



DAILY INFORMATION BULLETIN

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WEDNESDAY, NOVEMBER 24, 1993

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CS PAYS TRIBUTE TO CIVIL SERVICE

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FOLLOWING IS THE SPEECH BY THE CHIEF SECRETARY, SIR DAVID FORD, IN THE MOTION DEBATE ON AN EFFECTIVE AND EFFICIENT CIVIL SERVICE IN THE LEGISLATIVE COUNCIL TONIGHT (WEDNESDAY):

MR PRESIDENT,

A FEW WEEKS AGO I GAVE A SPEECH IN THIS COUNCIL WHICH I DESCRIBED AS MY LAST MAJOR SPEECH. I APOLOGISE IF I AM DISAPPOINTING MEMBERS BY GETTING TO MY FEET, YET AGAIN MY EXCUSES THAT THIS IS NOT A MAJOR SPEECH. AND IN ANY EVENT IT SEEMS APPROPRIATE TO ME THAT AFTER MORE THAN A QUARTER OF A CENTURY IN THE PUBLIC SERVICE IN HONG KONG, AND THE LAST SEVEN YEARS AS CHIEF SECRETARY AND HEAD OF THE CIVIL SERVICE, MY FINAL CONTRIBUTION AS AN OFFICIAL MEMBER OF THIS COUNCIL SHOULD BE DEVOTED TO THE CIVIL SERVICE ITSELF.

MR PRESIDENT, I THEREFORE WELCOME THIS MOTION AS AN OPPORTUNITY TO SAY A FEW WORDS ABOUT THE SERVICE AND TO PAY TRIBUTE TO MY COLLEAGUES. I HOPE IT GOES WITHOUT SAYING THAT THE GOVERNMENT REMAINS FULLY AND FIRMLY COMMITTED TO DOING WHATEVER IS NECESSARY TO MAINTAIN A STABLE, EFFICIENT AND EFFECTIVE CIVIL SERVICE.

I WOULD LIKE TO THINK THE CIVIL SERVICE IS SOMEHOW SYMBOLIC OF THE SPECIAL QUALITIES OF HONG KONG PEOPLE WHICH HAVE BEEN THE DRIVING FORCE BEHIND THE SUCCESSES OF THIS PLACE : AN EXTRAORDINARY CAPACITY FOR HARD WORK, INNOVATION AND A READINESS AND ADAPTABILITY TO CHANGE.

I THINK WE SOMETIMES FORGET JUST HOW MUCH THE CIVIL SERVICE IMPACTS ON THE DAILY LIFE OF PEOPLE IN HONG KONG : SAFE AND CLEAN STREETS, SCHOOLS, POSTAL SERVICES AND RECREATIONAL FACILITIES NOT TO MENTION HOUSING, MEDICAL SERVICES AND THE DEVELOPMENT OF OUR NEW TOWNS. ALL THIS AT A COST OF LESS THAN 20% OF HONG KONG'S GDP! ON THE POLITICAL AND CONSTITUTIONAL SIDE, THE CIVIL SERVICE HAS RESPONDED WELL TO ALL THE CHALLENGES THRUST UPON IT AND IT HAS SET US ON A WELL PAVED AND SECURE ROAD TO THE TRANSITION TO 1997. WE HAVE NOT ONLY ACCEPTED THIS CHANGE, BUT ALSO GREATLY IMPROVED THE EFFICIENCY AND QUALITY OF OUR SERVICE TO THE PUBLIC AT THE SAME TIME.

SO LET ME ASSURE HONOURABLE MEMBERS THAT GOVERNMENT REMAINS COMMITTED TO THE MAINTENANCE OF A FIRST-CLASS CIVIL SERVICE. I BELIEVE OUR RECORD SHOWS WE CAN DELIVER ON THIS PROMISE. MY COLLEAGUE, THE SECRETARY FOR THE CIVIL SERVICE WILL DEAL WITH THE KEY ISSUES RAISED IN THIS MOTION IN DETAIL. BUT I WOULD LIKE TO ADDRESS JUST A FEW OF THEM IN BROADER TERMS, INCLUDING THE MEASURES WE HAVE TAKEN TO IMPROVE THE QUALITY AND CULTURE OF THE SERVICE, LOCALISATION, AND THE RELATIONSHIP OF THE LEGISLATURE WITH THE CIVIL SERVICE.

/I BELIEVE

I BELIEVE WE MANAGE TO PULL OFF THE TRICK OF IMPROVING THE QUALITY OF OUR WORK WHILE AT THE SAME TIME FACING NEW AND MORE COMPLEX CHALLENGES, AND RAPIDLY RISING COMMUNITY EXPECTATIONS. MUCH OF THIS HAS BEEN DUE TO THE RESOURCES WE HAVE PUT INTO TRAINING. OVER THE LAST 5 YEARS, WE HAVE MORE THAN DOUBLED OUR TRAINING BUDGET, FROM \$301 MILLION TO \$671 MILLION. AT THE SAME TIME WE HAVE MADE DEPARTMENTS TAKE ON MUCH MORE RESPONSIBILITIES FOR THE TRAINING OF THEIR OWN PEOPLE. AFTER ALL THEY SHOULD KNOW BEST WHAT THEY NEED BY WAY OF TRAINING. AND, FINALLY, WE HAVE TACKLED THE NEEDS OF THE TRANSITION BY FOCUSING ON CHINA-RELATED TRAINING. THIS YEAR, WE HAVE RUN 7 SPECIAL COURSES INCLUDING 83 CAREFULLY-SELECTED OFFICERS, INCLUDING THOSE AT THE TSING HUA UNIVERSITY IN BEIJING. WE REALLY ARE LAYING THE GROUND WORK FOR THE FUTURE.

ON THE THORNY ISSUE OF LOCALISATION REFERRED TO BY MR NGAI, I WOULD HAVE TO SAY - AS SOMEONE WHO IS TO BE "LOCALISED" WITH EFFECT FROM NEXT MONDAY - THAT THERE HAS BEEN A GOOD DEAL OF MISUNDERSTANDING OF OUR RECORD IN THIS AREA UP TO NOW, AND NOT A LITTLE UNDERESTIMATION AND UNDERSTATEMENT OF WHAT WE HAVE SO FAR ACHIEVED.

I THINK IT IS WORTH LOOKING AT THE FIGURES AGAIN. IN 1952, OVERSEAS OFFICERS ACCOUNTED FOR 4.4% OF THE CIVIL SERVICE. TODAY, THEY ACCOUNT FOR 1.1%. IN TERMS OF ABSOLUTE NUMBERS, THERE ARE NOW ONLY 2,100 OVERSEAS OFFICERS IN A SERVICE OF MORE THAN 180,000. AT THE DIRECTORATE LEVEL, 65.5% OF THE POSTS ARE NOW FILLED BY LOCAL OFFICERS; SOME 80% OF THE SENIOR MANAGEMENT/PROFESSIONAL OFFICERS ARE LOCALS, AND HALF OF OUR POLICY SECRETARIES AND HEADS OF DEPARTMENTS ARE LOCAL.

LET ME ONCE AGAIN MAKE IT CLEAR : WE ARE VERY WELL AWARE OF OUR OBLIGATIONS AND OUR COMMITMENT TO LOCALISE THE CIVIL SERVICE. NOT LEAST AS IT AFFECTS PRINCIPAL OFFICIAL POSTS, AND HONOURABLE MEMBERS CAN BE ASSURED THAT THESE ARRANGEMENTS WILL BE IN PLACE IN GOOD TIME. EQUALLY, I'M SURE THAT HONOURABLE MEMBERS WILL WANT TO BE ASSURED THAT THE SERVICE WILL CONTINUE TO HAVE THE RIGHT MIX OF EXPERTISE AND RANGE OF EXPERIENCE IT NEEDS TO DELIVER THE GOODS. THAT IS ENTIRELY CONSISTENT WITH THE KIND OF CIVIL SERVICE ENVISAGED UNDER THE JOINT DECLARATION AND THE BASIC LAW.

THE RELATIONSHIP BETWEEN LEGCO AND THE CIVIL SERVICE HAS ALWAYS BEEN CRUCIAL. IN MY EXPERIENCE IT HAS ALSO ALWAYS BEEN GOOD. AND NOTWITHSTANDING THE NEW PRESSURES WHICH HAVE BEEN PLACED ON BOTH SIDES, PARTICULARLY SINCE THE 1991 ELECTIONS, I BELIEVE THAT THE RELATIONSHIP REMAINS SOUND, BASED AS IT IS ON A MUTUAL DESIRE TO DO WHAT IS BEST FOR OUR FELLOW CITIZENS. I FEEL CONFIDENT THAT AS THE GOVERNMENT CONTINUES TO DEMONSTRATE ITS ACCOUNTABILITY THAT RELATIONSHIP WILL DEVELOP CONSTRUCTIVELY, EVEN ALLOWING FOR THE OCCASIONAL WRINKLE WHERE WE MAY NOT SEE EYE-TO-EYE.

BUT I WOULD LIKE TO MENTION ONE ASPECT OF THE RELATIONSHIP WHICH I BELIEVE NEEDS TO BE CAREFULLY PRESERVED. THIS LEGISLATURE, IN PARTICULAR THROUGH THE ESTABLISHMENT SUB-COMMITTEE OF THE FINANCE COMMITTEE, HAS AN IMPORTANT DUTY TO DISCHARGE IN THE EXAMINATION AND APPROVAL OF CIVIL SERVICE DIRECTORATE POSTS. IT IS YOUR JOB TO SEE THAT THE PUBLIC IS GETTING VALUE FOR MONEY. THERE HAVE BEEN SOME SIGNS HOWEVER THAT THIS ROLE HAS BEEN WIDENED BY SOME MEMBERS AND AS A RESULT THEY MAY HAVE STRAYED INTO AREAS WHERE I BELIEVE THE ADMINISTRATION SHOULD BE IN THE DRIVING SEAT, INCLUDING MANAGEMENT DECISIONS AND PARTICULARLY MATTERS RELATING TO INDIVIDUAL APPOINTMENTS.

WE DO NEED TO TAKE THE GREATEST CARE THAT THE LEGISLATURE DOES NOT STEP TOO FAR DOWN THIS SLIPPERY SLOPE TO A POINT WHICH COULD LEAD TO THE POLITICISATION OF THE CIVIL SERVICE. APPOINTMENTS ARE A MANAGEMENT RESPONSIBILITY AND WE HAVE THE PUBLIC SERVICE COMMISSION TO ACT AS THE PROPER MECHANISM OF PUBLIC SAFEGUARD THAT THESE RESPONSIBILITIES ARE PROPERLY DISCHARGED. AND THE POLITICAL NEUTRALITY OF THE CIVIL SERVICE IS ITSELF ONE OF THE KEY SAFEGUARDS OF OUR SYSTEM OF GOVERNMENT, NOW AND IN THE FUTURE.

MR PRESIDENT, I HAVE BEEN HONOURED TO HEAD THE CIVIL SERVICE FOR THE PAST SEVEN YEARS. WE HAVE A FINE AND IMMENSELY LOYAL BODY OF MEN AND WOMEN DOING THEIR BEST FOR THE PEOPLE OF HONG KONG. AS I HAVE SAID EARLIER, TO ME THEY EMBODY IN SO MANY WAYS ALL THE ATTRIBUTES OF OUR OWN COMMUNITY. OF COURSE, THIS MEANS WEAKNESSES AS WELL AS STRENGTHS. BUT IF YOU LOOK ABOUT YOU AND SEE WHAT WE HAVE TOGETHER ACHIEVED, I THINK YOU WILL AGREE THAT THOSE STRENGTHS DEMONSTRABLY OVERWHELM ANY WEAKNESSES. LONG MAY IT CONTINUE TO BE SO.

MR PRESIDENT I HOPE I WOULD NOT BE RULED OUT OF ORDER IF I ALSO SAY A FEW WORDS WHICH ARE NOT DIRECTLY RELATED TO THIS MOTION, BECAUSE I WOULD LIKE TO THANK YOU MR PRESIDENT AND ALL MEMBERS OF THIS COUNCIL FOR ALL THE KINDNESS, FRIENDSHIP AND SUPPORT WHICH YOU HAVE SHOWN ME DURING MY TIME, BOTH AS CHIEF SECRETARY AND ALSO AS CHAIRMAN OF THE FINANCE COMMITTEE. MY WEDNESDAY AND FRIDAY AFTERNOONS WILL NEVER BE QUITE THE SAME AGAIN. I AM VERY SAD TO BE LEAVING HONG KONG BUT I HAVE TWO CONSOLATIONS. FIRSTLY I CAN CONTINUE TO SERVE HONG KONG AS HONG KONG'S COMMISSIONER IN LONDON. AND SECONDLY, I LEAVE MY POST IN VERY CAPABLE HANDS.

MR PRESIDENT, I AM HAPPY TO SUPPORT THIS MOTION.

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SCS IN MOTION DEBATE

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FOLLOWING IS THE SPEECH BY THE ACTING SECRETARY FOR THE CIVIL SERVICE, MR STUART HARBINSON, IN THE MOTION DEBATE ON THE CIVIL SERVICE IN THE LEGISLATIVE COUNCIL TONIGHT (WEDNESDAY):

MR PRESIDENT,

I AM MOST GRATEFUL TO THE HONOURABLE NGAI SHIU-KIT FOR MOVING THIS MOTION, THUS GIVING ME A GOLDEN OPPORTUNITY TO PAY A WELL-DESERVED TRIBUTE TO THE MEN AND WOMEN OF OUR CIVIL SERVICE.

AS THE CHIEF SECRETARY HAS SAID, IT IS ALL TOO EASY TO FORGET OR TO TAKE FOR GRANTED THE CENTRAL ROLE THE CIVIL SERVICE PLAYS. IT IS A FACT THAT THE CIVIL SERVICE IS VITALLY IMPORTANT FOR THE STABILITY AND PROSPERITY OF HONG KONG. I AM GLAD THAT THIS FACT IS RECOGNISED BY THE MOTION.

THE GOVERNMENT ATTACHES THE GREATEST IMPORTANCE TO HAVING A HIGHLY MOTIVATED SERVICE. WE ARE DETERMINED TO ENSURE THAT CIVIL SERVANTS CONTINUE TO SEE A LONG-TERM CAREER IN THE GOVERNMENT AND LOOK TO 1997 AND BEYOND WITH A POSITIVE SPIRIT, IN THE KNOWLEDGE THAT THE PUBLIC VALUES THEIR CONTRIBUTIONS. WE HAVE DONE AND ARE DOING A GREAT DEAL TO THIS END - I SHALL RESPOND TO THE POINTS MEMBERS RAISED IN A MINUTE.

/I SHALL

I SHALL NOT PRETEND THAT CIVIL SERVANTS DO NOT HAVE WORRIES AND CONCERNS ABOUT THE FUTURE: WE ALL DO. INDEED THE CIVIL SERVICE IS UNDERGOING A PERIOD OF UNPRECEDENTED CHANGE:

- FIRST, WE HAVE TO ADJUST TO FAR HIGHER EXPECTATIONS FROM MEMBERS OF THE PUBLIC. QUITE RIGHTLY THE PUBLIC EXPECTS QUICK, EFFICIENT AND COURTEOUS SERVICE. AND WE HAVE RESPONDED VERY WELL TO THIS. WE HAVE FOR EXAMPLE INTRODUCED PERFORMANCE PLEDGES IN ALL DEPARTMENTS, AS MR BARROW SAID, MORE NEEDS TO BE DONE AND WE ARE WORKING VERY HARD IN THAT DIRECTION.
- SECONDLY, MEMBERS OF THIS COUNCIL ARE ALSO ADDING TO THE PRESSURES ON THE SERVICE. OUR POLITICAL SCENE IN HONG KONG IS UNRECOGNISABLE FROM A FEW YEARS AGO. AGAIN, CIVIL SERVANTS HAVE RISEN EXTREMELY WELL - AND COMPETENTLY - TO THE CHALLENGE.
- THIRDLY, IS THE TRANSITION TO CHINESE SOVEREIGNTY. MEMBERS HAVE DEALT WITH MANY ASPECTS OF THIS. YES, THERE ARE STILL MANY IMPONDERABLES. BUT LET US EXAMINE WHAT WE HAVE IN FACT DONE.

PENSIONS AND PENSION SAFEGUARDS

FOR A START, OVER THE LAST DECADE WE HAVE DONE AN ENORMOUS AMOUNT TO PROVIDE PENSION SECURITY. HOW ANYONE CAN ARGUE THAT WE HAVE NOT DONE ENOUGH TO MEET LEGITIMATE CONCERNS IN THIS AREA Baffles ME-

- AT THE ADMINISTRATION'S INITIATIVE, PENSIONS ARE NOW A STATUTORY RIGHT AND A STATUTORY CHARGE ON THE GENERAL REVENUE.
- SIMILARLY, PENSION INCREASES IN LINE WITH INFLATION ARE NOW A STATUTORY RIGHT.
- BOTH THE BASIC LAW AND THE JOINT DECLARATION GUARANTEE UNAMBIGUOUSLY THAT PENSIONS WILL CONTINUE TO BE PAID ON TERMS NO LESS FAVOURABLE THAN BEFORE, IRRESPECTIVE OF NATIONALITY OR PLACE OF RESIDENCE.
- AND, IN HIS ADDRESS TO THIS COUNCIL LAST MONTH THE GOVERNOR ANNOUNCED WE WOULD BE ESTABLISHING A \$7 BILLION PENSION RESERVE FUND. THIS IS A VERY LARGE AMOUNT OF MONEY BY ANYONE'S STANDARDS. WE SHALL SOON START DISCUSSION WITH STAFF ON THE DETAILS AND I WILL MAKE THE POINT THAT PENSIONS ARE PROJECTED TO REMAIN AT ONLY FOUR TO FIVE PER CENT OF GOVERNMENT OPERATING EXPENDITURE WELL INTO THE FUTURE, A VERY MANAGEABLE LEVEL.

LOCALISATION

MUCH HAS BEEN SAID ABOUT LOCALISATION RECENTLY AND SEVERAL HON MEMBERS HAVE AGAIN MADE IT A CENTRAL THEME TO THEIR SPEECHES. I AM FRANKLY DISAPPOINTED THAT WE SEEM UNABLE TO LOOK AT THIS SUBJECT OBJECTIVELY.

/THE HONG

THE HONG KONG GOVERNMENT IS FIRMLY COMMITTED TO LOCALISATION. THE POLICY IS BEING TRANSLATED INTO REALITY EVERY DAY OF EVERY WEEK. WE HAVE A VERY STRONG PREFERENCE FOR LOCAL RECRUITMENT, FOR EXAMPLE, LAST YEAR ONLY 85 OUT OF OVER 11,300 RECRUITS CAME FROM OVERSEAS - SUBSTANTIALLY LESS THAN 1%.

OTHER FIGURES QUOTED BY THE CHIEF SECRETARY EARLIER IN THE DEBATE, ABOUT THE FILLING OF SENIOR POSTS AND HIS ASSURANCES ABOUT THE FILLING OF PRINCIPAL OFFICIAL POSTS, SPEAK FOR THEMSELVES. WHERE PROGRESS IS UNEVEN, WE HAVE SHOWN THAT WE ARE PREPARED TO TAKE SPECIAL MEASURES, SUCH AS THOSE RECENTLY ANNOUNCED IN THE LEGAL AND LEGAL AID DEPARTMENTS.

WE HAVE ALSO FACED UP TO THE FACT THAT THE TRADITIONAL SYSTEM OF CIVIL SERVICE EMPLOYMENT, WITH ITS DIVISION BETWEEN SO-CALLED LOCAL AND OVERSEAS OFFICERS, IS OUT OF DATE AND WAS IN SOME RESPECTS INCONSISTENT WITH THE BILL OF RIGHTS.

TO DEAL WITH THIS SITUATION WE HAVE ADOPTED A TWO-STAGE APPROACH. THE FIRST STAGE WAS THE INTERIM MEASURE, ANNOUNCED IN JULY, WHEREBY QUALIFIED PERMANENT RESIDENTS CURRENTLY SERVING ON OVERSEAS CONTRACT TERMS COULD APPLY FOR ONE CONTRACT ONLY ON LOCAL CONDITIONS. PLEASE NOTE THAT THIS IS NOT THE SAME AS SAYING THAT THEY ARE LOCAL NOR ITS ACCEPTANCE AUTOMATIC, SO THERE HAS BEEN NO FAIT ACCOMPLI. THE SECOND STAGE IS THE CONSULTATIVE EXERCISE ANNOUNCED LAST MONTH WHICH PROPOSES THAT WE SHOULD ABOLISH LOCAL AND OVERSEAS CONDITIONS AND HAVE A NEW COMMON SET OF TERMS FOR THE FUTURE. AS PART OF THIS EXERCISE WE ALSO NEED TO COME UP WITH A DEFINITION OF WHO IS TO BE REGARDED AS "LOCAL", BECAUSE WE LACK SUCH A DEFINITION AT PRESENT.

FACING UP TO THE FUTURE IN THIS WAY WAS ALWAYS GOING TO BE A PAINFUL PROCESS, AND SO IT HAS PROVED. BUT THAT DOES NOT MEAN THAT IT WAS NOT NECESSARY OR THAT WE SHOULD GIVE UP. INDEED WE MUST CONTINUE DOWN THIS PATH IN ORDER TO BUILD A SOLID FOUNDATION FOR THE FUTURE. WHEN WE HAVE DONE SO, THE CIVIL SERVICE WILL BE A MUCH HEALTHIER ORGANISATION, AND EVEN BETTER EQUIPPED TO FACE THE CHALLENGES OF THE FUTURE.

UNFORTUNATELY THERE APPEAR TO BE SOME WHO, PERHAPS NOT UNNATURALLY, PREFER TO CLING TO THE MORE FAMILIAR, IF IN SOME WAYS NOW DISCREDITED, GROUND OF THE TRADITIONAL SYSTEM. THIS INCLUDES PROPONENTS OF THE PRIVATE MEMBER'S BILL WHICH SEEKS TO STOP PERMANENT RESIDENTS SWITCHING TO LOCAL TERMS UNDER THE FIRST STAGE OF OUR APPROACH. IN DOING SO I WONDER WHETHER THESE MEMBERS ARE SAYING THAT PERMANENT RESIDENTS ARE NOT HONG KONG PEOPLE, IF SO, WHY NOT. I SHOULD POINT OUT THAT THE BASIC LAW GIVES PERMANENT RESIDENTS THE RIGHT, AMONG OTHER THINGS, TO HAVE PERMANENT IDENTITY CARDS, WITH A RIGHT OF ABODE HERE, TO VOTE AND TO STAND FOR ELECTION. THE BASIC LAW ALSO SAYS THE SAR GOVERNMENT SHALL EMPLOY PERMANENT RESIDENTS. WE'VE MADE IT CLEAR THAT WE ARE PREPARED TO ACCEPT THE DEFINITION OF A PERMANENT RESIDENT ALONG THE LINES OF THE BASIC LAW. WE ARE JUST WAITING FOR THE TWO SIDES TO FINISH THEIR DISCUSSIONS IN THE JLG ON BRINGING OUR IMMIGRATION ORDINANCE INTO LINE WITH THE BASIC LAW. SO I SAY THAT, NOTWITHSTANDING THE DIFFICULTIES, WE SHOULD NOT TURN THE CLOCK BACK. WE MUST GO FORWARD FROM HERE. IT IS ABOUT TIME WE FACED UP TO THESE THORNY ISSUES SQUARELY AND DEALT WITH THEM. WE CAN AND WE WILL DO SO, SUCCESSFULLY, IF WE WILL ONLY LOOK TO THE FUTURE.

FINALLY ON THIS SUBJECT, LET US NOT FORGET THAT FOR THE VAST MAJORITY OF CIVIL SERVANTS LOCALISATION IS A DEAD ISSUE. THAT IN ITSELF IS A MEASURE OF THE PROGRESS WHICH HAS BEEN MADE OVER THE YEARS.

MORALE

THERE ARE OTHER ISSUES WHICH HAVE CAUGHT THE PUBLIC EYE RECENTLY WHICH HAVE ALSO BEEN PORTRAYED BY SOME AS SHOWING, THAT THERE IS CURRENTLY AN UNUSUAL DEGREE OF STRIFE IN THE CIVIL SERVICE. FRANKLY THE GULF BETWEEN THESE PORTRAYALS AND REALITY DOES NOTHING FOR THE CREDIBILITY OF THOSE WHO MAKE SUCH CLAIMS.

I BELIEVE THAT THE "OPERATIONAL MORALE", IF I MAY USE THAT PHRASE, AMONG CIVIL SERVANTS REMAINS EXTREMELY HIGH. DESPITE INCREASING WORKLOADS AND THE PRESSURES, CIVIL SERVANTS HAVE RISEN, TIME AND AGAIN, TO THE CHALLENGE AND HAVE SHOWN A HIGH DEGREE OF PROFESSIONALISM, CONSCIENTIOUSNESS AND INTEGRITY IN CARRYING OUT THEIR WORK. AND HERE I COULD SAY THAT CONTRARY TO A WIDELY HELD MISCONCEPTION, THE WASTAGE RATE FROM RESIGNATIONS, ETC. IN THE CIVIL SERVICE IS AT AN ALMOST HISTORIC LOW POINT. FAR LOWER THAN THE RATE NORMALLY EXPERIENCED IN THE PRIVATE SECTOR. PEOPLE ARE QUEUING UP TO JOIN THE CIVIL SERVICE AND THEY ARE NOT IN A HURRY TO LEAVE. SO WE MUST BE DOING SOMETHING RIGHT.

AS FOR GENERAL MORALE - THE "FEEL GOOD" FACTOR AS THE AMERICANS MIGHT PUT IT - THIS DEPENDS ON MUCH MORE THAN A FEW ISSUES. IT DEPENDS ON THE COMPETENCE OF MANAGEMENT IN LEADING AND SUPPORTING THEIR STAFF AND IN MEETING THEIR EVERY DAY LEGITIMATE NEEDS AND DESIRES.

HERE WE HAVE, AGAIN, DONE AND ARE DOING A GREAT DEAL IN TRYING TO FOSTER HARMONY AND TO SATISFY THE LEGITIMATE DESIRES OF CIVIL SERVANTS. I HOPE MEMBERS WILL FORGIVE ME IF I RECITE A LIST FROM JUST RECENT MEMORY - A SMALL BUT SIGNIFICANT THINGS WHICH WE HAVE DONE. SOME OF THEM NOT SO SMALL I MAY SAY -

- FIRST OF ALL, A PACKAGE INTRODUCED IN MAY 1992 HAS VERY SUCCESSFULLY ADDRESSED THE RECRUITMENT AND RETENTION PROBLEMS OF JUNIOR POLICE OFFICERS.
- IN THE AREA OF MEDICAL AND DENTAL BENEFITS FOR CIVIL SERVANTS WE HAVE INCREASED THE NUMBER OF DENTAL CHAIRS AND WILL HAVE A NEW FAMILIES CLINIC IN 1994.
- LAST YEAR WE INCREASED FLEXIBILITY IN THE USE OF LEAVE AND PASSAGE ALLOWANCES. WE ALSO GAVE MORE FLEXIBILITY FOR THE LONG SERVICE TRAVEL SCHEME.
- WE HAVE DONE MUCH IN THE STAFF RELATIONS; TO GIVE ONE OR TWO EXAMPLES, WE INTRODUCED A RETIREMENT SOUVENIR IN 1992; AND WE INCREASED THE CEILING FOR AWARDS UNDER THE STAFF SUGGESTION SCHEME IN 1991; AND INCREASED THE MAXIMUM GRANT UNDER THE STAFF RELIEF FUND;
- PERHAPS A GOOD REFLECTION OF STAFF RELATIONS AND MORALE WAS THE TURN OUT OF 12,000 CIVIL SERVANTS FOR THE CHARITY WALK LAST MONTH WHERE WE RAISED OVER \$9 MILLION FOR THE COMMUNITY CHEST.

- IN 1990 WE INTRODUCED NEW ARRANGEMENTS TO ALLOW CIVIL SERVANTS TO OWN THEIR OWN PROPERTY. THIS HAS BEEN A CONSPICUOUS SUCCESS, ALTHOUGH THE PACE OF PROPERTY PRICE INCREASES IS ERODING THEIR WORTH. WE APPRECIATE THAT THIS IS A CONCERN TO STAFF AND WE HAVE RESPONDED BY REVIEWING THE EXISTING HOUSING BENEFITS. MEMBERS ARE BEING ASKED THIS FRIDAY TO APPROVE MODEST IMPROVEMENTS TO THE HOME PURCHASE SCHEME. ANOTHER REVIEW IS BEING CARRIED OUT ON THE HOME FINANCING SCHEME. WE ALSO ENSURE THAT OUR DISCIPLINED SERVICES ARE PROPERLY CATERED FOR AND MEMBERS, I AM GLAD TO SAY, RECOGNISED THIS LAST WEEK WHEN VOTING NO LESS THAN \$2.6 BILLION FOR PURCHASE OF MORE QUARTERS.
- WE IMPROVED THE ARRANGEMENTS FOR DEPENDANTS' PENSIONS BENEFITS IN FEBRUARY THIS YEAR AND RECENTLY ESTABLISHED A PENSIONERS WELFARE FUND.
- LAST BUT BY NO MEANS LEAST, AS THE CHIEF SECRETARY ALLUDED TO, WE ARE GREATLY STEPPING UP OUR TRAINING, ESPECIALLY THAT RELATED TO CHINA AND PUTONGHUA, TO EQUIP CIVIL SERVANTS TO MEET THE TRANSITION.

AND HERE I MIGHT JUST ADD THAT THE ADMINISTRATION ENCOURAGES, POSITIVELY ENCOURAGES MORE CONTACT BETWEEN CIVIL SERVANTS AND CHINESE OFFICIALS. AND THE ESTABLISHMENT OF THE BEIJING COURSE, VARIOUS FAMILIARISATION VISITS AND DUTY VISITS IN BOTH DIRECTIONS, IS HAPPENING ALL THE TIME. IN OUR CHINA STUDIES PROGRAMME WE ALSO INVITE CHINESE OFFICIALS AND ACADEMICS TO SPEAK DIRECTLY TO CIVIL SERVANTS AS AND WHEN THERE ARE SUITABLE SPEAKERS AND SUBJECTS. SO OUR PROGRAMMES IN THIS AREA ARE EXPANDING RAPIDLY AND ARE FAR MORE THAN WINDOW DRESSING AS ONE HONOURABLE MEMBER MIGHT DESCRIBE THEM.

ALL OF THOSE MEASURES THAT I'VE JUST OUTLINED, TOGETHER WITH SYMPATHETIC MANAGEMENT, ARE THE SORTS OF ISSUES THAT AFFECT ALL CIVIL SERVANTS ON A DAY-TO-DAY BASIS AND WHICH HAVE A MORE DIRECT IMPACT ON MORALE THAN ONE-OFF ISSUES WHICH HIT THE HEADLINES. I THINK THE LIST THAT I'VE GIVEN WHICH IS FAR FROM EXHAUSTIVE I MAY SAY SPEAKS FOR ITSELF.

SOME MEMBERS MENTIONED POLITICISATION OF THE CIVIL SERVICE AND THE DANGERS IN THAT. I WOULD JUST SAY THAT THE CIVIL SERVICE HAS ALWAYS BEEN POLITICALLY NEUTRAL. THERE'S NO INTENTION NOR ANY REASON TO CHANGE THIS. AND I AM GLAD THAT HONOURABLE MEMBERS RECOGNISE THE VALUE OF MAINTAINING THIS POSITION. ON THE PUBLIC SERVICE COMMISSION, I'M AFRAID THAT MEMBERS MAY HAVE LITTLE IDEA DUE TO LACK OF FAMILIARITY WITH ITS WORK, AS TO THE VERY IMPORTANT ROLE PLAYED BY THE INSTITUTION. ONE OF ITS KEY ROLES IS TO ENSURE THAT THERE IS NO POLITICAL INTERFERENCE IN APPOINTMENTS. IT IS ALSO VIGOROUSLY SCRUTINISING THE ADMINISTRATION'S PRACTICES IN THIS AREA. WE HAVE NO PLANS TO MAKE CHANGES TO THE PSC'S ROLE.

SOME MEMBERS REFERRED TO THE ISSUE OF PAY AND SUGGESTED THAT WE MIGHT REFER THIS TO A THIRD PARTY TO RESOLVE.

THE GOVERNMENT'S DECLARED POLICY ON CIVIL SERVICE REMUNERATION IS THAT THE PAY AND FRINGE BENEFITS OF THE CIVIL SERVICE SHOULD BE BROADLY COMPARABLE WITH THOSE PAID BY GOOD EMPLOYERS IN THE PRIVATE SECTOR. WE HAVE NOT DEPARTED FROM THIS POLICY. THERE IS NO EVIDENCE TO SUGGEST THAT CIVIL SERVICE PAY IS LAGGING BEHIND THAT IN THE PRIVATE SECTOR. ON THE CONTRARY, THERE HAS BEEN CRITICISM THAT CIVIL SERVANTS ENJOY MORE FAVOURABLE TREATMENT.

THE ANNUAL PAY ADJUSTMENTS HAVE BEEN DETERMINED IN ACCORDANCE WITH THE ESTABLISHED MECHANISM AND APPROVED BY THE EXECUTIVE COUNCIL AND FINANCE COMMITTEE. THEY ARE SETTLED DECISIONS. BECAUSE EACH PAY ADJUSTMENT IS A SEPARATE AND INDEPENDENT EXERCISE, THERE IS NO COMMITMENT, ON THE PART OF THE GOVERNMENT, TO MAKE UP ANY DIFFERENCES FROM PREVIOUS YEARS.

IN THE ADMINISTRATION'S VIEW, ARBITRATION IS JUSTIFIED ONLY IF THERE ARE MAJOR POLICY ISSUES TO BE RESOLVED AND IF IT IS IN THE PUBLIC INTEREST TO DO SO. IT IS DIFFICULT TO ARGUE THAT THE PAY SETTLEMENT THIS YEAR IS UNREASONABLE, NOR DOES THE COMMUNITY AT LARGE SUPPORT SUCH A VIEW.

AS REGARDS INDIVIDUAL STAFF DISPUTES, MR PRESIDENT, I CANNOT LEAVE THE QUESTION OF MORALE WITHOUT RESPONDING TO THE HONOURABLE ALBERT CHAN'S POINTS ON THE SOCIAL WELFARE ASSISTANTS. IT'S QUITE WRONG TO SUGGEST THAT WE OR THE SOCIAL WELFARE DEPARTMENT HAVE NOT DONE EVERYTHING WE CAN TO MEET STAFF'S REQUESTS. THE DEPARTMENT HAS BOOSTED TRAINING AND CREATED PROMOTION POSTS. AND SOCIAL WELFARE DEPARTMENT HAS HELD NUMEROUS MEETINGS WITH THE ASSOCIATION. ITS OFFER OF A REVIEW TEAM IS STILL ON THE TABLE. THE SOCIAL WELFARE ASSISTANTS ONLY HAVE TO PICK THAT OFFER UP AND START TALKING. I UNDERSTAND THAT MEMBERS WILL BE MEETING THE ADMINISTRATION TOMORROW MORNING TO DISCUSS THIS ISSUE. BUT I CAN ASSURE THEM THAT OUR ATTITUDE THROUGHOUT HAS BEEN ONE OF CALMNESS AND LOGIC AND I WOULD SAY THAT WE HAVE AN EXCELLENT RECORD ON STAFF RELATIONS ESPECIALLY FOR SUCH A LARGE ORGANISATION. AND THAT WE BELIEVE THAT OUR MACHINERY IS WORKING VERY WELL.

CONCLUSION

ALL IN ALL, MR PRESIDENT, TO CONCLUDE, THE CIVIL SERVICE IS IN FAR BETTER SHAPE THAN SOME PEOPLE APPEAR TO THINK. THE TRANSITION OBVIOUSLY PRESENTS A CHALLENGE BUT THE EVIDENCE IS THAT THE SERVICE IS COPING EXTREMELY WELL.

OF COURSE THERE ARE TIMES WHEN CRITICISM IS RIGHT, AND WE RESPOND WELL TO JUSTIFIED CRITICISM. BUT THERE IS NOTHING MORE DETRIMENTAL TO MORALE THAN CONSTANT NEGATIVE CRITICISM AND BACK SEAT DRIVING. I HAVE TO SAY THAT THIS COUNCIL SOMETIMES CROSSES THE LINE AND GETS TOO CLOSELY INVOLVED IN THE MANAGEMENT OF THE CIVIL SERVICE.

WHAT THE CIVIL SERVICE NEEDS ABOVE ALL ELSE IN CURRENT CIRCUMSTANCES IS TO BE LEFT TO GET ON WITH THE JOB THAT THEY DO SO WELL AND TO BE GIVEN SOME ENCOURAGEMENT NOW AND AGAIN. IT IS NOT A LOT TO ASK AND I DO HOPE THAT HONOURABLE MEMBERS WILL TAKE THIS MESSAGE TO HEART.

MR PRESIDENT, WITH THESE WORDS I SUPPORT THE MOTION.

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SES ON CONTAINER TRANSPORT

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FOLLOWING IS THE SPEECH BY THE SECRETARY FOR ECONOMIC SERVICES, MR GORDON SIU, IN THE MOTION DEBATE ON CONTAINER TRANSPORT IN THE LEGISLATIVE COUNCIL TONIGHT (WEDNESDAY):

MR PRESIDENT

IN RESPONDING TO POINTS RAISED BY HONOURABLE MEMBERS I SHALL COVER FOUR ISSUES :-

- THE BACKGROUND TO, AND THE DESIGN OF, CT9;
- THE BENEFITS CT9 WILL BRING TO HONG KONG;
- THE RELATIONSHIP BETWEEN CT9 AND CT10; AND
- THE IMPLICATIONS OF NOT PROCEEDING WITH CT9.

HOW DID CT9 COME ABOUT? IT CAME ABOUT AS A RESULT OF THE PORT AND AIRPORT DEVELOPMENT STRATEGY STUDY (PADS) WHICH WAS ACCEPTED IN 1989 BY THE GOVERNMENT AS A BLUE-PRINT FOR DEVELOPING OUR PORT AND AIRPORT INFRASTRUCTURE. THAT STUDY FORESAW THE NEED FOR ADDITIONAL TERMINALS FOR CONTAINER OPERATION AT STONECUTTERS ISLAND, TSING YI AND, ONCE THE DEVELOPMENTAL POTENTIAL OF THESE LOCATIONS HAD BEEN UTILISED, ON LANTAU ISLAND.

LANTAU WAS NEVER ENVISAGED AS A REPLACEMENT FOR THE DEVELOPMENTS AT EITHER STONECUTTERS ISLAND OR AT TSING YI; NEITHER WAS IT ENVISAGED THAT ALL FOUR BERTHS OF THE TSING YI TERMINAL DEVELOPMENT WOULD BE COMPLETED BY 1995. RATHER, THE INTENTION WAS THAT THE COMPLETION OF TERMINAL 8 AT STONECUTTERS IN EARLY 1995 WOULD BE FOLLOWED BY THE COMMISSIONING OF THE FIRST BERTH OF CT9 ON TSING YI AND THAT THE OTHER BERTHS WOULD COME ON STREAM IN THE MONTHS TO FOLLOW AND THAT CT9 WOULD BE FULLY OPERATIONAL ONLY BY LATE 1996 OR EARLY 1997. THIS WOULD OPEN THE WAY FOR LANTAU PORT TO BE DEVELOPED, BERTH BY BERTH, AFTER THE ROAD LINK TO THE ISLAND HAD BEEN BROUGHT INTO USE.

IT WAS NEVER THE INTENTION TO BUILD AND OPEN CT9 AT ONE GO; THEN WAIT TWO YEARS AND OPEN CT10. RATHER, WE ENVISAGED A PHASED OPENING OF BERTHS TO MEET RISING DEMAND.

NOW THAT WE HAD HAD A FEW MONTHS' DELAY TO THE START OF WORK, DO WE STILL NEED CT9? THE ANSWER IS AN EMPHATIC 'YES, WE DO'. SINCE 1989 WE HAVE SET UP THE PORT DEVELOPMENT BOARD TO COMPREHENSIVELY AND REGULARLY REVIEW OUR PORT DEVELOPMENT STRATEGY. THE BOARD PRODUCES EACH YEAR A DETAILED FIVE-YEAR FORECAST OF CONTAINER BERTH REQUIREMENTS. THESE FORECASTS HAVE A RELIABLE TRACK RECORD, THE BOARD'S REVIEW LAST YEAR RECONFIRMED THE NEED FOR FOUR BERTHS AT TSING YI. WE HAVE THREE MEMBERS OF THE ECONOMIC SERVICES PANEL OF THIS COUNCIL, AND FOR THOSE MEMBERS WHO ARE NOT MEMBERS OF THAT PANEL AND THEREFORE MAY NOT BEEN IN POSSESSION OF THE RELEVANT DATA, WE SHALL HAPPILY SUPPLY ALL THE RELEVANT PAPERS.

NOW I SHALL TURN TO THE SECOND ISSUE - TRANSPORT. THE CT9 DEVELOPMENT, AS DESIGNED AT TSING YI OFFERS US THE OPPORTUNITY NOT ONLY TO ADD, LOGICALLY, TO OUR STOCK OF TERMINAL BERTHED BACKUP SPACE - BUT ALSO TO RELOCATE THE KEY ROADS AT TSING YI FURTHER TO THE SOUTH EAST, INTO THE RECLAMATION AND AWAY FROM RESIDENTIAL AREAS. THIS WILL REDUCE NOISE AND INCONVENIENCE TO TSING YI RESIDENTS.

IT WILL ALSO ENABLE US TO ADD FOUR LANES TO THE EXISTING TWO-LANE TSING YI SOUTH BRIDGE AND PROVIDE A DEDICATED ACCESS TO THE CONTAINER TERMINAL AND ITS BACKUP AREAS.

THESE IMPROVEMENTS TO THE TRANSPORT INFRASTRUCTURE ARE POSSIBLE BECAUSE CT9 DEVELOPMENT IS NOT MERELY A CONTAINER TERMINAL DEVELOPMENT. THE EXTENSIVE BACK-UP AREA WHICH WILL PROVIDE A RESOURCE FOR THE WHOLE OF KWAI CHUNG PORT. IT WILL PROVIDE MUCH NEEDED ADDITIONAL SPACE NOT ONLY FOR CARGO HANDLING, BUT FOR ROADS, FOR PARKING OF VEHICLES AND STACKING OF CONTAINERS. IT WILL ALLEVIATE PRESSURE ELSEWHERE AND SAVE MANY A WASTEFUL JOURNEY BY THOSE CONTAINER VEHICLES NOW OBLIGED TO TRAVEL UP AND DOWN TUEN MUN HIGHWAY TO DISTANT SITES SIMPLY TO PARK OR STORE CONTAINERS. IN SHORT, FROM A TRANSPORT POINT OF VIEW, CT9 IS DESIGNED TO ACTUALLY HELP SOLVE SOME OF THE EXISTING PROBLEMS.

FINALLY, IN DESIGNING CT9 AT TSING YI, WE HAVE TAKEN GREAT CARE TO SEE THAT WE CAN MAINTAIN AND, IF POSSIBLE, IMPROVE, THE ENVIRONMENT FOR THE PEOPLE WHO LIVE AND WORK THERE. TO THIS END WE PROPOSE:-

- TO INSTALL ACOUSTIC BARRIERS ALONG SENSITIVE ROADS WHERE THEY PASS NEAR TO RESIDENTIAL AREAS AND TO USE QUIET ROAD SURFACES;
- TO INSTALL DOUBLE GLAZING AND AIR-CONDITIONING IN THE NEAREST RESIDENTIAL UNITS; AND
- TO MAKE USE OF THE OPPORTUNITY OF RECLAMATION TO RELOCATE THE MAIN ACCESS AWAY FROM THE CENTRAL AREAS.

WE BELIEVE THAT THIS COMBINATION OF MEASURES WILL GREATLY AMELIORATE ANY ADVERSE EFFECTS AND MAY, INDEED, HELP BRING SOME IMPROVEMENT TO EXISTING CONDITIONS.

HAVING DESCRIBED CT9 AND ITS BENEFITS I WOULD LIKE TO ADDRESS THE SUGGESTION THAT WE SHOULD DISPENSE WITH CT9 AND, INSTEAD, ADVANCE CT10 AT LANTAU.

CT10 AT LANTAU IS NOT THE COMPARATIVELY SIMPLE EXTENSION OF AN EXISTING FACILITY; IT IS THE CREATION OF AN ENTIRELY NEW INFRASTRUCTURE.

UNLIKE CT9, WHERE WE HAVE HAD SIX YEARS OF PAINSTAKING PLANNING AND DESIGN WORK UNDER OUR BELT, WE ARE ONLY AT AN EARLY STAGE OF THE SAME EXERCISE AT LANTAU. DESIGN OF THE PORT, ITS ACCESS ROADS AND SUPPORTING INFRASTRUCTURE IS IN HAND; BUT STATUTORY PROCESSES REMAIN TO BE PUT IN PLACE, DIFFICULTIES IDENTIFIED AND RESOLVED. WE SHALL GO THROUGH FULL TOWN PLANNING AND RECLAMATION PROCEDURES, THAT IS PUBLIC CONSULTATION, INCLUDING CONSULTATION WITH THE RESIDENTS ON LANTAU.

CT9 THEREFORE IS, IN FACT, THE FRUITION OF SIX YEARS OF DETAILED PLANNING AND DESIGN INTO WHICH CONSIDERABLE RESOURCES OF TIME, MANPOWER AND MONEY HAVE BEEN INVESTED BY THE GOVERNMENT AND BY THE PRIVATE SECTOR. WORK ON THE GROUND COULD PHYSICALLY GET UNDERWAY RAPIDLY ONCE THE PROJECT HAS BEEN ENDORSED. THERE IS NO QUESTION AS TO ITS NEED. ON THE QUESTION OF COSTS AND VIABILITY, THESE ARE BEING DISCUSSED WITH POTENTIAL MEMBERS OF THE CONSORTIUM. THE REACTION FROM MEMBERS OF THAT CONSORTIUM IS THAT THEY ARE STILL INTERESTED IN GOING AHEAD.

THE NEXT QUESTION THEN IS: WILL CT9 CREATE AT TSING YI MORE PROBLEMS THAN IT WILL SOLVE? I WOULD LIKE TO COVER THREE ISSUES ON THIS QUESTION:-

- BACKUP SPACE FOR CONTAINER OPERATION;
- TRANSPORTATION ISSUES IN KWAI CHUNG/Tsing YI; AND
- THE ENVIRONMENTAL ISSUES RELATED TO CT9'S CONSTRUCTION.

FIRST BACK-UP SPACE:- WHEN THE EARLY TERMINALS - I.E. TERMINALS 1 TO 5 - WERE DEVELOPED IT WAS NOT REALISED THAT AN EXTENSIVE AMOUNT OF SUPPORT LAND BEHIND THE TERMINALS WOULD BE REQUIRED FOR STACKING EMPTY CONTAINERS, FOR PARKING CONTAINER TRUCKS AND GENERALLY FOR BACKING UP THE INDUSTRY. BY THE TIME TERMINALS 6 AND 7 WERE DESIGNED WE ADDRESSED THAT PROBLEM. AT CT8 THERE IS AN ENLARGED BACK-UP SPACE AND WE INTEND TO USE CT9 TO PROVIDE AS MUCH BACKUP SPACE AS GEOGRAPHY WILL ALLOW TO OVERCOME SOME OF THE SHORTFALLS WE INHERITED FROM THE EARLIER TERMINALS.

FOR LANTAU, WHERE WE ARE LESS RESTRICTED, WE PLAN TO PROVIDE 10 HECTARES OF BACK-UP SPACE FOR EACH 20 HECTARES OF TERMINAL SPACE - A RATIO OF 1 TO 2.

APPLYING THAT SAME RATIO TO THE EXISTING TERMINALS- (I.E. TERMINALS 1-8) WE SHOULD HAVE SOME 114 HECTARES OF LAND TO BACKUP THE 228 HECTARES OF TERMINAL SPACE. IN FACT WE HAVE ONLY 51 HECTARES NOW, A SHORTFALL THEREFORE EXISTS OF 63 HECTARES.

TO ADDRESS THIS SHORTFALL WE HAVE TWO OPTIONS - TO DEVELOP CT9 WITH AN ENLARGED BACKUP AREA AS DESIGNED - OR GO SOMEWHERE ELSE AND TAKE UP LAND. THE LATTER PRACTICE, THAT IS, TO GO SOMEWHERE ELSE AND TAKE UP LAND, WOULD MEAN UTILISING THE BUFFER ZONE BETWEEN CT9 AND MEI FOO AND MEMBERS CAN IMAGINE THE OBJECTION TO THAT. OR GRABBING LAND ON WEST KOWLOON RECLAMATION EARMARKED FOR THE ROAD AND RAIL LINKS TO THE NEW AIRPORT, OR FOR COMMERCIAL, RECREATIONAL AND RESIDENTIAL DEVELOPMENTS. AGAIN I AM SURE MEMBERS CAN SEE WHY THAT IS REALLY NOT ACCEPTABLE.

AS TO THE ARGUMENT ABOUT INCREASING THE CAPACITY OF THE EXISTING TERMINALS TO COVER THE THROUGHPUT OF CT9, WELL, WE HAVE LOOKED AT THAT BEFORE. IT HAS SUPERFICIAL ATTRACTIONS. BUT IT WOULD ACTUALLY INVOLVE TAKING OVER THE EXISTING BACKUP AREAS AND USING THEM INSTEAD FOR TERMINAL OPERATIONS. THE RESULT WOULD BE TO GO FOR LAND WHICH AS I HAVE DESCRIBED EARLIER - OPTIONS WHICH WOULD NOT REALLY BE ACCEPTABLE.

CURRENT ENGINEERING OPINION SUGGESTS THAT WE MAY NOT BE ABLE TO COMMISSION THE FIRST BERTH AS EARLY AS IDEALLY REQUIRED. NEVERTHELESS, WE WILL DO ALL THAT WE CAN TO ACHIEVE THE EARLIEST POSSIBLE OPENING. BUT WE CANNOT BE ASSURED, AT THE PRESENT TIME, THAT THE GAP BETWEEN CT9 AT TSING YI AND CT10 AT LANTAU WILL BE AS SHORT AS SUGGESTED BY SOME MEMBERS.

I WOULD NOW LIKE TO DEAL BRIEFLY WITH THE SUGGESTION THAT WE CAN SHELVE CT9 AND INSTEAD EXPAND MID-STREAM OPERATION TO CATER FOR GROWTH UNTIL CT10 OPENS. MID-STREAM OPERATION NOW HANDLES ABOUT A-THIRD OF OUR CONTAINER OPERATION. THE QUESTION: CAN IT HANDLE MORE?

MID-STREAM OPERATION IS CONSTRAINED PARTLY BY THE PHYSICAL ABILITY OF SHELTERED WATERS FOR BUOYS, FOR ANCHORAGES; AND PARTLY BY THE AVAILABILITY OF SUPPORTING LAND SITES.

WE HAVE LESS PROBLEMS WITH PROVIDING ENOUGH SHELTERED WATER, ALTHOUGH WE MUST WATCH THAT OUR HARBOUR MUST NOT BECOME TOO CONGESTED, BUT THERE IS A SIGNIFICANT SHORTAGE OF LAND TO SUPPORT MID-STREAM OPERATIONS. DEMAND FOR WATERFRONT SITES WELL EXCEEDS SUPPLY AND THERE ARE VERY FEW POSSIBILITIES FOR REMEDYING THIS FOR YEARS TO COME. THIS WILL CONSTRAIN THE ABILITY FOR MID-STREAM OPERATIONS TO GROW. INDEED, THERE ARE SIGNS THAT THIS IS ALREADY HAPPENING. SO FAR THIS YEAR GROWTH HAS BEEN THE LOWEST SINCE 1990.

SO, FAR FROM BEING ABLE TO EXPAND MID-STREAM CAPACITY, WE SHALL BE HARD PRESSED TO MAINTAIN IT AS A TEMPORARY MEASURE. THIS WILL MEAN THAT WE SHALL HAVE TO CONTINUE TO RELY ON THE ACQUISITION OF REPLACEMENT SITES FOR YEARS. SUCH SITES ARE RARELY IDEAL BUT WE SHALL SEE THAT, IN OPERATING THEM, GREAT CARE IS TAKEN TO AVOID INCONVENIENCING THE LOCAL COMMUNITIES. WE SHALL NEED MEMBERS' CONTINUING SUPPORT FOR THE PROCESS OF FINDING SITES TO REPLACE LOST SITES, BUT I REALLY CANNOT HOLD OUT ANY HOPE OF FINDING NEW SITES TO MEET GROWING DEMAND.

SOME HONOURABLE MEMBERS HAVE REFERRED TO CONCERNS EXPRESSED OVER THE METHOD BY WHICH WE INTEND TO GRANT THE SITE OF CT9 FOR DEVELOPMENT. I WOULD LIKE TO POINT OUT THAT THE METHOD CONCERNED - I.E. BY PRIVATE TREATY GRANT - HAS BEEN USED FOR FOUR OF OUR EXISTING CONTAINER TERMINALS. OUR PROPOSALS FOR CT9 FOLLOW THIS FAMILIAR ROUTE. WE HAVE BRIEFED THE CHINESE SIDE AND OUTLINED ALL THE ECONOMIC DISBENEFITS OF NOT PROCEEDING EARLY WITH CT9. I WOULD LIKE TO REASSURE MR POON AND MR MCGREGOR THAT WE SHALL SPARE NO EFFORT TO PRESS FOR A RESPONSE.

CONCLUSION

MR PRESIDENT, HONG KONG LIVES BY TRADE AND ITS ABILITY TO SERVICE THAT TRADE. 87% OF OUR CARGO GOES THROUGH THE PORT WHICH IS A MAJOR GENERATOR OF WEALTH, A SIGNIFICANT CONTRIBUTOR TO OUR ECONOMY AND A MAJOR SOURCE OF EMPLOYMENT. ITS EXPANSION SUSTAINS THE EXPANSION OF OUR ECONOMY. OUR POLICY IS TO ALLOW THE PRIVATE SECTOR TO EXPAND THE PORT, INCREMENTALLY, BERTH BY BERTH, MATCHING SUPPLY WITH DEMAND. THIS HAS GIVEN HONG KONG THE WORLD'S BUSIEST CONTAINER PORT AT MINIMAL COST TO THE TAXPAYER.

/MR PRESIDENT

MR PRESIDENT, THE ADMINISTRATION HAS TAKEN A CAREFUL, MEASURED VIEW OF ITS POSITION ON CT9. OUR CONCLUSION IS THAT HAVING REGARD TO THE ECONOMIC WELL-BEING OF HONG KONG AND TO THE INTERESTS OF ALL THOSE WHO LIVE AND WORK CLOSE TO OUR CONTAINER PORT, CT9 AND ITS ATTENDANT WORKS SHOULD BE IMPLEMENTED AT TSING YI AND AT THE EARLIEST OPPORTUNITY. WE BELIEVE THAT PROCEEDING WITH CT9 WILL ALSO BE IN THE INTERESTS OF DEVELOPMENT IN SOUTH CHINA AND OF HONG KONG'S FUTURE ROLE IN THE REGION. WE HAVE CONCLUDED THAT WE CANNOT SHELVE THE PROJECT. MY SENIOR COLLEAGUES, THE OFFICIAL MEMBERS WILL, THEREFORE, VOTE TODAY IN SUPPORT OF THE AMENDING MOTION PROPOSED BY MR STEVEN POON.

THANK YOU MR PRESIDENT.

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BETTER SUPERVISION OVER INSURANCE INDUSTRY INTRODUCED

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A BILL SEEKING TO GIVE BETTER PROTECTION TO INSURANCE POLICY HOLDERS IS INTRODUCED INTO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE SECOND READING OF THE INSURANCE COMPANIES (AMENDMENT) (NO. 3) BILL 1993, THE ACTING SECRETARY FOR FINANCIAL SERVICES, MR TAM WING-PONG, SAID THE BILL WOULD PROVIDE LEGISLATIVE SUPPORT TO THE SELF-REGULATION OF AGENTS AND BROKERS.

IT DEFINES THE ROLES OF AGENTS AND BROKERS, MAKES INSURERS RESPONSIBLE FOR THE ACTIONS OF THEIR AGENTS AND ENHANCES TRANSPARENCY OF REPRESENTATION BY AGENTS.

"CONTINUED PUBLIC COMPLAINTS, INCLUDING MISREPRESENTATION, INADEQUATE EXPLANATION OF INSURANCE CONTRACTS AND MISAPPROPRIATION OF PREMIUMS RECEIVED, UNDERLINE THE NEED FOR SUCH SUPERVISION," MR TAM SAID.

INSURERS OPERATING IN HONG KONG ARE SUBJECT TO PRUDENTIAL REGULATION BY THE INSURANCE AUTHORITY UNDER THE INSURANCE COMPANIES ORDINANCE.

THE LAW REFORM COMMISSION REPORT ISSUED IN 1986 HIGHLIGHTED AN ABSENCE OF PROFESSIONAL STANDARDS AMONG INSURANCE BROKERS AND AGENTS AND A CONFUSION OVER THEIR ROLES AND LIABILITIES.

"IT THEREFORE RECOMMENDED THAT THEY BE SUBJECT TO THE SAME SUPERVISION AS INSURERS," MR TAM SAID.

THE HONG KONG FEDERATION OF INSURERS, IN CONSULTATION WITH THE GOVERNMENT, INTRODUCED A NON-STATUTORY CODE OF PRACTICE FOR THE ADMINISTRATION OF AGENTS IN JANUARY THIS YEAR.

THE HONG KONG CONFEDERATION OF INSURANCE BROKERS ALSO REQUIRES ITS MEMBERS TO CONFORM WITH ITS NON-STATUTORY RULES AND REGULATIONS FOR MEMBERSHIP AND PROFESSIONAL CONDUCT.

"HOWEVER, COMPLAINTS FROM MEMBERS OF THE PUBLIC AGAINST INSURANCE AGENTS AND BROKERS HAVE NOT ABATED DESPITE THE INDUSTRY'S EFFORTS AT SELF-REGULATION," MR TAM SAID.

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WITH THE INDUSTRY'S AGREEMENT, THE GOVERNMENT PROPOSED TO INTRODUCE LEGISLATION TO PROVIDE AN EFFECTIVE SANCTION AGAINST NON-COMPLIANCE BY AGENTS, BROKERS AND INSURERS, HE ADDED.

DEBATE ON THE BILL WAS ADJOURNED.

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SHA INTRODUCES NT LAND (EXEMPTION) BILL
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A BILL THAT SEEKS TO REMOVE DOUBTS ABOUT EXISTING TITLES AND THE RIGHTS OF SUCCESSION TO LAND AND PROPERTIES IN THE NEW TERRITORIES WAS INTRODUCED INTO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THIS IS DONE BY GRANTING EXEMPTION TO NON-RURAL LAND IN THE NEW TERRITORIES FROM THE APPLICATION OF PART II OF THE NEW TERRITORIES ORDINANCE WITH RETROSPECTIVE EFFECT FROM THE DATE OF THE RELEVANT LAND GRANT.

MOVING THE SECOND READING OF THE NEW TERRITORIES LAND (EXEMPTION) BILL, THE SECRETARY FOR HOME AFFAIRS, MR MICHAEL SUEN, SAID THERE HAD BEEN CONSIDERABLE CONCERN EXPRESSED RECENTLY OVER POSSIBLE DOUBTS AS TO SUCCESSION RIGHTS AND PROPERTY TITLES IN THE NEW TERRITORIES.

FOR THIS REASON, THE ADMINISTRATION HAD BEEN ACTIVELY PURSUING MEASURES TO ALLAY PUBLIC ANXIETY AND TO ADDRESS ANY POTENTIAL PROBLEM WHICH PROPERTY OWNERS IN THE NEW TERRITORIES MAY FACE.

"AS A FIRST STEP, WE HAVE ALREADY IMPLEMENTED ADMINISTRATIVE MEASURES WITH EFFECT FROM JUNE THIS YEAR TO EXEMPT ALL NEW GRANTS OF LAND IN THE NEW TERRITORIES FROM THE APPLICATION OF THE NEW TERRITORIES ORDINANCE, EXCEPT FOR GRANTS TO INDIGENOUS VILLAGERS FOR EXAMPLE, UNDER THE SMALL HOUSE POLICY OR TO CUSTOMARY BODIES ESTABLISHED BY CLANS AND FAMILIES IN THE NEW TERRITORIES.

"WHILE THESE ADMINISTRATIVE MEASURES ELIMINATE THE PROBLEM FOR LAND GRANTED AFTER JUNE 1993, THERE IS NO PROVISION UNDER EXISTING LEGISLATION FOR GOVERNMENT TO GRANT EXEMPTION TO LAND ALREADY GRANTED PRIOR TO THAT DATE AND NOW HELD IN UNDIVIDED SHARES BY INDIVIDUAL OWNERS, UNLESS ALL OF THEM JOIN TOGETHER TO APPLY.

"ACCORDINGLY, THE BILL BEFORE THIS COUNCIL NOW SEEKS TO OVERCOME THE PROBLEM BY DEEMING ALL NON-RURAL LAND (INCLUDING UNDIVIDED SHARES) IN THE NEW TERRITORIES TO HAVE ALWAYS BEEN EXEMPT FROM THE APPLICATION OF THE NEW TERRITORIES ORDINANCE," MR SUEN SAID.

HE ALSO POINTED OUT THAT THE BILL WOULD REMOVE DOUBTS ABOUT EXISTING TITLES TO LAND OR PROPERTY IN THE NEW TERRITORIES WHICH MAY HAVE BEEN PURCHASED FROM A VENDOR WHO ACQUIRED THE PROPERTY BY REGISTRATION OF PROBATE, LETTERS OF ADMINISTRATION OR CUSTOMARY SUCCESSION FROM A DECEASED OWNER.

"AS THERE IS A GENERAL UNCERTAINTY OF WHAT THE TRUE LEGAL POSITION MAY BE, THERE MAY HAVE BEEN MANY CONVEYANCES IN THE NEW TERRITORIES, THE VALIDITY OF WHICH MAY BE SUBJECT TO CHALLENGE AND WHICH NOW FORM PART OF THAT TITLE.

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"IT IS, THEREFORE, NECESSARY TO TAKE STEPS TO RETROSPECTIVELY VALIDATE THESE CONVEYANCES," HE SAID.

FURTHERMORE, THE BILL ALSO CONTAINS PROVISIONS TO FACILITATE THOSE OWNERS OF RURAL LAND WHO WISH TO AVOID THE EFFECT OF CUSTOMARY RULES OF SUCCESSION ON THEIR PROPERTY BY PROVIDING FOR THE EXEMPTION OF LAND, INCLUDING UNDIVIDED SHARES, FROM THE APPLICATION OF PART II OF THE NEW TERRITORIES ORDINANCE, BY THE DIRECTOR OF LANDS UPON APPLICATION OF THE LANDOWNER CONCERNED BY A SIMPLE AND INEXPENSIVE PROCEDURE.

MR SUEN THEN EXPLAINED THE TERM "RURAL LAND" AS LAND IN THE NEW TERRITORIES BEING THE SUBJECT OF A CROWN LEASE OF AN OLD SCHEDULE LOT, VILLAGE LOT, SMALL HOUSE OR SIMILAR RURAL HOLDING AS DEFINED IN THE BILL.

DEBATE ON THE BILL WAS ADJOURNED.

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MAGISTRATES (AMENDMENT) BILL 1993 INTRODUCED
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A BILL TO GIVE EFFECT TO A NUMBER OF IMPROVEMENTS TO THE PROCESSING OF SUMMONSES IN THE MAGISTRACIES WAS INTRODUCED INTO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE SECOND READING OF THE MAGISTRATES (AMENDMENT) BILL 1993, THE ATTORNEY GENERAL, THE HON JEREMY MATHEWS, SAID SUMMONSES IN THE MAGISTRACIES WERE NOW PROCESSED BY A COMPUTERISED CASE AND SUMMONS MANAGEMENT SYSTEM WHICH WAS INTRODUCED IN JULY LAST YEAR.

THE SYSTEM ISSUES STANDARDISED SUMMONS FORMS, KEEPS TRACK OF OUTSTANDING PAYMENTS AND HELPS TO SPEED UP COLLECTION OF FINES, HE NOTED.

IN THE LIGHT OF THE OPERATING EXPERIENCE OF THE SYSTEM IN THE PAST YEAR, A NUMBER OF IMPROVEMENTS HAVE BEEN IDENTIFIED IN RESPECT OF THE ISSUE OF A SUMMONS TO A DEFENDANT AND MODE OF SERVICE, MANNER OF MAKING A COMPLAINT OR LAYING AN INFORMATION, PROCEEDINGS AT HEARINGS, AND PROVISIONS AS TO WITNESSES.

"THE BILL, WHEN IMPLEMENTED, WILL GIVE EFFECT TO THESE IMPROVEMENTS WHICH ARE MAINLY INTENDED TO RATIONALISE EXISTING OPERATIONAL PRACTICES IN THE PROCESSING OF SUMMONSES," HE SAID.

DEBATE ON THE BILL WAS ADJOURNED.

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IMMIGRATION BILL AMENDED

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THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, MOVES AN AMENDMENT TO CLAUSE 9 OF THE IMMIGRATION (AMENDMENT) (NO. 2) BILL 1993 AT ITS COMMITTEE STAGE IN THE LEGISLATIVE COUNCIL MEETING TODAY (WEDNESDAY).

THE BILL SEEKS TO AMEND THE IMMIGRATION ORDINANCE IN A NUMBER OF MINOR RESPECTS IN ORDER TO REMOVE CUMBERSOME AND INAPPROPRIATE PROCEDURE BY WHICH SOME PARTS HAVE TO BE RENEWED EVERY YEAR BY THE LEGISLATIVE COUNCIL.

CLAUSE 9 RELATES TO SECTION 37K(2) OF THE ORDINANCE WHICH CONTAINS A PRESUMPTION RELATING TO A PERSON'S STATUS AS OWNER, AGENT, CAPTAIN OR CREW-MEMBER OF A SHIP CARRYING ILLEGAL IMMIGRANTS.

MR ASPREY NOTED THAT THE ORIGINAL CLAUSE 9 OF THE BILL HAD PROPOSED TO BASE THE PRESUMPTION ON A POLICE OFFICER OF THE RANK OF SUPERINTENDENT OR ABOVE HAVING REASONABLE GROUNDS FOR BELIEF OF A PERSON'S STATUS, RATHER THAN THE PRESENT MORE SUBJECTIVE BASIS OF HONEST BELIEF.

"A RECENT SUBMISSION FROM THE LAW SOCIETY HAS CAUSED OUR LEGAL ADVISERS TO RECOGNISE THAT CLAUSE 9, AS DRAFTED, DOES NOT ACHIEVE THE DESIRED OBJECTIVE.

"THE RESULT OF THE CLAUSE AS DRAFTED WOULD BE THAT THE PRESUMPTION WOULD OPERATE WHERE A POLICE OFFICER CERTIFIED THE EXISTENCE OF REASONABLE GROUNDS FOR BELIEVING THAT A PERSON IS AN OWNER, AGENT, CAPTAIN OR CREW-MEMBER OF A SHIP.

"ARGUABLY, A COURT WOULD BE PRECLUDED FROM LOOKING BEHIND THE EXISTENCE OF THE CERTIFICATE AND SATISFYING ITSELF AS TO THE REASONABLENESS OF THE OFFICER'S BELIEF," HE SAID.

THE AMENDMENT THEREFORE SEEKS TO MAKE IT QUITE CLEAR THAT IT IS THE COURT WHICH MUST BE SATISFIED THAT THE APPLICATION OF THE PRESUMPTION IS JUSTIFIED IN EACH CASE, MR ASPREY ADDED.

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PUBLIC WELL-INFORMED OF GOVT AND PUBLIC SECTOR EXPENDITURE

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THERE ARE ADEQUATE CHANNELS FOR INTERESTED MEMBERS OF THE PUBLIC TO KEEP THEMSELVES INFORMED AND TO COMMENT ABOUT THE EXPENDITURE OF THE GOVERNMENT AND PUBLIC SECTOR BODIES.

THIS WAS STATED BY THE SECRETARY FOR THE TREASURY, MR DONALD TSANG, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN REPLY TO A QUESTION BY THE HON PETER WONG HONG-YUEN, MR TSANG TOLD THE LEGISLATORS THAT IT WAS A WELL-RECOGNISED PRINCIPLE THAT THE DETAILED MONITORING OF GOVERNMENT PERFORMANCE AND EXPENDITURE WAS PRIMARILY THE ROLE OF LEGCO, RATHER THAN INDIVIDUAL MEMBERS OF THE PUBLIC.

"OUR SYSTEM IN HONG KONG IS ON THE OPEN PARLIAMENTARY MODEL: NOT THE ANCIENT GREEK MODEL WHERE EVERY CITIZEN PUT FORTH HIS VIEWS ON MATTERS OF THE DAY SCRATCHED ON PIECES OF BROKEN POT."

HOWEVER, THE PUBLIC HAD BROAD ACCESS TO THE DETAILS OF PUBLIC EXPENDITURE AND WERE FREE TO COMMENT TO LEGISLATORS, THE PRESS OR DIRECTLY TO THE GOVERNMENT, MR TSANG SAID.

"WHEN WE RECEIVE QUESTIONS DIRECTLY FROM THE PUBLIC ON PUBLIC EXPENDITURE, WE PLEDGE TO GO AS FAR AS WE CAN TO RESPOND PROMPTLY AND FULLY," HE SAID.

THE SECRETARY SAID INFORMATION ON EXPENDITURE AND PERFORMANCE OF GOVERNMENT DEPARTMENTS WAS AVAILABLE TO THE PUBLIC THROUGH THE ANNUAL ESTIMATES, THE DIRECTOR OF ACCOUNTING SERVICES' ANNUAL REPORT, AND ANNUAL DEPARTMENTAL REPORTS WHICH WERE ON SALE AT THE GOVERNMENT PUBLICATIONS CENTRE.

LEGISLATORS CAN PUT QUESTIONS ON THE ANNUAL ESTIMATES OF EXPENDITURE TO THE ADMINISTRATION, EITHER FORMALLY OR INFORMALLY, THROUGHOUT THE YEAR, HE SAID.

"MEMBERS OF THE PUBLIC WHO HAVE SPECIFIC CONCERNS CAN RAISE THEM THROUGH MEMBERS OR PURSUE THEM DIRECTLY WITH THE DEPARTMENTS CONCERNED," HE ADDED.

FURTHERMORE, THE GOVERNMENT PUBLISHES ITS ACCOUNTS QUARTERLY IN THE GAZETTE.

THE FINANCIAL SECRETARY ALSO PROMISED TO MAKE AVAILABLE TO LEGISLATORS AND THE PUBLIC THE OPERATING ACCOUNTS OF THE FIVE GOVERNMENT UTILITIES: THE POST OFFICE, THE AIRPORT, MARINE FERRY TERMINALS, GOVERNMENT TOLL TUNNELS AND WATERWORKS, MR TSANG SAID.

"AS REGARDS TRADING FUNDS, THE TRADING FUNDS ORDINANCE PROVIDES FOR AUDITED ACCOUNTS TO BE TABLED IN THIS COUNCIL ONCE A YEAR, TOGETHER WITH A REPORT BY THE FUND MANAGER ON HIS PERFORMANCE," HE SAID.

SUCH ACCOUNTS WILL ALSO BE AVAILABLE FOR SALE TO THE PUBLIC AT THE GOVERNMENT PUBLICATIONS CENTRE, HE ADDED.

ON THE EXPENDITURE OF THE STATUTORY BODIES, MR TSANG SAID ANNUAL AUDITED REPORTS OF SOME OF THESE BODIES WERE TABLED IN LEGCO ACCORDING TO THE RELEVANT PROVISIONS OF THEIR RESPECTIVE ORDINANCES.

THESE REPORTS ARE AVAILABLE TO THE PUBLIC, HE ADDED.

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ELECTION DISQUALIFICATION PROVISIONS

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THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, TODAY (WEDNESDAY) SPELT OUT EXISTING LEGISLATION GOVERNING WHO ARE DISQUALIFIED FROM REGISTERING AS CANDIDATES FOR ELECTIONS TO THE THREE TIERS OF REPRESENTATIVE GOVERNMENT.

A PERSON IS DISQUALIFIED FROM BEING NOMINATED AS A CANDIDATE IF HE IS SERVING A SENTENCE OF IMPRISONMENT ON THE DATE OF NOMINATION.

/A PERSON

A PERSON IS ALSO DISQUALIFIED FROM CANDIDATURE IF, WITHIN THE 10 YEARS BEFORE THE DATE OF ELECTION, HE HAS BEEN CONVICTED OF AN OFFENCE AND SENTENCED TO IMPRISONMENT EXCEEDING THREE MONTHS.

REPLYING TO A QUESTION BY THE HON JAMES TIEN IN THE LEGISLATIVE COUNCIL, MR ASPREY SAID: "THESE PROVISIONS COVER PERSONS CONVICTED OF TRIAD-RELATED OFFENCES."

"WE HAVE NO PLANS TO INTRODUCE FURTHER MEASURES," HE SAID.

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BLAKE EXPLAINS AIRPORT TERMINAL DESIGN COSTS

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THE SECRETARY FOR WORKS, MR JAMES BLAKE, SAID TODAY (WEDNESDAY) THAT THE ADDITIONAL PAYMENT OF \$50 MILLION FOR THE DESIGN CONTRACT OF THE NEW AIRPORT TERMINAL AT CHEK LAP KOK WAS FOR A CHANGE IN THE SCOPE OF DESIGN WORKS.

REPLYING TO A LEGISLATIVE COUNCIL QUESTION FROM THE HON ALBERT CHAN WAI-YIP, MR BLAKE SAID THE CHANGE IN DESIGN COULD NOT HAVE BEEN FORESEEN AT THE TIME THE DESIGN CONTRACT WAS LET.

MR BLAKE SAID: "THE PROVISIONAL AIRPORT AUTHORITY (PAA) UNDER THE TERMS OF THE DESIGN CONTRACT WAS OBLIGED TO PAY FOR ADDITIONAL WORK ARISING FROM THE CHANGE IN SCOPE, AND AFTER PROPER CONSIDERATION THE PAA BOARD AUTHORISED THE LUMP-SUM SETTLEMENT APPROACH; THIS WAS A COST-EFFECTIVE MEANS TO RESOLVE AN ISSUE WHICH OTHERWISE WOULD HAVE DRAGGED ON IN A CONTENTIOUS MANNER, POSSIBLY TO RESULT IN COST ARBITRATION."

HE SAID THE SCHEMATIC DESIGN FOR THE TERMINAL BUILDING CONCEIVED IN THE AIRPORT MASTER PLAN HAD NOW BEEN DEVELOPED THROUGH DETAILED DESIGN INTO A BUILDING WHICH MET THE PAA'S OPERATIONAL REQUIREMENTS, AS WELL AS THOSE OF THE AIRLINE INDUSTRY, PASSENGERS AND OTHER USERS.

"THE HIGHEST STANDARDS OF FUNCTIONALITY, EFFICIENCY, AND USER FRIENDLINESS HAVE BEEN ACHIEVED, FOR AN ESTIMATED UNIT COST WHICH IS ONLY ABOUT AVERAGE FOR EQUIVALENT INTERNATIONAL AIRPORT TERMINAL BUILDINGS.

"THE INTEGRITY OF THE PAA'S OVERALL BUDGET ESTIMATE HAS BEEN KEPT INTACT, WHILST OPPORTUNITIES FOR COMMERCIAL REVENUE SPACE WITHIN THE BUILDING HAVE BEEN UPLIFTED WITH SIGNIFICANT BENEFITS IN THE REVENUE GENERATING POTENTIAL OF THE BUILDING," HE SAID.

HE SAID THE ADMINISTRATION WAS SATISFIED THAT THE TOTAL PAYMENT EXPECTED TO BE MADE FOR THIS DESIGN CONTRACT, INCLUDING THE ADDITIONAL PAYMENT, WAS COST-EFFECTIVE.

/MR BLAKE

MR BLAKE SAID ALL CONTRACTS OF THIS NATURE ENTERED INTO BY THE GOVERNMENT, THE PAA, THE MASS TRANSIT RAILWAY CORPORATION AND INDEED BY THE PRIVATE SECTOR, LUMP-SUM OR NOT, MUST CONTAIN PROVISION TO VARY AND THE MEANS TO VALUE VARIATIONS.

HE ASSURED MEMBERS OF THE COUNCIL THAT ANY VARIATION, INVOLVING INCREASE OR DECREASE IN COST, WOULD BE SUBJECTED TO CLOSE SCRUTINY BY THE GOVERNMENT OR THE RESPECTIVE BOARD OF THESE TWO STATUTORY BODIES, TO ENSURE THAT NO UNWARRANTED PAYMENT ENSUES, AND THAT PROPER PROCEDURES ARE IN PLACE FOR THE AUTHORISATION OF RELEVANT SCOPE CHANGES.

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893 REPORTS RECEIVED ON DRUG MONEY LAUNDERING

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A TOTAL OF 893 REPORTS CONCERNING MONEY LAUNDERING ARE RECEIVED BY THE AUTHORITIES SINCE THE ENACTMENT OF THE DRUG TRAFFICKING (RECOVERY OF PROCEEDS) ORDINANCE IN 1989, THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, SAID.

IN A REPLY TO A QUESTION BY THE HON JIMMY MCGREGOR IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), MR ASPREY SAID ALL REPORTS RECEIVED WERE INVESTIGATED BY THE JOINT FINANCIAL INTELLIGENCE UNIT OF THE POLICE AND THE CUSTOMS AND EXCISE DEPARTMENT.

OF THE 609 INVESTIGATIONS CONCLUDED, THREE REPORTS LED TO PROSECUTIONS FOR DRUG MONEY LAUNDERING OFFENCES.

"OF THE THREE PROSECUTIONS FOR DRUG MONEY LAUNDERING OFFENCES, THE PROCEEDINGS IN TWO CASES HAVE NOT YET CONCLUDED. THE THIRD CASE ENDED IN AN ACQUITTAL," HE SAID.

HE TOLD THE COUNCILLORS THAT NINE REPORTS LED TO CONFISCATION PROCEEDINGS AND \$150 MILLION OF DRUG PROCEEDS WERE CONFISCATED. FURTHER ASSETS WORTH \$59 MILLION ARE UNDER RESTRAINT.

THE COUNCILLORS WERE ALSO TOLD THAT 154 REPORTS WERE CONFIRMED NOT TO BE RELATED TO DRUG MONEY LAUNDERING; 443 CASES DID NOT PRODUCE SUFFICIENT EVIDENCE FOR PROCEEDINGS TO BE INSTITUTED UNDER THE ORDINANCE.

THE REMAINING 284 CASES ARE STILL UNDER INVESTIGATIONS.

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GOVT COMMITTED TO IMPROVE SERVICES FOR DISABLED

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THE ACTING SECRETARY FOR HEALTH AND WELFARE, DR S H LEE, REAFFIRMED THE GOVERNMENT'S COMMITMENT TO IMPROVING THE QUALITY OF LIFE OF THE DISABLED.

REPLYING TO A QUESTION BY DR THE HON YEUNG SUM IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), DR LEE SAID THE GOVERNMENT WAS DETERMINED TO MEET THE KEY TARGETS IN THE GREEN PAPER ON REHABILITATION BY 1996/97.

/THESE TARGETS

THESE TARGETS, THE NECESSARY FUNDS FOR WHICH HAVE BEEN SECURED, RELATE TO THE PROVISION OF AN ADDITIONAL 3,930 RESIDENTIAL PLACES FOR PEOPLE WITH VARIOUS DISABILITIES AND AN EXTRA 3,760 PLACES IN DAY SERVICES FOR MENTALLY HANDICAPPED PEOPLE.

"WHERE NECESSARY, WE WILL UPDATE THE TARGETS REGULARLY TO ENSURE THAT THEY MATCH THE CHANGING NEEDS AND CIRCUMSTANCES OF THE VARIOUS GROUPS OF CLIENTS," DR LEE SAID.

"WHERE NECESSARY, WE WILL CONTINUE TO SEEK FUNDING FOR THE PROVISION OF ADDITIONAL PLACES FOR BOTH DISABLED PRE-SCHOOLERS AND DISABLED ADULTS."

IN THE MEANTIME, HE SAID, THE SOCIAL WELFARE DEPARTMENT WAS STREAMLINING THE CENTRAL REFERRAL SYSTEMS WITH A VIEW TO IDENTIFYING CLIENTS WITH A GENUINE NEED FOR SERVICES AND TO SPEEDING UP REFERRALS AND ADMISSIONS SO AS TO MAKE FULLER USE OF THE PLACES AVAILABLE.

HE ALSO TOLD THE COUNCIL THAT THE GOVERNMENT INTENDED TO CONDUCT A REVIEW OF THE REHABILITATION PROGRAMME PLAN IN MID-1994.

COMPILED IN 1990, THE PLAN SETS OUT A COMPREHENSIVE PICTURE OF THE CURRENT AND PLANNED PROVISION OF REHABILITATION SERVICES OVER THE NEXT 10 YEARS.

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SECURITY STEPPED UP FOR SEIZED GOODS STORES
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SECURITY FOR THE CUSTOMS AND EXCISE SEIZED GOODS STORES WILL BE STRENGTHENED TO PREVENT BURGLARY, THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, SAID.

IN A WRITTEN REPLY TO A QUESTION BY THE HON ZACHARY WONG IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), MR ASPREY SAID THE CUSTOMS AND EXCISE DEPARTMENT WAS NOW ARRANGING FOR THE INSTALLATION OF ANTI-BURGLARY ALARM SYSTEMS IN ALL ITS MAJOR SEIZED GOODS STORES.

PATROLLING AND GUARDING WATCHMEN TEAMS, IN PARTICULAR THOSE ON NIGHT SHIFTS, WILL BE STRENGTHENED, HE SAID.

"THE POLICE HAVE ALSO GIVEN ADVICE ON HOW TO PREVENT SUCH CRIMES."

MR ASPREY POINTED OUT THAT SEIZED GOODS STORES WERE ALL FITTED WITH STRONG LOCKS, IRON DOORS, CROSS BARS AND IRON WINDOW GRILLS.

"PERIMETER FENCING AND FLOODLIGHTS ARE ALSO INSTALLED. WATCHMEN ARE EMPLOYED TO PATROL AND GUARD THE STORES.

"THERE IS ALSO CONTROL ON THE ENTRY AND EXIT OF AUTHORISED PERSONNEL. THERE ARE OTHER DETAILED INSTRUCTIONS AND GUIDELINES ON SECURITY MEASURES," HE ADDED.

LAST YEAR, TWO BURGLARIES OCCURRED AT THE CUSTOMS AND EXCISE TUEN MUN SEIZED GOODS STORE. THE FIRST ONE INVOLVED SOME \$2.2 MILLION WORTH OF SEIZED GOODS WHILE THE SECOND INVOLVED SOME \$0.9 MILLION.

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RECREATION USE APPROPRIATE FOR LANDFILL SITES

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THE DEVELOPMENT OF A PARK AT GIN DRINKER'S BAY LANDFILL UPON ITS CLOSURE WILL MAKE OPTIMAL USE OF THE LAND CREATED AND PROVIDE OPEN SPACE FOR USE BY THE GENERAL PUBLIC, THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON ALBERT CHAN WAI-YIP, MR EASON SAID GIVEN THE POSSIBILITY OF SETTLEMENT OF THE LANDFILL SURFACE DURING THE INITIAL PERIOD AFTER ITS CLOSURE, SUBSTANTIAL BUILDINGS OR STRUCTURES COULD NOT BE BUILT ON IT.

PARKS AND OTHER RECREATION FACILITIES ARE APPROPRIATE USES FOR SUCH LANDFILL SITES, PROVIDED PRECAUTIONS ARE TAKEN TO PREVENT DISCHARGE OF LEACHATE AND THE BUILD-UP OF LANDFILL GAS.

"ON THE ADVICE OF CONSULTANTS, MEASURES TO DEAL WITH LEACHATE AND PREVENT LANDFILL GAS EMISSIONS WILL BE PART OF THE PROJECT," HE SAID.

MR EASON SAID NO DATE HAD BEEN FIXED FOR THE OPENING OF THE PARK BECAUSE THE PHASE II WORKS HAD NOT YET STARTED PENDING THE FINALISATION OF THE DETAILS OF ANOTHER WORKS PROJECT WHICH WOULD AFFECT IT.

"THE REGIONAL SERVICES DEPARTMENT IS WAITING TO PROCEED WITH PHASE II OF THE PARK PROJECT TO AVOID INCURRING UNNECESSARY COSTS BEFORE THE DETAILS ARE FINALISED," HE SAID.

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FAVOURABLE COMMENTS ON MID-LEVEL ESCALATORS

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THE CENTRAL TO MID-LEVELS ESCALATOR SYSTEM HAS PROVEN TO BE REMARKABLY POPULAR AND HAS ATTRACTED FAVOURABLE COMMENT BOTH LOCALLY AND OVERSEAS, THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

REPLYING TO A QUESTION BY DR THE HON LAM KUI-CHUN, MR BARMA SAID WHILE IT WAS TOO SOON TO ESTABLISH THE REAL IMPACT ON TRAFFIC IN THE MID-LEVEL AREA, BALLPARK FIGURES SUGGESTED A LITTLE LESS RELIANCE ON VEHICULAR TRANSPORT.

"BECAUSE OF THE LARGE NUMBER OF SIGHTSEERS AND OTHER USERS ATTRACTED BY THE NOVELTY OF THE SYSTEM, NO CLEAR PATTERN HAS SO FAR EMERGED IN THE USE OF THE ESCALATORS.

"HOWEVER, BALLPARK FIGURES DO SHOW THAT, ON AVERAGE, SOME 20,000 PEOPLE USE THE ESCALATOR DAILY WITH ABOUT 4,000 TRAVELLING DOWNHILL ON THE ESCALATOR BETWEEN 6 A.M. AND 10 A.M. EACH MORNING," HE SAID.

MR BARMA SAID SINCE THE TRIAL PERIOD BEGAN, ONLY EIGHT COMPLAINTS HAD BEEN RECEIVED.

THESE COMPLAINTS REFLECTED BASIC TEETHING PROBLEMS THAT HAD BEEN EXPERIENCED AND MOST HAD BEEN RECTIFIED.

TRANSPORT DEPARTMENT HAS SO FAR CARRIED OUT TWO ONE-DAY SURVEYS DURING RUSH HOURS, AND NOT SURPRISINGLY, NO SIGNIFICANT CHANGE IN TRAFFIC VOLUME HAS EMERGED.

"THE DEPARTMENT INTENDS TO UNDERTAKE A COMPREHENSIVE SURVEY EARLY NEXT YEAR BY WHICH TIME TRAVEL PATTERNS IN THE AREA SHOULD HAVE BECOME MORE SETTLED," HE SAID.

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MORE CONTROL ON OVERHEAD WORK PROPOSED

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A NEW SET OF FACTORIES AND INDUSTRIAL UNDERTAKINGS (SUSPENDED WORKING PLATFORM) REGULATION WILL BE INTRODUCED NEXT YEAR TO TIGHTEN CONTROL ON THE INSPECTION AND MAINTENANCE OF GONDOLAS.

THIS WAS ANNOUNCED BY THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, IN A WRITTEN REPLY TO A QUESTION BY THE HON EDWARD HO IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR LEUNG SAID THAT UNDER THE PROPOSED REGULATION, ALL GONDOLAS MUST BE EXAMINED AND TESTED BY A COMPETENT EXAMINER PERIODICALLY AND UNDER SPECIFIED CONDITIONS, SUCH AS AFTER RE-ERECTION OR SUBSTANTIAL REPAIR.

"THEY MUST BE INSPECTED AT LEAST ONCE IN THE PRECEDING SEVEN DAYS BY A COMPETENT PERSON BEFORE THEY ARE USED," HE SAID.

"LIFTING GEARS FORMING PARTS OF THE GONDOLA MUST ALSO BE EXAMINED PERIODICALLY."

THE PROPOSED REGULATION REDEFINES THE QUALIFICATION OF OPERATORS AS A PERSON WHO HAS UNDERGONE TRAINING ON THE OPERATIONAL MECHANISM OF A GONDOLA AND THE SAFETY ASPECTS OF WORKING ON A GONDOLA.

TO PROMOTE AWARENESS OF THE TECHNICAL AND SAFETY ASPECTS OF GONDOLAS, THE LABOUR DEPARTMENT HAS ORGANISED SEMINARS AND ISSUED INFORMATION LEAFLETS AND POSTERS TO THOSE IN THE TRADE.

THESE PROMOTIONAL EFFORTS WILL BE SUSTAINED AND STEPPED UP AS NECESSARY, MR LEUNG ADDED.

IN A WRITTEN REPLY TO ANOTHER QUESTION BY THE HON PANG CHUN-HOI, THE SECRETARY SAID SEVEN SUMMONSES WERE ISSUED BY THE DEPARTMENT UNDER THE FACTORIES AND INDUSTRIAL UNDERTAKINGS ORDINANCE AGAINST PROPRIETORS IN RELATION TO WORKERS ENGAGED IN OVERHEAD WORK WITHOUT TAKING SAFETY PRECAUTIONS IN 1992 AND SO FAR THIS YEAR.

NO PROSECUTION HAS BEEN TAKEN OUT AGAINST EMPLOYEES DURING THE SAME PERIOD.

AT PRESENT, WORKING AT HEIGHT COMES UNDER THE CONTROL OF THE CONSTRUCTION SITES (SAFETY) REGULATIONS.

THE FACTORIES AND INDUSTRIAL UNDERTAKINGS ORDINANCE ALSO REQUIRES WORKERS TO TAKE REASONABLE CARE FOR THE HEALTH AND SAFETY OF THEMSELVES AND TO CO-OPERATE WITH THE PROPRIETOR IN ORDER THAT ALL THE SAFETY REQUIREMENTS UNDER THE ORDINANCE CAN BE COMPLIED WITH.

MR LEUNG NOTED THAT THE LABOUR DEPARTMENT HAD CONDUCTED 796 INSPECTIONS TO MULTI-STOREY BUILDINGS AND CONSTRUCTION SITES DURING A FOUR-MONTH CAMPAIGN THIS SUMMER.

APART FROM ENFORCING THE LAW, HE SAID SUCH INSPECTIONS ALSO AIMED AT PROMOTING THE AWARENESS OF EMPLOYERS AND WORKERS OF THE NEED TO UNDERTAKE SAFETY MEASURES WHEN ENGAGED IN OVERHEAD WORK.

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SCHEME TO IMPROVE EASTERN HARBOUR CROSSING TRAFFIC UNDER REVIEW
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THE TRANSPORT DEPARTMENT, TOGETHER WITH THE TUNNEL COMPANY AND THE TRAFFIC POLICE, ARE REVIEWING AN EXPERIMENTAL TIDAL FLOW SCHEME TO IMPROVE THE TRAFFIC FLOW AT EASTERN HARBOUR CROSSING, THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON LI WAH-MING, MR BARMA SAID TRAFFIC VOLUME IN THE EASTERN HARBOUR CROSSING HAD INCREASED FROM A DAILY AVERAGE OF ABOUT 19,500 VEHICLES WHEN THE TUNNEL OPENED IN SEPTEMBER 1989 TO AROUND 83,500 IN OCTOBER THIS YEAR.

HE SAID TRAFFIC WAS HEAVIEST DURING THE EVENING PEAK COMMUTING HOURS.

"AN EXPERIMENTAL TIDAL FLOW SCHEME HAS BEEN TRIED OCCASIONALLY TO IMPROVE THE TRAFFIC FLOW, WITH THREE TUNNEL LANES BEING UTILISED IN THE EVENINGS FOR KOWLOON-BOUND TRAFFIC.

"THIS HAS SOMETIMES RESULTED IN A BACKUP IN TRAFFIC BOUND FOR HONG KONG AND CONGESTION IN THE KWUN TONG AREA," HE SAID.

MR BARMA SAID THE TRANSPORT DEPARTMENT WAS NOW REVIEWING THE TRIAL SCHEME IN CONJUNCTION WITH THE TUNNEL COMPANY AND THE TRAFFIC POLICE TO ESTABLISH ITS OVERALL EFFECTIVENESS.

"AS PART OF THIS REVIEW CONSIDERATION WILL BE GIVEN TO OTHER MEASURES THAT MIGHT BE INTRODUCED AND, IN THIS RESPECT, THE PROBLEM OF TRAFFIC SNARLS IN THE TOWN CENTRE OF KWUN TONG WILL CERTAINLY BE TAKEN INTO ACCOUNT."

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ARRANGEMENT TO SPEED UP HOUSING OFFER
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THE REASON FOR SETTING ASIDE 10 PER CENT OF THE NEW HOUSING PRODUCTION IN URBAN DISTRICTS AND REGROUPING OF THE DISTRICTS OF CHOICE FOR WAITING LIST APPLICANTS IS TO SPEED UP THE HOUSING OFFER BY HOUSING AUTHORITY.

THIS WAS STATED BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, IN A WRITTEN REPLY TO A QUESTION BY THE HON EMILY LAU WAI-HING IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

/MR EASON

MR EASON SAID THE 10 PER CENT OF NEW HOUSING PRODUCTION IN URBAN DISTRICTS SET ASIDE FROM 1994/95 FOR WAITING LIST APPLICANTS WAS TO HELP CLEAR THE BACKLOG OF LONG-STANDING CASES MAINLY ATTRIBUTABLE TO THE APPLICANTS' INSISTENCE ON REHOUSING IN URBAN DISTRICTS WHERE SUPPLY WAS LIMITED.

HE SAID THE ALLOCATION OF THE REMAINING 90 PER CENT OF NEW URBAN FLATS WOULD CONTINUE TO BE SHARED AMONG OTHER REHOUSING CATEGORIES.

"SINCE 10 PER CENT OF THE NEW URBAN FLATS AMOUNT TO ONLY ABOUT 970 FLATS PER YEAR IN THE NEXT FOUR YEARS, THE IMPACT OF THE NEW ARRANGEMENT ON OTHER REHOUSING CATEGORIES SHOULD BE MINIMAL BECAUSE THERE WILL BE AMPLE SUPPLY OF REFURBISHED VACANT FLATS IN THE URBAN AREAS TO MEET DEMAND.

MR EASON SAID THE REASON FOR REGROUPING THE DISTRICTS OF CHOICES FOR WAITING LIST APPLICANTS IS TO ENABLE THE HOUSING AUTHORITY TO MAKE AN EARLIER HOUSING OFFER TO APPLICANTS, THUS REDUCING THEIR WAITING TIME.

"THE REGROUPING RECOGNISES THAT THERE WILL BE LITTLE OR POSSIBLY NO NEW RENTAL PRODUCTION IN SOME DISTRICTS IN THE COMING YEARS, AND THAT IT WILL NOT BE REASONABLE TO EXPECT APPLICANTS TO WAIT INDEFINITELY.

"GIVEN THAT HONG KONG IS NOT A LARGE PLACE AND IS WELL-SERVED BY PUBLIC TRANSPORT, APPLICANTS WILL BE ENCOURAGED TO BE MORE FLEXIBLE IN CONSIDERING HOUSING OFFERS WITH BETTER PROSPECTS OF SUPPLY."

AS REGARDS ALLOCATION OF FLATS, MR EASON SAID, IT IS NORMALLY MADE IN LINE WITH THE EXPRESSED PREFERENCE FOR A DISTRICT BUT REQUESTS FOR A SPECIFIC ESTATE OR FLOOR LEVEL ARE ONLY ENTERTAINED ON MEDICAL, SOCIAL OR COMPASSIONATE GROUNDS AND SUBJECT TO THE AVAILABILITY.

"THESE SPECIAL NEEDS ARE ASSESSED ON THEIR INDIVIDUAL MERITS, HAVING REGARD TO THE RECOMMENDATIONS OF THE SOCIAL WELFARE DEPARTMENT AND DEPARTMENT OF HEALTH WHERE NECESSARY," HE SAID.

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NO INDICATION OF DEMAND FOR ISLAND LEASING

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THERE IS NO INDICATION OF ANY DEMAND FOR ISLANDS WITH OR WITHOUT WATER AND ELECTRICITY SUPPLIES FOR DEVELOPMENT PURPOSES, THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, SAID.

IN A WRITTEN REPLY TO A QUESTION BY THE HON CHIM PUI-CHUNG IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), MR EASON SAID IF APPLICATIONS WERE RECEIVED THEY WOULD BE CONSIDERED ON THEIR MERITS.

THERE ARE SLIGHTLY LESS THAN 290 ISLANDS IN HONG KONG. MOST OF THEM ARE UNINHABITED.

THE MAJORITY OF THEM ARE VERY SMALL; AND SOME 60 PER CENT ARE LESS THAN ONE HECTARE IN AREA.

/OF THOSE

OF THOSE THAT ARE INHABITED, HE SAID, NINE HAVE WATER SUPPLY PROVIDED BY THE WATER SUPPLIES DEPARTMENT AND 19 HAVE ELECTRICITY SUPPLY PROVIDED BY THE POWER COMPANIES.

SOME ISLANDS HAVE OTHER SOURCES OF WATER AND ELECTRICITY SUPPLY SUCH AS WELLS AND INDIVIDUALLY OWNED DIESEL GENERATORS.

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MEASURES TO REGULATE DERIVATIVE INSTRUMENTS

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THE GOVERNMENT IS CONSIDERING AN ATTEMPT TO RATIONALISE SECURITIES AND FUTURES-RELATED LAWS WITH A VIEW TO INTRODUCE MORE PROTECTION REGARDING THE ISSUANCE AND TRADING OF DERIVATIVE INSTRUMENTS.

AND, AMENDMENTS TO THE SECURITIES (INSIDER DEALING) ORDINANCE ARE BEING CONSIDERED TO COVER DERIVATIVE PRODUCTS SUCH AS STOCK OPTIONS, THIRD PARTY ISSUED WARRANTS AND DEPOSITORY RECEIPTS.

THE MOVES WERE OUTLINED BY THE ACTING SECRETARY FOR FINANCIAL SERVICES, MR TAM WING-PONG, IN A WRITTEN REPLY TO A QUESTION BY DR THE HON HUANG CHEN-YA IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

ON THE BANKING SIDE, MR TAM SAID THERE WERE ALREADY GUIDELINES AND SUPERVISORY PROVISIONS ON THE REGULATION OF CREDIT RISK, CURRENCY RISK AND SYSTEM RISK ARISING FROM INTEREST RATE AND EXCHANGE RATE DERIVATIVE TRANSACTIONS.

THE BASLE COMMITTEE ON BANKING SUPERVISION ISSUED TWO CONSULTATIVE PAPERS ON THE SUPERVISION OF INTEREST RATE RISK AND MARKET RISK ON TRADING IN ON- AND OFF-BALANCE SHEET PRODUCTS.

AFTER THAT, THE HONG KONG MONETARY AUTHORITY HAS CONDUCTED SURVEYS IN RESPECT OF AUTHORISED INSTITUTIONS.

CONSIDERATION WILL BE GIVEN TO WHETHER CHANGES TO ITS GUIDELINES OR THE BANKING ORDINANCE IS REQUIRED WHEN THE BASLE COMMITTEE'S RECOMMENDATIONS ARE FINALISED.

"WHEN ALL THE MEASURES ARE IN PLACE, THE REGULATORY AUTHORITIES WILL KEEP THEM UNDER REVIEW SO AS TO KEEP ABREAST WITH MARKET DEVELOPMENT," MR TAM SAID.

AMONG FINANCIAL DERIVATIVE PRODUCTS TRADED AT THE HONG KONG FUTURES EXCHANGE (HKFE), THE HANG SENG INDEX FUTURES AND OPTIONS ARE ACTIVELY TRADED.

BEFORE THE TRADING OF HENG SENG INDEX OPTIONS STARTED, THE HKFE HAD INTRODUCED NEW RULES AND REGULATIONS WHICH SUPPLEMENTED RULES RELATING TO FUTURES CONTRACTS.

MR TAM SAID THESE RULES AND REGULATIONS WERE APPROVED BY THE SECURITIES AND FUTURES COMMISSION.

"SIMILAR RULES, REGULATIONS AND RISK MANAGEMENT MEASURES WILL BE REQUIRED BEFORE THE STOCK EXCHANGE OF HONG KONG LTD INTRODUCES STOCK OPTIONS," HE SAID.

THESE RULES AGAIN REQUIRE THE APPROVAL OF THE SECURITIES AND FUTURES COMMISSION. IT WILL ALSO MAKE REGULATION UNDER THE SECURITIES ORDINANCE, IN THE ABSENCE OF WHICH OPTION TRADING IS PROHIBITED.

MR TAM SAID IT WAS DIFFICULT TO PROJECT THE GROWTH RATE OF TRANSACTIONS IN DERIVATIVES SINCE THE ACTIVITIES DEPENDED ON A NUMBER OF CONDITIONS SUCH AS THE OVERALL INVESTMENT SENTIMENT.

"IN GENERAL, THE VOLUME OF ACTIVITIES CAN BE EXPECTED TO GROW IN FUTURE, POSSIBLY IN LINE WITH THE GROWTH IN THE FINANCIAL MARKETS," HE SAID.

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STUDY ON UNCOMPLETED FLATS SALE UNDER WAY

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A SUB-COMMITTEE OF THE LAW REFORM COMMISSION IS STUDYING THE SUBJECT OF DISCLOSURE OF INFORMATION FOR SALE OF UNCOMPLETED UNITS TO ENSURE THAT SUFFICIENT INFORMATION IS AVAILABLE TO THE PROSPECTIVE PURCHASERS.

THE SUB-COMMITTEE IS NOW FINALISING A REPORT AND ITS RECOMMENDATIONS WILL BE CAREFULLY STUDIED BY THE GOVERNMENT.

THIS WAS STATED BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, IN A WRITTEN REPLY TO A QUESTION BY THE HON EDWARD HO SING-TIN IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR EASON SAID SALABLE AREA, COMMONLY REFERRED THE FLOOR AREA EXCLUSIVELY ALLOCATED TO A UNIT BUT EXCLUDING COMMON AREAS SUCH AS STAIRS AND LIFT SHAFTS, WAS ONE OF A NUMBER OF MANDATORY ITEMS TO BE DISCLOSED IN SALES BROCHURES FOR SALE OF UNCOMPLETED UNITS IN DEVELOPMENTS SUBJECT TO THE CONSENT SCHEME.

HOWEVER, FOR NON-CONSENT SCHEME DEVELOPMENTS, IT IS AT PRESENT UP TO THE DEVELOPER TO DECIDE WHETHER OR NOT TO DISCLOSE SALABLE AREAS IN THE SALES BROCHURE.

IN ALL CASES, MR EASON SAID, THE PROSPECTIVE PURCHASER OR TENANT SHOULD STUDY CAREFULLY ALL AVAILABLE INFORMATION AND, IF POSSIBLE, INSPECT THE PREMISES.

"HE SHOULD ALSO TAKE HIS OWN PRIVATE LEGAL ADVICE AND, IF NECESSARY, INSTRUCT AN ARCHITECT OR SURVEYOR TO GIVE HIM AN EXPERT OPINION ON THE PREMISES.

MR EASON POINTED OUT THAT THE CONSENT SCHEME OPERATED BY THE LANDS DEPARTMENT HAD ADOPTED A STANDARD FORM OF AGREEMENT FOR SALE AND PURCHASE IN WHICH A DEFINITION OF "SALABLE AREA" WAS SET OUT, AND THE LAW SOCIETY HAD ALSO ADOPTED A SIMILAR DEFINITION FOR NON-CONSENT CASES.

"THEREFORE, AT THE TIME OF SIGNING THE FORMAL AGREEMENT FOR SALE AND PURCHASE IN CONSENT AND NON-CONSENT CASES, PURCHASERS SHOULD BE WELL AWARE OF THE PRECISE SALABLE AREA OF THE UNIT."

"THEY SHOULD ALSO CHECK THE FLOOR PLAN ATTACHED TO THE AGREEMENT," HE SAID.

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STUDY TO IMPROVE VENTILATION AT TRANSPORT TERMINALS

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THE ENVIRONMENTAL PROTECTION DEPARTMENT (EPD) HAS COMMISSIONED A STUDY TO FORMULATE THE DESIGN AND OPERATIONAL REQUIREMENTS FOR VENTILATION SYSTEMS OF THE TRANSPORT TERMINALS LOCATED ON THE GROUND FLOOR OF BUILDINGS WITH A VIEW TO IMPROVE THE AIR QUALITY.

THIS WAS STATED BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON ZACHARY WONG WAI-YIN, MR EASON SAID THE STUDY WAS EXPECTED TO BE COMPLETED BY MAY NEXT YEAR.

MR EASON SAID THERE WERE 39 SUCH TRANSPORT TERMINALS AND 28 OF THEM WERE EQUIPPED WITH MECHANICAL VENTILATION SYSTEMS.

FROM MARCH TO SEPTEMBER 1993, THE EPD CONDUCTED A SURVEY OF THE AIR QUALITY IN SIX OF THE TRANSPORT TERMINALS WITH MECHANICAL VENTILATION SYSTEMS, AND THE PRELIMINARY INDICATIONS ARE THAT IN FIVE OF THE SIX TERMINALS, ONE OR MORE OF THE HONG KONG AIR QUALITY OBJECTIVES WERE EXCEEDED.

THE MAIN AIR POLLUTANTS ARE NITROGEN DIOXIDE, SULPHUR DIOXIDE AND PARTICULATES.

MR EASON SAID: "THE POOR AIR QUALITY CAN BE ATTRIBUTED MAINLY TO INADEQUATE OR INEFFECTIVE VENTILATION."

MR EASON SAID THE EPD HAD ADVISED THE MANAGERS OF THESE TERMINALS TO TAKE INTERIM REMEDIAL MEASURES, SUCH AS INCREASING THE LEVELS OF VENTILATION AND ENSURING THE PROPER OPERATION AND MAINTENANCE OF THEIR VENTILATION SYSTEMS.

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LEGCO PASSES MOTION ON CONTAINER TRANSPORT

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THE LEGISLATIVE COUNCIL PASSED AN AMENDED MOTION MOVED BY THE HON STEVEN POON ON CONTAINER TRANSPORT AFTER A TWO-HOUR DEBATE TONIGHT (WEDNESDAY).

SIXTEEN MEMBERS SPOKE ON THE MOTION. THE ORIGINAL MOTION MOVED BY THE HON LEE WING-TAT AND THE AMENDMENT BY THE HON JIMMY MCGREGOR WERE DEFEATED. THE SECRETARY FOR ECONOMIC SERVICES, MR GORDON SIU, SPOKE ON BEHALF OF THE GOVERNMENT.

ANOTHER MOTION ON MEASURES TO BOOST MORALE OF THE CIVIL SERVICE PROPOSED BY THE HON NGAI SHIU-KIT WAS ALSO PASSED.

A TOTAL OF 18 MEMBERS SPOKE ON THE MOTION. THE CHIEF SECRETARY, SIR DAVID FORD, AND THE ACTING SECRETARY FOR THE CIVIL SERVICE, MR STUART HARBINSON, REPLIED FOR THE GOVERNMENT.

IN ADDITION, IMMIGRATION (AMENDMENT) (NO. 2) BILL 1993 AND WATER POLLUTION CONTROL (AMENDMENT) BILL 1992 WERE PASSED WITH AMENDMENTS WHILE FACTORIES AND INDUSTRIAL UNDERTAKINGS (AMENDMENT) BILL 1993 WAS PASSED WITHOUT AMENDMENT.

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LABOUR TRIBUNAL TO BE STRENGTHENED
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THE JUDICIARY PLANS TO PROVIDE TWO EXTRA COURTS IN THE LABOUR TRIBUNAL IN THE NEXT FINANCIAL YEAR TO COPE WITH INCREASING CASELOAD AND TO CUT WAITING TIME.

THE CHIEF MAGISTRATE, MR GERARD MUTTRIE, TOLD THE TRIBUNAL USERS COMMITTEE THE PLAN AT ITS FIRST MEETING THIS (WEDNESDAY) AFTERNOON.

"SUBJECT TO FUNDS BEING APPROVED, THE PROPOSAL WILL LEAD TO AN INCREASE OF TWO PRESIDING OFFICERS, SIX TRIBUNAL OFFICERS AND EIGHT OTHER SUPPORTING STAFF.

"THIS WILL BOOST THE STRENGTH OF THE LABOUR TRIBUNAL BY A SIGNIFICANT 28 PER CENT, AS THERE ARE NOW SEVEN COURTS IN THE TRIBUNAL," MR MUTTRIE SAID.

MR MUTTRIE, WHO IS CHAIRMAN OF THE COMMITTEE, ALSO POINTED OUT THAT AS PART OF THE INITIATIVES BY THE CHIEF JUSTICE, SIR TI LIANG YANG, TO STRENGTHEN THE ADMINISTRATION OF THE JUDICIARY, A COURT LEADERSHIP SCHEME WOULD BE INTRODUCED WHEREBY JUDICIAL LEADERS WOULD BE APPOINTED AT EACH LEVEL OF THE COURT SYSTEM TO PROMOTE EFFICIENCY.

"FOR THE LABOUR TRIBUNAL, A PRINCIPAL PRESIDING OFFICER POST WILL BE CREATED IN THE NEXT FINANCIAL YEAR. SIMILARLY, A PRINCIPAL ADJUDICATOR POST WILL BE CREATED FOR THE SMALL CLAIMS TRIBUNAL.

"THIS SHOULD HELP IMPROVE EFFICIENCY AND PRODUCTIVITY AS WELL AS ACHIEVE BETTER CO-ORDINATION," HE SAID.

AT THE MEETING, THE TRIBUNAL USERS COMMITTEE HAD A WIDE-RANGING DISCUSSION ON ITS WORKING METHOD AND ITS LONG-TERM OBJECTIVES.

THE WORK OF THE COMMITTEE COVERS THE LABOUR TRIBUNAL AND SMALL CLAIMS TRIBUNAL.

THE TRIBUNAL USERS COMMITTEE IS ONE OF THREE COURT USERS COMMITTEES LAUNCHED BY THE CHIEF JUSTICE LAST MONTH TO ADVISE ON MATTERS OF CONCERN TO USERS OF THE COURTS.

THE OTHER TWO ARE THE CIVIL COURT USERS COMMITTEE AND CRIMINAL COURT USERS COMMITTEE.

THE TRIBUNAL COMMITTEE COMPRISES MR TIMOTHY LEE, A LABOUR TRIBUNAL PRESIDING OFFICER; MR HON TAM CHUN, AN ADJUDICATOR OF THE SMALL CLAIMS TRIBUNAL; MR K K LAI, REGISTRAR OF THE LABOUR TRIBUNAL; MR H M HASSAN, REGISTRAR OF THE SMALL CLAIMS TRIBUNAL; AS WELL AS THREE LAY MEMBERS: MR YEUNG PO KWAN, MR FREDERICK YU SAK KWONG AND MR JEROME YEUNG YIU TIN.

HK WILL HOST BUSINESS COMMUNITY AFTER 1997: COMMISSIONER USA

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HONG KONG WILL CONTINUE TO PLAY HOST TO THE INTERNATIONAL BUSINESS COMMUNITY, AND ESPECIALLY BUSINESSES FROM THE UNITED STATES, AFTER 1997, HONG KONG COMMISSIONER TO THE UNITED STATES, MR BARRIE WIGGHAM, SAID YESTERDAY (TUESDAY) DURING HIS FIRST OFFICIAL VISIT TO NEW YORK CITY.

"I SEE HONG KONG EMERGING THE OTHER SIDE OF 1997 VERY MUCH RECOGNISABLE AS THE HONG KONG WE SEE THIS SIDE OF 1997, WITH THE WORLD CONTINUING TO PLAY ITS BUSINESS ROLE THERE, NOT LEAST, OF COURSE, THE UNITED STATES," MR WIGGHAM SAID DURING A LIVE INTERVIEW ON CNBC-TV'S SHOW, INSIDE OPINION.

"WE HAVE A VERY BIG UNITED STATES PRESENCE IN HONG KONG," HE ADDED.

MR WIGGHAM EXPLAINED DURING THE DAILY NEWS TV PROGRAMME BROADCAST IN THE UNITED STATES AND EUROPE THAT HONG KONG WILL CONTINUE TO HAVE ITS OWN SYSTEMS AFTER 1997, INCLUDING ITS OWN FREELY EXCHANGEABLE DOLLAR, ITS OWN FINANCIAL AND BUDGETARY SYSTEMS, AND ITS OWN LAWS BASED ON ENGLISH COMMON LAW.

"SO HONG KONG WILL CONTINUE VERY MUCH AS IT IS NOW," MR WIGGHAM SAID, ADDING THAT HONG KONG'S OWN LEGISLATURE, NOT THE MAINLAND, WILL ENACT LAWS.

"THOSE LAWS WILL PROTECT THE INVESTOR, AND I THINK IT'S BECAUSE OF THAT WE'VE SEEN THIS GREAT AWAKENING OF INVESTMENT INTEREST IN HONG KONG," MR WIGGHAM SAID.

COMMENTING ON THE RECENTLY CONCLUDED ASIAN PACIFIC ECONOMIC CO-OPERATION CONFERENCE IN SEATTLE, MR WIGGHAM SAID ONE OF THE SPECIFIC ISSUES TO COME OUT OF THE FORUM WAS AN AGREEMENT TO PUT GREATER EMPHASIS ON EDUCATION.

"IN HONG KONG, WE REALISE THAT THE PEOPLE ARE OUR MAIN ASSET," MR WIGGHAM SAID.

"SO WE HAVE FOR YEARS SPENT MORE ON EDUCATION THAN ON ANYTHING ELSE, AND WE SEE THAT AS AN INVESTMENT SO THAT WE CAN TRAIN OUR FUTURE WORKFORCE, IMPROVE OUR SKILLS, AND BE PART OF, IF NOT LEAD, THE HIGH TECH WORLD THAT WE'RE ALL LOOKING FORWARD TO."

AS PART OF MR WIGGHAM'S VISIT TO NEW YORK, HE ALSO MET FORMER U.S. SECRETARY OF STATE MR CYRUS VANCE AND CHAIRMAN OF THE FOREIGN POLICY ASSOCIATION IN NEW YORK MR PAUL FORD TO DISCUSS HONG KONG-UNITED STATES ECONOMIC RELATIONS.

NEXT WEEK, MR WIGGHAM, WHO IS BASED IN WASHINGTON DC, WILL TRAVEL TO BOSTON AND CHICAGO AS PART OF HIS VISITS PROGRAMME IN THE UNITED STATES.

SHIPPING INDUSTRY APPRECIATES HK ADVANTAGES

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THE LATEST VESSEL REGISTERED WITH THE HONG KONG SHIPPING REGISTRY, "KUANYIN", ARRIVED IN HONG KONG TODAY (WEDNESDAY).

THE 15,290 DWT BULK-CARRIER WITH FOUR HOLDS AND THREE BY 16 TON CRANES AND GRABS WAS BUILT BY XINGANG SHIPYARD, TIANJIN AND WAS DELIVERED TO HER OWNERS, CANTON TRADER LTD, ON NOVEMBER 15.

SHE IS MANAGED BY FENWICK SHIPPING SERVICES - A JOINT VENTURE BETWEEN MR OISTEIN THORSEN AND MR ANTONY MARDEN. MR MARDEN'S FAMILY HAS BEEN ACTIVE IN THE SHIPPING INDUSTRY FOR 50 YEARS.

THE DIRECTOR OF MARINE, MR ALLAN PYRKE, WAS AMONG A GROUP OF GUESTS SPECIALLY INVITED TO TOUR THE VESSEL MOORED AT THE WESTERN ANCHORAGE THIS MORNING.

"I AM DELIGHTED TO SEE THE NEXT GENERATION OF MARDENS CARRYING ON BUSINESS IN HONG KONG. THIS IS ANOTHER EXAMPLE THAT THE YOUNGER GENERATION IS MAKING FULL USE OF THE NATURAL ROLE OF HONG KONG AS A HUB OF SHIPPING INDUSTRY," MR PYRKE SAID.

"THE SHIP, NAMED AFTER CHINESE GODDESS KUANYIN, INDICATES HOW HER OWNER HAS DRAWN INSPIRATION FROM CHINESE CULTURE AND LODGED ITS BUSINESS IN HONG KONG," HE ADDED.

THE "KUANYIN" JOINS FENWICK SHIPPING SERVICES FLEET OF SEVEN BULK-CARRIERS OPERATED OUT OF HONG KONG ON THE SPOT-MARKET.

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FRESH WATER CUT IN YUEN LONG

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FRESH WATER SUPPLY TO SOME PREMISES IN YUEN LONG WILL GO OFF FROM 11 PM TOMORROW (THURSDAY) TO 6 AM THE NEXT DAY TO FACILITATE WASTE DETECTION WORK ON WATER MAINS.

THE SUSPENSION WILL AFFECT ALL THE PREMISES AT YUEN LONG SECTION OF CASTLE PEAK ROAD, YUEN LONG ON NING ROAD, TAI KIU ROAD, TUNG LOK STREET, SAU FU STREET, FOOK TAK STREET AND FOOK TAK PATH.

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WEDNESDAY, NOVEMBER 24, 1993

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS

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	\$ MILLION

OPENING BALANCE IN THE ACCOUNT	1,930
REVERSAL OF LAF	+1,070
BALANCE AFTER REVERSAL OF LAF	3,000
NET INJECTION/WITHDRAWAL TODAY	NIL
EFFECT OF LAF TODAY	-895
CLOSING BALANCE IN THE ACCOUNT	2,105
LAF RATE 2.00 BID/4.00 OFFER	TWI 113.6 *-0.1* 24.11.93

HONG KONG GOVERNMENT EXCHANGE FUND

EF BILLS		EF NOTES/HONG KONG GOVERNMENT BONDS				
TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	3.00 PCT	15 MONTHS	2502	4.75	101.36	3.64
1 MONTH	2.99 PCT	18 MONTHS	2505	3.75	99.82	3.91
3 MONTHS	3.08 PCT	21 MONTHS	2508	4.625	100.88	4.13
6 MONTHS	3.23 PCT	24 MONTHS	2511	4.15	99.83	4.29
12 MONTHS	3.51 PCT	35 MONTHS	3610	4.20	98.63	4.76

TOTAL TURNOVER OF BILLS AND BONDS - 15,933MN

CLOSED 24 NOVEMBER 1993

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