



DAILY INFORMATION BULLETIN

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

Wednesday, July 5, 1995

<u>Contents</u>	<u>Page No.</u>
Governor to visit London later this month	1
The Governor welcomes the new Foreign Secretary	1
Transcript of the Governor's media session after visiting treatment centre ..	2
Transcript of the Governor's media session	6
Governor visits Drug Addiction Treatment Centre	8
Airport Railway Financial Support Agreement signed	9
Rambler Channel Bridge achieves major milestone	10
Progress of review of social welfare subvention system	11
Applications invited for Language Fund	12
Commercial Subject Project Competition and Exhibition - 1995	13
Three Kowloon lots to let	15
Hong Kong Monetary Authority money market operations	15

Governor to visit London later this month

* * * * *

The Governor, the Rt Hon Christopher Patten, hopes to pay a short visit to London later this month to brief the new British Foreign Secretary on Hong Kong issues.

This was disclosed by the Governor when he spoke to the media after visiting the Hei Ling Chau Drug Addiction Treatment Centre today (Wednesday).

"I am hoping that I'll be able to fly back to London for a couple of days in about 10 days' or a fortnight's time to brief the new Foreign Secretary and any new ministers or officials about Hong Kong and to see any other new ministers who have responsibilities which touch on Hong Kong as well," he said.

Asked what message he would bring to London, the Governor said: "The message I'll have is that we've still got a robust economy, that we've got some problems with unemployment and consumer confidence which need to address.

"I'll also say to him that we've recently made better progress with for example the good deal on the Court of Final Appeal and with the agreement on the airport and the franchises.

"But there remains a lot of work to do on issues like right of abode and adaptation of laws and we should do everything possible to make progress in those areas.

"I'll also say that I think the Chief Secretary's visit to Peking and the courtesy and cordiality with which she was received were an important sign and that she is much reassured by what was said to her by Qian Qichen and by Director Lu about their commitment to a successful and peaceful transition and in particular by what they said about the importance of Hong Kong's civil service to the success of the community."

End/Wednesday, July 5, 1995

The Governor welcomes the new Foreign Secretary

* * * * *

The Governor, the Rt Hon Christopher Patten, today (Thursday) welcomed the appointment of Mr Malcolm Rifkind as Foreign Secretary.

Mr Patten said: "Mr Rifkind's appointment is good news for Hong Kong. I have known him for many years and worked with him as a Cabinet colleague.

"As a member of the Cabinet Sub-Committee on Hong Kong, Mr Rifkind knows the Hong Kong issue and has been involved in a number of crucial decisions affecting Hong Kong policy in recent years.

"I look forward to visiting London later this month to meet the new Foreign Secretary and to take the opportunity to discuss Hong Kong issues in detail with him."

End/Wednesday, July 5, 1995

Transcript of the Governor's media session after visiting treatment centre

* * * * *

The following is a transcript of the media session by the Governor, the Rt Hon Christopher Patten, after visiting the Hei Ling Chau Drug Addiction Treatment Centre today (Wednesday):

Governor: This is another of the visits I've been making to follow up our summit on drugs. We are determined to continue to give the beat drugs campaign all the support that's necessary. I'm pleased to have seen what's being done by the Correctional Services Department on Hei Ling Chau. As you will know this particular centre is a reflection of the growing problem among young people. The centre's been opened for a year and I think it's doing a very good job in coping with drug abuse among youngsters. But there's a problem with older men and women as well. So, the activity that was already going on here is also extremely important. We'll be publishing later this week our first quarterly progress report on our action plan on dealing with drugs. And, next week, the Government will be responding to ACAN's comments on the various recommendations and proposals that came forward at the summit we had at Hong Kong University a few months back. So we are trying to move forward on all fronts and in the autumn we should be in a position I think to make some more concrete proposals on the funding of activities. But obviously that's being looked at in the context of our overall review of public spending this summer. But I'm pleased to have seen once again what an excellent Correctional Services Department we've got. They have a very good success rate in their work with drug abusers but obviously there have been concerns expressed about following up what happens after the first 12 months. That may well be an area of research which we'll need in due course to look at.

Question: ... In the immediate term, what's going to be done to alleviate over-crowding here?

Governor: There's over-crowding here of about 13 per cent which we think is at the moment manageable. There is a bigger problem with the over-crowding of facilities for young women and that's why we've got proposals to open a new treatment centre for young women. I think that's where the problem is most acute and where we've got to give priority.

Question: Mr Patten, how would you co-operate with the preparatory working committee which is going to be established next year. Would you set any guidelines for the civil servants to follow?

Governor: I've said on a number of previous outings such as this and in individual interviews that we want to have discussions with Chinese officials about the ways in which we can best co-operate, not only with the Preparatory Committee, but also with the Chief Executive Designate and her or his team later in the year. I think everybody recognises that co-operation with the team designate will necessarily be at an even more intense and comprehensive level than with the Preparatory Committee. But those are matters that I'd like to discuss first or see discussed with Chinese officials. I'm sure that the co-operation will be as successful as it's proving to be on the Budget and on financial issues at the moment.

Question: Will there be any meetings between the new Foreign Secretary meet...

Governor: Well, as you know Vice-Premier Qian has accepted the invitation to go to the United Kingdom in the autumn after the UN General Assembly. The new Foreign Secretary who I imagine will be announced today will, I am sure, regard that as one of his most important autumn meetings and one of his priorities and that's one reason why I'm hoping that I'll be able to fly back to London for a couple of days in about 10 days or a fortnight's time to brief the new Foreign Secretary and any new ministers or officials about Hong Kong and to see any other new ministers who have responsibilities which touch on Hong Kong as well.

Question: What message will you bring to the new Foreign Secretary...

Governor: The message I'll have is that we've still got a robust economy, that we've got some problems with unemployment and consumer confidence which we need to address. I'll also say to him that we've recently made better progress with, for example, the good deal on the Court of Final Appeal and with the agreement on the airport and the franchises. But there remains a lot of work to do on issues like right of abode and adaptation of laws and we should do everything possible to make progress in those areas. I think what's required is for Chinese officials to be as co-operative as possible so that we can enjoy progress in those areas just as we've enjoyed progress for the last month in others. I'll also say that I think the Chief Secretary's visit to Peking and the courtesy and cordiality with which she was received were an important sign and that she is much reassured by what was said to her by Qian Qichen and by Director Lu about their commitment to a successful and peaceful and stable transition and in particular by what they said about the importance of Hong Kong's civil service to the success of the community.

Question: There's been a report today that Chinese officials prefer to deal with Anson Chan rather than you...

Governor: I saw that report. There was a report attributed to a Chinese official. I thought it was slightly curious because we used to hear remarks from the New China News Agency about three-legged stools. But this remark seems to suggest that now the NCNA were very keen to deal with local officials. But let me put the point in context. I appointed Anson Chan as Chief Secretary because I believe strongly that she was the best person for the job. I've seen her working at close hand and I think she's an outstanding civil servant. She's the senior member of my team. We work very closely indeed. We see eye to eye on the issues on Hong Kong's agenda and when earlier in the year, it seemed that Director Lu and other Chinese officials would still have some difficulties in meeting the Governor of Hong Kong for reasons which I think are curious but nevertheless which affect their political behaviour, I suggested that if they have difficulties meeting the Governor of Hong Kong then they should meet the Chief Secretary. So I'm delighted that they do that and I hope that she has further successful visits. I hope that they come to Hong Kong and meet the Chief Secretary and our officials, our senior officials and I can assure you that as Governor of Hong Kong between now and the June 30, 1997, that will have my full support and of course Anson Chan and I will continue to see eye to eye on the sort of issues that she may be discussing with senior Chinese officials.

Question: Why was there such secrecy surrounding it?

Governor: I don't think there was so much secrecy around the visit. After all, as soon as Anson Chan got back from Peking she told you all and the community that's she been and what had happened and what had been discussed. But as you know when earlier in the year, it wasn't possible for a variety of reasons which we much regretted for Director Lu and Anson to meet. There was a certain amount of controversy. We thought in the light of that in order to break the ice and to get things moving in a sensible direction, perhaps it would help on the first outing as it were if it was done confidentially. But the usual Hong Kong vocabulary about "secret deals" is not appropriate in this case nor in most others.

Question: (inaudible)

Governor: I don't see my role reducing. But those of you who have been around for longer will know that for about 18 months I've said this increasingly as we got closer to 1997 I'll be wanting to take more of a back seat partly because I'll be bringing on my senior officials and partly because I wouldn't be here after 1997 but I hope that most of them would be and that it was appropriate to delegate to them as much as possible while of course having to take responsibility for what's done in the name of the Government of Hong Kong and occasionally having to act perhaps as a buffer or to attract some of the flak in order that others can get on with the job of running Hong Kong as successfully as possible. But I think those of you who have been here for sometime will concede that it's a point that I've been making for well over a year.

Question: What about the ... of CT9? When will it be resolved?

Governor: As far as we are concerned, its not a knot that we have tied. But the sooner it can be solved the better because we need to develop our port in order to ensure that our economy can go on expanding. It's one of a number of issues that I'd like to see resolved sooner rather than later.

Question: Do you have any proposals to solve the CT9 problem?

Governor: We've got a perfectly sensible proposal on the table but obviously we keep the question of the development of the port under regular review.

Question: ... on the election?

Governor: I gave one this morning. Do you want another? Mr Major doesn't need support from Hong Kong in ensuring that he gets the support that he deserves. But to answer your question, I'm pleased about the result. Mr Major's made rather a habit over the years of confounding his critics and handsomely winning contests which many have predicted he wouldn't be able to win. I think it's good news for Hong Kong because it will ensure that people can get back to the business of government rather than being distracted by this sort of thing. I hope it will ensure that the government is as effective and authoritative as possible and up to the next election and then the voters of the United Kingdom will have to decide about the next few years. So I think it's good news for Hong Kong and good news for Britain.

Question: Did you canvass for him?

Governor: No.

Question: Did you ring MPs...

Governor: I have spoken to one or two of my friends in the United Kingdom over the last week but then I have over every weeks since 1992. One of the advantages of telephone is that you can go on keeping in touch with people you know. But Mr Major didn't require a canvasser in Hong Kong, nor would I have thought it an appropriate role for the Governor of Hong Kong. So the suggestion's to the contrary. I'm happy to knock over the sight screen as Mr Major might say.

Question: Did you suggest to your friends that they should vote for Mr Major?

Governor: My friends aren't that sort of people who would need anybody to suggest that to them because they would know what's the sensible thing to do.

Question: You said you will visit London, when?

Governor: I said that I hope I'll be able to make a visit in about 10 days to a fortnight. But it would obviously depend on the new Foreign Secretary's diary. It will be a very rapid visit. I'll just go for a couple of days to see the new Foreign Secretary and any other new ministers and it may be that the Prime Minister's diary allows him to see me as well.

End/Wednesday, July 5, 1995

Transcript of the Governor's media session

* * * * *

The following is a transcript of the media session by the Governor, the Rt Hon Christopher Patten, after recording a music programme in RTHK today (Wednesday):

Question: Can you comment on John Major's victory last night?

Governor: I am naturally pleased. I think it's cleared the air. It's a very brave decision on his part. And I think it's good news for Hong Kong, it enables the Government to get back to work, having re-established the authority of the Prime Minister until the next election. So I think it's a good result for the Prime Minister and a good result for all those of us who are concerned about the effectiveness of the government in London.

Question: What do you make a report that you are being marginalised by Beijing?

Governor: I think it's a ridiculous report. We have an extremely good Chief Secretary. She and I see eye to eye as you know on every issue. I am delighted that she's been able to make contacts so successfully with Vice-Premier Qian Qichen and Director Lu. They treated her with great courtesy and civility as one would have expected. I think they were able to give her a good deal of reassurance about the civil service and about Hong Kong which was very welcome. I think there was nothing but good in the visit. I hope that Anson is able to make many similar visits over the coming years.

Question: And for this JLG, what do you think that ... outcome can be concluded after Anson's visit?

Governor: I don't think that Anson's visit will have a great impact on the JLG meeting as I was saying last week, despite the very welcome progress that we've made in the last few weeks - the airport agreement, the franchise and of course the agreement on the Court of Final Appeal - despite that and the improvement in the atmosphere which I think Anson's visit is an example of, I don't think we'll see a great harvest at this JLG meeting because there hasn't been the progress in some of the expert groups that would be necessary in order to get a lot of decisions out of the JLG. So I hope we'll make some progress. I hope we'll get some successful agreements. But by and large, I think what we are looking for is a definite improvement, I hope, in the atmosphere and in the tone of the JLG leading to more agreements in coming months with Chinese officials coming more readily to the table to reach agreement with us.

Question: Could you address the point that the Beijing administration can deal directly with Anson Chan and bypass you?

Governor: In directly talking to the Chief Secretary, anyone is talking to me as well. I am the Governor of Hong Kong and will be until June 30, 1997. Anson Chan, I might chose of course to be Hong Kong's first local Chief Secretary is my closest colleague and adviser and we work as a team. We have worked as a team and we'll continue to work as a team. I am not surprised by the high esteem in which Anson is held in the community and overseas because she does an outstanding job and is a great and eloquent champion of Hong Kong.

Question: How can her visit enable your visit in the near future to Peking?

Governor: Well, I think the case for direct contacts between me and between Chinese officials is as strong as it ever has been. I don't think it's changed at all. But you'll remember that when there seemed to be some continuing difficulty, let me put it as diplomatically as that, with Director Lu seeing me earlier in the year despite the commitments that have been made in the past, in past agreements, when that looked as that was going to be difficult, I suggested that if he didn't want to meet me he should meet Anson Chan. I am delighted that he's done that. And obviously it was at some personal inconvenience because he came out of hospital in order to meet Anson and then had to go back again. I am sure that everyone in Hong Kong will join me as join Anson Chan in wishing him a speedy and full recovery. Thank you very much.

End/Wednesday, July 5, 1995

Governor visits Drug Addiction Treatment Centre

* * * * *

The Governor, the Rt Hon Christopher Patten, today (Wednesday) visited the Hei Ling Chau Drug Addiction Treatment Centre (HLTC) to see for himself the drug treatment programme and operation of the Centre.

This is the fifth in a series of visits to agencies contributing to the reduction of drug abuse following the summit meeting chaired by the Governor in March.

Accompanied by the Commissioner of Correctional Services, Mr Raymond Lai; the Assistant Commissioner of Correctional Services (Operation), Mr Charles Tsung; and the acting Commissioner for Narcotics, Mrs Sarah Kwok, the Governor toured round the HLTC's main Centre and its annex.

He first visited the main Centre's hospital where adult inmates were being treated. He then visited laboratory, dormitory, and saw some industrial products made by inmates.

The Governor then proceeded to the Centre's annex where young inmates were accommodated. There he saw young inmates receiving physical training after detoxification. Young inmates were playing table tennis inside the indoor gymnasium while some were attending a drill session at the upper assembly yard.

He also visited the annex's book-binding workshop, kitchen and dining hall where young inmates were at work. He also met the Centre's clinical psychologist who briefed him on the counselling services given to the inmates.

The HLTC came to operation since April 1975. The main Centre provides an accommodation for 784 adult inmates. In order to cope with the upsurge of young inmate population, the Nei Kwu Chau Detention Centre which was located at the eastern side of the island, formerly housing Vietnamese migrants, was being converted last April into an annex to the treatment centre for 180 young inmates.

End/Wednesday, July 5, 1995

Airport Railway Financial Support Agreement signed

* * * * *

The Financial Support Agreement (FSA) for the Airport Railway will provide the detailed assurance of Government's support required for the Mass Transit Railway Corporation (MTRC) to complete the project through commercial borrowings, the Secretary for the Treasury, Mr K C Kwong, said today (Wednesday).

Mr Kwong was speaking at a ceremony held this morning to mark the signing of the FSA for the Airport Railway. The FSA was signed by Mr Kwong and the Chairman of the MTRC, Mr Jack C K So.

"The Corporation has enjoyed tremendous success in the financial markets over the years and I have no doubt that with this Agreement it will secure financing for the project on very favourable terms.

"I wish to reconfirm Government's commitment to support the Corporation in all its endeavours to complete the Airport Railway in a timely and cost-effective manner by mid-1998," said Mr Kwong.

Mr So said with the FSA now firmly in place, the MTRC would immediately commence a major financing programme which would include a variety of funding instruments in Hong Kong as well as other financial markets.

"Based on the Corporation's past record and credit ratings, we have full confidence that the programme will be successfully completed on time to provide the necessary funding," he said.

Mr So said the MTRC was making excellent progress with the construction of the Airport Railway.

"All major civil engineering contracts and most of the electrical and mechanical contracts for the building of the 34-kilometre railway to the new airport as well as the new town in Tung Chung have been awarded. Construction is under way at all the sites.

"The new railway is currently programmed to open for passenger service by June 1998. However, the Corporation will continue to work towards an earlier opening of the railway as far as possible," said Mr So.

End/Wednesday, July 5, 1995

Rambler Channel Bridge achieves major milestone

* * * * *

Construction of the main spans of the Route 3 Rambler Channel Bridge will be completed this month making it the first bridge under the Airport Core Programme (ACP) to be completed.

This significant milestone will be reached two months ahead of schedule and just over a year after construction of the bridge deck began.

The 0.5 kilometre long bridge spans the busy marine channel between Tsing Yi Island and Kwai Chung and is part of the ACP's Route 3 project.

"The speed at which the work has been completed is remarkable and was made possible by the use of an innovative method of bridge construction introduced to Hong Kong by the lead contractor on the project, Dragages et Travaux Publics," said the Chief Engineer of the Route 3 project, Mr Duncan Siu.

Apart from the smaller Rambler Channel Bridge, two other much larger ones are being built under the ACP. They are the 2.2 kilometres long Tsing Ma suspension bridge and the 820 metres long Kap Shui Mun cable-stayed bridge.

Mr Siu said the last pair of the 312 precast concrete segments, which form the bridge deck spanning across the Rambler Channel, will be positioned this week. Then all that remains to be done to finish the bridge deck is to complete the side spans on the Tsing Yi side and this is scheduled to take place next month.

He said the concrete segments were erected by a special piece of lifting equipment known as a launching girder which allowed the contractor to erect up to 60 metres of bridge deck in a week, considerably faster than other more conventional methods of bridge building.

The use of a launching girder to build bridges is a relatively new technique for Hong Kong used only once before on the Kwun Tong Bypass project.

Not only did the equipment help to reduce the construction period but it also enabled the bridge deck segments to be erected without the need to build temporary supports from the channel thus eliminating the need to close off sections of the Rambler Channel.

"Apart from the speed factor, this was a major advantage of using a launching girder as this meant that there would be no disruption to road and marine traffic during the construction period," Mr Siu said.

The segments were erected progressively outwards from each pier and joined together by high tensile steel tendons with epoxy glue placed between adjoining segments.

Construction of the Rambler Channel Bridge is being done by the Dragages-BSG-Penta Joint Venture, under a \$670 million contract awarded by the Highways Department in June 1993.

The contract is on schedule for completion by mid-1996.

Apart from the bridge, the Tsing Yi and Kwai Chung section of Route 3 that is part of the ACP also consists of a tunnel running through Tsing Yi Island and a viaduct through Kwai Chung. The project is now 53 per cent complete.

Work on the other ACP bridges which forms the Lantau Fixed Crossing is also progressing rapidly. Construction of the deck unit of the Tsing Ma Bridge is set to begin later this month and four segments of the Kap Shui Mun Bridge main span have been erected since the first lifting on May 30. Work on the Lantau Fixed Crossing is 66 per cent complete.

End/Wednesday, July 5, 1995

Progress of review of social welfare subvention system

* * * * *

More than 210 representatives from 110 non-governmental organisations (NGOs) attended a conference today (Wednesday) to learn about the progress of a current review of the social welfare subvention system.

Addressing the conference held at the Duke of Windsor Social Service Building, the Director of Social Welfare, Mr Ian Strachan, said it was a strong indication of NGOs' concern and support in this study.

The Social Welfare Department (SWD) has awarded \$6.4 million to a management consultancy firm in March this year to review the existing social welfare subvention administration.

The review, expected to be completed in 18 months, is conducted with a view to streamlining and simplifying the current subvention process and shifting emphasis of control from input of subvention to output of service delivery.

"This conference which is the culmination of Phase A of the review is to enable the consultants to brief NGOs on their findings during the past four months and to explain their vision about our future subvention system.

"It is also a springboard to set in motion a consultation process which will last six weeks to collect feedback from NGOs on the consultants' framework proposals," Mr Strachan said.

At the conference today, representatives were briefed on the framework proposals by the consultants including the introduction of formal funding and service arrangements between the SWD and NGO administrators, the development of a simplified funding process to underpin the system, and the establishment of a set of performance measures covering both quantitative and qualitative outputs.

Mr Strachan assured the representatives attending the conference that the Administration had not taken any decision on these proposals and would like to hear the views of the social welfare sector first, particularly on the various funding options identified by the consultants.

"During Phase B, the consultants will have to conduct further evaluation of these options, having regard to the feedback received, but no matter what consensus we finally reach on the preferred funding solution, I am confident that it will represent a considerable improvement on the current arrangements," he added.

End/Wednesday, July 5, 1995

Applications invited for Language Fund

* * * * *

Organisations, individuals and schools wishing to undertake projects or activities to improve language standards in Hong Kong are invited to apply for the Language Fund.

The Language Fund was set up in May 1994. It is a trust fund held under the Director of Education Incorporation Ordinance with an initial allocation of \$300 million.

The main objective of the Fund is to support proposals and initiatives which will raise the standards in Chinese (including Putonghua) and English, enhance existing efforts and meet temporary shortfalls in language teaching resources. In addition, the Language Fund will encourage research into problem areas and initiation of new approaches.

A spokesman for the Language Fund Secretariat said: "This is the second call for the 1994/95 application. Starting from 1996, applications will be only called for once a year."

Projects to be funded should be able to:

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

Applications can be made either on an individual or institutional basis using standard forms which will be available for collection on Friday (July 7) from the General Enquiries Section of the Education Department, 15th floor, Wu Chung House, 213 Queen's Road East, Wan Chai, as well as the Language Fund Secretariat in Room 1141 on the 11th floor of the same building.

Enquiries should be made to the Language Fund Secretariat at 2892 5772 or 2892 6642.

Completed application forms should be returned on or before September 30, 1995.

End/Wednesday, July 5, 1995

Commercial Subject Project Competition and Exhibition - 1995

* * * * *

The Assistant Director of Education Department (Chief Inspector of Schools), Mr Ho Che-leung, tomorrow (Thursday) will officiate at the prize-presentation ceremony and the opening ceremony of the Commercial Subject Project Competition and Exhibition - 1995 at the Hong Kong Teachers' Centre.

The competition aims at arousing the interest of students between Secondary 4 to 7 in various commercial activities and encouraging them to explore the fascinating features which have significant impacts on people's daily lives.

The theme of this year's competition is "Business in Hong Kong - its developments and ethics".

A total of 99 entries from 31 secondary schools took part in the competition. Participants explored the recent developments and the ethical issues related to the various business activities in Hong Kong.

The Commercial Subject Project Competition is sponsored by Group Sense Ltd. Its chairman, Mr Tam Wai-ho, will also officiate at the ceremony.

The competition is divided into three groups and the winners are as follows:

Group 1: Information Technology and Communication

- 1st Prize Belilios Public School
- 2nd Prize Pok Oi Hospital Chan Kai Memorial College
- 3rd Prize CCC Rotary Prevocational School

Group 2: Aids to Trade

- 1st Prize Marden Foundation Caritas Prevocational School
- 2nd Prize Buddhist Ho Nam Kam Prevocational School
- 3rd Prize TWGHs Wong Fut Nam College

Group 3: Free Choice

- 1st Prize Ho Tung Technical School for Girls
- 2nd Prize Buddhist Ho Nam Kam Prevocational School
- 3rd Prize CCC Rotary Prevocational School

Attention News Editors:

Your representatives are invited to cover the prize-presentation ceremony and the opening ceremony of the Commercial Subject Project Competition and Exhibition - 1995 at 3 pm tomorrow at the Display Room, ground floor, Hong Kong Teachers' Centre, 4 Pak Fuk Road, North Point.

End/Wednesday, July 5, 1995

Three Kowloon lots to let

* * * * *

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

All three lots, each has an area of 1.96 hectares, are located at the Reclamation Area on Stonecutters Island for open storage of containers.

The tenancies of the lots will be for two years, renewable quarterly.

Closing date for submission of tenders for all lots are at noon on July 14.

Tender forms, tender notice and conditions may be obtained from the District Lands Office, Kwai Tsing, the District Lands Offices, Kowloon, 10th floor, Yau Ma Tei Car Park Building, 250 Shanghai Street, Kowloon and the Lands Department, 14th floor, Murray Building, Garden Road.

Tender plans can also be inspected at these offices.

End/Wednesday, July 5, 1995.

Hong Kong Monetary Authority money market operations

* * * * *

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	2,040	0930	+480
Closing balance in the account	1,871	1000	+480
Change attributable to :		1100	+476
Money market activity	+476	1200	+476
LAF today	-645	1500	+476
		1600	+476

LAF rate 4.25% bid/6.25% offer TWI 118.3 *+0.0* 5.7.95

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.32	2 years	2705	6.40	100.99	5.91
1 month	5.38	3 years	3804	6.90	102.00	6.20
3 months	5.40	5 years	5006	6.60	99.29	6.88
6 months	5.52	5 years	M501	7.90	102.67	7.37
12 months	5.61					

Total turnover of EF bills and notes - \$13,937 million

Closed July 5, 1995

End/Wednesday, July 5, 1995



DAILY INFORMATION BULLETIN

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

SUPPLEMENT

Wednesday, July 5, 1995

Contents

Page No.

Legislative Council meeting :

Permanent residency and the right of abode	1
Freezing of fees and charges of government services	3
Official Languages (Amendment) Bill: committee stage	9
Wider use of Chinese in courts welcomed	10
Supreme Court (Amendment) Bill 1995	11
AG urges support for Supreme Court Bill	14
Occupational Retirement Schemes (Amendment) Bill 1995	16
Occupational Retirement Schemes (Amendment) Bill: committee stage ...	18
Occupational Retirement Schemes (Amendment) Bill: new clauses	20
Inland Revenue (Amendment) Bill: second reading	21
Inland Revenue (Amendment) Bill: committee stage (Clauses 1 and 2)	22
Inland Revenue (Amendment) Bill: committee stage (new clause)	24

/Professional Accountants

<u>Contents</u>	<u>Page No.</u>
Professional Accountants (Amendment) Bill	25
Supplementary Appropriation (1994-95) Bill 1995	28
Companies (Amendment) (No. 2) Bill	29
Education for children from China	30
Maintenance of public housing estates	32
Sub-standard housing estates	33
Lam Tin Woman Health Centre	35
Compensation for widow of shootout victim	36
Non-local workers in Hong Kong	37
Obligations under declaration for Asian women	47
Water seepage in public housing estates	50
University engineering graduates	52
Community development	53
Measures to tackle flooding problem	55
Sewerage facilities for beaches	56

/Pension payable

<u>Contents</u>	<u>Page No.</u>
Pension payable to civil servants	60
Home Ownership Scheme	61
Reimbursement of charges for dental services	63
Retirement benefits of academic staff	65
Dental service for civil servants	66
Publicity campaign to prevent chemical leakage incidents	67
Power to obtain information from IRD	69
Traffic congestion at Au Tau Roundabout	70

Permanent residency and the right of abode

* * * * *

Following is the speech by the Secretary for Security, Mr Peter Lai, in the motion debate on permanent residency and right of abode in the Legislative Council today (Wednesday):

Mr President,

Having listen carefully to the Honourable Members' speeches on this debate, my impression is that all, or nearly all, would agree with the Honourable James To's Motion. The Administration also share the sentiment of this Motion.

Permanent resident status which carries with it the right of abode in Hong Kong has been the focus of public attention for some time. This is understandable. As the Basic Law defines permanent resident on a different basis from that of the current law, it is natural that Hong Kong people want to know how they are affected, and what will their future status be. There is, therefore, a real need for the discussions between the British and the Chinese sides to be concluded early and to make known any agreement to Hong Kong residents. We share Members' view that a clear picture of the way ahead on this matter will reinforce confidence in Hong Kong.

For the majority of Hong Kong people who are Chinese nationals with no other nationality status except the BDTC/BN(O) status, their position is clear. Under Basic Law Article 24, they will continue to be permanent residents of Hong Kong after 1997. Discussions with the Chinese side have also helped us to be clearer about the criteria for children of Hong Kong permanent residents who are of Chinese nationality, to have right of abode in Hong Kong after 1997. As a result, we are now able to phase in the entry of these children into Hong Kong over a period of a few years. For the ethnic minorities who have no right of abode elsewhere, the Basic Law has clearly provided for their continued right of abode after 1997.

As far as non-Chinese nationals are concerned, the Basic Law provides that they will have the right of abode in Hong Kong if they have entered Hong Kong with valid travel documents, have resided in Hong Kong for a continuous period of seven years, and have taken Hong Kong as their place of permanent residence. The precise application of this provision is the main issue under current discussion in the Joint Liaison Group.

Amongst the non-Chinese nationals who were former residents in Hong Kong or who are residing in Hong Kong now, a substantial number is currently Hong Kong permanent residents who have emigrated to foreign countries and have acquired foreign nationality. This group, in particular those who have returned to settle or work in Hong Kong once again, will understandably wish to retain as much existing rights as possible. We understand their concerns, and those of other non-Chinese nationals who are long-term residents of Hong Kong. We are discussing with the Chinese side how to resolve these issues, and how to align the right of abode provisions in the Immigration Ordinance with Article 24 of the Basic Law. I am afraid that I cannot reveal more of the current discussions under the confidentiality rule of the JLG discussions. But I can assure Honourable Members that every effort is being made in the discussions to seek the best deal for Hong Kong and to bring about an early resolution.

In the course of this debate, some Members referred to the suggestion mentioned by some Chinese officials and PWC members of using 1 July 1997 as a cut-off date for returned emigrants to retain their right of abode in Hong Kong, and to have non-Chinese nationals' intention to take Hong Kong as their place of permanent residence assessed by 'objective criteria'. I believe those senior Chinese officials have made it clear that the Chinese side were prepared to listen to views and suggestions on them. We, on our part, will have to consider very thoroughly about the effects of such a proposition on different kinds of persons, and the practical implications. These are hugely complex issues, and must be given very careful study.

Mr President, it is not only important to have an early resolution of these issues. It is equally important that the resolution is beneficial to the community, and is beneficial to Hong Kong in the long term. It is our objective to achieve such an agreement in the Joint Liaison Group, and to make it clear to all Hong Kong residents their position regarding right of abode in the Hong Kong SAR as early as possible before 1997. I look forward to progress being made in this very important area.

Mr President, the Administration support the Motion.

End/Wednesday, July 5, 1995

Freezing of fees and charges of government services

* * * * *

Following is the speech by the Secretary for the Treasury, Mr K C Kwong, in the motion debate on freezing of fees and charges of government services in the Legislative Council today (Wednesday):

Mr President,

This motion may be popular, but is it wise? I would urge Members to consider very carefully whether this motion constitutes sensible policy making. I would argue strongly that it does not merit Members' support.

Mr President, it would do a disservice to those who are unemployed, and to everyone affected by inflation, to give them the impression that the freezing of fees etc is an answer to their problems. Not only is it no answer at all, but perhaps more importantly, some vital principles are put under serious threat by the thinking behind this motion. Maintenance of those principles is vital to all Hong Kong citizens, whether they be in work or temporarily out of it; whether they live in public housing or elsewhere; whether they catch the train or the bus. That is why the Official Members today will oppose all the amendments, and the motion itself in whatever final form it takes. And that is why I urge all other Members of this Council to do the same. Let me explain.

Unemployment

I will deal first with the subject of unemployment. The present rate of about 3% is low by world standards but higher than the Hong Kong community has been used to in recent years. The Government is keenly aware of the community concern this has aroused.

Although the increase in unemployment is a very recent development, we have already taken some steps to try to ameliorate the situation. Honourable Members will hardly need reminding of the two recent motion debates on labour policy and the unemployment situation on 3 May and 7 June respectively. I would not wish to repeat the details that have been covered by my colleague the Secretary for Education and Manpower on those occasions. I just wish to make the point that the Administration fully appreciates that unemployment is a complex and important problem. In addressing this issue, however, we must focus our efforts in finding the right solutions that will work and be able to create long term employment in Hong Kong.

Following the Governor's Summit on the Labour Situation on 6 June, the Administration has announced a comprehensive plan of short, medium and long term measures to tackle unemployment, ranging from retraining, job placement, cracking down on illegal employment, a household survey to obtain more detailed information on the profile of the unemployed and job vacancies, to review of the General Labour Importation Scheme, etc. The Secretary for Education and Manpower has also explained, while responding to Hon Fred Li's motion on 7 June, what would be done to solve the livelihood problems of workers during periods of unemployment. These measures are direct, focused and, we hope, effective.

Inflation

I turn next to inflation. At about 9% this is thankfully below the peak in recent years of 12% reached in 1991, but still uncomfortably high. In order to address the problem correctly, we must first identify the causes. After all, as the Chinese saying goes " 對症下藥 ". We cannot hope to make the right prescription unless we have diagnosed the illness accurately.

There is a significant structural component to our present inflation caused by the ongoing transformation of our economy. The Government's best contribution to easing the pains of this process is to ensure that our infrastructure - both human and physical - is adapted as quickly as possible to meeting the new demands and challenges as they emerge. The substantial investments that we have made and are making in education, vocational training and re-training are bearing fruit. The equally substantial investments in physical infrastructure - most notably the new airport - continue to target the economic bottlenecks and eliminate them. We have introduced measures to stabilise the property market and curb speculative pressures on property prices with some degree of success: property prices and rentals have moderated from their peak levels last year. Our on-going measures to increase land supply and expedite flat production to match the continuing demand for flats will help to restrain the rise in flat prices and rentals in the longer term. We shall of course maintain our prudent budgetary policies and ensure that public spending does not increase faster than the growth of our economy, although this has drawn criticism from some Honourable Members for being too conservative. All this is a slow process, with lead times that can be frustrating. But we must persevere with these measures, not snatch at short term palliatives. We are convinced that, in the long term, enhancement of productivity, both in terms of labour and capital, is the most effective means of promoting growth and containing inflation.

Turning now to the meat of the debate this afternoon, I should like to set the scene by reminding Members of some home truths about public finances. The state of Hong Kong's public finances are the envy of the world. We have no outstanding public debt. We have substantial fiscal reserves to provide a cushion for unforeseen circumstances. Year after year we produce budgets that keep taxes low and spending under control. Visiting delegations from the International Monetary Fund, the World Bank and the major credit rating agencies come to check up on us, then go away satisfied with our sound and prudent fiscal stance. There is, of course, room for improvement but by and large we are an example to the world in how responsible governments should manage their financial affairs.

Yet this admirable state did not arise by accident. We did not get where we are today by chance. Our present success springs directly from the fact that we have identified certain key fiscal principles, and applied them steadfastly, not allowing ourselves to be blown off course. We in the Administration take great pride in our part in the process: but the Members of this Council also deserve a generous measure of praise for the full support they have given. For example, in the Public Accounts Committee, Members have expended great energies in keeping us up to the mark. Together we have generally eschewed short term political advantage for the sake of the community's long term interest.

What a tragedy it would be, Mr President, what a tragedy, if we were to now throw away the benefits of several decades of hard work for the sake of a few days' headlines. A few moments of pleasure bought at the expense of a lifetime's reputation. We would rue that day not just for ourselves, but for generations to come.

How do these principles apply to the debate today? Very simply. One of our guidelines - by no means the most important, but one element in the overall package - is that when setting the fee or charge for a particular service, we should aim to recover the full cost. There are a few exceptions: a small number of fees are tax-loaded to raise revenue; a small number (such as for education or medical services) are heavily subsidised on social grounds. But for the vast majority, the rule is "user-pays". This simple maxim is an excellent aid to fiscal prudence.

It is perhaps ironical that in defending the increases in Urban Council licence fees, the Honourable Fred Li has in effect expressed support for this "user-pays" principle. Just think what would happen if we divorced the price from the service. Once the link were broken, it would be difficult to justify any increase in the price - ever. There would be no rational basis for doing so. On the other hand, demands to improve the service would proliferate because there would be no penalty for the user. So the user-pays principle is useful because it forces both the Government and the customer to have regard to both sides of the equation.

There is one other factor: it is an enduring myth among some commentators that keeping fees and charges low somehow reduces the cost of providing the services. Of course it does no such thing: it simply transfers part of the burden of paying for the service to the general taxpayer. Our social services are predicated on the assumption that persons in genuine need should be identified and helped. They are not predicated on the basis that the best way to ameliorate social need is to provide an across the board subsidy for all.

One final point: freezing all Government fees and charges for one year would hold down CPI(A) by less than 0.1%. It is not a drop in the bucket, it is a drop in the ocean. Moreover the increases would not be removed, merely delayed by a year. Once the honeymoon was over, the accumulated shortfall would have to be made good.

Mr President, some Members have made reference to the nine-month moratorium on revision of Government fees and charges in 1991-92. I must say the circumstances in mid 1991 when the moratorium was introduced were rather different. At that time, the inflation rate was well into double-digits with the increase in CPI(A) hitting 13.9% in April 1991. There was widespread public concern, and fears that the situation was getting out of control. The moratorium was announced by the Financial Secretary as one of a package of inflation curbing measures. An important element of that was for the Government to take the lead and to change the mind-set that inflation was inexorable. With hindsight, we were perhaps not wholly wise in acting as we did. Be that as it may, I have already explained what the Government has done and is now doing to fight inflation. I have no doubt that our current measures are more appropriate having regard to present day circumstances.

Public housing rentals

Let me turn next to the question of public housing rentals. In fixing and reviewing domestic rental levels, the Housing Authority's prime concern is affordability. It also takes into account estate value, inflation, and its own financial position. In accordance with this policy, the Authority has approved an increase in rentals for one group of 87 estates with effect from 1 September 1995. The new rentals will represent an increase of about 8.4% a year since the last increase in September 1993. Similar reviews will be carried out progressively for other groups of estates throughout the territory. The present median ratio of rent to household income for all public rental housing is a modest 8%.

I would be initiating another motion debate if I were to go into the rationale behind the Housing Authority's rental policies. I must leave that to my colleague the Secretary for Housing for another suitable occasion. I shall concentrate here on whether there is a case for a temporary freeze in rent for one year as called for in the present motion.

The Financial Secretary, in his speech to this Council on 29 May 1991, expressed his confidence that the Authority would consider carefully the inflationary impact of any new rent reviews which were to be considered during the course of that year. The Authority did and has continued to do so. The Authority estimates that the total effect of this year's rental adjustments on the CPI(A) will be only in the order of 0.32%. The average annual rental increase of 8.4% referred to earlier is also below the projected inflation rate for the year.

To freeze rents for individual groups of public housing estates would be unfair and discriminatory. To avoid any rent review for a full two-year cycle would have serious financial implications for the Housing Authority which already incurs a loss on management of public rental housing. It would also set a dangerous precedent. In any case, households which face genuine difficulties can apply for help under the Rent Assistance Scheme. That must be the right way: target those who need help and give them full measure. Do not fritter away the public wealth by a blanket subsidy.

Railway fares

The MTRC and KCRC reviewed their fares earlier this year and the current fares came into effect on 1 May. This was an annual exercise, and we do not expect that there will be another fare increase for the rail services for at least another 9 months.

At the last fare revision in May, MTRC and KCRC fares were increased by an overall average of 7.8% and 7.1% respectively, in either case well below the projected inflation rate for 1995. The increases only constitute a small component of the average household expenditure, and are expected to have minimal impact (less than 0.2%) on the Consumer Price Index CPI(A). Under the new fare schedules, there has been no increase in the concessionary fares for senior citizens, students and children for a number of fare zones. Also, special discounts for travelling before the morning peak hour have been maintained in the case of the KCR, and doubled in the case of the MTR.

The two Corporations are required by their governing Ordinances to operate in accordance with prudent commercial principles. To enable them to do so they are given autonomy in determining fares. The Corporations have to look at their revenues against operating costs and capital investments for service improvements before deciding whether and by how much their fares would need to be adjusted. Public acceptability of any such adjustments would also be taken into account.

The Corporations need to adjust their fares to ensure that their revenue is maintained in real terms. This enables the railway systems to grow to meet future needs. Artificially suppressing necessary fare adjustments over a period may result in the degeneration of the systems to the dissatisfaction of commuters. The Corporations would obviously have to consider carefully the long term financial implications of not adjusting their fares in any one year.

But what is most crucial is that we must leave that decision to the Corporations. Their autonomy in fare policy is vital to their commercial viability, including the ability to borrow at favourable rates to finance service improvements and expansion. The Secretary for Transport has explained at great length the philosophy behind preserving the Railway Corporations' fare autonomy at the motion debates initiated by Hon Lau Chin-shek on 12 January and 22 June 1994. The explanations are still valid. I am please to notice support from some Members for this philosophy. The Administration does not find it necessary or appropriate, even as a temporary measure, to interfere with the fare autonomy of the two Corporations. Just when the MTRC and PAA are about to borrow \$23 billion on the world's financial markets to complete the Airport Railway and the new Airport, what kind of message are we trying to send with a motion urging the Government to intervene and force the two Railway Corporations to act contrary to the prudent commercial principles which by law they must follow.

Rates

I do not propose to dwell overlong on the issue of rates. To freeze rates retrospectively from 1995-96 would cost us \$1.2 billion. If the moratorium were to continue in 1996-97, the total revenue foregone would amount to \$3 billion. This would seriously undermine rates as a fair and stable source of revenue. The effect on easing inflation would not be substantial as the increase in rates in 1995-96 will add no more than 0.1% to CPI(A). Moreover, let me remind Members that those living in public rental housing, who account for about 50% of our population, will not be directly affected by the rates increase. The immediate effect of the increase will be absorbed by the Housing Authority until rents come up for revision. There are thus sufficient relief measures to moderate the impact of rates increases on the less well off. Its effect on inflation is not significant. It would result in serious revenue foregone. It is neither necessary nor justified.

Conclusion

At this point I would like to pay tribute to those Members who have spoken up this afternoon for common sense. This is a quality with which the people of Hong Kong are well endowed. They will be well able to distinguish between those who show the false light of instant remedy, and those who show the courage that is the mark of true leadership. This motion has nothing whatever to do with unemployment and little if anything to do with inflation.

In conclusion, Mr President, I would say only this. There will be no functional constituency for fiscal prudence in the September elections, nor any candidate of that name. But that does not mean the cause is not worthy of Members votes today. On the contrary, it deserves the support of every Member of this chamber. I am sure it is a cause which on mature and sober reflection would attract the widest support from the community at large.

End/Wednesday, July 5, 1995

Official Languages (Amendment) Bill: committee stage

* * * * *

Following is the speech by the Chief Secretary, the Hon Anson Chan, at the committee stage of the Official Languages (Amendment) Bill 1995 in the Legislative Council today (Wednesday).

Mr President,

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

The amendments to Clauses 8 and 9 are technical in nature. They seek to provide the Chinese language counterparts to two prescribed forms in the Oaths and Declaration Ordinance (Cap. 11). These forms are used for the making of a statutory declaration by a person who is unfamiliar with the official language in which the declaration is made and by the responsible interpreter.

The amendment to Clause 13 seeks to clarify the proposed consequential amendments to section 65B(3)(c) of the Criminal Procedure Ordinance (Cap. 221) to make it clear that only a statement tendered in evidence which is not made in an official language will need a translation in an official language.

The amendment to Clause 15 clarifies that proceedings in Magistrates' Courts may be recorded by means of shorthand notes or by mechanical or other means, as an alternative to full minute writing.

Mr President, I beg to move.

End/Wednesday, July 5, 1995

Wider use of Chinese in courts welcomed

* * * * *

The Judiciary welcomes the passage of the Official Languages (Amendment) Bill 1995 in the Legislative Council today (Wednesday) as it is another step to enhance the wider use of Chinese in courts.

The Bill would provide the Chief Justice with the power to phase in the use of Chinese in court proceedings at different levels of Hong Kong courts.

A spokesman for the Judiciary said the wider use of Chinese in courts would provide an option to members of the public who felt that justice would be best served by the use of Chinese in their cases.

At present, either Chinese or English could be used in the scheduled courts which include the Magistrates' Courts, Coroner's Court, Juvenile Court, Immigration Tribunal, Small Claims Tribunal, Labour Tribunal, Municipal Services Appeals Board, Administrative Appeals Board and Minor Employment Claims Adjudication Board. In the District Court or above, proceedings could be conducted only in English with the assistance of court interpreters or translators.

The use of Chinese in courts would be a complex exercise.

"The Chief Justice will decide on the pace of the implementation having regard to the experience gained from a series of trial schemes which are due to start in August.

"Our aim is to put in place a framework which will allow the use of Chinese, along with English, in all judicial proceedings by July 1, 1997," the spokesman added.

As the implementation would be in phases, the spokesman reiterated that the present practice in which only English court documents would be accepted for filing in the District Court or above and all documents to be produced in courts must be translated into English and certified by official translators would continue.

"When the courts are ready to accept the filing and production of documents in Chinese, a public announcement will be duly made," the spokesman said.

End/Wednesday, July 5, 1995

Supreme Court (Amendment) Bill 1995

* * * * *

Following is the speech by the Attorney General, the Hon Jeremy Mathews, in moving the second reading of the Supreme Court (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I am most grateful to the Chairman of the Bills Committee, the Hon. Andrew Wong, and to Members of the Bills Committee for their study of this short but important Bill. The proposal to make solicitors who have practised as such in Hong Kong for 10 years eligible for direct appointment as Supreme Court judges would extend the pool of eligible candidates and would ensure that no suitable lawyer is excluded from consideration.

When considering the Bill, Members of the Bills Committee quite rightly asked whether this amendment could lead to the appointment of unsuitable persons and therefore asked for, and were supplied with, the criteria adopted by the Judicial Service Commission when considering the suitability of candidates. It is not for the Administration to comment on these criteria, since the Judicial Service Commission is an independent body. However, I understand that the disclosure of the criteria to the Bills Committee has reassured most Members of the Committee that inappropriate appointments are best avoided by considering the suitability of a candidate, rather than by imposing a narrow test of eligibility.

Mr President, I would agree with the observations of the Hon Simon Ip about bringing in the JSC into the debate on this Bill. I would simply add that the transparency of the Judicial Service Commission is of course regulated by the Judicial Service Commission Ordinance passed within the last seven years by this Council and which imposes an obligation on confidentiality.

Mr President, the debate this afternoon has focused crisply, sharply on advocacy experience. Could I Mr President deal with the assertion, suggestion that this Bill would create an anomaly, a serious anomaly. It is argued that a barrister would need to practise as an advocate for at least 10 years before being eligible for appointment. Whereas a solicitor would only need to practise as a solicitor for that period without necessarily having advocacy experience.

Mr President, I do not accept for one minute that such an anomaly would arise. I do not interpret the present provision relating to barristers as requiring 10 years' advocacy experience. Under the current law, a person who is qualified to practise as an advocate, which include a barrister, is eligible for appointment to the Supreme Court bench if he or she has for at least 10 years' practice as an advocate or a solicitor in certain jurisdictions.

In the context of that provision, I take the view that a person who practises as a barrister also practises as an advocate irrespective of whether he or she regularly appears in Court. If this were not the case, a solicitor with 10 years' experience as such but with no advocacy experience could become eligible for Supreme Court appointment by becoming a barrister. But a barrister with 10 years' experience as such but with no advocacy experience would not be eligible.

Mr President, you are going to have got it set it out like that to see that it simply cannot be right. I therefore take the view that the Bill if passed would not mean that solicitors can be eligible without advocacy experience but barristers cannot. However, I'm bound to point out, Mr President, that if the alleged anomaly would be a problem it could have been avoided by clarifying the eligibility criteria for barristers long ago. And the fact is that no one has sought to do that, rather suggesting to me that opponents of the Bill are not concerned with avoiding anomaly.

The Committee Stage Amendment

Perhaps I can say something, Mr President, about the Committee Stage Amendment that the Hon. Martin Lee will be moving later on this afternoon. The Bar Association has always opposed the amendment set out in the Bill and has argued that advocacy or judicial experience should be pre-requisites for appointment to the Supreme Court bench.

Mr President, you've heard from the Hon Simon Ip and others the detailed assessment of the Australian Government with which we fully agree. Perhaps I can just remind members of what that says, what the discussion paper says is this: there are many elements included within the term advocacy skills, including ability in oral communication and knowledge of the rules of evidence and practice and procedure. The paper concludes that "these elements of advocacy skills are not the exclusive skills of advocates These skills are generally relevant to the work of solicitors, academic lawyers, and government lawyers and are acquired by them in the course of their work".

The Administration accepts and agrees with those statements and does not accept the Bar's position. Advocacy experience is not, as I've explained, a current requirement for any judicial appointment in Hong Kong. And we know of no other Common Law jurisdiction where it is a requirement. There are many skills, as we heard this afternoon, many qualities that a judge requires, including the ability to administer legal processes efficiently and effectively, the right judicial temperament, and local knowledge. It would be wrong to single out advocacy experience and to make it a pre-requisite for appointment.

The amendment that would be moved later on this afternoon would limit the extension of the eligibility criteria set out in the Bill. It would also replace all existing criteria for appointment to the Supreme Court of persons other than District Court judges or magistrates.

At present there are several different categories of persons who are eligible for appointment to the Supreme Court. The Bill as currently drafted proposes to extend the pool of those who are eligible. The proposed Committee Stage amendment would involve the deletion of all categories of eligible persons (other than District judges and magistrates). Eligibility would then be restricted to barristers and solicitors qualified in Hong Kong, the United Kingdom or the Republic of Ireland who have for not less than 10 years -

"been engaged in work that would if undertaken in Hong Kong be similar to that usually undertaken by an advocate (whether barrister or solicitor) in the course of a regular practice as such advocate in the Supreme or District Court."

Mr President, the amendment to be moved later on has serious and wide-reaching implications for appointments to the Supreme Court bench, but these implications, I am afraid, do not appear to have been thought through by those proposing the amendment. When we get to Committee, I will be saying something more about what I would regard as the technical defects, the amendment. But suffice it to say that I am in full agreement with the sentiment expressed by the Hon Simon Ip and Miriam Lau and others this afternoon and would urge this Council to support the Bill in its unamended form and to reject the proposed amendment.

Mr President, it is crucial for the administration of justice and the rule of law in Hong Kong that experienced lawyers who are suitable for appointment to the Supreme Court should not be excluded from appointment by narrow eligibility requirements. The Bill will help to prevent this happening and I urge all Members to support it, unamended.

End/Wednesday, July 5, 1995

AG urges support for Supreme Court Bill

* * * * *

The Attorney General, the Hon Jeremy Mathews, today (Wednesday) urged Legislative Councillors to support the Supreme Court (Amendment) Bill 1995 which proposes to extend the pool of eligible candidates for appointment as Supreme Court judges. The Bill was passed today.

Speaking at the resumed second reading debate of the Bill in LegCo, Mr Mathews said the Bill, which proposed to make solicitors who had practised in Hong Kong for 10 years eligible for direct appointment as Supreme Court judges, would extend the pool of eligible candidates and ensure that no suitable lawyer was excluded from consideration.

He also urged Members to reject an amendment moved by the Hon Martin Lee, which was based on a Bar Association proposal arguing that advocacy or judicial experience should be pre-requisites for appointment to the Supreme Court bench.

He told legislators that the amendment would not only limit the extension of the eligibility criteria set out in the Bill, but it would also replace as existing criteria for appointment to the Supreme Court of persons other than District Court judges and magistrates.

Mr Mathews pointed out that advocacy experience was not a current requirement for any judicial appointment in Hong Kong, and there was no other common law jurisdiction where it was a requirement.

He referred to a discussion paper issued by the Australian Government which demonstrated that there are many elements included within the term "advocacy skills", including ability in oral communication and knowledge of the rules of evidence and practice and procedure.

"The paper concludes that 'these elements of advocacy skills are not the exclusive skills of advocates These skills are generally relevant to the work of solicitors, academic lawyers, and government lawyers and are acquired by them in the course of their work'," he said.

"There are many skills, as we heard this afternoon, and qualities that a judge requires, including the ability to administer legal processes efficiently and effectively, the right judicial temperament, and local knowledge. It would be wrong to single out advocacy experience and to make it a pre-requisite for appointment," he added.

He said the amendment moved by Mr Lee had serious and wide-reaching implications for appointments to the Supreme Court bench, and the Administration had identified the following problems:

- * Under the current law, lawyers who are qualified in a Commonwealth country other than the United Kingdom, Ireland or Hong Kong can become eligible for appointment to the Supreme Court, and there are several Supreme Court judges with such qualifications; under the Committee Stage Amendment persons with such qualifications could not become eligible.
- * The amendment could make it more difficult than at present to recruit judges for the Supreme Court.
- * The Committee Stage Amendment would make the eligibility criteria for appointment to the Supreme Court completely different from those for the District Court and magistracy.

The Attorney General said it was crucial for the administration of justice and the rule of law in Hong Kong that experienced lawyers who were suitable for appointment to the Supreme Court should not be excluded from appointment by narrow eligibility requirements.

"The Bill will help to prevent this happening and I urge all Members to support it," he said.

End/Wednesday, July 5, 1995

Occupational Retirement Schemes (Amendment) Bill 1995

* * * * *

Following is the speech by the Secretary for Financial Services, Mr Michael Cartland, at the resumption of the second reading debate of the Occupational Retirement Schemes (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I would like to thank the Bills Committee under the chairmanship of the Hon Marvin Cheung as well as its technical sub-group led by the Hon Peter Wong for their careful consideration of the bill. I would also like to express my appreciation to the professional and trade organisations for their valuable advice.

When introducing the Bill, I explained that we proposed to relax investment restrictions in mutual funds and in shares listed on emerging stock markets. Members have questioned the Administration's reasons for permitting investments in emerging stock markets, as they appeared to involve a higher investment risk than investments in established stock markets. I should point out that, under the present Occupational Retirement Schemes Ordinance, the Registrar has discretion to approve investments in companies not listed on the Hong Kong Stock Exchange or in emerging stock markets on application by fund managers. Moreover, we feel that it should not be the Registrar's role to act as an investment adviser to scheme administrators or trustees, since they already have a duty to perform in the best interests of their beneficiaries. A total ban on investment in emerging markets is therefore unnecessary. And we have accordingly proposed a limited relaxation of the investment restrictions.

To address the concern expressed by the Bills Committee that a scheme administrator could, whilst observing the 15 per cent investment restriction, avoid disclosure of investments in emerging stock markets to the consultative committee of a registered scheme, we have proposed that, where, in aggregate, investment in these markets constitutes five per cent or more of a scheme's assets, disclosure at the request of the consultative committee should be required.

As Members have pointed out, the Bill would no longer permit investments in the share capital of "non-listed" companies made before the commencement of the Ordinance, that is, 15th October 1993. This was not our intention. Committee Stage Amendments will be moved later today to clarify that such investments will be allowed and that the 15 per cent of the assets of the scheme which may be invested in shares of emerging stock markets is not in addition to any such investments made before 15th October 1993. However, the scheme's administrator will need the Registrar's permission before making investments that arise directly from entitlements attached to investments held before 15th October 1993. In granting permission the Registrar will have to be satisfied that the investments derive directly from previous entitlements and have become available in the normal course of business, and that the registered scheme would be disadvantaged if the investments were not made. The Registrar is also empowered to issue guidelines explaining what evidence or documentary material would be required to prove that the investments meet those criteria.

The Bill also proposes to impose a requirement to obtain the approval of the Registrar before making any changes to the particulars of a scheme, for instance, to the scheme's name, to the relevant employer of an exempted scheme or a registered scheme, or to the representative employer of a scheme of a group of companies. Members have questioned the need for such prior approval. Having considered the administrative difficulties which the relevant employer may face in seeking prior approval for such changes, we propose to replace the prior approval requirement with a notification requirement. I shall move Committee Stage amendments later today for this purpose and consequentially to adjust the level of penalties for defaults in complying with amended provisions.

Members have questioned whether section 67 of the Occupational Retirement Schemes Ordinance, which provides for the registration of schemes operated by a group of companies, has met its intended purpose. The original intention of section 67 was to permit a group of companies, each of which has a significant influence over each other, to nominate a representative employer to operate a common scheme. It would be undesirable to allow loosely connected parties to operate such a scheme as there would be no clearly binding influence operating amongst them. However, the Ordinance does not empower the Registrar to refuse an application from a relevant employer who does not fall within the relationship specified in section 67. To address this deficiency, we propose that the Ordinance be amended to reflect the policy intention that an occupational retirement scheme may be operated by two or more employers only if they fall within such a group relationship. Such a group could consist of a holding company, its subsidiaries and associated companies.

As an additional safeguard, we propose that, where the structure of a grouping of companies changes in such a way that a relevant employer in a scheme ceases to comply with the specified relationship requirement, it must withdraw from the scheme as soon as is reasonably practicable.

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

End/Wednesday, July 5, 1995

Occupational Retirement Schemes (Amendment) Bill: committee stage

* * * * *

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

Mr President,

I move that the clauses specified be amended as set out in the paper circulated to members.

Proposed sections 10(1)(d) and (e) as well as section 21A are amended, through clause 5(1) and clause 12, to provide that relevant employers operating exempted schemes and registered schemes shall notify the Registrar of a change to the name of the scheme and a change of the relevant employer within one month of the change. These amendments revise the requirement in the Bill for prior approval of the changes by the Registrar.

Similarly, proposed section 67(2) is amended, through clause 16(2), to provide that the representative employer of a scheme covering a group of companies shall notify the Registrar of a change of representative employer, of a change of the scheme's name and any change of the scheme's administrator within one month of the change.

Proposed sections 10(3) and (3AA), 21A(3) and (4), 67(3), (8A) and (8B) provide that, if the relevant employer of a registered scheme or an exempted scheme or the representative employer of a group scheme fails to notify the Registrar of the relevant changes, he commits an offence and is liable to a fine of \$2,000 for failure to give notice of the change of name of the scheme, and a fine of \$10,000 for failure to give notice of the change of relevant employer or administrator of the scheme.

Clause 17 amends section 73(1) to provide that the Registrar may make rules for details to be supplied on notice of changes to registered schemes, exempted schemes and pooling agreements.

Proposed section 27(1)(b) is amended, through clause 13, to clarify that investments may be made in mutual fund corporations. This will place investments in mutual funds on a par with investments in, say, unit trusts, for which there are no restrictions.

Proposed section 27(2)(c) is amended, through clause 13(2), to provide that, subject to a limitation of 15% of the assets of the scheme under the proposed subsection (3)(a), no asset of the scheme acquired on or after 15th October 1993 shall consist of investments in the share capital of a body corporate which share is not publicly listed on a stock exchange recognised by the Securities and Futures Commission. Proposed subsection 27(3)(a) further clarifies that the 15% of the assets of the scheme is not in addition to any investment of the same nature held before 15th October 1993.

Proposed section 27(3)(c) is added, through clause 13(3), to provide that the administrator shall have to obtain the Registrar's permission before making investments that derive directly from entitlements attached to investments held before 15th October 1993. He has to satisfy the Registrar that the investments derive directly from prior entitlements, have become available in the normal course of business, and that the registered scheme would be disadvantaged if the investments were not made. Proposed section 27(4) is added to enable the Registrar to issue guidelines explaining what evidence or documentary material would be required to prove that the investments met those criteria.

Proposed sections 67(1) and 67(1A) to (1G) are added, through clause 16, to clarify that an occupational retirement scheme may be operated by two or more employers provided that they fall within the specified relationship, that is, they are within a defined grouping of companies. For this purpose, companies are regarded as within a grouping of companies if they consist of a holding company, its subsidiaries or associated companies. Companies are regarded as associated if one of them controls at least 20 per cent of the voting power of the other company's general meetings or they are partners operating under a written partnership agreement or are subsidiaries of any such companies. The purpose of this amendment is to ensure that a group of associated companies is able to make proper collective decisions in the operation of a common occupational retirement scheme.

If a relevant employer in a scheme that covers two or more employers ceases to comply with the specified relationship requirement, the relevant employer shall notify the representative employer and the Registrar and then withdraw from the scheme either by transferring the rights of the members employed by the withdrawing relevant employer and corresponding assets of the scheme to another registered scheme or by winding up that part of the scheme which relates to the withdrawing relevant employer. If a relevant employer fails to notify the representative employer or the Registrar, or fails to withdraw from the scheme, he commits an offence and is liable to a fine of \$10,000 for each offence. The purpose of these provisions is to safeguard the interests of scheme members.

Clause 16(2) amends section 67(2) to provide that the representative employer of an exempted scheme must provide annually to the Registrar documentary evidence of the scheme's eligibility for exemption so as to satisfy the reporting requirements for an exempted scheme under section 10 of the Ordinance.

Mr President, I beg to move.

End/Wednesday, July 5, 1995

Occupation Retirement Schemes (Amendment) Bill: new clauses

* * * * *

Following is the speech by the Secretary for Financial Services, Mr Michael Cartland, in moving the second reading of the Occupation Retirement Scheme (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr Chairman,

I move that new clauses 4A, 9A, 12A, 13A and 15A as set out in the paper circulated to members be read a second time. I briefly highlight two of these.

Clause 12A amends section 22(2) to require that the designated person of a registered scheme shall notify the Registrar of any change of his name or address or the name or address of the administrator of the scheme which was previously supplied to the Registrar within one month of the change. The time period allowed for notification of the change is consistent with that allowed for notification of other changes.

Clause 13A amends section 35(2)(b) to provide that, where, in aggregate, investment in unrecognised markets exceeds five per cent. of the market value of a scheme's assets, disclosure at the request of the consultative committee shall be required so that members of the scheme may have information about the scheme's exposure to restricted investments.

End/Wednesday, July 5, 1995

Inland Revenue (Amendment) Bill: second reading

* * * * *

Following is the speech by the Secretary for the Treasury, Mr K C Kwong, at the resumption of second reading of the Inland Revenue (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I thank the Honourable Lau Wah-sum for his clear exposition of the purposes of the Bill, the discussion at the Bills Committee and the Administration's response to the points raised.

The Bills Committee, chaired by the Honourable Lau Wah-sum, has offered valuable advice to us. We are grateful for the Committee's support for the Bill and its commendable efficiency in completing the detailed scrutiny of this short but complex and technical piece of legislation in three meetings only within a period of about one month.

We also thank the various parties, including, of course, the Hong Kong Society of Accountants, who made submissions on the Bill to the Committee.

All these significantly helped us to improve and refine the Bill. As a result, I shall be moving a number of amendments, which have been agreed with the Bills Committee, later on at Committee Stage. We welcome the Bills Committee's backing for those amendments.

Before I do so, let me emphasize three crucial points.

First, the scope of the Bill. Our aim is to target the use of a service company to disguise an employment relationship. It is not our intention to catch genuine business arrangements. For the avoidance of doubt, I will be proposing amendments at Committee Stage to make it clear that genuine contracts for services, i.e. not employment, involving the use of a service company would not be caught by this Bill, whether the operation is in the form of sole proprietorship or partnership.

Second, certainty. The Commissioner of Inland Revenue will provide an advance ruling system in order to minimize uncertainty and potential disputes. In short, he will, upon application and the submission of the relevant documents, advise the applicants whether the service agreement in question falls within the ambit of the proposed legislation. The Commissioner will set out the details of the arrangement in a Practice Note. This will, as the Honourable Eric Li urged, be down as a matter of priority.

Third, retrospectivity. Let me reassure Members that this Bill, when enacted, will not have any retrospective effect.

Subject to the enactment of this Bill, we intend to implement the new legislation in August this year.

Mr President, with these remarks, I commend this Bill to the Council, subject to the amendments which I shall move shortly.

End/Wednesday, July 5, 1995

Inland Revenue (Amendment) Bill: committee stage (Clauses 1 and 2)

* * * * *

Following is the speech by the Secretary for the Treasury, Mr K C Kwong, at the committee stage of the Inland Revenue (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move that Clauses 1 and 2 be amended as set out in my name in the paper circulated to Members.

The amendment to Clause 1 is a technical one as the present Bill, if passed today, will be the second amendment to the Inland Revenue Ordinance in 1995.

Most of the amendments to Clause 2 are technical in nature, but I would try to explain briefly the main ones which are of particular concern to the Bills Committee.

First, I propose to add section 9A(1A) to cater for situations where the remuneration under a service agreement includes items other than the remuneration for the services rendered by the individual (i.e. the employee). In these circumstances, the "employee" or the "employer" should be able to advise the Commissioner of Inland Revenue what is the exact amount of the remuneration for the services and what is not. We therefore believe, and the Bills Committee agreed, that it is reasonable to put the onus on them to satisfy the Commissioner that certain sums are not related to the services rendered and thus should be excluded from the remuneration for the assessment of salaries tax. Subject to such an exclusion, the Commissioner will otherwise treat the whole remuneration under the agreement as the amount chargeable to salaries tax accordingly.

I also seek to amend the proposed section 9A(2) to exclude genuine contractors, for instance, home decorators or architects, who are required under a service agreement to carry out services personally but who also provide the same or similar services to other clients at the same time. These are contracts for services, not contracts of employment.

An amendment to the proposed section 9A(3) is necessary to clarify the circumstances under which business agreements bearing some of the common characteristics of employment may be granted relief at the Commissioner's discretion if the Commissioner, having examined the full picture of the case, is satisfied that the nature of the relationship between the parties does not constitute an office or employment of profit. This is an escape provision.

After careful discussion in the Bills Committee, I now seek to delete the proposed section 9A(4). A Privy Council case from New Zealand, which has persuasive authority in Hong Kong, established that the general anti-avoidance provision can be applied notwithstanding that a specific anti-avoidance provision has been put in place. We firmly believe that the principle is applicable in Hong Kong. This is by no means double jeopardy. The proposed subsection (4) sought to do no more than spell out this point in order to avoid doubt. The consensus we reached in the Bills Committee, however, is that we should leave the legal position as it is and allow the courts to decide and the common law to develop. But meanwhile, we will apply both the general and the specific anti-avoidance provisions where necessary.

I also seek to amend the proposed section 9A by adding subsection (6A)(a) to deal with the situation whereby the service company provides the services of more than one individual under the agreement. By virtue of this amendment, the proposed anti-avoidance provision will apply to the individuals individually, and not collectively.

Finally, as I have made clear earlier, it is not our intention to target professional practitioners using a service company in this legislative exercise. To clarify this, we specify in the proposed section 9A(6A)(b) in respect of sole proprietorship or partnership the circumstances under which the new anti-avoidance provision will not apply.

Mr President, I beg to move.

End/Wednesday, July 5, 1995

Inland Revenue (Amendment) Bill: committee stage (new clause)

* * * * *

Following is the speech by the Secretary for the Treasury, Mr K C Kwong, at the committee stage to add a new clause to the Inland Revenue (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr Chairman,

I move that new clause 3 as set out in my name in the paper circulated to Members be read the second time.

Some Members have expressed concern that the Bill may impose an onerous burden on the employers. The reporting requirements under the Inland Revenue Ordinance would apply to the employers if the service agreement falls within the ambit of the proposed section 9A. Whilst an employer should know very clearly whether a contract with a service company is in effect one for the provision of services by a particular individual, it may be difficult for him to know or verify whether the individual in fact controls the service company. He may therefore not be in a position to judge whether the agreement is one which falls within the ambit of the proposed section 9A. This is especially the case for small businesses which may not be able to seek professional advice.

To address this concern, we have agreed with the Bills Committee to add a new clause to amend section 80 of the Ordinance. Under this new provision, the employer may rely on the individual (i.e. the "employee") to provide a statement in writing in a form specified by the Commissioner of Inland Revenue to the effect that the agreement in question does not render the individual chargeable to salaries tax. The employer will have a defence in any proceedings against him for failure to report if he shows that he did not comply with the reporting requirements because he relied upon the statement in writing by the relevant individual and that it was reasonable for him to rely upon that statement in the circumstances. This would help the employer to discharge his responsibility. Together with the advance ruling system to which I referred in my speech on the resumption of the Second Reading, we are confident that employers should have no difficulties in ascertaining and discharging their responsibilities.

In respect of the "employee" or the relevant individual, the Commissioner will specify a standard form so that the individual knows exactly what information he has to provide in the written statement. The Commissioner will design the form in such a way that the relevant individual only needs to report factual information. There is no need for him to provide information of a judgemental nature. However, if he knowingly or recklessly makes a statement which is materially false or misleading, he will be guilty of an offence which carries a maximum fine at Level 3, or \$10,000.

The Commissioner will issue a Practice Note to set out the details of the arrangements.

Mr President, I beg to move.

End/Wednesday, July 5, 1995

Professional Accountants (Amendment) Bill

* * * * *

Following is the speech by the Secretary for Financial Services, Mr Michael Cartland, in moving the second reading of the Professional Accountants (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move the second reading of the Professional Accountants (Amendment) Bill 1995.

The amendments to the Professional Accountants Ordinance specify the conditions under which incorporated auditing practices may register with the Hong Kong Society of Accountants (the HKSA), and make a number of other amendments consequential to this.

The HKSA has expressed concern to the Administration about the growing size and extent of claims against auditors overseas and the fact that auditors in Hong Kong were potentially similarly exposed because of the law relating to joint and several liability and related issues. They considered it to be inequitable that a partner in a firm could be held personally liable for claims arising from the professional negligence of other partners and suggested that there was evidence that this situation was deterring new entrants to the profession overseas. One proposal put forward by the HKSA was to permit accountancy firms to form limited liability companies, which they believed would help bring the extent of personal liability taken by the principals in a practice within known and reasonable bounds. This is a facility that is already permitted in a number of jurisdictions overseas.

Following consultation with the Standing Committee on Company Law Reform, the Administration indicated that if the proposal were to be pursued, assurances would need to be given that adequate standards of auditing would be maintained and that incorporated practices would take out sufficient levels of Professional Indemnity Insurance to meet claims against them.

Since that time steps have been taken to address these concerns. A Practice Review programme was introduced by the HKSA in 1992, the objective of which is to review the compliance of all practice units with accounting and professional standards. Reviews are progressively being undertaken with all practices regulated by the HKSA and follow-up visits have been instituted for problem practices. Ultimately, the HKSA is empowered to take disciplinary action against those who persistently fail to comply with the requisite standards.

On the question of Professional Indemnity Insurance, the Society has negotiated a Master Insurance Policy to which all incorporated practices will be required to subscribe. This will provide the minimum required levels of insurance coverage for smaller practices. Larger practices will be required to take out additional minimum cover based on either a multiple of their gross fee income or an amount per principal. These minimum levels of insurance will be specified rules to be made by the HKSA Council. The general guideline will be for incorporated practices to take reasonable steps to be able to meet claims against them.

Clause 8 of the Professional Accountants (Amendment) Bill 1995 specifies the conditions that an incorporated auditing practice must meet in order to register and remain registered. In addition to meeting requirements relating to insurance cover and the contents of memoranda and articles of association, corporate practices will also need to comply with requirements relating to members and directors. Except in the case of a two-member incorporated practice, all directors and members must be registered as professional accountants. Members and directors of an incorporated practice may not themselves be corporations. These provisions are intended to ensure that incorporated practices remain independent and under the control of accountants. In the case of a two-member incorporated practice, one member may with the permission of the HKSA Council, be a non-accountant. However, under these circumstances, provision is made to ensure the accountant member retains control of the practice. An incorporated practice that ceases to comply with the registration requirements may be deregistered or conditions may be attached to its continued registration.

Clause 16 of the Bill extends the ambit of disciplinary offences to incorporated practices as well as adding new offences specific to such practices. Clauses 18 to 20 extend appeal and general offence provisions to cover the new regime for incorporated practices. Clause 23 enables the HKSA Council to make rules relating to insurance and related requirements.

Most of the remaining provisions are consequential extensions of existing provisions of the Ordinance, suitably adapted to apply to companies.

Other measures have been taken in conjunction with the proposed legislation to ensure that the interests of the public remain adequately protected. These include :

- (a) firstly, agreement by the HKSA to consult the Administration fully on the rules relating to incorporation of auditing practices and on any future changes to them; and
- (b) secondly, measures to ensure that the director of an incorporated practice responsible for a particular audit is clearly identified. In addition to pursuing a claim against an incorporated practice, an aggrieved party, depending on the circumstances, may also be able to pursue a claim against the principal concerned if the negligent individual assumed a personal duty of care. Identification of the auditor concerned should facilitate such action.

The proposals will strike a reasonable balance between protecting blameless auditors from undue liability resulting from the professional negligence of their partners, and safeguarding the interests of audit clients and other interested parties.

End/Wednesday, July 5, 1995

Supplementary Appropriation (1994-95) Bill 1995

* * * * *

Following is the speech by the Secretary for the Treasury, Mr K C Kwong, in moving the second reading of the Supplementary Appropriation (1994-95) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move that the Supplementary Appropriation (1994-95) Bill 1995 be read the second time.

Section 9 of the Public Finance Ordinance states that "If at the close of account for any financial year it is found that expenditure charged to any head is in excess of the sum appropriated for that head by an Appropriation Ordinance, the excess shall be included in a Supplementary Appropriation Bill which shall be introduced into the Legislative Council as soon as practicable after the close of the financial year to which the excess expenditure relates".

The accounts for the financial year 1994-95 have been finalised by the Director of Accounting Services. The expenditure charged to 67 heads out of a total of 80 heads is in excess of the sum appropriated for those heads in the Appropriation Ordinance 1994. This is because sufficient offsetting savings could not be found within the heads concerned. In accordance with section 9 of the Public Finance Ordinance, this excess has been included in the Supplementary Appropriation (1994-95) Bill 1995 now before Members. The Bill seeks to give final legislative authority for the amount of supplementary provision approved in respect of particular heads of expenditure by the Finance Committee or under powers delegated by it.

The total supplementary appropriation required in respect of the 67 heads of expenditure is \$18,589.8 million. This excess is largely attributable to increased requirements for transfers to the Loan Fund (\$7,000.0 million) and the Civil Service Pension Reserve Fund (\$7,000.0 million) offset partly by a reduced transfer to the Capital Investment Fund (\$2,000.0 million). Other major contributing factors include the implementation of the 1994 pay adjustment in respect of the Civil Service and Government subvented organisations (\$5,241.1 million), the increased expenditure under the comprehensive social security assistance and social security allowance schemes (\$623.8 million), and additional expenditure on pension payment (\$258.0 million).

The cost of the 1994 pay adjustment, the inflation related adjustment to payments under the Comprehensive Social Security Assistance and Social Security Allowance schemes and the additional payments arising from the statutory inflation-linked adjustment to pensions were anticipated in the 1994-95 estimates under the "Additional Commitments" subhead. Savings were also made in other subheads through continued tight control over public expenditure. Taking these into account, total payments from the General Revenue Account is \$10,158 million greater than the amount originally included in the Appropriation Ordinance. This net excess is accounted for entirely by the transfers to the Loan Fund and the Civil Service Pension Reserve Fund which I referred to earlier.

End/Wednesday, July 5, 1995

Companies (Amendment) (No. 2) Bill

* * * * *

Following is the speech by the Secretary for Financial Services, Mr Michael Cartland, in moving the second reading of the Companies (Amendment) (No. 2) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move the second reading of the Companies (Amendment) (No. 2) Bill 1995.

The main purpose of the Bill is to remove the prohibition on the appointment of a body corporate as an auditor of a company, under section 140 of the Companies Ordinance. The other amendments are primarily consequential, to extend the rights and obligations currently applicable to non-corporate auditors to incorporated auditing practices. The opportunity is also taken to make certain minor technical and tidying-up amendments.

Auditing practices wishing to incorporate will have to comply with a number of conditions and limitations. I will say more about this in the context of the Professional Accountants (Amendment) Bill 1995.

End/Wednesday, July 5, 1995

Education for children from China

Following is a question by the Hon Tik Chi-yuen and a reply by the Secretary for Education and Manpower, Mr Michael Leung, in the Legislative Council today (Wednesday):

Question:

Regarding the Government's recent announcement that the Chinese Government will increase the quota of one-way permits to enable some children to settle in the territory, will the Government inform this Council :

- (a) whether it has taken into account the education needs of these children in formulating education policies;
- (b) what measures have been put in place to cope with the increased demand for school places; and
- (c) whether any measures will be formulated to help such children and their parents to settle down in the territory; if so, how much will it cost for implementing these measures and what is the timetable for implementation?

Reply:

Mr President,

- (a) The needs arising from the increase in Chinese immigrant children have been taken into account in formulating various aspects of education policies.
- (b) Based on past statistics on the profile of immigrants from China, the Education Department has fully assessed the capacity of the present system to cope with the revised forecast demand and the need for additional school places. The Government has now earmarked capital expenditure of \$208 million for building 5 new primary schools for completion in 1997/98. It will also conduct a review of longer term requirements in 1996 in the light of more information on new arrivals. In the meantime, any additional demand for school places will be met by existing school vacancies and extra places made available by the decline in secondary school population from 1996.

- (c) The Department has also taken steps to help immigrant children and their parents settle down in Hong Kong. This is done through a special induction programme, school placement services, and school-based remedial teaching and counselling services. In April 1995, with the help of voluntary agencies, a new induction programme was launched to help immigrant children integrate more quickly into the local environment. This is being expanded to cater for additional immigrant children arriving under the increased quota from 1 July 1995. The estimated cost for running this programme is \$8.3 million per annum, and 10,000 new immigrant children are expected to benefit from it every year. For school placement services, District Education Offices will continue to assist newly arrived immigrant children. In addition, schools have been advised to give special attention to these children, providing them with appropriate remedial teaching and school guidance and counselling services.

For parents of the immigrant families, adult orientation courses have been run by non-profit making voluntary agencies with Government subvention since 1981. A sum of \$0.27 million has been earmarked in 1995/96 for such courses.

On the welfare side, the Hong Kong Branch of the International Social Service, a subvented agency, provides post-migration programmes to help new immigrants from China settle down in Hong Kong. Orientation sessions, language and tutorial classes, and referral services are provided. In this financial year, \$1.17 million was granted to the agency for this purpose. The Social Welfare Department has also secured another premises for the agency to expand its post-migration service in 1996. Besides, new immigrants from China who are in need can also use the counselling and family support services provided by the 62 family services centres in Hong Kong to seek assistance.

End/Wednesday, July 5, 1995

Maintenance of public housing estates

Following is a question by the Hon Tam Yiu-chung and a reply by the Secretary for Housing, Mr Dominic Wong, in the Legislative Council today (Wednesday):

Question:

In view of the incident in which a concrete block fell from the ceiling in flat at Kwai Chung Estate which is over 30 years old, will the Government inform this Council whether :

- (a) inspections will be carried out regularly on the structural safety of buildings in old public housing estates; and
- (b) the Housing Department will speed up the redevelopment and demolition of old public housing estates so as to prevent the recurrence of similar incidents?

Answer:

Mr President,

All housing blocks built before 1981 are inspected regularly by Housing Department structural engineers for structural safety. The frequency of inspections depends on the structural condition of each block, but a two-year cycle is typical.

Estate management staff also inspect the general condition of each flat at least once every 18 months. The focus of this type of inspection is on spalling concrete and water seepage. Where necessary, maintenance surveyors, structural engineers and consultants will participate in such inspections.

The Housing Authority has a Comprehensive Redevelopment Programme for old housing blocks. Redevelopment is determined having regard to various factors, such as structural and general conditions of the block, facilities available in each flat and community facilities provided in the housing estate. Another factor affecting the timing is the availability of flats for rehousing existing tenants, particularly as most of them prefer to remain in the same district.

Of the 885 old blocks, 304 have already been demolished and redeveloped. In the next five years, the Housing Authority will redevelop another 185 blocks, comprising 77,000 flats or nearly 12% of its total rental stock. This is a high proportion, and any further acceleration of the programme without very good reason will adversely affect the provision of public rental housing to families on the general waiting list. Nevertheless, the Housing Authority will review its Redevelopment Programme regularly, and full account will be taken of any housing block found to have structural defects.

End/Wednesday, July 5, 1995

Sub-standard housing estates

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

Question:

About two decades ago I wrote to the then Director of Public Works enclosing a sample of the sub-standard building material used in the building of public housing estates in Tsuen Wan Kwai Chung area. The sample was supplied by a contractor who was concerned that corrupt contractors were using cheap materials and salt water in building public housing estates. The allegation was denied, but some years later tenants had to be removed from some estates because of the poor quality of building materials. Unofficial report said that over 100 blocks in various areas were in a similar condition and should be rebuilt. In view of this, will the Government inform this Council:

- (a) how many blocks were identified as being sub-standard due to poor building materials and use of salt water in concrete-making;
- (b) of the blocks referred to in (a) above, how many have been demolished as dangerous buildings; and in which areas are these dangerous blocks located; and
- (c) what action has been, or is being, taken against the responsible contractors and Government officials?

Answer:

Mr President,

In the early 1980's, the Housing Department carried out an investigation into the structural safety of all public housing blocks built before 1981. Concrete samples were taken from 836 blocks for testing. 411 were found to have average concrete strength although they did not comply with the original design requirement. Salt levels in walls were generally deemed acceptable at the time of construction, but salt levels in floor slabs were particularly high, which might have been partly the result of floor washing with sea water in those days.

Of the 411 blocks mentioned above, 26 were demolished for early redevelopment. They were not dangerous structurally, but re-strengthening work would not have been cost-effective. The blocks were located in Kwai Fong, Kwai Hing, Kwai Shing East, Lam Tin, Pak Tin, Shek Lei 1, Sau Mau Ping 1, Shek Pai Wan, Tsz Man, Tsz Oi and Wong Chuk Hang estates.

The Housing Department investigated into the responsibility of 25 contractors involved in building the 411 sub-standard blocks concerned. It was not possible to take civil action against contracts exceeding the 12-year statutory limit. For contractors whose contracts fell within the 12-year limit, seven were identified as being liable for civil action in relation to their performance in building 25 sub-standard blocks. Successful claims were made against four of these, and a total of about \$19 million was recovered. In the other three cases, one contractor was in liquidation, another one was in the process of liquidation, and action against the third one had to be dropped when it was found that the liability time limit of six years for that particular contract had expired.

The Independent Commission Against Corruption took prosecution action in 11 cases where there was prima facie evidence of corruption. Seven of the accused were civil servants at the time of the alleged offences; the remaining four were employed in the construction industry.

End/Wednesday, July 5, 1995

Lam Tin Woman Health Centre

* * * * *

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

Question:

Will the Government inform this Council: -

- (a) of the total number of clients who have utilised the service of the Lam Tin Woman Health Centre since its inception together with a breakdown of these clients by age;
- (b) of the effectiveness of the service provided by the Centre; and
- (c) what plans are in place to increase and improve the service?

Reply:

Mr President,

In his 1992 Policy Address, the Governor announced new initiatives to provide better health care for the community. These included, inter alia, the phased establishment of three Well Woman Clinics for women aged 45 and above. Lam Tin Woman Health Centre is a pilot project to provide promotive and preventive health care services for women of menopausal age group. It was opened on 4 May 1994. Until the end of May 1995, a total of 2,470 women have utilised the service of this Woman Health Centre. About 76% of these women were aged between 45 and 55, while 24% were from 55 to 65.

The result of the disease screening programme has so far been very encouraging. A total of 22 cases of cancer, namely 19 cases of breast cancer, two cases of cervical cancer and one case of ovarian cancer were detected and referred for early treatment during this period. In addition, 135 cases of hypertension and diabetes mellitus were detected. Health education activities were also well received. Over 800 women with conditions varying from menopausal, personal, family and emotional problems enjoyed the benefit of additional individual counselling and advice.

A second centre will be established in Chai Wan in early 1996 and a third centre in New Territories by 1997. The Department of Health is now providing screening services for cervical cancer at all Maternal and Child Health Centres for clients of Family Planning Clinics. For women not requiring family planning services, cervical cytology screening services are available at four Maternal and Child Health Centres. By early 1996 the number of Maternal and Child Health Centres providing this screening service will be increased to six. In the long term, we will examine the practicability of integrating the full range of woman health services into some of the maternal and child health centres and will welcome collaboration with other healthcare providers who may wish to set up similar services.

End/Wednesday, July 5, 1995

Compensation for widow of shootout victim

* * * * *

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

Question:

Will the Government inform this Council:

- (a) whether it will initiate measures to provide appropriate financial compensation to the widow of the Korean national who was killed in a shootout between a robber and police in October last year following his being taken as a hostage by the robber and following his extremely brave conduct in attempting to persuade the robber to give himself up to the Police and subsequently struggling to disarm the robber, for which bravery and selfless conduct he lost his life; and
- (b) whether it will negotiate directly with the widow's legal representatives to ensure that an early payment can be made without the necessity of action through the Courts?

Reply:

Mr President,

I would like, first of all, to express the Hong Kong Government's deepest regret at the tragic death of Mr Kang Sang-bo and to convey our condolences to Mrs Kang.

As regards the first part of the question, innocent victims (or their dependants in the case of death) who are injured or killed during crimes of violence or law enforcement actions may apply for compensation under the Criminal and Law Enforcement Injuries Compensation Scheme administered by the Social Welfare Department. Immediately after the shootout in last October, staff of the Social Welfare Department passed a copy of the pamphlet and the application form for the Scheme to Mrs Kang through the Korean Consulate. Another application form was sent to her through her legal representative in December last year. So far, we have not received any application from Mrs Kang or her representative. If Mrs Kang decides to apply, we will do everything we can to assist her and ensure that her application is handled as quickly as possible.

As regards the second part of the question, the Government is in the process of seeking legal advice on the question of liability in the light of the evidence presented at the death inquest. If civil or criminal proceedings are subsequently initiated, matters relevant to these proceedings will also be taken into account. Before legal advice on the question of liability is obtained, it is premature to decide on the question of compensation, or on whether Government should negotiate directly with Mrs Kang's legal representative on this matter.

End/Wednesday, July 5, 1995

Non-local workers in Hong Kong

* * * * *

Following is a question by the Hon Lee Cheuk-yan and a reply by the Secretary for Education and Manpower, Mr Michael Leung, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council :

- (a) of the breakdown of the numbers of non-local workers currently working in the territory by modes of admission (such as those admitted under the General Importation of Labour Scheme, and the labour importation scheme for the new airport projects, those admitted as PRC professionals, overseas professionals, British immigrants, domestic helpers and people admitted for training and business purposes) and countries of origin;
- (b) of the breakdown of non-local workers currently working in the territory by trades and posts;
- (c) of the criteria adopted by the Government in approving the application for entry for training purposes; and
- (d) whether the Government will conduct a comprehensive review on the policies governing the control of the entry and employment of various categories of people mentioned above, so as to enhance the employment protection for local workers?

Reply:

Mr President,

- (a) The latest statistical breakdown of non-local persons working/staying in Hong Kong by admission categories and places of origin is at Annex A.
- (b) The latest statistical breakdown of non-local persons working/staying in Hong Kong by industry and by job titles is at Annex B.
- (c) Under the existing policy on entry of persons for training purpose, foreign trainees are admitted to stay for a limited period to acquire, through training, skills and knowledge not readily available in their home country. After the training, they have to return to their home country to continue employment in their professions or trades. All such applications are subject to close scrutiny and will only be approved if they can meet the following criteria:

first, the sponsoring company is a reputable one, is able and competent to provide such training;

second, there is a contract between the sponsoring company and the trainee for a period not exceeding 12 months;

third, there are guarantees of maintenance and repatriation;

fourth, there is an undertaking from the sponsoring company that the trainee will in fact be receiving training in the sponsoring company's premises until the end of the agreed period, after which he will return to his country of residence; and

fifth, the applicant has no adverse immigration records.

- (d) The general policy on entry for employment permits the entry of foreign nationals who possess skills, knowledge or experience of value to but not readily available in Hong Kong. In addition, there are other schemes which allow the entry of foreign workers to meet special needs in Hong Kong, such as importation of labour schemes. The contributions of these foreign personnel are conducive to the growth of our economy and have brought about an increase in employment opportunities for local workers. As Hong Kong is an international free-market economy, there is a continued economic need to maintain the present policy, which is well-established and well-tested. We will continue to take account of the changing needs of Hong Kong when we exercise this policy. At present, we do not consider it necessary or practicable to conduct a single review covering the different categories of foreign workers, as each scheme serves a different purpose. We will, however, continue to conduct separate reviews frequently when the need arises. For instance, we are now conducting a comprehensive review on the General Importation of Labour Scheme and will have it completed by October this year. We will also review the Pilot Scheme for the entry of PRC professionals by the end of this year.

**Breakdown of non-local persons
working / staying in Hong Kong
by admission categories and by places of origin**

A. General Labour Importation Scheme (as at 23 June 1995)

<u>Places of Origin</u>	<u>Number</u>
PRC	17,420
Nepal	933
Philippines	610
Others	<u>99</u>
Total	<u>19,062</u>

B. Special Importation of Labour Scheme for the New Airport and related projects (as at 23 June 1995)

<u>Places of Origin</u>	<u>Number</u>
PRC	1,898
Thailand	970
Philippines	391
Others	<u>250</u>
Total	<u>3,509</u>

C. Pilot Scheme for entry of 1,000 PRC professionals (as at 30 June 1995)

Total number of visas issued : 203, all from PRC

D. Persons with special skills admitted under normal immigration policy on entry for employment

(i.e. those with special skills, knowledge or experience of value to and not readily available in Hong Kong)

The number of visas issued

<u>Year</u>	<u>Number</u>
1993	14,871
1994	16,231
1995 (January - May)	7,675

<u>Year</u>	<u>Places of Origin</u>	<u>Number</u>
1993	Japan	2,456
	USA	2,280
	Australia	1,069
	Taiwan	1,056
	Philippines	1,022
	Others	<u>6,988</u>
	Total	14,871
1994	USA	3,017
	Japan	2,931
	Philippines	1,205
	Taiwan	1,068
	Australia	1,058
	Others	<u>6,952</u>
	Total	16,231

No breakdown statistics for 1995 are readily available.

E. British Citizens (as at 31 May 1995)

Total : 26,643 (including those working and staying as dependants) all from the United Kingdom.

F. Foreign Domestic Helpers (as at 31 May 1995)

<u>Places of Origin</u>	<u>Number</u>
Philippines	126,425
Indonesia	13,049
Thailand	7,073
India	1,168
Others	<u>1,391</u>
Total	<u><u>149,106</u></u>

G. Entry of Persons for training purpose

The number of visas issued :

<u>Year</u>	<u>Number</u>
1993	5,413
1994	5,726
1995 (January - May)	1,961

Statistical breakdown by places of origin is not available.

**Breakdown of non-local persons
working / staying in Hong Kong by industry and job types**

A. General Labour Importation Scheme (as at 23 June 1995)

Breakdown by Industry

<u>Industry</u>	<u>Number</u>
Automobile Repairing	78
Banking & Finance	618
Catering	3,640
Clothing	1,486
Communication	303
Construction Work Site	638
Electrical	168
Electronics	493
Furniture	4
Hotel	475
Import/Export Trades	914
Insurance	11
Jewellery	16
Machine shop	1,099
Plastics	62
Printing	250
Retail	1,597
Sanitary, Laundry and Cleaning Services	22
Shipbuilding and Repairing	48
Social and Community Services	571
Textile	203
Tourism	52
Transport & Physical Distribution	483
Wholesale	214
Wholesale, Retail & Import/Export Trades	2,448
Others	40
Others (Manufacturing)	286
Others (Non-manufacturing)	<u>2,843</u>
Total	<u><u>19,062</u></u>

Breakdown by Post

<u>Post</u>	<u>Number</u>
Sales Clerk/Sales Assistant	2,613
Waiter/Waitress	2,377
Cook/Junior Cook	1,170
Stock, Purchasing and General Clerk	893
Security Guard	846
General Sewing Machine Operator	844
Care Home Attendant	709
Technician	565
Computer Paging/Telephone Operator	460
Teller	432
Others	<u>8,153</u>
Total	<u><u>19,062</u></u>

B. Special Importation of Labour Scheme for New Airport and related projects (as at 23 June 1995)

Breakdown by Industry

All from construction industry

Breakdown by post

<u>Post</u>	<u>Number</u>
Labourer	445
Plant Mechanic/Operator	319
Marine Operator/Coxswain	231
Carpenter	230
Precast operator	202
Precast erector	199
Concretor	183
Rigger	168
Leveller/Linesman	106
Metal Worker	73
Truck Driver	65
Others	<u>1,288</u>
Total	<u><u>3,509</u></u>

C. Pilot Scheme for the entry of 1,000 PRC professionals (as at 30 June 1995)

Breakdown by industry

<u>Industry</u>	<u>Number</u>
Trading	50
Construction	29
Electronics	28
Manufacturing	21
Others	<u>75</u>
Total	<u>203</u>

Breakdown by profession

<u>Profession</u>	<u>Number</u>
Administrator	64
Engineer	59
Marketing Executive	18
Others	<u>62</u>
Total	<u>203</u>

- D. Persons with special skills admitted under the normal policy on entry for employment (i.e. those with special skills, knowledge or experience of value to and not readily available in Hong Kong)

Breakdown by profession

<u>Profession</u>	<u>1993</u>	<u>1994</u>	<u>1995</u> (Jan - May)
Administrators, managers & professionals	6,863	7,017	2,912
Technical professionals	2,786	2,485	1,358
Others (e.g. representatives of overseas companies)	<u>5,222</u>	<u>6,729</u>	<u>3,409</u>
Total	<u>14,871</u>	<u>16,231</u>	<u>7,675</u>

- E. British Citizens

British citizens do not require a visa to enter for employment in Hong Kong. No statistical breakdown by job types is available.

- F. Foreign Domestic Helpers

All are admitted for employment as domestic helpers in Hong Kong

- G. Entry of Persons for training purposes

Statistical breakdown by job types is not available. Most admitted for training belong to the managerial or professional grade in the legal and accountancy fields, tourist industry (mainly airline employees), surveyors, engineers, banking industry, computers, hotel and catering industries.

End/Wednesday, July 5, 1995

Obligations under declaration for Asian women

* * * * *

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

Question:

Will the Administration inform this Council what specific steps it has taken and will take in 1995-96 to fulfil its obligations under the Jakarta Declaration for the Advancement of Women in Asia and the Pacific and the accompanying Plan of Action, to which Hong Kong became a signatory in June 1994?

Answer:

Mr President,

At the Second Asian and Pacific Ministerial Conference on Women in Development in June 1994, participants adopted the Plan of Action for the Advancement of Women in Asia and the Pacific as a means to accelerate the attainment of the objectives of the Nairobi Forward-looking Strategies in the Asian and Pacific region, and to contribute to preparations for the Fourth World Conference on Women. The participants, taking into account the social, economic and political conditions of each country, committed themselves to taking all necessary measures to ensure effective implementation of the Plan of Action. As an associated Member of ESCAP, Hong Kong participated at the Ministerial Conference. The Plan of Action outlines nine critical areas of concern and sets out the general directions in respect of the actions to be taken.

In the Hong Kong context, the contents of the Declaration and the Plan of Action was disseminated to all the relevant policy branches involved in promoting the well-being of women in Hong Kong. In developing their policies and programmes, the relevant policy branches have, taking into account the social, economic and political conditions of Hong Kong, adopted measures to implement the Plan of Action. Examples of the measures taken in 1995 to implement some of the provisions in the Plan of Action are annexed for Members' information.

**Jakarta Declaration for the Advancement of Women in Asia and the Pacific:
Examples of actions taken to implement the Provisions in the Plan of Action**

Vulnerable groups and feminisation of poverty

Hong Kong's family policy is to preserve and strengthen the family as a basic unit. A comprehensive network of family welfare services is provided to all types of family, based on their respective needs. Such family types include female-headed and female-maintained households. A leaflet on welfare services for single-parent families was published and widely distributed in early 1995. With effect from April 1995, single parent families, including female headed single parent families, receive a special allowance.

In respect of the elderly, financial resources have been earmarked for implementing the recommendations of the Working Group on Care for the Elderly. In April 1995, the Residential Care Homes (Elderly Persons) Ordinance came into force. As a result of the provisions of the Ordinance, residents in these care homes (including female residents) now receive services of acceptable standards.

In relation to young women and girls, the Protection of Children and Juveniles Ordinance provides statutory care and protection to young women and girls under the age of 18 against all types of abuse and exploitation. To further protect vulnerable witnesses, including girls under the age of 17 who are victims of sexual abuse cases, legislative amendments are in process to provide for testifying through live television links or video tape.

In respect of women with disabilities, comprehensive rehabilitation services are provided to people with a disability, including women. The White Paper on Rehabilitation published in 1995 sets out fully policy decisions for the further development of rehabilitation services for people with a disability, including women, for the next decade and beyond. We have also introduced the Disability Discrimination Bill into the Legislative Council which seeks to outlaw discrimination and harassment on the ground of disability against persons of both sexes.

Promoting Equality in women's access to and participation in economic activities

As a general policy to promote equal opportunities in employment, the Labour Department, through its labour relations promotional activities has disseminated the message of equal opportunities to employers. Employers are also advised to remove the gender requirement on job vacancies in recruiting employees through its Local Employment Services.

In respect of training, the Employees Retraining Board has organised through various training bodies, a number of tailor made retraining courses specifically catering for the needs of the elderly women as well as female household managers to enhance women's access to the labour market.

Protecting and Promoting women's human rights

The Sex Discrimination Bill which renders unlawful sex discrimination and sexual harassment in a number of areas of activity was introduced into the Legislative Council in October 1994, the Bill was passed by the Legislative Council on 28 June 1995.

Promoting women's equal access to health

In Hong Kong, a comprehensive range of health services are available to women. Women's health needs in all stages of the life-cycle are being catered for. Services in respect of mental health, reproductive health, nutrition and cancers, and menopausal and post-menopausal conditions are readily available to women in Hong Kong.

The Family Health Service of the Department of Health provides maternal health services to women of reproductive age through its network of 46 maternal and child health centres. The Government subvented Family Planning Association of Hong Kong also runs birth control clinics, providing contraceptives, gynaecological check up, pre-marital check up, counselling and advice on sub-fertility.

The first Women Health Centre run by the Department of Health commenced operation in May 1994 to provide services for women aged 45 and above. This provides a comprehensive range of health screening and education services including screening for breast cancer and cervical cancer. Two more women health centres will be established by 1997.

Supporting access to and equality of women in education and literacy

In Hong Kong, there is full access to education and equal opportunities for both sexes in terms of the provision of education services. Topics on equality of sexes and sexual stereotyping are included in the subjects of Religious Education, Social Studies as well as Liberal Studies. In the Guidelines on Sex Education in Secondary Schools, relevant topics are also recommended for inclusion in schools' sex education programmes.

In preparing curriculum materials for use in schools, the Education Department has paid special attention to providing teachers with the necessary reference in teaching the issue of equality of sexes. Examples of these curriculum materials include a teaching kit on 'Sexual Attitudes and Values' for secondary level and a booklet on 'The Influence of Mass Media on Our Lives' for primary schools.

End/Wednesday, July 5, 1995

Water seepage in public housing estates

* * * * *

Following is a question by Dr the Hon Tang Siu-tong and a written reply by the Secretary for Housing, Mr Dominic Wong, in the Legislative Council today (Wednesday):

Question:

According to the information released by the Housing Branch, 2,414 complaints about water seepage have been received from among 44,908 flats in a total of 19 public housing estates completed less than three years ago. Of these complaints, some 745 have been received from Tin Yiu Estate at Tin Shui Wai. In connection with this, will the Government inform this Council:

- (a) whether there is anything special about the situation mentioned above as compared with the situation regarding complaints of the same nature three years ago;
- (b) whether the situation mentioned above is due to the quality of buildings or to the design of buildings;

- (c) what plan the Housing Authority has put in place to improve the quality of public housing estates; and
- (d) what measures the Government will take to assist the residents in solving the existing seepage problems?

Answer :

Mr President,

There is no evidence to suggest that there has been a deterioration in the general quality of public housing blocks constructed in recent years, nor are there special factors affecting the quality of flats in Tin Yiu Estate. Each item of work is checked by Housing Department staff at every stage of construction of a housing project, and defects are corrected before the flats are accepted for occupation.

Analysis of defects reported by tenants shows that the normal causes of seepage are either poor workmanship or tenants' unauthorised modifications which damage waterproof materials and surface drainage in the toilet, kitchen and balcony areas, rather than the quality or design of buildings.

Since 1993, only contractors who are certified to have attained ISO 9000 (a specified international standard in terms of quality control procedures) are allowed to bid for the Housing Authority's building contracts. Contractors' performance is monitored by the Housing Department, and scores are assigned on a monthly basis. A contractor's future opportunity to tender will be affected by his scores.

In addition, the design of and materials used in new blocks are continually being refined. Recent examples are the relocation of floor drains to the external wall and the use of windows with weather-strips. Suppliers of building components, with ISO certification, are used as far as possible.

These measures, taken together, have proved to be generally effective. Newly occupied flats in early 1993 had a seepage defect report rate of 1 per 110 flats during the first six months of occupation. For flats occupied in 1994, the rate dropped significantly to 1 per 364 flats.

Tenants are advised to report water seepage problems to estate staff. When a complaint is received, the problem will be inspected and repair will be carried out normally within 14 days. Estate staff also inspect the general conditions of every flat in public housing estates at least once every 18 months.

End/Wednesday, July 5, 1995

University engineering graduates

* * * * *

Following is a question by Dr the Hon Samuel Wong and a written reply by the Secretary for Education and Manpower, Mr Michael Leung, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council :

- (a) how many engineering students will be graduated from the universities funded by the University Grants Committee in 1995;
- (b) how many of such graduates will be able to join the Hong Kong Government as Engineering Graduates, and how many will be able to join the graduate training scheme jointly organised by the Vocational Training Council and the Hong Kong Institution of Engineers; and
- (c) whether there are plans to provide more training opportunities in the two categories mentioned in (b) above?

Reply:

Mr President,

- (a) On the basis of the number of final-year engineering students, the expected numbers of engineering graduates from the University Grants Committee(UGC)-funded institutions in 1995 at postgraduate, undergraduate and sub-degree levels are 432, 1,858 and 1,928 respectively.
- (b) There are a total of 80 vacancies for engineering graduates in the Housing Department and in the Works Group of Departments of the Government. These vacancies are open to both local and overseas engineering graduates, provided that they are permanent residents of Hong Kong. Since these Departments are now in the process of selecting suitable candidates, the number of engineering students graduated from the UGC-funded institutions who will join the Government in 1995 is not yet available. However, according to past experience, over 90% of these vacancies will be filled by the local engineering graduates.

As for the Engineering Graduate Training Scheme (EGTS), 270 training places for engineering graduates will continue to be offered in 1995.

- (c) The total number of training places in the Government for engineering graduates has increased from 64 in 1994 to 80 in 1995. We are planning to further increase this to 94 in 1996. As regards the EGTS, there are at present no plans for any increase in the training places.

End/Wednesday, July 5, 1995

Community development

* * * * *

Following is a question by the Hon Fred Li Wah-ming and a written reply by the Secretary for Home Affairs, Mr Michael Suen, in the Legislative Council today (Wednesday):

Question:

Regarding the service development of "Neighbourhood Level Community Development Projects", will the Government inform this Council:

- (a) of the reasons why it contemplates recommending to the Executive Council that it will no longer develop the Project and that it will gradually reduce the number of service teams under the Project over the next ten years; how many service teams will be affected immediately and in which districts are they based; and
- (b) what specific service development plans does the Government have under its policy on future community development, and what is the long term objective of such policy?

Reply:

Mr President,

My reply is as follows:

(a) NLCDPs were introduced in the seventies as a remedial service for areas such as squatter areas and temporary housing areas (THAs) where the provision of welfare services was inadequate or non-existent. In view of the marked improvement in the provision of welfare services, introduction of new services, full implementation of the District Administration Scheme and decrease in the number of THAs and squatter areas over the past twenty years, the need for NLCDP service is diminishing. Coupled with the fact that trained social workers who are limited in number are badly needed to effect the expansion of other welfare services, we intend to propose to the Executive Council to rationalise the NLCDP service by withdrawing NLCDP teams whose services for their clients will no longer be required upon the clearance or redevelopment of the areas which they serve.

(b) The Government attaches great importance to community development. The introduction of the District Administration Scheme is to strengthen local administration and community development. The District Boards together with the Mutual Aid Committees, Owners' Corporations, Area Committees and various district organisations provide various channels for residents to voice their concerns or to come together to foster a sense of neighbourhoodliness. The District Officers will continue to provide assistance to district organisations and encourage them to undertake community involvement projects with the assistance of District Board funds. The Social Welfare Department's Group Work Units and NGO-run community centres are providing group and community services to all age groups in the neighbourhood community. The Social Welfare Department will also continue to encourage its service units and NGOs to adopt an out-reaching approach in the delivery of their service in order to address the welfare needs of the people they serve.

End/Wednesday, July 5, 1995

Measures to tackle flooding problem

* * * * *

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

Question:

As the rainy season has begun, will the Government inform this Council of the details of the projects which have been carried out, and the preventive measures which have been adopted, by the relevant departments to prevent the recurrence of serious flooding in various flooding black spots throughout the territory?

Reply:

Mr President,

The Government is tackling the flooding problem in the territory in a systematic manner. In brief, the problem is being addressed through a three-tier approach comprising :-

- (a) long term structural measures to carry out river training works and village flood protection schemes;
- (b) short term improvement and management measures including local drainage improvement works, maintenance and surveillance to prevent drain blockage and to ensure the integrity of the drainage system; and
- (c) institutional and legislative measures including normalisation of the Drainage Impact Assessment requirement for developments within a flood plain and the implementation of the Land Drainage Ordinance.

Details of these measures are included in an information paper on Flood Control in the New Territories, prepared for the LegCo Panel on Planning, Lands and Works for their meeting on 4 April 1995 (Annex A). Since then we have achieved two major milestones in the implementation of the overall flood control strategy: the commencement of the Shenzhen River Regulation Project Stage I in 19 May 1995, and the gazetting of the first draft Drainage Authority Area Plan covering the Yuen Long, Kam Tin and Ngau Tam Mei drainage basin under the Land Drainage Ordinance in 19 May 1995.

Based on historical flooding records, the Government has comprised a list of flooding blackspots (Annex B) covering the whole territory. Both long term and short term action plans have been drawn up for the 82 flooding blackspots and many of these action plans are in progress or have been completed.

End/Wednesday, July 5, 1995

Sewerage facilities for beaches

* * * * *

Following is a question by the Hon Emily Lau and a written reply by the Secretary for Recreation and Culture, Mr James So, in the Legislative Council today (Wednesday):

Question:

In response to my question at the LegCo Sitting on 19 October 1994 concerning the development of additional beaches, the Government indicated that a comprehensive plan had been drawn up for the construction of sewerage facilities near beaches and an inter-departmental committee would soon be set up to look into water sports facilities, including the need for developing new beaches. In this connection, will the Government inform this Council:

- (a) of the number of existing beaches whose surrounding areas have been provided with sewerage facilities, as well as their locations and the situation regarding water quality improvement in each of these beaches;

- (b) of the names of the beaches anticipated to be provided with sewerage facilities within the next three years, together with the target date for completion of work and the achievable improvement in water quality in each of these beaches; and
- (c) when was the inter-departmental committee set up; what progress has been made in its work and, in particular, whether any study has been conducted on the development and opening up of additional beaches; if so, what the findings are?

Reply:

Mr President,

At present, nine of the 43 gazetted beaches managed by the Urban Council and the Regional Council are provided with sewerage in their vicinity. Three of them are on Hong Kong Island, i.e. Chung Hom Kok, Repulse Bay and Deep Water Bay. The remaining six are in the Tuen Mun District. They are New Cafeteria, Golden Beach, Old Cafeteria, Kadoorie, Castle Peak and Butterfly.

The water quality gradings of these beaches, before and after the commissioning of the sewerage in their vicinity, are given in the table attached. Notably, the water quality at the Old Cafeteria Beach has improved from Grade 4 in 1992 to Grade 3 in 1994 and that at the Castle Peak Beach also from Grade 4 in 1992 to Grade 3 in 1994.

The following eight gazetted beaches will be provided with sewerage in their vicinity in the next three years:-

(A) Hong Kong Island

<u>Beach</u>	<u>Target Date for Completion</u>
(i) Rocky Bay)	Works are scheduled to be completed in late 1996.
(ii) Shek O)	
(iii) Turtle Cove)	Sewerage construction works have been completed.
(iv) Hairpin)	Connections to premises by owners are in progress.
(v) Stanley Main)	
(vi) St Stephen's)	

(vii) Middle Bay) Sewerage construction works have been completed. Connections to premises are to be carried out by owners.

(B) Sai Kung District

<u>Beach</u>	<u>Target Date for Completion</u>
--------------	-----------------------------------

(i) Silverstrand	Sewerage construction works are scheduled for completion in 1998.
------------------	---

After the completion of the construction of the sewerage and the connections to premises, we expect that the water quality at these eight beaches will improve substantially. Members may, however, also wish to know that sewerage works carried out in other areas, albeit not in the vicinity of beaches, may also contribute to improving the water quality of beaches generally.

The inter-departmental committee formed to look into water sports facilities, commenced work in late February 1995. Up to the present moment, the committee has concentrated on reviewing the facilities and usage of existing waters sports centres.

There are at present seven public waters sports centres. Three are managed by the Regional Council and four by voluntary agencies. Our review has shown that the average usage of the centres managed by the voluntary agencies is generally low. While those centres under the Regional Council are able to achieve an annual utilisation rate of 72% and a rate of 94% during the summer months, the centres managed by the voluntary agencies are only able to reach an average annual utilisation rate of 44% and a rate of 50% during the summer months.

We are exploring ways and means to improve the usage of these water sports centres managed by the voluntary agencies. We shall also keep the situation under observation in close co-operation with the voluntary agencies.

The committee will move on to a review of the existing beach facilities later in the year. This review will also cover the need for and the feasibility of developing new beaches as well as the options in this regard.

WATER QUALITY GRADINGS AT BEACHES WITH SEWERAGE IN THE VICINITY

Beach	Before Commissioning of Sewerage		After Commissioning of Sewerage	
	Bathing season geometric mean <i>E. coli</i> count per 100 mL of seawater (1992)	Health risk (cases of minor illness per 1,000 swimmers)	Bathing season geometric mean <i>E. coli</i> count per 100 mL of seawater (1994)	Health risk (cases of minor illness per 1,000 swimmers)
<u>Hong Kong Island South District</u>				
Chung Hom Kok)	ND. Sewerage provided many years ago.		26	0.4
Repulse Bay)			18	undetectable
Deep Water Bay)			40	2
<u>Tuen Mun District</u>				
Butterfly)			317	12
New Cafeteria	175*	9	229*	11
Golden Beach #	ND	ND	206	10
Old Cafeteria	731	16	301	12
Kadoorie	267*	11	210*	10
Castle Peak	1187	18	243	11

Note: ND No data

New beach gazetted in 1994

* Changes in *E. coli* level are statistically insignificant

GRADING SYSTEM

Grade	Bathing season geometric mean <i>E. coli</i> count per 100 mL of seawater	Health risk (cases of minor illness per 1,000 swimmers)
1	up to 24	undetectable
2	25 to 180	10 or less
3	181 to 610	11 to 15
4	more than 610	more than 15

Pension payable to civil servants

* * * * *

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

Question:

As the pension payable to civil servants in the territory is calculated by multiplying the highest annual pensionable emoluments by the length of pensionable service (in months) and a pension factor, will the Government inform this Council:

- (a) of the number of civil servants on point 34 of the Master Pay Scale or equivalent who were promoted within eighteen months prior to their retirement (including early retirement) in each of the past three years, together with a breakdown by grades; and
- (b) whether the Government will review such a promotion arrangement in view of the fact that the staff mentioned in (a) are able to enjoy an increase in pension consequent upon their promotion within eighteen months before retirement; if not, why not?

Answer:

Mr President,

- (a) In the three-year period from January 1992 to December 1994, a total of 3,736 officers on point 34 and above of the Master Pay Scale or equivalent gained promotion to a higher rank within their respective grades. Of these, 58 retired (including early retirement) from the service within a period of 18 months after promotion. This represents about 1.6% of the total number of promotees. A breakdown by grade and department is at the attached Annex.
- (b) We have a provision in the Civil Service Regulations that officers who have less than twelve month's service to give before going on pre-retirement leave are not normally considered for promotion. This ensures that newly promoted officers would serve in the higher rank for at least twelve months.

We are fully aware of the need to ensure that promotees would give an adequate period of service before their retirement. On the other hand it is equally important not to deprive officers, who are approaching retirement age but who are nonetheless fully qualified for the job in a higher rank, of the advancement opportunities they well deserve. The provision in the Civil Service Regulations represents an appropriate balance between the two. It has been in practice for decades and has been working well. We do not see any need for revising this provision.

End/Wednesday, July 5, 1995

Home Ownership Scheme

* * * * *

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

Question:

In his policy address in October last year, the Governor made a policy commitment to increase home ownership in the territory to "just under 60% by 1997". However, on 1 June 1995, the Chairman of the Housing Authority stated that "by 1997, the home ownership rate across the territory will only reach 50%, with the public sector accounting for 13%. This apparently falls short of the Government's earlier target". In this connection, will the Administration inform this Council:

- (a) whether the Governor's 1994 policy commitment will be met?
- (b) what specific steps the Government will take in the next 3 years to achieve the Governor's commitments; and
- (c) how does the Government define the term "home ownership" in the context of the Governor's commitment?

Answer:

Mr President,

In the context of the Governor's Policy Address in 1992, home ownership refers to occupation of housing units by owners as their homes. This rate is not easy to forecast as it is sensitive to various factors including the supply of flats, market sentiment and people's affordability to buy.

Latest indications suggest that the home ownership rate by 1997 may be a few percentage points below what was forecast in 1992. This may be attributed largely to high property prices in the past two years, which reduces potential buyers' affordability and incentive to purchase homes. A more accurate assessment of the practicability of achieving the target can be made when the Housing Branch has completed its review of the Government's Long Term Housing Strategy in mid-1996.

In the next three years, the Government will adopt a comprehensive approach to help families to buy their own flats. For lower income families, the Home Ownership Scheme, the Private Sector Participation Scheme, the Flats for Sale Scheme and the recently enhanced Home Purchase Loan Scheme will continue to be available. On average, about 27,000 such families will be assisted to purchase homes each year.

For sandwich class families, a loan scheme and a flats for sale scheme are available. On average, about 4,100 such families will benefit each year.

There are others who fall outside the purview of all these schemes or who wish to buy flats in the private sector. For these families, the Government's task is to ensure that property prices are not inflated by speculative activities. The anti-speculation measures introduced since June 1994 have been achieving the desired effect. We shall continue to monitor the property market closely and guard against any rekindling of speculative activity. In parallel, we will provide an adequate supply of land for housing construction and will accelerate housing production whenever possible through the Housing Project Action Team chaired by the Secretary for Housing.

While the Government provides help in various ways listed above, in the end the decision whether or not to buy a flat rests with the individual who must take into account his own circumstances.

End/Wednesday, July 5, 1995

Reimbursement of charges for dental services

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

Question:

With regard to the reimbursement of charges for dental services for public assistance recipients, will the Administration inform this Council:

- (a) of the average amount of reimbursement, as well as the highest and the lowest reimbursement amount, in each of the past three years;
- (b) of the average waiting time for receiving the service and receiving the reimbursement respectively;
- (c) whether there are any statistics to compare the charges and cost-effectiveness of the non-profit-making dental service providers which the public assistance recipients are asked to visit, and those of the private sector; and
- (d) whether the Administration will consider taking over the provision of such services for public assistance recipients; if not, why not?

Reply :

- (a) The average amount of reimbursement of charges for dental services provided to Comprehensive Social Security Assistance (CSSA) clients in each of the past three years is as follows -

<u>Financial Year</u>	<u>Average Amount of Reimbursement Per Case</u>
1992/93	\$2,400
1993/94	\$2,500
1994/95	\$3,025

Given the very wide range of charges for different types of dental services which include check-up, tooth extraction and filling, full and partial dentures, scaling and root canal treatment, etc., the actual amount reimbursed can vary enormously between individual cases. Prior to April 1994, reimbursement records were kept manually amounting to over 80,000 individual case files in 1992/93 and over 95,000 in 1993/94. It would be very difficult and time-consuming to analyse all these manually kept records to identify the minimum and the maximum amount of reimbursement made in those years.

Since April 1994, records of reimbursement have been kept in the computerised Social Security Payment System. According to computerised records, the minimum amount reimbursed in 1994/95 was \$20 for a simple case involving a check-up only, whereas the maximum amount was \$13,380 for an exceptional case involving major crown and bridge work for 12 teeth (treatment which took place over a period of about 2 months). In about 95% of all cases, the reimbursement was below \$5000 and only about 2% of all CSSA recipients made any claim at all for dental treatment in 1994/95.

- (b) The average waiting time for receiving dental treatment is eight working days from the date of request for a dental appointment. The waiting time for receiving reimbursement of charges for dental services is nine working days from the date of submission of the cost estimate to the Social Welfare Department (SWD). In emergencies, dental services and reimbursement of charges can be provided within one or two working days.
- (c) According to a fee survey of private dentists operating in housing estates conducted by the Estate Dental Group of the Hong Kong Dental Association in January 1995, private dentists charge higher fees than non-profit-making dental clinics. There is, however, no data available to enable a comparison of the relative cost-effectiveness of the two sectors.
- (d) At present, 21 non-profit-making registered dental clinics are designated to provide dental services for CSSA clients who are also free to use any registered private dentist, provided that the cost charged by the private dentist is not more than that charged by the designated clinics. The aim of our public dental care policy is to provide promotive and preventive services, while leaving the provision of curative dental services largely to the non-governmental sector. As the current provision of dental services for CSSA clients by the non-governmental sector is working reasonably well, we see no need to consider taking it over.

Retirement benefits of academic staff

* * * * *

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

Question:

The retirement benefits payable to the teaching staff of the institutions funded by the University Grants Committee are calculated by multiplying the final monthly basic salary by the length of qualifying service and a multiplying factor. In this respect, will the Government inform this Council:-

- (a) of the number of teaching staff who were promoted within eighteen months prior to their retirement in the past three years; of this number, how many were on salary points equivalent to point 34 and above of the Civil Service Master Pay Scale, together with their distribution by institutions; and
- (b) whether the Government will review such a promotion arrangement in view of the fact that the staff mentioned in (a) are able to enjoy an increase in retirement benefits upon their promotion within eighteen months prior to their retirement; if not, why not?

Reply:

Mr President,

Over the past three years in the UGC-funded institutions only three academic staff on the equivalent of MPS point 34 or above were promoted within eighteen months prior to their retirement. One of these staff was at CUHK and the other two were at HKU.

The Government will not review or otherwise intervene in these matters since the appointment and promotion of academic staff are matters entirely within the jurisdiction of the UGC-funded institutions.

End/Wednesday, July 5, 1995

Dental service for civil servants

* * * * *

Following is a question by Dr the Hon Leong Che-hung, and a written reply by the Secretary for the Civil Service, Mr Michael Sze, in the Legislative Council today (Wednesday):

Question:

Regarding the non-emergency dental service provided to civil servants by the Government, will the Government inform this Council:

- (a) of the current average waiting time for a civil servant to receive non-emergency dental service;
- (b) of the total number of such dental consultations provided to civil servants in each of the last three years; and
- (c) how the non-emergency dental service has expanded in terms of the number of clinics, manpower and expenses in the last three years?

Answer:

Mr President,

The answers to the three questions are :

- (a) As at 31 March 1995, the average waiting time for a civil servant to receive Government non-emergency dental treatment was 8.1 months.
- (b) The total number of dental consultations provided to civil servants in 1992/93, 1993/94, and 1994/95 were 470,622, 471,629, and 492,634 respectively.
- (c) Three new dental clinics were opened and five existing dental clinics expanded their operations in the last three years. 28 additional posts were created. Expenditure on dental services for civil servants was increased by \$21.2 million in 1992/93, by \$25.3 million in 1993/94, and by an estimated \$27.1 million in 1994/95.

End/Wednesday, July 5, 1995

Publicity campaign to prevent chemical leakage incidents

* * * * *

Following is a question by the Hon Tam Yiu-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 number of chemical gas leakage incidents which occurred during the handling of chemicals, together with the number of casualties, involved in each of the past 12 months; and
- (b) what short-term measures or publicity campaigns the Government has put in place to educate the persons concerned on how to prevent such accidents when handling chemicals?

Reply:

Mr President,

- (a) The number of chemical gas leakage incidents and the number of casualties involved and taken to hospital in each of the past 12 months is-

<u>Year</u>	<u>Month</u>	<u>No. of incidents</u>	<u>No. of casualties</u>
1994	June	3	0
	July	6	20
	August	3	11
	September	3	4
	October	1	0
	November	2	1
	December	2	0
1995	January	2	1
	February	0	0
	March	2	31
	April	3	3
	May	10	34

	Total	37	105

- (b) The Labour Department will run a safety campaign on Summer Job Safety in July and August 1995. This will target machinery and chemical safety. It will run a second safety campaign in October and November 1995 which will target fire and chemical safety. During these campaigns, the Department's factory inspectors will visit factories and construction sites to give advice and distribute publications on chemical safety. They will, as necessary, initiate legal action against dangerous practices. The Department has also produced an Announcement of Public Interest which will be shown on television.

The Labour Department runs several safety courses in its Industrial Safety Training Centre which cover general chemical safety. These courses include topics such as safety legislation in accident prevention, safety standards on construction sites, fire precautions in work places and health-related safety legislation. Over the past 12 months, the Centre has run 13 classes on the Dangerous Goods Regulations and 14 more classes will be run in the second half of 1995. In addition, the Department organises seminars in co-operation with workers' associations. In the past 12 months, five seminars on chemical safety have been conducted. These will continue to be organised in the future.

The Occupational Health and Safety Council also conducts a range of courses relating to chemical safety. These include vocational topics on basic occupational health knowledge and safety in the electronics industry, as well as certificate courses in the management of dangerous goods and in laboratory safety.

Under the Hong Kong Education Regulations, school supervisors and principals must ensure that chemicals are properly stored in schools and used under the strict guidance and supervision of qualified teachers. The Education Department issues a school circular on laboratory safety to schools every September. Science subject inspectors conduct regular inspections to monitor schools' compliance. There are established guidelines and codes of practices on laboratory and health safety in UGC-funded institutions. The institutions must comply with statutory requirements concerning the storage, use and disposal of dangerous chemicals. The institutions employ safety officers to implement, monitor and advise on their laboratory safety policies and procedures, and to ensure that statutory requirements are met. The institutions have established a Tertiary Institutions Safety Advisory Group to share experiences in the health and safety fields. This also oversees the development of safety standards in the academic environment, including risk management, safe working practices and environmental protection.

Power to obtain information from IRD

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

Question:

Following the enactment of the Organised and Serious Crimes Ordinance in October last year, section 6 of the Ordinance has been put into effect since 28 April this year. Will the Government inform this Council of:

- (a) the number of cases in which the power under Section 6 of the Organised and Serious Crimes Ordinance has been invoked to obtain information from the Inland Revenue Department about persons suspected of involvement in organised crimes since the commencement of that section; and
- (b) the number of cases in which such information has been subsequently used as evidence for initiating prosecution?

Reply:

Mr President,

Since Section 6 of the Organised and Serious Crimes Ordinance came into effect on 28 April 1995, there has as yet been no case where the power to obtain information from the Inland Revenue Department under this section has been used. The answer to both (a) and (b) is therefore "none".

End/Wednesday, July 5, 1995

Traffic congestion at Au Tau Roundabout

* * * * *

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

Question:

Since the opening of the New Territories Circular Road in 1993, the traffic flow at Yuen Long - Au Tau Roundabout has increased drastically. This has resulted in traffic congestion occurring during peak hours, with the vehicle queue often stretching to as far as the Southern Bypass and Fairview Roundabout. In view of this, will the Government inform this Council:

- (a) whether the Government has put in place any interim or special measures to ease traffic congestion at the above locations; and
- (b) what progress has been made regarding the road project under which a flyover and a slip road are being planned to be built at Au Tau to link up Castle Peak Road and the Circular Road for regulating the flow of traffic in the area; and when these roads are expected to be opened to traffic?

Reply:

Mr President,

- (a) In recent years, traffic has increased substantially in the North West New Territories, including Castle Peak Road and the New Territories Circular Road (NTCR). The Au Tau Roundabout provides a link between Castle Peak Road in the west, the NTCR in the north and Kam Tin Road in the east. It is now heavily congested during morning peak hours.

In 1993, improvements were instituted to enhance the capacity of the roundabout by providing two exclusive left-turn lanes from Castle Peak Road into the NTCR and an exclusive straight-ahead lane from Kam Tin Road to Castle Peak Road bypassing the roundabout. In late 1994, at the request of the Yuen Long District Board, a temporary traffic signal was installed in Castle Peak Road for use during peak hours, so as to permit more vehicles to enter the roundabout from the NTCR. However, with the continued growth in both cross-border and local traffic, conditions at the roundabout have again deteriorated, particularly during the morning peak hours.

The Transport Department is now considering converting the roundabout into a signalised junction, so as to try to improve traffic flow. The Yuen Long District Board will shortly be consulted again on this proposal.

- (b) As part of the Route 3 (Country Park Section) project, two slip roads will be built to link the NTCR with the Yuen Long Highway via Pok Oi Interchange, for completion in mid 1998. These will relieve the Au Tau Roundabout, since all traffic between the NTCR and the Yuen Long Highway in both directions will be diverted away from it. The Au Tau Roundabout will then mainly serve local traffic between Yuen Long and Kam Tin.

A proposal to build a temporary flyover to relieve the roundabout, has been considered in the past. However, apart from the high estimated construction cost of about \$130M, it is clear that such a project could not be completed before the year 2000, by which time substantial relief would have been provided by the new Route 3 (Country Park Section) highway which is scheduled for opening in mid 1998.

End/Wednesday, July 5, 1995