our existing performance target of responding to 92.5% of emergency calls within the 10-minute travel time target. At the same time, the Director of Fire Services has agreed to begin to establish the necessary data as a first step to determining an appropriate response time target which might be adopted for the future. It would, however, be premature to give any estimate as to the additional resources that may be required to meet a response time target before such a target is established.
- (b) The allocation of additional resources to the emergency ambulance service will have to be dealt with within the budgetary planning cycle for 1997/98, and will thus be decided later in the year. We cannot, at this stage, confirm what resources might be allocated to the emergency ambulance service. However, I can assure Honourable Members that I would accord a high priority within my programme areas to improving the emergency ambulance service.

End

Abandoned buffaloes under proper control

\* \* \* \* \*

Following is a question by the Hon Choy Kan-pui and a written reply by the acting Secretary for Economic Services, Mr Leo Kwan, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

- (a) whether it knows of the total number of abandoned buffaloes currently in the territory;
- (b) of the total number of complaints about abandoned buffaloes causing nuisance to residents received by the Government in the past three years; and
- (c) how it will deal with the abandoned buffaloes?

Reply:

- (a) It is estimated that there are about 200 buffaloes in Hong Kong, the great majority of which live on swampy private land in Kam Tin and have known owners. The Agriculture and Fisheries Department and the District Office have made arrangements with the owners for them to keep proper control of the animals and for the animals' disposal if they are no longer required. These arrangements ensure that the number of abandoned buffaloes is kept to the minimum.
- (b) In the past 3 years, a total of 4 complaints about abandoned buffaloes causing nuisance to residents were received by the Government.
- (c) An abandoned buffalo causing nuisance to residents will be impounded in the Government Kennels. If no one reclaims ownership of the buffalo within three days after impounding, the Director of Agriculture and Fisheries will publish a notice in the Gazette stating his intention to sell the animal. The buffalo will then be auctioned for slaughter on condition that no one has reclaimed ownership of the animal within one week from publication of the notice.

End

Implementation of new town development programme

\* \* \* \* \*

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

Question:

Will the Government inform this Council of:

- (a) the total hectares of private land in the New Territories it has acquired since the implementation of the New Town Development Programme; and
- (b) the current total hectares of private land, broken down into building land and agricultural land, in the New Territories?

Answer:

Mr President,

- (a) For the period 1972-73 to 1995-96, 1860 hectares of private land in the New Territories have been resumed by the Lands Department, a substantial proportion of which was resumed for the development of new towns and their related infrastructural projects, i.e. Sha Tin, Yuen Long, Tuen Mun, Tai Po, Fanling and Sheung Shui.
- (b) We regret that there is no readily available data regarding the total area of private land in the New Territories. Since there are as many as 490 Demarcation Districts in the New Territories, it would be an extremely resource-intensive exercise for the Lands Department to search for the information required.

End

Termination of public housing tenancies

\* \* \* \* \*

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

Question:

Will the Government inform this Council, in regard to each of the past three years:

- (a) of the number of public housing tenants whose tenancies were terminated by the Housing Authority, with a breakdown of the reasons for termination as well as the number of cases in each category of reasons; and
- (b) whether any of the above public housing tenants have lodged successful appeals against the Housing Authority's decision to terminate their tenancies; if so, how many appeals have been allowed and what the main reasons for allowing the appeals are?

Answer:

Mr President,

The numbers of public housing tenants whose tenancies were terminated by the Housing Authority during the three years ending 31 March 1996 were:

1993-94	353
1994-95	511
1995-96	561
	-----
	1,425

A breakdown of cases by reason and number is at Annex.

Over the same period, the number of appeals against decisions by the Housing Authority to terminate tenancies which have been allowed (as a result of either the Authority's decision to withdraw or the Appeal Tribunal's decision) were:

1993-94	28
1994-95	24
1995-96	29
	---
	81

The main reasons for allowing these appeals were:

- (a) the appellants had rectified the concerned irregularities, for example, having settled payment of all outstanding rent; and
- (b) the difficulty of the appellants' circumstances warranted exceptional consideration by the Housing Department.

-----

Public housing tenants whose tenancies were terminated by the Housing Authority during the three years ending 31 March 1996

Reasons for termination and number of cases involved

Reason	No. of cases		
	1993-94	1994-95	1995-96
Rent in arrears	59	118	279
Non-occupation	166	241	228
Subletting	50	46	13
Dogkeeping	2	2	0
Engaging in criminal activities in flats	1	1	2
Refusal to accept rehousing arrangements under Comprehensive Redevelopment Programme	47	21	37
Others (e.g. divorce, refusal to move into temporary accommodation pending completion of Home Ownership Scheme flats, making false statements when applying for public housing)	28	82	2
Total	353	511	561

End

Guidelines on scope of change of land use

\* \* \* \* \*

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

Question:

With regard to the criteria adopted by the Government in handling 'change of land use' and 'premium assessment' cases, will the Government inform this Council:

- (a) whether there is a comprehensive set of guidelines governing the scope of change of land use; if so, what the details are; if not, why not;
- (b) whether there are certain standards laid down for assessing the amount of premium; if not, why not; and
- (c) whether consideration has been given to formulating a comprehensive set of regulations for processing cases concerning change of land use and premium assessment?

Reply:

Mr President,

- (a) Change of land use is governed by either statutory or administrative procedures. If the site applying for change of use is covered by a statutory town plan, planning permission from the Town Planning Board or an amendment to the plan is required unless the proposed change of land use is permitted under the plan. Such application is processed in accordance with the procedures laid down in the Town Planning Ordinance. If the site falls outside the area of a statutory town plan, an amendment to the relevant departmental plan is required. There are established administrative procedures for processing such applications, and approval is considered by inter-departmental committees;

- (b) premium charged in relation to any change of lease conditions are assessed by professional surveyors in the Lands Department, who are governed by a code of professional practice. The general principle for assessment is that the premium shall represent the difference in value of the land as between the previous lease conditions and the modified conditions; and
- (c) as already explained above, there are already established procedures, either statutory or administrative, governing change of land use and premium assessment.

End

#### Appeals against amount of sewage charges

\* \* \* \* \*

Following is a question by the Hon Lee Kai-ming and a written reply by the Secretary for Works, Mr H S Kwong, in the Legislative Council today (Wednesday):

Question:

It is learnt that some organisations have lodged appeals in the past year against the amount of sewage charges and trade effluent surcharges levied by the Government. In this connection, will the Government inform this Council of:

- (a) the number of such appeals received since the introduction of the sewage charging scheme; the number of appeals that have been allowed, and the total amount of sewage charges and trade effluent surcharges involved; and
- (b) the scope and progress of the review of the trade effluent surcharges currently undertaken of the Government?

Reply:

Mr President

In answer to part (a) of the question, may I first explain that under the Sewage Services Ordinance, a customer may apply for variation of the trade effluent surcharge (TES) rate applied to him and for variation of the discharge factor applied to him.

The TES rate will be adjusted if the effluent strength measured by Chemical Oxygen Demand (COD) values of the wastewater generated by the customer's premises are lower than the generic values.

Between 1 April 1995 and the end of April 1996, the Drainage Authority has received 259 applications for variations of TES rate. Out of these applications, 140 cases were approved, 39 cases were rejected and 33 cases withdrawn. The balance of 47 cases are still being processed. The overall reduction in charges is estimated to be about \$3 million per month.

The discharge factor will be adjusted if the volume of wastewater being discharged to the public sewerage system is not more than 85% of the volume of water on which TES is based.

Between 1 April 1995 and the end of April 1996, the Drainage Authority has received 29 applications for variations of discharge factor. Out of these applications, 23 cases were approved, whilst the remaining 6 cases are still being processed. The approximate total reduction in charges is estimated to be about \$0.2 million per month.

I now turn to part (b) of the question. When the Sewage Charging Scheme was introduced in April 1995, the Administration gave an undertaking to the Advisory Council on the Environment that the Trade Effluent Surcharge scheme would be reviewed after the scheme had been implemented for 12 months. An interdepartmental working group comprising representatives of Planning, Environment & Lands Branch, Works Branch, Drainage Services Department, and the Environmental Protection Department was formed in February this year to take the review forward. A paper was submitted to the Legislative Council's Environmental Affairs Panel on 9 February 1996 to inform the Panel of the Administration's intention to review the TES. The Advisory Council on the Environment was also consulted on the review on 29 April 1996.

Preparation for the review is underway. The detailed scope is being drawn up. It will include a consultancy to provide a comparison of the TES with similar schemes elsewhere. It is envisaged that the consultancy will begin in August and be completed by the end of the year.

End

Measures to promote use of Putonghua

\* \* \* \* \*

Following is a question by Dr the Hon David Li Kwok-po and a written reply by the Secretary for Education and Manpower, Mr Joseph Wong, in the Legislative Council today (Wednesday):

Question:

The Education Commission has recommended in its 6th Report that the Education Department should, starting from 1996, organise summer classes for primary and secondary school students who wish to learn Putonghua at an estimated cost of about \$30 million over a 3-year period. On the other hand, the findings of a recent survey conducted by an insurance firm show that 95% of those who cannot speak Putonghua make no attempt to learn it. In this connection, will the Government inform this Council whether measures will be adopted to promote Putonghua among people other than school students; if so, what the details are?

Reply:

Mr President,

The Government recognises that there is a growing need to promote Putonghua. We have already announced in the 1995 Policy Address a number of initiatives to step up the teaching and learning of Putonghua in schools. These include developing a new Putonghua curriculum, enhancing teacher training and organising summer classes for primary and secondary students starting this summer.

At the same time, there are a number of on-going measures to promote the learning and use of Putonghua among people outside the school system. These include efforts in both the public and private sectors:

- (a) Most tertiary and technical institutions offer Putonghua courses to their students or to the public. These are supplemented by courses offered by the Education Department and community bodies for adults;
- (b) The Language Fund set up in 1994 to enhance efforts for raising the standards in English and Chinese including Putonghua has so far supported 10 Putonghua projects of which 5 are organised outside school targeting at tertiary students, teachers, parents and the public;
- (c) There are a number of Putonghua programmes on radio and television produced by Radio Television Hong Kong for the general public;

- (d) There are numerous activities and contests organised by professional institutions, non-profit-making organisations and community centres relating to the learning and speaking of Putonghua for both children and adults; and
- (e) We have put in place a structured Putonghua training programme for the civil service. Our aim is that in the long run, those at the directorate level or with an operational need to use Putonghua would be conversant in it. Our comprehensive training programme involves classroom teaching and self-learning packages. Some 14,000 civil servants benefited from such training in 1995/96 and 21,000 will be trained this year.

We believe the above efforts will intensify with the increasing importance in the use of Putonghua in Hong Kong. Indeed the Education Commission Report No. 6 has recommended a number of major initiatives to enhance language proficiency including the further expansion of language courses offered by the various adult education and vocational institutions. Government will continue to work closely with the relevant bodies in both the public and private sectors to promote programmes which help enhance language proficiency, including Putonghua.

End

#### US/HK procurement arrangement

\* \* \* \* \*

Following is a question by Dr the Hon Law Cheung-kwok and a written reply by the Secretary for Trade and Industry, Miss Denise Yue, in the Legislative Council today (Wednesday):

Question:

It is learnt that several months ago the United States (US) Government prohibited US Government agencies from purchasing products made in Hong Kong by removing Hong Kong from the list of designated countries for the purpose of government procurement made under the US Trade Agreements Act. In view of this, will the Government inform this Council:

- (a) whether it is aware of the reasons for the US Government's move and the estimated loss which the local economy will suffer as a result of such a move, as well as its effect on the local job market; and;

- (b) whether the Government has taken any remedial measures?

Reply:

The US Government amended its procurement regulations, i.e. Federal Acquisition Regulation in December 1995 to implement the World Trade Organisation (WTO) Government Procurement Agreement, which entered into force on 1 January 1996. The revised regulations generally exclude, under the US Trade Agreements Act of 1979, the procurement by the US Government of products of Hong Kong, on the ground that Hong Kong is not a signatory of the WTO Government Procurement Agreement. However, in certain circumstances, such as non-availability or insufficient supply of goods, US government agencies can, in accordance with the relevant US law, purchase products of Hong Kong notwithstanding the exclusion.

As our export trade statistics do not enable us to identify the ultimate buyers of our exports, we cannot ascertain how much of our exports are purchased for US Government procurement purpose. We are, therefore, not able to make an economic assessment of the possible impact of the exclusion on Hong Kong. So far only one firm has raised the issue with us.

We are actively considering Hong Kong's position vis-a-vis the signing of the WTO Government Procurement Agreement. Our aim is to secure an arrangement which will facilitate maximum market access for our producers and will comply with the principles and disciplines of the multilateral trading system.

End

#### Measures to improve quality of major watercourses

\* \* \* \* \*

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

Question:

Regarding the water quality of the major watercourses in the territory, will the Government inform this Council of:

- (a) the respective gradings of the water quality of the territory's major watercourses;

- (b) the measures adopted by the departments concerned during the past three years to improve the water quality of these watercourses;
- (c) the current strength of the Government staff who are directly working on the improvement to the water quality of watercourses; and
- (d) the long-term measures it will adopt to improve the water quality of watercourses?

Reply:

Mr President,

- (a) The water quality of watercourses varies along their length and therefore it is not possible to give a single grading for each watercourse. However, based on the Water Quality Index used by the Environmental Protection Department for assessing river water quality, the classifications at the most downstream sampling station in each of Hong Kong's eleven major watercourses in 1995 were as follows:

<u>River Name</u>	<u>Classification</u>
Mui Wo	Excellent
Shing Mun	Good
Lam Tsuen	Fair
Tai Po	Good
Kam Tin	Very Bad
Tuen Mun	Good
Ho Chung	Good
Ganges	Very Bad
Indus	Bad
Beas	Very Bad
Yuen Long Creek	Very Bad

- (b) A wide variety of measures which contributed to improving river water quality have been implemented by various departments in the past three years. These measures included:

(1) Environmental Protection Department:

- \* Declaration of the last three Water Control Zones under the Water Pollution Control Ordinance, i.e. Eastern Buffer, Western Buffer, and Victoria Harbour.

- \* Continuous enforcement of the Water Pollution Control Ordinance in all declared Water Control Zones throughout the period.
- \* Enactment of the Water Pollution Control (Sewerage) Regulations to provide the Government with the power to require property owners to make connections to new sewers.
- \* Continuous enforcement of the Waste Disposal (Chemical Waste) Regulations to ensure all toxic chemical wastes are properly disposed of.
- \* Implementation of the livestock waste control scheme which by early 1996 had reduced the pollution load from this source directly discharged into rivers by an amount equivalent to the pollution generated by some 1.67 million people.
- \* The carrying out of Sewerage Master Plan (SMP) studies to draw up short, medium and long-term plans for new and rehabilitated sewerage; in the New Territories much of the emphasis of these plans is on providing sewerage connections to currently unsewered villages thus removing for treatment sewage which would otherwise pollute nearby watercourses.

(2) Drainage Services Department:

- \* Under the stream course clearance programme, desilted some 65 km of major rivers at a total expenditure of about \$30 million. Clearance of silt and other debris accumulated in river channels has helped to improve the river water quality indirectly.

(3) Territory Development Department:

- \* At Tin Shui Wai New Town, a low flow and amenity water system was installed to divert the polluted low flows from the Tin Shui Wai Western Drainage Channel and to fill the permanent section upstream of the inflatable dam with stream water which has been screened and aerated to remove offensive elements.

- \* At Tuen Mun New Town, the Tuen Mun river channel between Pui To Road and the river outlet was dredged to improve the flow of the river channel which would help to reduce the build up of pollutants and hence would improve the water quality of the river channel. The dredging work was commenced in July 1993 and completed in January 1994.

(4) Agriculture and Fisheries Department:

- \* Implemented a livestock farm licensing scheme since July 1995 which required livestock keepers to install and operate waste treatment facilities. As at April 1996, 162 livestock farms have already been so licensed.
- \* Carried out 525 cleansing operations at polluted agricultural weirs. In addition, 208 agricultural weirs had either been demolished or replaced by those capable of being drained for cleansing operations. These cleansing operations led to cleaner stream water flowing into major river channels.

The above measures were to deal mainly with the major sources of pollution such as livestock waste and unsewered villages, and to regularly clean up the water courses.

They have been effective in leading to steady and progressive improvements to the water quality of our watercourses. This is illustrated by the fact that in 1987 only 25% of all watercourse sampling stations received a grading of good or excellent whereas the similar figure for 1995 was 57%. These measures will continue to be enforced or carried out and further improvements are expected.

- (c) Of the four departments identified in (b) above, the Environmental Protection Department is the main department working directly on improvement to the water quality of the watercourses in Hong Kong. Approximately 70 professional and 300 technical staff members are involved in enforcing legislation aimed at controlling the amount of pollution entering our fresh and marine waters. In addition, about 60 professional and 100 technical staff members are engaged in activities directly related to improving water quality such as monitoring, laboratory analysis, impact assessment, policy development and infrastructure planning.

The Drainage Services Department deploys approximately 110 professional and technical staff members to deal with the maintenance of major watercourses.

The Territory Development Department's New Territories (North) and New Territories (West) project management offices have a total of 39 professional and 17 technical staff members responsible for, amongst others, their projects listed in (b) above.

The Agriculture and Fisheries Department has 14 full-time and 5 part-time staff working on managing agricultural weirs.

- (d) With regard to long-term measures to improve the water quality of water courses, the Environmental Protection Department will continue to enforce the relevant environmental legislation. When the revised livestock waste control scheme is fully implemented, pollution from livestock waste is expected to be reduced by 98%. The Sewerage Master Plans providing new sewerage for unsewered areas will be progressively implemented for completion by 2005. Meanwhile, the Environmental Protection Department will continue to take action to ensure that currently unsewered properties are connected to the new sewers. The Drainage Services Department and the Territory Development Department will also continue to carry out regular desilting and maintenance of the river and drainage channels to minimise sediment and debris accumulation.

End

#### Allied Group investigation

\* \* \* \* \*

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

Question:

Regarding the investigation of the Allied Group, will the Government inform this Council:

- (a) of the amount of money spent on the inspector appointed to carry out an inspection on the affairs of the Allied Group and the results of the inspection;

- (b) whether other investigations have been conducted on the Allied Group; if so, what the results are and the amount spent on such investigations; and
- (c) how the Government has ensured that the inspection and other investigations have been conducted in a cost-effective manner?

Answer:

- (a) The actual expenditure incurred on the investigation of the affairs of a group of 27 companies including Allied Group Limited, following the appointment of an independent inspector appointed by the Financial Secretary in August 1992 under section 143(1)(c) of the Companies Ordinance, was \$46,478,295.65.

The inspector submitted his report to the Financial Secretary in August 1993. The inspector revealed in his report extensive detail about the specific activities he was asked to investigate. The findings indicated abuse of the group corporate structure and securities market ethical requirements. The legal implications could range from breach of civil law duties and regulatory rules to possible criminal offences including securities and regulatory statutory offences, Theft Ordinance offences and conspiracy to defraud. A substantial part of the report was made public in September 1993. The full report was referred to the law enforcement and regulatory bodies, as well as the 27 companies involved in the inspection for them to decide what actions to take within their respective areas of authority and to pursue those actions accordingly. In this connection, the Stock Exchange has publicly censured a number of individuals in senior management positions in the Allied Group companies. In addition, the inspection has achieved three main results. First, it has resulted in a complete re-vamp of the management of the Allied Group companies. The chairman of the Group and others associated with him have stepped down from management positions. A number of independent directors have been appointed, and an Audit Committee has been established. Secondly, the report generated a higher level of public awareness regarding corporate governance. We believe that there has been a considerable increase in vigilance by auditors of listed companies since the publication of the report. Thirdly, the inspection underlined the Government's determination to expose facts behind any apparent malpractices in the financial market in order to maintain its integrity and to enable concerned parties to take appropriate action.

- (b) The Commercial Crime Bureau (CCB) of the Police has been conducting investigations into allegations of criminal acts involving the Allied Group companies. The Securities and Futures Commission (SFC) is also considering regulatory action relating to possible breaches of the Take-overs and Mergers Code. On operational grounds, it would not be appropriate to discuss or reveal progress of their respective actions on the case. These investigations are being undertaken as part of the regular enforcement and regulatory functions of the two bodies and are not separately costed. It would therefore not be feasible to provide a breakdown on the amount incurred so far on these Allied Group investigations.
- (c) While the inspector was carrying out his investigations, his work progress was closely supervised by a Steering Group chaired by the Financial Services Branch with representatives from the Legal Department and the SFC. The CCB also attended the Steering Group meetings. As indicated in (a) above, the inspection has achieved some significant results. As regards the current investigations, CCB and SFC are conscious of the need to ensure that the investigations are, and will continue to be, conducted in a cost-effective manner.

End

#### Mechanism for monitoring Commercial Crime Bureau

\* \* \* \* \*

Following is a question by the Hon Chim Pui-chung 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 existing mechanism for monitoring the Commercial Crime Bureau in exercising its powers under the law in the execution of its duties; and
- (b) whether there are any channels open to those people who have been investigated by the Commercial Crime Bureau and have as a result suffered monetary loss or damage to their reputation, but who are later found to be innocent, to claim compensation; if so, what the details are?

Reply:

Mr President,

- (a) As part of the Police Force, the Commercial Crime Bureau is bound by the provisions of the Police Force Ordinance and the procedural guidelines in the Police General Orders. In the event of any complaints, the Bureau is subject to investigation by the Complaints Against Police Office, just as any other Police formations.
- (b) Any person who believes that he has suffered damage as a result of an act or omission by any person or body may seek advice from his own lawyer as regards whether a claim of compensation might be sought from the civil court.

End

#### Control over labour importation services agencies

\* \* \* \* \*

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:

Recently, advertisements have appeared in some local newspapers concerning the provision of labour importation services by some 'agencies' which claim that they could apply to the Government for the importation of foreign workers on behalf of employers. In answer to telephone enquiries, these "agencies" claim that they could help to bring in the types of foreign workers which are not permitted under the existing policy. In view of this, will the Government inform this Council:

- (a) whether it exercises any control over agencies which provide labour importation services; if so, what the details of such control are; and
- (b) what measures are in place to prevent some agencies from importing those types of foreign workers which are not permitted under the existing policy; and whether investigations will be carried out to ascertain if such agencies are involved in importing foreign workers illegally?

Reply:

Mr President,

All applications for imported workers under the Government's importation of labour schemes, including the Supplementary Labour Scheme, the Special Labour Importation Scheme for the New Airport and Related Projects (ACP Scheme) and the Pilot Scheme for the entry of PRC professionals for employment must be made by the employers of imported workers direct. Applications under the ACP Scheme from sub-contractors of ACP contracts who are direct employers of workers are made by the Principal Contractor on their behalf. Any applications for imported workers which are submitted by any other parties will not be accepted.

My answers to the specific questions are as follows:

- (a) According to Part XII of the Employment Ordinance, a person who operates a business for the purpose of obtaining employment for another person, or supplying the labour of another person to an employer, is defined as an 'employment agency'. The Ordinance also provides that any person who wishes to operate, manage or assist in the management of an 'employment agency' has to obtain a licence or a certificate of exemption issued by the Commissioner for Labour. It follows that any company which is engaged in the activities of an 'employment agency', whether it is facilitating the recruitment of local or imported workers will be subject to these legislative provisions.

The Labour Department pays regular inspections to all the licensed employment agencies to ensure that they comply with the legislative provisions governing their operations. Any employment agency which is found to be engaged in activities deviating from the purpose under which the licence was issued may have its licence revoked or its application for licence renewal refused by the Commissioner for Labour.

- (b) As mentioned in the preamble to this reply, only applications for imported workers from the employers direct will be accepted under any of our importation of labour schemes. As such, no other agencies or companies are allowed to import workers under any of our existing labour importation schemes.

Any person or agency engaged in the business of deploying illegal workers for employment by employers commits the offence of aiding and abetting the breach of condition of stay under both the Immigration Ordinance and the Criminal Procedures Ordinance, for which he is liable on conviction to the maximum penalty of a fine of \$50,000 and imprisonment for two years. The Immigration Department conducts regular and surprise raids at places and districts where ample opportunities of illegal employment are believed to exist. In the course of such operations, any persons or agencies suspected to be aiding and abetting the employment of illegal workers will be investigated with a view to prosecution under the above two Ordinances.

End

#### Functions of Rice Advisory Committee

\* \* \* \* \*

Following is a question by Dr the Hon Law Cheung-kwok and a written reply by the Secretary for Trade and Industry, Miss Denise Yue, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

- (a) how the Rice Advisory Committee (RAC), which comprises mainly of rice importers, determines the prices at which rice is sold to retailers; and
- (b) whether it has any specific plan to change the existing system of allowing the RAC to determine the prices of rice; if so, what the details are?

Reply:

Mr President,

The Rice Advisory Committee (RAC) presently consists of 14 members, of whom only three are rice importers. Under its terms of reference, the RAC is required to advise the Government on the technical aspects of the operation of the Rice Control Scheme (1) and on all aspects of the rice trade, and to consider such matters concerning the import and distribution of rice as may be referred to it by the Director-General of Trade and to make recommendation accordingly.

Thus the RAC neither advises on nor determines the price of rice sold to retailers. Individual rice importers, wholesalers and retailers determine their own selling price of rice. Nevertheless, the RAC monitors the rice supply situation and the operation of the Rice Control Scheme to ensure that there is an adequate supply of rice at reasonable price in Hong Kong. It has, for example, tendered its advice on the Government's recent review of the Rice Control Scheme, on which the views of the Trade and Industry Panel of this Council will be sought shortly.

-----

- (1) The Rice Control Scheme seeks to ensure a stable and reliable supply of rice in Hong Kong through a quota system on rice imports and by requiring importers to maintain a reserve rice stock to cushion against any short term fluctuation in supply)

End

#### Safety of Daya Bay Nuclear Power Station

\*\*\*\*\*

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

Question:

In view of the public concern about the lack of information from independent sources on the safety of the Guangdong Daya Bay Nuclear Power Station, will the Administration inform this Council whether it will consider appointing an independent advisory body to provide technical support to the Government in interpreting and assessing information on the safety of the Guangdong Daya Bay Nuclear Power Station provided by the Hong Kong Nuclear Investment Company, and to assist the Government in reviewing its nuclear disaster contingency plan on a regular basis?

Reply:

Mr President,

We have considered the question of whether to appoint an independent nuclear safety consultant or advisory body on several occasions, but concluded that for the following reasons there is no strong grounds to do so-

- (a) We have sufficient expertise within the Government on nuclear safety technology to ensure that we are able to protect the health and safety of the people of Hong Kong. Staff in the Electrical and Mechanical Services Department, Royal Observatory and Department of Health have specialised training and experience in the operation of nuclear power stations, radiological monitoring and assessment, and health physics. We have been building up this capability for more than 10 years and will continue to improve it.
- (b) We have maintained close contact with the International Atomic Energy Agency (IAEA), the United Kingdom's Atomic Energy Authority and other regulatory agencies, and other internationally-renowned radiological experts. These agencies are involved in advising us in drawing up contingency plans. They also act as observers in our exercises to test our contingency plans, and give regular advice to us on how our system, plans and procedures should be improved.
- (c) The Hong Kong Nuclear Investment Company (HKNIC) employs highly qualified and experienced nuclear safety advisers from both France and China who are able to advise on both the normal operation of the Guangdong Nuclear Power Station at Daya Bay and on the related technical aspects of nuclear safety.

End