



# DAILY INFORMATION BULLETIN

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

Wednesday, April 24, 1996

<u>Contents</u>	<u>Page No.</u>
Transcript of Governor's media session .....	1
Chief Secretary's visit to Peking .....	3
Transcript of Chief Secretary's media session .....	3
CSD on high alert after second incident of criminal damage .....	4
Study on conservation and management of Mai Po .....	5
124 VMs depart on orderly repatriation flight .....	7
Monitors' report submitted to CS .....	7
Conduct council election completed today .....	8
Feature articles in latest monthly digest of statistics .....	8
Hong Kong Monetary Authority money market operations .....	9

Transcript of Governor's media session

\* \* \* \* \*

Following is the transcript of the remarks made to reporters by the Governor, the Rt Hon Christopher Patten, after opening the Jockey Club Tuen Mun Home for the Aged Blind today (Wednesday):

Question: When will Mrs Anson Chan be visiting Beijing? In what kind of capacity, official visit or private visit?

Governor: There is an announcement being made this afternoon about Mrs Chan's visit to Peking.

Question: What is your expectation?

Governor: I hope it will be a successful visit. I hope it will help to take forward the dialogue between the Hong Kong Government and Chinese officials, and I hope that it will lead to further reassurance of the civil service.

Question: (on co-operation with Preparatory Committee)

Governor: We asked the Preparatory Committee last October what they would like us to do to help. We didn't actually get a list of requests until just before Easter. I don't think it is particularly surprising that we reflected on the list and took a little time to reply, but Mrs Chan will obviously be replying when she's in Peking.

Question: But what is her capacity, official visit or private visit?

Governor: I find this whole discussion which I've read in some newspapers baffling. Mrs Chan came to my office this morning for a meeting. Was she there officially or privately? Was she there as the wife of the Commandant of the Royal Hong Kong Auxiliary Police? Or was she there as the leader of Hong Kong's civil service and one of the most important figures in Hong Kong's public life? I ask you. I don't understand the argument. It is ridiculous.

Question: Will her travel expense be paid by Hong Kong Government?

Governor: Of course. What do you expect?

Question: Any other officials to go with Mrs Chan?

Governor: I think you'd better wait for the announcement this afternoon. But it's an important visit and I'm sure you will expect her to be accompanied by one or two other officials.

Question: Our trip to Washington ...

Governor: That's an official visit. Or private. I might be going as the husband of Lavender Patten, or I might be going as Governor of Hong Kong. I'm going as Governor of Hong Kong.

Question: Your expectations? ... focused on MFN ...?

Governor: Yes. My trip will focus on MFN. I'm going as you know first of all to Canada. I'm then going on to the United States where, after a couple of days in New York, I'll be spending most of my time in Washington. I imagine that I'll be asked other questions. I'll hope to have discussions with trade officials about issues like intellectual property and the measures that we've taken in Hong Kong to deal with piracy. I'll want to answer any questions which American Congressmen may have about Vietnamese migrants for example. But overwhelmingly the trip will be focused on MFN. And I'm pleased that two very senior members of the Democrats from Hong Kong have been in the United States over the last few days arguing very convincingly for renewed MFN without conditions. I think that they've done a great service to Hong Kong in putting the arguments so vigorously for unconditional MFN renewal.

Question: Do you think there is any clash between yourself and Mr Lee in terms of ...?

Governor: Not remotely. Mr Lee is a highly respected political leader from Hong Kong who can point out that he commands, or his party commands, between 60 and 70 per cent of support in Hong Kong. That gives him very considerable credibility in the United States. And I'm very pleased that he's used that credibility to speak up for economic freedom and to speak up as well for a good trade relationship between the United States and China. Not surprisingly when asked questions he's talked about other issues as well. That's his perfect right and he's done it with his usual courage and tenacity. Thank you very much indeed.

End

Chief Secretary's visit to Peking

\* \* \* \* \*

A Government spokesman announced today (Wednesday) that at the invitation of Mr Lu Ping, Director of the Hong Kong and Macao Affairs Office of the State Council, Mrs Anson Chan, the Chief Secretary, will visit Peking this Friday (April 26) to discuss transition-related issues.

Mrs Chan will leave Hong Kong tomorrow (Thursday) afternoon and return over the weekend.

End

Transcript of Chief Secretary's media session

\* \* \* \* \*

Following is the transcript of the remarks made to reporters by the Chief Secretary, Mrs Anson Chan, at the Legislative Council Building this (Wednesday) afternoon:

CS: First of all, I'd just like to say that I'm sorry I haven't been able until this afternoon to make a formal announcement that I'm very happy to accept Director Lu's invitation to continue our discussion on transitional issues in Beijing. I should be leaving tomorrow afternoon for Beijing and I will be having discussions with Lu Ping on Friday the 26th. I hope to be able to return to Hong Kong over the weekend.

Question: Mrs Chan, are you going in a private capacity?

CS: I don't really think that is an important consideration. What the civil servants and what the people of Hong Kong wish to see is improved communication and dialogue between Chinese officials and Hong Kong officials at all levels. I had some useful discussion with Mr Lu Ping the last time when he was here and I'm delighted so soon after that meeting to be able to go again to continue our discussions. We do have a number of very important transitional issues to discuss, not least those affecting civil servants. And I'm looking forward to this discussion with Mr Lu Ping and I very much hope that we will make good progress.

Question: Mrs Chan, what issues ...?

CS: We will be discussing the range of transitional issues, obviously those affecting civil service morale and confidence, co-operation with the Preparatory Committee and with the Chief Executive Officer (Designate).

Question: Mrs Chan, do you think that bearing the official title of Chief Secretary ...?

CS: I'm not going to say any more about this ....

Question: Why do you refuse to tell us whether it is a private or official visit ...?

CS: What is important to the Hong Kong community and what is important to the civil service .... You asked me a question ....

Question: Why are you refusing to tell us?

CS: I'm not refusing to tell you anything. I'm simply just saying that the important thing is to concentrate on the fact that we have a dialogue between Mr Lu Ping and myself so soon after our last meeting in Hong Kong. This is clearly what the people of Hong Kong wish to see and what civil servants wish to see. I do not think that we should allow an issue over what capacity I go up to affect the atmosphere and the progress that we both hope to make at this discussion.

End

#### CSD on high alert after second incident of criminal damage

\* \* \* \* \*

The Correctional Services Department has conducted a thorough security review and placed all staff on heightened alert, following a second incident in which the barrier gate to a maximum security institution was severely damaged.

At about 3 am this (Wednesday) morning, the sentry at the barrier gate of Siu Lam Psychiatric Centre noticed a yellow truck had stopped at a refuse collection point about 60 metres from the gate.

The vehicle then moved backwards toward the gate and the sentry noticed two men, wearing plastic bags as masks over their heads, on the road directing the truck. One of the men shouted at the sentry not to move and the vehicle then rammed into the hut of the barrier gate twice causing severe damage.

As the culprits were leaving they attempted to set fire to a rubbish bin near the visitors' waiting shed and as they ran off towards the refuse collection point where two cars were waiting, they smashed four vehicles that were parked along the road.

The culprits made good their escape and no-one was injured in the incident.

In the early hours of Thursday (April 18), a truck severely damaged the barrier gate at Stanley Prison.

A CSD spokesman said today the latest incident was not a co-incidence or an isolated incident as both attacks were identical in method of execution.

"The Department takes this very seriously," he said.

The case has been handed to the Organised Crime and Triad Bureau and all relevant information will be communicated to the police, the spokesman said.

"We are confident that the police will track down the culprits and bring them to justice," he added.

The spokesman said that barrier gates are not part of the security of a prison, pointing out that there had been no breach of security in both incidents.

"The barrier gates act as a reception to an institution whereby staff establish the identities and passes of visitors," he said.

However, the Department will take measures to strengthen the barrier gates to all penal institutions.

"We aim to provide better protection to all staff manning the gates, and any unauthorised encroachment will be taken very seriously," the spokesman said.

End

#### Study on conservation and management of Mai Po

\* \* \* \* \*

The Government has commissioned a consultancy study to develop a conservation strategy and a management plan for the Ramsar Site at Mai Po and Inner Deep Bay area.

Director of Agriculture and Fisheries, Dr Lawrence Lee, signed a contract, on behalf of the Government, with a consultancy firm responsible for the study at a ceremony held at the department's headquarters this (Wednesday) morning.

Speaking after the signing ceremony, Dr Lee said the study was aimed at formulating a planning strategy to promote the conservation of Mai Po, developing a management plan and providing adequate wardening for the area.

Dr Lee said: "The study is necessary to achieve the obligations under the Ramsar Convention and to make recommendations for the effective management of the area. These recommendations would include, inter alia, detailed options for habitat creation and restoration, ecological survey and monitoring, vegetation and wildlife management, establishment and maintenance of visitor centres and education facilities."

The principal objectives of the study are to characterise the ecological value and function of each habitat type, to assess possible threats and land-use impacts on the wetland ecosystem and to identify environmental, socio-economic and other issues relevant to the conservation management of the site, he added.

The contract for the study has been awarded to Aspinwall Clouston Limited, which will lead a consultancy team composed of local and overseas wetland ecologists, ornithologists, zoologists, botanists, other professionals and management specialists.

The Aspinwall Clouston team will provide expertise on integrated land-use planning, environmental planning and management, landscape planning, ecological studies and urban design services. The team will be co-led by Wetlands International who will be responsible for the preparation of the conservation objectives, conservation strategy and the management objectives for the study.

The study, which will begin on May 1, is expected to be completed in nine months.

Covering an area of about 1,500 hectares, the Mai Po and Inner Deep Bay was listed as a Wetland of International Importance under the Ramsar Convention in September 1995. The Mai Po Marshes Restricted Area was extended under the Wild Animals Protection Ordinance in January this year to cover the Inner Deep Bay intertidal mudflats.

At the Conference of Parties of the Ramsar Convention held in Brisbane last month, the Brisbane Initiative was adopted. The Initiative calls for the establishment of a network of listed sites along the East Asia-Australasian Flyway for migratory shorebirds managed to maintain their suitability for migratory birds.

The Network is known as the "East Asia-Australasian Shorebird Reserve network", in which the Mai Po Ramsar Site has been included. It is a useful means to promote public awareness, training and information exchange and thus contribute to the long-term conservation of migratory shorebirds and their habitats along the Flyway.

End

124 VMs depart on orderly repatriation flight

\* \* \* \* \*

A group of 124 Vietnamese migrants (VMs) returned by air to Hanoi, Vietnam today (Wednesday) on the 34th flight under the Orderly Repatriation Programme (ORP).

All of the returnees, comprising 80 men, 26 women, 11 boys and seven girls, are from North Vietnam.

The majority of them arrived in Hong Kong in 1989 and 1995, with the remaining in 1990 and 1991.

The group brought to 2,844 the total number repatriated on ORP flights since November 1991.

End

Monitors' report submitted to CS

\* \* \* \* \*

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

The monitors were Ms Nadine De Lamotte from Medecins Sans Frontieres and Mr Tai Kie-ying of Christian Action.

End

Conduct council election completed today

\* \* \* \* \*

The Assistant Director of Education (Services), Mr David Pun, today (Wednesday) visited a special, a primary and a secondary school to see how the voting sessions for the teacher-nominated candidates of the Council on Professional Conduct in Education were held.

He visited Caritas Magdalene School in Wan Chai, SKH Kei Yan Primary School in Glenealy and Henrietta Secondary School in North Point.

The voting sessions were organised in a very smooth manner and that the response of teachers was enthusiastic.

District Education Officers also conducted random inspections to schools organising the voting sessions to ensure that election was fair.

About 52,300 teachers were eligible to vote in the election.

Results of the election will be announced on Friday (April 26).

End

Feature articles in latest monthly digest of statistics

\* \* \* \* \*

Two feature articles entitled "Labour Productivity in the Manufacturing Sector of Hong Kong, 1982-1993" and "Standardization and Standardized Rates" are published in the April 1996 issue of the Hong Kong Monthly Digest of Statistics now available for sale.

The labour productivity index (LPI) is compiled by relating an output index to an index of labour input. The LPI for an industry in a year therefore reflects change in output of that industry over the base year, after discounting the effect of different amounts of labour input in the two periods. From another angle, it reflects the change in output per unit labour input.

Labour productivity indices for the major manufacturing industries have been published in earlier issues of the Monthly Digest of Statistics. The article "Labour Productivity in the Manufacturing Sector of Hong Kong, 1982-1993" updates the labour productivity indices for such industries and discusses the relevant factors affecting their variations.

Standardization is a technique often used in demographic studies to eliminate from the crude rates the effect of differences in the age-sex composition of the population. It is most useful when making comparisons between two populations, or for the same population over time. The article "Standardization and Standardized Rates" introduces the application of standardization, illustrated with the computation of standardized death rates, using the direct and indirect methods.

The April 1996 issue of the Hong Kong Monthly Digest of Statistics is now on sale at \$50 a copy. It contains the most up-to-date information on Hong Kong's situation regarding economic growth, the labour market, inflation and many other social and economic issues.

Purchase of this publication can be made at the Government Publications Centre, ground floor, Low Block, Queensway Government Offices, 66 Queensway, Hong Kong. The publication is also available for sale at the Publications Unit of the Census and Statistics Department, 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong. Regular subscription can also be arranged with the Publications (Sales) Office of the Information Services Department on 2598 8194.

End

Hong Kong Monetary Authority money market operations

\* \* \* \* \*

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	1,599	0930	+994
Closing balance in the account	2,616	1000	+999
Change attributable to :		1100	+1,001
Money market activity	+1,017	1200	+1,001
LAF today	Nil	1500	+1,001
		1600	+1,017

LAF rate 4.00% bid/6.00% offer TWI 123.8 \*+0.0\* 24.4.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.88	2 years	2802	5.16	98.68	6.02
1 month	4.96	3 years	3904	6.30	99.96	6.41
3 months	5.11	5 years	5103	6.75	99.36	7.02
6 months	5.23	7 years	7302	6.02	93.36	7.40
12 months	5.50	5 years	M502	7.30	100.55	7.28

Total turnover of EF bills and notes - \$34,375 million

Closed 24 April 1996

End



# DAILY INFORMATION BULLETIN

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

## SUPPLEMENT

Wednesday, April 24, 1996

<u>Contents</u>	<u>Page No.</u>
<u>Legislative Council meeting :</u>	
Motion on access to ExCo papers by PAC strongly objected .....	1
Wide range of services available to chronically ill patients .....	3
Plant Varieties Protection Bill .....	5
Merchant Shipping (Safety) (Amendment) Bill 1996 .....	6
Immigration (Amendment) Bill 1996 .....	7
Consumer Goods Safety (Amendment) (No. 2) Bill .....	10
Bill to ensure toys and children's products safety .....	11
Stamp Duty (Amendment) (No. 2) Bill 1996 .....	12
Medical Registration (Amendment) (No. 2) Bill 1995 .....	15
Rehabilitation of Offenders (Amendment) Bill 1995 .....	16

/Significant stride .....

<u>Contents</u>	<u>Page No.</u>
Significant stride in intellectual property protection .....	19
Intellectual Property (WTO Amendment) Bill 1995 .....	20
Noise Control (Amendment) Bill 1995 .....	24
Road Traffic (Amendment) (No. 2) Bill 1995 .....	26
Town Planning (Amendment) Bill 1995 .....	26
Betting Duty (Amendment) Bill 1995 .....	30
Law Amendment and Reform (Consolidation) (Amendment) Bill 1995 ...	31
Mass Transit Railway Corporation Annual Report 1995 .....	32
Kowloon-Canton Railway Corporation Annual Report 1995 .....	33
Shortage of clinical psychologists .....	35
Measures to ensure safe use of Chinese medicine .....	38
Criteria for making appointments to advisory bodies .....	39
Traffic accidents involving container vehicles .....	41

<u>Contents</u>	<u>Page No.</u>
Causes of accidents involving container trucks .....	42
Funding to non-governmental social services explained .....	43
Expanded functions and role of Occupational Safety Council .....	44
Housing benefits to civil servants explained .....	46
Existing law provision on food fair and practicable .....	49
Move to facilitate widest circulation of Basic Law .....	51
Plastics factory safety and health guide .....	51
Govt firmly committed to IPR protection .....	53
Measures to prevent property fraud .....	55
Terms of employment of universities teaching staff .....	57
Criteria of land grant for charity and welfare purposes .....	60
Number of applications for naturalisation .....	62
Indebtedness of CSD officers .....	63
Pledge to expedite estate duty cases .....	64
Latest development of fixed telephone networks .....	69
Potential use of alternative fuel vehicles .....	70

Motion on access to ExCo papers by PAC strongly objected

\* \* \* \* \*

Following is the speech by the Chief Secretary, Mrs Anson Chan, in response to the Hon Eric Li's motion on access to ExCo papers by the Public Accounts Committee in the Legislative Council today (Wednesday):

Mr President,

I have to make it clear from the outset that the Administration strongly objects to the Hon. Eric Li's motion. The allegation that the Administration has refused to co-operate with the Public Accounts Committee in the performance of its duties is simply not true. On the contrary, the Administration has always done its best to co-operate fully with the Public Accounts Committee and to assist it in its work, and we did so in the examination that the Committee carried out into the Director of Audit's report on the review of the housing benefits provided by the Hospital Authority to its staff.

The motion refers to the paper presented to this Council on 19 November 1986 by the then Chairman of the Public Accounts Committee, which set out the scope of the work of the Director of Audit in carrying out 'value for money' studies. The Administration did indeed accept the proposals in this paper. But nothing in the paper suggested that the PA should have access to ExCo documents, as the motion implies. Whether or not this is necessary is a wholly subjective judgment, and it is wrong to suggest by juxtaposition that it was accepted, either explicitly or implicitly in 1986.

Let me remind Members of this Council of the extent of the Administration's co-operation with the PAC during its recent inquiry into the Director of Audit's report on the Hospital Authority staff's housing benefits. All officials involved, including the former Chief Secretary, the former Secretary for Health and Welfare, the former Secretary for the Civil Service, the present Secretary for the Treasury, the former Chairman of the Hospital Authority and the present Chief Executive of the Authority, attended the PAC's hearings several times to answer Members' queries. The Administration also provided the Committee with the relevant internal correspondence between the Hospital Authority and the Government. I myself gave detailed answers to the questions raised in a series of letters sent to me by the Chairman of the PAC, including full details of those parts of the relevant ExCo memoranda and discussions which related to this issue. The record is clear. We did our best to give every assistance to the PAC in its deliberations. All relevant information was provided to the Committee. And I reject any suggestion that the Administration deliberately misled the PAC.

The Administration's position on the confidentiality of ExCo memoranda and records is well known and I have stated it many times in my letters to the Chairman of the PAC. We believe that it is essential to uphold the long-standing principle of keeping ExCo proceedings confidential in order to ensure that there is no inhibition in the free exchange and presentation of views in ExCo. It would be against the public interest to compromise this principle. This view is not unique to Hong Kong. It is in line with the practice in the UK where the courts have, as a general rule, held that Cabinet papers are as a class immune from disclosure, and where I understand there is no precedent for Cabinet papers being made available to the UK PAC. As ExCo papers are equivalent to UK Cabinet papers, they should, by analogy, be immune from disclosure in Hong Kong. Indeed, this argument has been accepted on a number of occasions by the courts in Hong Kong. The suggestion that a claim of confidentiality for ExCo papers should be based on the contents rather than the class of the documents concerned is clearly not in line with this principle. Furthermore, this approach would be likely to lead to endless disputes between the government and this Council over whether the contents of particular documents were sensitive in nature. We believe that the public interest is fully protected by the fact that the Director of Audit is allowed access to ExCo papers and can form his own independent judgment as a result of this.

The Honourable Albert Chan had argued that the rule regarding confidentiality should be relaxed since the other cardinal rule regarding collective responsibility can be applied flexibly. I wish to clarify that whilst there is a rule of responsibility can be applied with flexibility that in no way reduces ExCo members' commitment to collective responsibility. To ensure the proper functioning of the ExCo the confidentiality rule has to be maintained. We will continue to provide the PAC with full details of the relevant parts of ExCo papers but not the papers themselves. That already reflected flexibility in the exercise of the confidentiality rule.

Let me reassure Members that the Administration fully recognises the role of the PA as a 'watchdog' over public expenditure and that we will continue to co-operate with it fully in order to help it perform its duties efficiently and effectively. In the particular case of the Hospital Authority staff's housing benefits, the PA has produced its Report and the Administration will soon complete its review of the Hospital Authority remuneration package. Although the Honourable Emily Lau will not agree, I have to advise that in my view we should now point the way forward rather than dwell on what happened in the past. I hope Honourable Members will recognise the responsible and co-operative attitude that the Administration has taken in this case, and that you will reject the motion.

Finally, Mr President, although not domain to this motion, let me thank Honourable Members for the good wishes they have extended on my forthcoming trip to Beijing. Far from my spirit being affected, I can assure Mr Eric Li that I'll set off in good cheer and I look forward to good progress in my discussion with Mr Lu Ping.

Thank you, Mr President.

End

#### Wide range of services available to chronically ill patients

\* \* \* \* \*

Chronically ill patients who are requiring regular medical assessment and treatment from both the private or the public sector are provided with a wide scope of services - from medical care, health education and financial assistance to supporting services from voluntary agencies.

This was stated by the Secretary for Health and Welfare, Mrs Katherine Fok, at the motion debate on chronically ill persons moved by the Hon Mok Ying-fan at the Legislative Council today (Wednesday).

Mrs Fok told the Council that all the general clinics operated by the Department of Health provided a full range of preventive and curative services, including specialist treatment if necessary, to these patients.

"Our new unit medical record system which allows for the systematic storage and retrieval of clinical information, complemented by an appointment system providing for the advanced booking of follow-up consultations, has also served in many ways to enhance the continuity of care for chronically ill patients," she added.

Chronically ill patients also receive health education and counselling through group health talks and video shows on a variety of different topics. Those suffering from the same illness are encouraged to form patient groups to facilitate experience sharing and mutual support.

In addition, the Hospital Authority has set up two additional rehabilitation co-ordination teams and four additional specialist medical teams to provide outreach services as well as eight patients and carers resource centres to promote the concept of self-help.

Apart from infrastructural support, self-help groups may apply for grants from the Health Services Research Fund or the Health Care and Promotion Fund to implement projects aimed at promoting the welfare of chronically ill patients.

"We believe this is the best way to achieve the greatest impact in promoting the interest of chronically ill patients.

"The increased popularity of self-help groups and the rapport developed among patients will provide a useful forum from which the medical needs of chronically ill patients could be gauged in shaping our policy in the provision of medical services," the Secretary said.

On the role of voluntary agencies, Mrs Fok cited the Community Rehabilitation Network of the Hong Kong Society for Rehabilitation as a successful example to show how they could complement the services provided by Government. She said the Government would evaluate the effectiveness of this new service in the light of experience before contemplating any expansion through injection of public funds.

To safeguard the interest of chronically ill patients, Mrs Fok said those who were in a position broadly equivalent to 100 per cent loss of earning capacity due to total disablement would be eligible to receive a Disability Allowance of \$1,125 each month or a higher rate of \$2,250 each month if in need of constant attendance. This allowance is a non-contributory and non-means-tested allowance aiming at assisting families caring for a disabled member.

For those in financial need, they will be eligible for the means-tested Comprehensive Social Security Assistance at a standard rate up to \$3,545 a month to meet basic needs, such as food and clothing, as well as grants to meet other special needs such as accommodation and medical appliances. Others in need may apply to the Samaritan Fund for partial or full assistance.

The Secretary also spoke on the need to provide an equal social status for chronically ill patients.

Under the Disability Discrimination Ordinance, it is unlawful for employers to ask people with a disability for information they would not ask of people without a disability. An employer also cannot ask a prospective employee to provide information of a medical nature specifically unless it is necessary to determine if the candidate would be unable to carry out the requirements of the job concerned or would require special services or facilities to take up the job.

"Anyone who is facing discrimination may take their complaint to the Equal Opportunities Commission, or direct to the Courts in the event that conciliation fails," Mrs Fok said.

End

Plant Varieties Protection Bill

\* \* \* \* \*

Following is a speech by the acting Secretary for Economic Services, Mr Leo Kwan, in moving the second reading of the Plant Varieties Protection Bill in the Legislative Council today (Wednesday):

Mr President,

I move that the Plant Varieties Protection Bill be read a second time.

The World Trade Organisation Agreement on Trade-Related Aspects of Intellectual Property Rights requires that every signatory - which includes Hong Kong - must provide for the protection of rights to plant varieties. The purpose of the Bill is to give effect to that obligation.

The Bill proposes that the Director of Agriculture and Fisheries be appointed as the Registrar of Plant Variety Rights and that he be able to consider applications for registration of such rights.

The Bill states the criteria to be satisfied before a plant variety can be considered for protection and defines the party entitled to protection and the period and scope of the protection afforded. Broadly speaking, it will be necessary for an applicant to show that the plant variety that he wishes to register is a new and distinct variety. In general, once rights to a plant variety have been granted, the grantee will be able to control propagation and commercial exploitation of that variety for 20 years. Such protection will be available to both local and overseas breeders of plants.

Unauthorized commercial exploitation of plant varieties will be deterred through provision made in the Bill for offences relating to false declaration, false representation and misuse of the name of a protected plant variety. In each case, the proposed maximum penalty upon conviction is a fine of \$100,000.

The successful breeding and development of marketable new varieties of, for example, vegetables and ornamental plants requires substantial investment and the prospect of a reasonable commercial return. The proposals in the Bill will protect the intellectual property of companies and individuals currently breeding plants and vegetables in Hong Kong, and those of overseas breeders who wish to market new plant varieties in Hong Kong. This will be to the benefit of both the economy and consumers. I therefore commend the Bill to this Council.

End

Merchant Shipping (Safety) (Amendment) Bill 1996

\* \* \* \* \*

Following is the speech by the acting Secretary for Economic Services, Mr Leo Kwan, in moving the second reading of the Merchant Shipping (Safety) (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Merchant Shipping (Safety) (Amendment) Bill 1996 be read the second time.

The safety of merchant ships is regulated by international conventions made under the auspices of the International Maritime Organisation, the IMO. The provisions of IMO conventions are accepted world-wide as the international standards to which the shipping industry must conform. Hong Kong is obliged to implement the standards provided under IMO conventions which have been extended to Hong Kong. Safety standards are at present given effect by regulations made under the Merchant Shipping (Safety) Ordinance. Most of the matters regulated are highly technical in nature and are subject to frequent amendments. Our present procedures by which legislative backing is given to these amendments adds to the workload of the Executive Council as well as the Law Drafting Division of the Attorney General's Chambers. It is nonetheless, vital for Hong Kong to implement our international obligations in a timely manner; failure to do so would adversely reflect on the credibility of Hong Kong within the international shipping community.

In order to alleviate the workload of the Executive Council so that it can focus on major policy issues, and to provide a more expeditious means for giving effect to the provisions of international conventions, the Bill provides : first, for the transfer of most of the regulation-making powers from the Governor in Council to the Secretary for Economic Services; and, secondly, that the provisions of international conventions applicable to Hong Kong may be given effect by simply setting them out in regulations or schedules, together with any necessary modifications and adaptations as may be required for the circumstances of Hong Kong.

We also need to amend the Merchant Shipping Ordinance to make it clear that fees in respect of survey services provided under the Merchant Shipping (Safety) Ordinance are prescribed in regulations made under the former.

Before the enactment of Merchant Shipping (Safety) Ordinance, marine safety was regulated by the Merchant Shipping Ordinance. When the Merchant Shipping (Safety) Ordinance came into effect in 1981 to consolidate the local legislation relating to marine safety, certain provisions about survey services and requirements under the Merchant Shipping Ordinance were transferred to the former. Fees for survey services however continue to be charged under the Merchant Shipping (Fees) Regulation, which is the subsidiary legislation of the Merchant Shipping Ordinance. We intend this to continue, but believe it would be appropriate for there to be explicit reference to this arrangement in the main Ordinance. The amendment bill makes a minor amendment to the Merchant Shipping Ordinance to achieve this.

End

#### Immigration (Amendment) Bill 1996

\* \* \* \* \*

Following is the speech by Secretary for Security, Mr Peter Lai, in moving the second reading of the Immigration (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

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

The purpose of the Bill is to prevent certain Vietnamese migrants from seeking release from detention in the wake of a recent Privy Council judgment.

Since 16 June 1988, Vietnamese migrants arriving in the territory who request to stay are detained pending determination as to whether they are refugees and, if they are determined to be non-refugees, pending removal to Vietnam. They are encouraged to return to Vietnam through the UNHCR's voluntary repatriation programme. Otherwise, they are subject to the orderly repatriation programme run by the Hong Kong Government. Clearance by the Vietnamese authorities is required before a Vietnamese migrant can be repatriated. This applies to both the voluntary and the orderly return programmes.

In 1994, the UNHCR brought to our attention that a number of voluntary repatriation applicants had been awaiting clearance for return for some time. We examined these cases and concluded that there were 124 migrants who, because of their individual circumstances, had little prospect of being returned in the immediate future and thus their further detention might be unlawful. They were accordingly released on recognizance in November 1994.

Between early 1995 and March 1996, a habeas corpus action involving four Vietnamese migrants was considered successively by the High Court, the Court of Appeal and the Privy Council. These Vietnamese migrants argued that the Vietnamese authorities had a policy of not taking back non-nationals, that they were non-nationals and, thus, if they applied to return they would be rejected; consequently, the purpose of their detention was therefore spent and they could no longer be lawfully detained. The Privy Council accepted these arguments in respect of three of the appellants. As for the fourth one, although neither the High Court nor the Court of Appeal found him to be a non-national, the Privy Council believed that given the time that he had been awaiting clearance, he would not be accepted for return and should also be released.

Consequent to the Privy Council judgement we have, after careful consideration, released 254 VMs to date who, in our judgement, fall within the terms of the Privy Council judgement and could thus no longer be lawfully detained.

The issue of "non-nationals" was raised with the Vietnamese Government during the visit of FCO Minister Mr Jeremy Hanley to Hanoi on 9 April. The Vietnamese authorities agreed to study this problem again. We have also sought clarification on whether Taiwan would accept those released migrants who claimed to have Taiwanese papers, and a response is awaited.

Although we have already released all the migrants who came to our knowledge to date as falling within the terms of the Privy Council judgement, we are obliged to continue to release any new cases brought to our attention which fall under those terms. There is thus a risk of further releases.

Against the background that the Vietnamese authorities had to deal with over a hundred thousand cases from Asia and from Europe for repatriation, we do not believe that the hitherto apparently lengthy period for obtaining a response from the Vietnamese authorities should in general be treated as evidence of refusal or rejection by them. We thus propose in the Bill that where a request has been made to the Vietnamese Government for the repatriation of a Vietnamese migrant, the court shall not find that the purpose of his detention has failed, or become spent, until the request has been rejected by the Vietnamese Government, or unless the court finds that, in all the circumstances, the Vietnamese migrant has been detained for an unreasonable period. We also propose an additional, minor amendment which seeks to put beyond doubt the power to enable the released migrants to enter into recognizance.

We believe that the longer the relevant provisions of the Immigration Ordinance remain unamended, the greater the risk of having to make further releases. This in turn could lead to an erosion of our detention policy and will not be welcomed by the community; it will also increase our difficulties should the Vietnamese authorities later clear them for return, and we then have to search for and redetain them pending removal.

Since we have made known our intention to legislate in this regard, there have been some unfounded criticisms, mainly centred on whether we are seeking to legislate for indefinite arbitrary detention. I should like to reiterate a few key points here. First, the need to detain Vietnamese migrants, even for long periods of time, is recognised by the courts as essential in order to maintain effective immigration control. Secondly, this detention policy is, of course, subject to the supervisory jurisdiction of the courts, and we are not seeking to change this. In particular, we are not seeking to legislate to bar a Court from ordering the release of a Vietnamese migrant on the grounds that his period of detention is too long. Thirdly, we are only seeking to ensure that in deciding claims by Vietnamese migrants that they are non-nationals, the court may not assume that they will not be accepted back unless the Vietnamese authorities have rejected them. Fourthly, there are over 7,000 Vietnamese migrants in Hong Kong whose clearance is not yet obtained, and there is a real risk that fraudulently obtained documents may be produced by them to seek release from detention. In the Administration's view, this is a potential loophole which should be closed as quickly as possible.

In short, the Bill does not seek to provide for arbitrary or indefinite detention, nor does it set a precedent for such; in our view it is consistent with the International Covenant on Civil and Political Rights as applied to Hong Kong. It does not offend against the spirit of the Common Law. It should not be read across to other kinds of detention, as Section 13(D) of the Immigration Ordinance relates solely to Vietnamese illegal entrants and is there to deal with the massive influx of Vietnamese migrants that has occurred in the past. Once the Vietnamese migrant problem is completely resolved, that section of the law will have served its purpose and may then be repealed.

I would also like to make it clear that the introduction of this Bill in no way indicates disrespect to the Privy Council. The role of the Judiciary is to decide what the current law is, and to apply it to the facts of the case before it. But it is incumbent on the Executive and the Legislature to decide what law is best for the community. If we decide that the law should be changed, we are merely fulfilling our roles as policy-makers and as legislators. This is standard procedure in democratic societies subscribing to the basic concept of separation of powers, whether those societies be Hong Kong, the United Kingdom or any other common law jurisdiction. I trust honourable members will consider the Bill on its merits without fear of acting improperly towards the Judiciary.

Finally, the Administration urges honourable members to deal with the Bill expeditiously. We will be working closely together with the Sub-committee established to examine this Bill; indeed the Sub-committee has already begun its work this morning. I hope it will come to a conclusion speedily.

Thank you Mr President.

End

Consumer Goods Safety (Amendment) (No. 2) Bill

\* \* \* \* \*

Following is the speech by the Secretary for Trade and Industry, Miss Denise Yue, in moving the Consumer Goods Safety (Amendment) (No. 2) Bill 1996 in the Legislative Council today (Wednesday) :

Mr President,

I move that the Consumer Goods Safety (Amendment) (No. 2) Bill 1996 be read the second time.

The purpose of the Bill is to enhance consumer protection by requiring all consumer goods covered by the Consumer Goods Safety Ordinance to have all safety markings or labels provided in both English and Chinese, i.e. the bilingual safety labelling requirement. It seeks to do so by empowering the Secretary for Trade and Industry to establish safety standards or safety specifications which she believes will materially enhance the safety of consumer goods. The proposed bilingual safety labelling requirement may then be established by regulation made by the Secretary for Trade and Industry under the new provision. It will be enforced by the Commissioner of Customs and Excise.

The Bill is proposed in response to requests from the community for the imposition of mandatory product labelling requirement in Chinese for all consumer goods, regardless of what the original language of the labelling is.

Having carefully considered the requests, we agree that safety labelling in Chinese, which is a language widely understood by the community, is of paramount importance to ensure consumer safety. We also see the need to ensure that the English-speaking only community in Hong Kong understands the safety labelling on consumer goods. We therefore propose that all safety markings or labels on consumer goods covered by the Consumer Goods Safety Ordinance must be expressed in both English and Chinese.

The bilingual safety labelling requirement will be confined to markings or labels relating to warning or caution phrases concerned with the safe keeping, use, consumption or disposal of the consumer goods. Such markings or labels should be legible and placed in a conspicuous position on the consumer goods, the packaging or a document enclosed in the package, as the case may require. By doing so, the proposed requirement will achieve the objective of enhancing consumer safety while at the same time avoiding imposing an undue burden on manufacturers, importers or suppliers.

Upon enactment of the Bill, I will table the Consumer Goods Safety Regulation in the Council for Members' approval by the negative procedure. Members may wish to note that a similar regulation on the introduction of requirement for bilingual safety labelling for toys and children's products covered by the Toys and Children's Products Safety Ordinance will also be made. To give the industry and trade sufficient time to adjust, there will be a grace period of 12 months before the Regulations come into operation.

Mr President, I move that debate on this motion be adjourned.

End

Bill to ensure toys and children's products safety

\* \* \* \* \*

Following is the speech by the Secretary for Trade and Industry, Miss Denise Yue, in moving the second reading of the Toys and Children's Products Safety (Amendment) (No. 2) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Toys and Children's Products Safety (Amendment) (No. 2) Bill 1996 be read the second time.

The Bill provides for the adoption of safety standards other than the British Standards Institution (BSI) standards for children's products under the Toys and Children's Products Safety Ordinance. The Bill is made in response to requests from the trade and industrial organisations that multiple safety standards should be adopted for children's products because adoption of the BSI standards alone is considered too restrictive and would limit consumers' choice.

At present, the Toys and Children's Products Safety Ordinance only permits the adoption of the BSI safety standards for children's products. This is because when the Ordinance was enacted, the BSI standards were considered to be the most comprehensive in product range and safety aspects.

We have no objection in principle to the proposed adoption of multiple safety standards other than the BSI standards for children's products, provided that the alternative standards are equivalent in their safety requirements to the existing BSI standards already adopted in the Ordinance. Preliminary examination by the Government Chemist on a number of non-BSI safety standards applicable to children's products, including those suggested by the trade and industrial organisations, reveals that some of them are suitable for adoption as alternative standards. Clause 3 of the Bill seeks to empower the Secretary for Trade and Industry to adopt alternative safety standards other than the BSI ones for children's products. Clause 4 empowers the Secretary for Trade and Industry to amend the Schedule. This includes the addition of alternative safety standards and the updating of existing standards. In order to ensure that the level of safety requirement will not be compromised when alternative standards are adopted, the Secretary for Trade and Industry must be satisfied that any new standards intended to be adopted are equivalent to the existing BSI standards already adopted for that particular children's product in terms of safety requirements.

The proposed adoption of multiple safety standards for children's products will encourage competition in the Hong Kong market and hence increase consumers' choice.

Mr President, I move that debate on this motion be adjourned.

End

Stamp Duty (Amendment) (No. 2) Bill 1996

\* \* \* \* \*

Following is the speech by the acting Secretary for the Treasury, Mr Alan N Lai, in moving the second reading of the Stamp Duty (Amendment) (No. 2) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Stamp Duty (Amendment) (No. 2) Bill 1996 be read the second time.

The Bill covers two main proposals. First, to make the measure of charging stamp duty on agreements for sale of residential property permanent. And second, to charge a full cost recovery fee only in respect of the voluntary adjudication service.

Let me first deal with the stamp duty measure on sale of residential property. I will begin by setting out the background relating to the measure. As Members may recall, the measure first came into effect in January 1992 as one of a series of actions which aimed to curb speculation on residential property. The measure is temporary in nature and has to be extended from time to time. Its validity was first extended by this Council in December 1993 for two years until the end of 1995. In December last year, I moved a resolution in this Council, which Members approved, to extend the measure for a further two years until the end of 1997. In moving the resolution, I also made known that we intended to introduce an amendment to the Stamp Duty Ordinance within this session to make the measure permanent. The Bill before Members today seeks to implement this proposal. Now let me explain why the measure should be made permanent.

First, the measure has proved to be effective in helping to curb speculation on residential property. The property market has now stabilised and speculation has moderated. Making the measure permanent would provide a continuous disincentive to speculators, which is necessary notwithstanding changes in the market situation. This also demonstrates our long term commitment to tackle the problem of speculation in the residential property market.

Secondly, the measure is equitable because it can ensure that stamp duty would be charged on all residential property transactions, including intermediate ones. It also enables us to charge profits tax on profits gained from what essentially are trading transactions. From the taxation point of view, the measure should be made permanent.

Thirdly, I must also stress that whilst achieving the aim of tackling speculation and enhancing fairness in the taxation system, the measure does not affect genuine home buyers at all. They only have to pay stamp duty slightly earlier.

There are thus strong justifications for the measure to be made permanent. We cannot anticipate circumstances which would warrant the withdrawal of the measure at any time, whether on a long term or temporary basis. We therefore propose to amend the Stamp Duty Ordinance to make the measure permanent.

I am aware that some Members are concerned about the burden of stamp duty on home buyers. We have examined this matter and consider it appropriate and practical to review the stamp duty rate structure periodically in order to relieve the burden of home buyers. As Members may recall, we reduced stamp duty in 1994 to benefit buyers of flats with value up to \$3 million. In this year's Budget, we also propose to further reduce the stamp duty on property transactions to benefit buyers of flats with value up to \$3.5 million. This will help those buying at the lower to middle end of the market, including those who purchase Home Ownership flats or Sandwich Class Housing Scheme properties.

Now, let me turn to the second main proposal in the Bill. Adjudication is a process whereby the Collector of Stamp Duty gives an opinion on whether a certain document is chargeable to stamp duty and assesses the amount of stamp duty, if any, chargeable on the instrument. There are two categories of adjudication. Mandatory adjudication is conducted on certain types of instruments for revenue protection purposes while voluntary adjudication is one which is requested by an applicant of his own volition. At present, a nominal fee is charged by the Inland Revenue Department on an adjudication service, regardless of whether it is a mandatory or voluntary one.

The Director of Audit completed an audit review of the adjudication services in early 1995 and recommended that the adjudication fee should be charged on a full cost recovery basis. Having reviewed the matter we concluded that a distinction should be drawn between mandatory and voluntary adjudication, and that mandatory adjudication, which is conducted primarily for revenue protection purposes, should be provided free of charge while a full cost fee should be charged only for the provision of voluntary adjudication service. Our approach was endorsed by the Public Accounts Committee. We therefore propose to amend the Ordinance to implement this limited charging proposal.

The opportunity is also taken in this amendment exercise to transfer from the Governor in Council powers in the Ordinance which will not involve major policy considerations to the Secretary for the Treasury in order to lessen the burden of the Governor in Council. Any such exercise of power would still of course be subject to the scrutiny of this Council in the usual way.

Mr President, with these remarks, I commend the Bill to Members.

End

Medical Registration (Amendment) (No. 2) Bill 1995

\* \* \* \* \*

Following is the speech by the Secretary for Health and Welfare, Mrs Katherine Fok, in resuming the second reading debate of the Medical Registration (Amendment) (No. 2) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I should like to thank the Chairman and Members of the Bills Committee for their careful scrutiny of the provisions in the Bill.

The Bill, if passed by this Council, will lead to four major changes. First, the Medical Council will have an expanded membership to broaden its representation and to help the sharing out of the increasing workload. The addition of 14 members to the Council will bring the total number of members to 28. Of the 28, 14 will be elected - seven to be elected from all registered medical practitioners on the general register and the remaining seven to be elected by the Council members of the Hong Kong Medical Association. The introduction of elected members into the Medical Council will encourage greater involvement of the profession in its own affairs.

Secondly, the provisions regarding the introduction of a specialist register pave the way for the formal registration and control of medical specialists.

Thirdly, apart from the existing Licentiate Committee and the Preliminary Investigation Committee, three more statutory committees (namely the Health Committee, the Education and Accreditation Committee and the Ethics Committee) will be established to look after other important aspects of the Council's work.

Lastly, the Medical Council and its Health Committee will be able to prohibit the disclosure of information relating to an inquiry by the Council or a hearing by the Health Committee, if it is in the interests of the complainant, defendant or witness. In addition, for the protection of the public, the Medical Council's disciplinary order will take effect on publication in the gazette.

With these remarks Mr President, I commend the Bill to Members.

End

Rehabilitation of Offenders (Amendment) Bill 1995

\* \* \* \* \*

Following is the speech by the Secretary for Security, Mr Peter Lai, in resuming the second reading of the Rehabilitation of Offenders (Amendment) Bill 1995 in the Legislative Council today (Wednesday) :

Mr President,

I should like to thank the Chairman, the Honourable Selina Chow, and other Members of the Bills Committee for their thorough and careful study of the Rehabilitation of Offenders (Amendment) Bill 1995. I also like to thank the Honourable Margaret Ng for her speech supporting the Bill. All the Committee Stage Amendments which I am going to move have been discussed and agreed by the Bills Committee.

This Bill, which was introduced into this Council in November last year, seeks to expand the scope of the rehabilitation scheme under the Rehabilitation of Offenders Ordinance, so that more people who have committed minor offences can benefit. The current scheme provides that where a person, on a first conviction, is not sentenced to imprisonment or a fine exceeding \$5,000, the conviction can be "spent" after three years so long as the offender has no further conviction. Now the person concerned is permitted to say nothing about his spent conviction in his business and social dealings, such as in application for jobs, hire purchase and the like. Moreover, the person cannot lawfully be refused employment or admission to a profession on account of his spent conviction.

We propose to expand the current rehabilitation scheme by raising the sentence limit, so as to cover any first-time offender who is sentenced to a fine not exceeding \$10,000 or imprisonment not exceeding three months. We also propose that persons who have been convicted of minor triad-related offences, but have subsequently renounced their triad membership under the Triad Renunciation Scheme, should be covered by the rehabilitation scheme if they meet the requisite criteria.

In the course of examining the Bill, the Bills Committee has expressed concern about the effect of a spent conviction on a prospective emigrant. I should in this context wish to point out that the Rehabilitation of Offenders Ordinance does not have extra-territorial effect, and cannot seek to override any law of a foreign country which requires applicants for emigration to disclose all criminal convictions. Within Hong Kong, an applicant's failure to disclose a spent conviction would be lawful, but whether or not he would be protected in the foreign country concerned would depend on the law of that country.

At present, prospective emigrants are required by the immigration authorities of the major emigration destinations to produce Certificates of No Criminal Convictions (CNCCs) issued by the Police. In making an application for a CNCC, the applicant is required to authorize the Police to disclose any criminal conviction recorded against him to the relevant consulate and immigration authority. If the applicant has a spent conviction, the Police will issue him with a refusal letter, which contains details of the conviction, and is stamped with a chop stating clearly that the conviction is considered to be spent in Hong Kong by virtue of section 2(1) of Rehabilitation of Offenders Ordinance. It is then up to the applicant to decide whether he wants to present it to the consulate. The issue by the Police of refusal letters to applicants with spent convictions has been held by the courts to be consistent with the provisions of the Rehabilitation of Offenders Ordinance.

We have been advised by the consulates of major emigration destinations that a spent conviction is not necessarily a bar to emigration. Convictions of minor offences alone will not normally render a person ineligible for a visa, and convictions currently regarded in Hong Kong as spent are rarely considered sufficiently serious to cause rejection of an emigration application. However, if an emigration applicant fails to declare a spent conviction, and this fact comes to the consulate's attention, his application may be rejected. If the person concerned has already emigrated, it could result in his eventual deportation back to his original place of residence. Depending on the nature of the undeclared conviction, such refusal or deportation could have been avoided had the conviction been declared at the time of application. Seen in this light, therefore, the current Police practice actually helps to protect the interests of emigration applicants. In response to the Bills Committee's request, we explained our position on the issue of CNCCs to the Administration of Justice and Legal Services Panel and the Security Panel at their joint-Panel meeting held this Monday.

I would now like to turn to the major amendments which I will move at the Committee Stage. Clause 5 of the Bill proposes, among other things, the exclusion of certain proceedings under the Banking Ordinance and the Insurance Companies Ordinance from the rehabilitation scheme. Having consulted the insurance industry, we propose to move amendments to this clause, so as to expand the exclusion to cover proceedings under the Insurance Companies Ordinance in assessing a person's suitability to become, or continue to be, an appointed insurance agent or an authorized insurance broker. This proposal is made in the interest of the insuring public. Owing to the complicated nature of the insurance business, a potential policy holder relies heavily on the professional advice of the agent or broker, who may be handling substantial sums of clients' monies. To avoid any fraud or misappropriation of funds, it is necessary to ensure that an agent or a broker is a fit and proper person.

The proposed section 2(1B) under clause 3 of the Bill allows payments under the fixed penalty scheme to be spent immediately without the three-year waiting period. In the case of vocational drivers, we propose that, for the better protection of public safety, their payments under the fixed penalty scheme should only be spent after a period of three years, so as to enable transport operators to take into account such payments in determining applications for employment. However, the professions currently excluded from the rehabilitation scheme under section 4 of the Ordinance, and those proposed to be excluded under clause 5 of the Bill, cannot benefit from this "immediately spent" arrangement. We consider this arrangement unreasonable. While the public has the right to expect the highest standard of probity from these professions (such as barristers, solicitors and accountants), we do not necessarily think that the public would expect them to drive better. I therefore propose to move amendments to clause 5, so that except for vocational drivers who have to wait three years, other professions excluded from the rehabilitation scheme can have their payments under the fixed penalty scheme spent immediately.

In the course of its deliberation, the Bills Committee recognized that traffic conviction records were not only important for assessing a person's suitability for employment as a vocational driver, they were also important factors in assessing and in pricing a risk in respect of vehicle insurance policies. I will, therefore, move an amendment to clause 5(e) by adding a new subsection (6), so that an insurer, or a person acting on his behalf, can take into account fixed penalty payments in the previous three years when assessing and pricing a risk in respect of vehicle insurance. The amendments proposed would mean that while payments or orders to pay in respect of minor traffic offences are regarded as spent immediately for most purposes, they are not considered spent in the assessment of a risk in respect of vehicle insurance or a person's suitability as a vocational driver, unless a period of three years has elapsed.

Another area on which the Bills Committee expressed concern was the list of prescribed offices under clause 8(c), which are excluded from the rehabilitation scheme. As drafted, these include any posts in the Independent Commission Against Corruption, the Hong Kong Monetary Authority, the Office of the Commissioner of Insurance and the Securities and Futures Commission. The Bills Committee considered that minor staff, such as cleaners and office assistants in these four organizations should not be excluded from the rehabilitation scheme. We agree with the Bills Committee's view, and I will move an amendment to clause 8(c) so that minor staff, and staff who do not have frequent access to sensitive information in these four organizations, are not excluded from the rehabilitation scheme. This is in line with the objective of the Bill to enable more people to benefit from the rehabilitation scheme, while at the same time ensures that public expectation of high probity in certain positions of trust will not be put at risk.

Mr President, with these remarks, I recommend the Bill to Honourable Members.

End

Significant stride in intellectual property protection

\* \* \* \* \*

Hong Kong has made a significant stride in intellectual property protection with the passage of the Intellectual Property (World Trade Organisation Amendments) Bill by the Legislative Council today (Wednesday).

A spokesman for the Trade and Industry Branch said : "We are pleased to see that the Bill was supported and passed by the Legislative Council today.

"It enables Hong Kong to meet its obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) of the World Trade Organisation (WTO), of which Hong Kong is a founding member.

"The early enactment of the Bill, some three and a half years ahead of the stipulated deadline of the TRIPS Agreement, will help to demonstrate to other WTO Members Hong Kong's total and firm commitment to a high level of intellectual property protection.

"It shows that Hong Kong is living up to its international reputation as a staunch supporter of intellectual property protection, and is a responsible trading partner in the multilateral trading system. It reinforces our position as an international trading and services centre in the world," the spokesman said.

The main features of the Bill passed by the Legislative Council include -

- (a) new copyright piracy offence provisions to make it an offence for any person to manufacture outside Hong Kong for export to Hong Kong pirated copyright goods. Any person who, whether in Hong Kong or elsewhere, aids, abets or procures such activities will also be liable to the same offence. This will help tackle masterminds of cross-border copyright piracy activities more effectively;
- (b) new customs border measures to enable copyright and trademark owners to apply for court orders to detain suspected imports of pirated copyright or counterfeiting goods so as to facilitate their initiation of civil proceedings. This measure is in addition to the existing criminal enforcement by the Hong Kong Customs;
- (c) new provisions to facilitate disclosure of information by the Hong Kong Customs to copyright owners for civil actions and border measures, and to other Customs authorities for international cooperation;

- (d) owners of copyright in sound recordings and computer programs will be able to prevent such products from being rented out commercially without their permission; and
- (e) the definition of "trade mark" widened to cover any sign that is visually perceptible and capable of being represented graphically. This will include the registration of shapes of goods, provided they fulfil the criteria of the Trade Marks Ordinance for registration.

"Two issues, namely, the treatment of parallel imports under the customs border measures and the rental right for films, have not been included in the present Bill.

"They will be considered in detail in the context of the new Copyright Bill to be introduced into the Legislative Council by the end of this year," the spokesman said.

End

Intellectual Property (WTO Amendments) Bill 1995

\* \* \* \* \*

Following is the speech by the Secretary for Trade and Industry, Miss Denise Yue, in moving the second reading of the Intellectual Property (World Trade Organisation Amendments) Bill 1995 in the Legislative Council today (Wednesday) :

Mr President,

I am most grateful to the Bills Committee for its careful and efficient examination of the Intellectual Property (World Trade Organisation Amendments) Bill 1995 under the chairmanship of the Honourable Ambrose Lau.

The objective of the Bill is to render the intellectual property regime in Hong Kong compatible with the standards and requirements in the Agreement on Trade-Related Aspects of Intellectual Property Rights, or the TRIPS Agreement in short. This Agreement is one of the multilateral agreements under the World Trade Organisation (WTO). Hong Kong, as a full member of the WTO, is obliged to comply with the Agreement.

I am gratified that Members of the Bills Committee have fully supported the Administration's initiative to implement Hong Kong's obligations under the multilateral TRIPS Agreement as soon as possible. The pragmatic and co-operative approach adopted by Members in examining the Bill has made it possible for the passage of the Bill today, some three and a half years ahead of the deadline for Hong Kong to implement its TRIPS obligations. The enactment of the Bill will help Hong Kong to demonstrate to other WTO members our firm commitment to a high level of intellectual property protection. It will also enhance Hong Kong's image as a responsible trading partner in the multilateral trading system and as an international trading and services centre in the world.

During the Bills Committee's deliberations, interested parties and the legal profession have commented on various technical aspects of the Bill as well as expressed concerns on a number of issues. These issues primarily stem from the divergent interpretations of certain Articles in the TRIPS Agreement and the different views over the consistency of certain clauses in the Bill with the existing legal framework in Hong Kong. After careful consideration of all the views expressed and the written submissions received, the Administration has agreed to modify a number of proposals in the Bill. The Administration has also agreed that some issues would need to be reconsidered in the context of the ongoing comprehensive law reforms on copyright and trade marks. I hope to be in a position to introduce a bill on copyright and one on trade marks later this year upon the completion of the law reform exercises and taking into account views expressed by the public, professional as well as interested groups.

At the Committee Stage later in this sitting, I will move a number of amendments to the Bill to reflect the agreements reached in the Bills Committee. I will also move other technical and minor amendments. All these have been set out in the paper circulated in my name to Members earlier. There are four major amendments that I wish to highlight.

The first one is concerned with the scope of the new copyright piracy offence. In clause 5 of the Bill, we originally proposed a new offence to fulfil the TRIPS obligation of combating wilful copyright piracy on a commercial scale more effectively. We received general support of this policy objective but the legal profession expressed concerns over the scope and the application of the new offence as originally drafted.

To address these concerns, the Committee Stage amendment to clause 5 seeks to replace the original offence provision with a new clause. The new clause adequately addresses the concerns of the legal profession while achieving the policy objective of tackling wilful piracy on a commercial scale more effectively. It makes clear the criminal acts, done outside Hong Kong, which are actionable. Such acts relate primarily to the manufacture of pirated copyright products outside Hong Kong for export to Hong Kong. The new clause also makes aiding, abetting, procuring or counselling of such acts an offence. I believe this new legislative tool will greatly enhance the Customs' capability in tackling cross-border piracy activities and the masterminds of copyright piracy syndicates, thereby protecting the legitimate interests of copyright owners and overseas investors in Hong Kong.

The second major amendment relates to the treatment of parallel imports under custom border measures. The Administration originally proposed to provide new customs border measures to strengthen border controls in order to help prevent the importation of infringing copyright products into Hong Kong, and to facilitate copyright holders, including exclusive licensees, to initiate civil actions against pirated copyright products and parallel imports. The distinction between pirated copyright products and parallel imports is that the former generally refers to those copyright products manufactured without the copyright owners' authorisation, while the latter generally refers to those goods which are lawfully manufactured outside with the authorisation of the copyright owners there but their importation into Hong Kong is illegal under the existing copyright regime.

The motion picture industry and the video rental business have expressed differing views on whether the new customs border measures should be applicable to parallel imports. They have also raised the broader issue of whether the existing criminal restriction against parallel imports should be maintained.

Having considered the various views on the interpretation of the requirement in the TRIPS Agreement and having assessed the importance of early enactment of the customs border measure provisions to enhance border control against pirated goods, the Administration has agreed to exclude parallel imports from the ambit of the new customs border measure provisions. The corresponding Committee Stage amendment will achieve this by amending the definition of "infringing copy" in clause 9 of the Bill.

Members may wish to note that the Administration has advised the Bills Committee that it is not our intention to change the existing law relating to parallel import in the present exercise. The Administration has undertaken to consider the broader issue of whether to maintain any restriction against parallel imports in the context of the comprehensive law reform on copyright. I can assure Members that before putting forward any legislative proposals relating to parallel imports, the Administration will examine carefully the views of interested parties and the public. We will seek to strike a fair balance between the various interests, including intellectual property protection, consumer welfare, free trade and competition.

Mr President, I would now like to turn to the third major amendment which is related to rental right for films. The Administration originally proposed in clause 10 of the Bill new rental right for computer programs, sound recordings and films. During the Bills Committee's deliberations, divergent views have been expressed by the motion picture industry and the video rental business as to whether the new rental right is a requirement under the TRIPS Agreement and whether it would be in the consumers' interests to provide for rental right for films. Having considered the views expressed, the Administration has agreed to exclude films from the rental right provisions in the present exercise and clarify the meaning of rental for sound recordings and computer programs so as to tie in with the language used in the TRIPS Agreement. The issue of rental right for films will be reconsidered in the context of the comprehensive law reform on copyright.

The last major amendment is concerned with the definition of trade mark for the purpose of registration. The proposed new definition of trade mark in clause 18 of the Bill has been criticised as being too wide because the word "sign" used in the definition of trade mark could be widely interpreted to include any sounds and smells. There have been concerns that such a piecemeal revision of the definition of "trade mark" might have undesirable implications on other areas of the existing trade marks law.

The Administration has explained to the Bills Committee the rationale for the proposal in clause 18 of the Bill, that is, to place it beyond any doubt that the new definition of "trade marks" would be fully compatible with the requirements of the TRIPS Agreement. Indeed, there have been similar legislative amendments in other common law jurisdictions to allow sounds and smells to be registrable as trade marks. Nevertheless, in view of the need for an early enactment of this Bill and the opportunity to reconsider the drafting of the definition of "trade mark" in the ongoing comprehensive trade marks law reform, we have agreed to revise the proposed definition of "trade mark", as set out in the Committee Stage amendment to clause 18, to follow more closely the language used in the TRIPS Agreement.

Under the revised definition, any sign that is visually perceptible and capable of being represented graphically may be registrable as "trade mark". The question of whether a sound or smell might still be registrable as a "trade mark" would be something to be decided by the Registrar of Trade Marks. The Registrar's decision is subject to appeal in court. The definition of "trade mark" would be considered again as part of the comprehensive review of the Trade Marks Ordinance.

Mr President, with these remarks and subject to the amendments I intend to propose at the Committee Stage, I commend the Bill to Members. Thank you.

End

Noise Control (Amendment) Bill 1995

\* \* \* \* \*

Following is the speech by the Secretary for Planning, Environment and Lands, Mr Bowen Leung, in resuming the second reading debate on the Noise Control (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr Deputy President,

I am grateful to Mrs Miriam Lau, the Chairman of the Bills Committee to study the Noise Control (Amendment) Bill 1995 and the Road Traffic (Amendment) (No. 2) Bill 1995, and other members of the Committee for supporting the Bills.

The Noise Control (Amendment) Bill is part of a legislative package which aims to control vehicle engine noise by requiring newly registered vehicles to meet specified noise emission standards. Adoption of noise standards will prevent vehicles with inferior noise performance from being imported into Hong Kong. The gradual phasing out of vehicles not meeting the standards will help keep noise levels down despite future increases in traffic volume.

When the Bills Committee considered the proposed controls, Members raised some concerns about the noise standards to be adopted and their enforcement.

Members have rightly suggested that we need very stringent noise emission standards to alleviate the problem of traffic noise, given that road traffic in Hong Kong is among the busiest in the world and that a lot of our major roads are very close to noise sensitive residential developments. We share this view wholeheartedly. Hence, we propose to adopt the European and Japanese standards, which are the most stringent standards in the world. It is also our intention to upgrade them in line with future international trend and technological advancement.

We expect that the implementation of the noise emission standards will bring about a reduction in the overall traffic noise in a few years' time when the existing fleet is gradually replaced by vehicles which are able to meet the stringent noise emission standards. Meanwhile, we would continue to address the problem of traffic noise through careful planning of roads and noise sensitive developments, and implementation of noise mitigation measures such as noise enclosures, noise barriers and quiet road resurfacing programmes.

On enforcement, the proposed standards will be integrated into the "Motor Vehicle Type Approval" process which currently covers road worthiness and exhaust emission requirements for new vehicles. Only those which meet the specified noise standards or other standards which are at least as stringent as the specified standards will be approved for first registration. Imported used vehicles not covered by the Type Approval process will be required to be individually tested at competent testing centres to ascertain that they meet the specified standards. Vehicles which are designed to the required standards should be able to sustain its noise performance throughout its useful life.

In closing, Mr Deputy President, I would like to draw Members' attention to the implementation timetable of the proposed controls. The Bill is originally scheduled to commence on 31 March 1996. However, because of the need to give time to the Bills Committee to be formed to consider the Bill, we now have to defer its effective date and I shall move the necessary amendments at the committee stage.

After enactment of the Bill, we shall table the Noise Control (Motor Vehicles) Regulation before this Council. In order to give sufficient time for vehicle suppliers to comply with the new standards and for the public to understand the new requirements, we intend to implement the standards two months after the Regulation is approved by this Council, which will be around August this year.

Thank you, Mr Deputy President.

End

Road Traffic (Amendment) (No. 2) Bill 1995

\* \* \* \* \*

Following is the speech by the Secretary for Planning, Environment and Lands, Mr Bowen Leung, in the resuming the second reading debate on the Road Traffic (Amendment) (No. 2) Bill 1995 in the Legislative Council today (Wednesday):

Mr Deputy President,

I have explained, in the course of the resumption of the Second Reading Debate of the Noise Control (Amendment) Bill 1995, our proposal to alleviate traffic noise by imposing the most stringent international noise emission standards on vehicles at the first registration stage. The Road Traffic (Amendment) Bill enables the Commissioner for Transport to refuse first registration of vehicles which do not meet the specified noise emission standards. I urge Members to support this Bill, which provides the enforcement mechanism for the proposed controls.

Thank you, Mr Deputy President.

End

Town Planning (Amendment) Bill 1995

\* \* \* \* \*

Following is the speech by the Secretary for Planning, Environment and Lands, Mr Bowen Leung, in resuming the debate on the second reading of the Town Planning (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr Deputy President,

I am grateful to Members of the Bills Committee and in particular the Hon. Albert Chan for their effort in studying the Town Planning (Amendment) Bill 1995. The Bills Committee has nevertheless raised a number of concerns on the Bill and I would like to take this opportunity to respond to them.

Clause 2

The comments made by some Members of the Bills Committee regarding the hearing of objections to draft amended town plans may, I am afraid, reflect a fundamental misunderstanding of the town planning procedure. Under the Town Planning Ordinance, the plan-making function of the Town Planning Board is to prepare and publish draft town plans or draft amended town plans for public inspection and comments. The Town Planning Board is not, I repeat not, the plan approval authority. The power to approve town plans rests with the Governor in Council. The publication of draft town plans or draft amended town plans by the Town Planning Board functions very much like a public consultation exercise in this regard. Similar to other public consultation exercise, it is thus fair and reasonable that the body consulting the public should consider objections or comments to its proposals. This is indeed the spirit behind the existing Town Planning Ordinance which requires the Town Planning Board to consider objections to draft town plans. The Ordinance also goes one step further to enable the public to appear before the Town Planning Board to discuss their objections to draft town plans with the Board, thus providing more transparency and public access to the town planning system. When all the hearings are completed, the Town Planning Board is required to submit the draft town plans together with any unresolved objections and a schedule of the amendments proposed by the Board to meet the objections, to the Governor in Council for a decision. The Governor in Council may then approve the draft town plan, refuse to approve it or refer it back to the Town Planning Board for further consideration and amendments.

The Town Planning Ordinance however requires the Board itself to hear the objections, and there is no provision for delegation of this duty. The large number of objections in recent years has created a considerable backlog of cases to be heard. In order to complete the hearings expeditiously, the intention of the Bill is therefore to enable the Board to set up committees from its Members and delegate the hearings of objections to them. When necessary, several hearings can be carried out concurrently to further expedite the procedure. Any unwithdrawn objections will still have to be presented to the Governor in Council for a decision. The intention is similar to a body which is consulting the public in setting up working groups to consider public comments. There is no question of the Town Planning Board judging its own cause.

The suggestion by some Members of the Bills Committee that the objection hearing committee should be an independent body from the Town Planning Board goes against the intention of the Bill. The Administration's views to such a proposal, which is shared by the Town Planning Board, is that it will not assist the Board in hearing the outstanding objections quickly. Moreover, as I explained earlier, the Governor in Council is the plan approval authority. The consequences of having a body outside the Board to hear objections, its relationship with the Board and the Governor in Council and its operation in the context of the Town Planning Ordinance, let alone the likely financial implications, do not appear to have been thought through. The spirit of the extant legislation is to allow the Board to complete its "consultation" process through the consideration and hearing of objections, which are views of the public on its plans, before submitting the plans to the approving authority. The Bills Committee has been advised that these important issues require detailed and careful consideration, and should not be rushed through in the form of a committee stage amendment to the Bill.

In the event, the Bills Committee decided to move a committee stage amendment to delete clause 2. The consequence of the deletion is that the proposed means to quicken up hearing the backlog of objections cannot be implemented and, hence, draft town plans cannot be submitted to the Governor in Council expeditiously for decisions, resulting in possible delays to development or redevelopment. We are disappointed at this outcome but would respect the decision of the Bills Committee.

#### Clause 3(a)

The Bills Committee supports it which clarifies that a judge may be appointed to the Town Planning Appeal Board. The Bills Committee also unanimously agrees that if in future a judge is appointed to chair the Appeal Board, he or she should come from the High Court or below. The Bills Committee considers that if the Appeal Board is chaired by a senior judge such as a Justice of Appeal, it would create difficulties for the Judiciary if Appeal Board decisions are challenged in the courts, because the senior judge's decision, albeit in a non-judicial capacity, would be seen to be reviewed by a junior judge acting judicially. This situation could give rise to criticism that justice may not be done. We accept the Bills Committee's view and I will move an amendment to clause 3(a) at the committee stage to reflect the Bills Committee's proposal.

Clause 5

Clause 5 of the Bill seeks to validate the decisions made by the Town Planning Appeal Boards when a member was a judge, except when the appellant has questioned the validity of the judge's appointment to the Appeal Board and applied for judicial review to quash the decision on or before 31 October 1995 which was the date of the Executive Council meeting before publication of the Bill. This ensures that proceedings currently before the court will not be interfered with while providing a measure of certainty to the status of past decisions of the Appeal Boards.

The Bills Committee however maintains that it is not fair to impose a time limit on the right of interested parties to seek a judicial remedy against a Town Planning Appeal Board decision and has decided not to support the clause.

The Administration has reviewed the need for the clause in the light of the Bills Committee's decision, and the consequences if the clause is deleted. Since the validity of the appointment of the Chairman of the Town Planning Appeal Board was first called into question in May 1995, it is unlikely that a court would uphold a challenge to decisions taken by the Appeal Board before that time because the "de facto" doctrine would apply to such decisions. Under the doctrine the acts of an official may be held to be valid even though his appointment is invalid. Once the flaw in the appointment became known the official would cease to have the benefit of the doctrine. The May 1995 challenge was dismissed by the High Court in November 1995. An appeal was lodged by the applicant but was abandoned a few days before the hearing date. While two other similar challenges were filed in December 1995 and January 1996, the Administration has concluded that we could live without clause 5 for the time being and has agreed to move a committee stage amendment to delete it.

Thank you, Mr President.

End

Betting Duty (Amendment) Bill 1995

\* \* \* \* \*

Following is the speech the acting Secretary for Home Affairs, Mrs Stella Hung, in resuming the second reading debate on the Betting Duty (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I am grateful to the Honourable Howard Young and his colleagues on the "Bills Committee to Study the Betting Duty (Amendment) Bill 1995" for their wise counsel and the time they have spent in examining the Bill.

The Bill has two main objectives. First, it introduces a Quinella Place bet and defines the rate of betting duty on that bet. The Quinella Place requires a punter to select two horses to finish in any order in the first three places to be eligible for a dividend.

During the deliberations of the Bills Committee, some Members expressed concerns that the introduction of this bet might encourage gambling and therefore would have social impact on our community. I would like to explain that the Quinella Place bet is essentially an extension of the existing Quinella and Place bets. It should not have the effect of inducing non-punters to start betting and that its social impact would be minimal. The following figures will support this observation. The estimated annual betting turnover of this bet only amounts to about 9% of the total betting turnover for the 1994/95 racing season. The introduction of this bet would not have any significant impact.

The other main objective of the Bill is to impose betting duty on overseas bets on Hong Kong races into the Hong Kong pools at half of the prevailing rates. The other half would be allocated to the respective overseas governments, subject to the Royal Hong Kong Jockey Club's negotiations and finalization of the details with them. This proposal will not affect Hong Kong, apart from the fact that Hong Kong will benefit from an increase in betting duty and an increase in the funds available for allocation from the Royal Hong Kong Jockey Club to local charities.

I understand that the Honourable Howard Young will move a Committee Stage Amendment to the effect that agreements between the Royal Hong Kong Jockey Club and its overseas partners on setting up overseas betting venues should be subject to the approval of the Secretary for Home Affairs. I confirm that the Government has no policy objection to this Amendment. I take the opportunity to inform this Council that the Royal Hong Kong Jockey Club has also confirmed its agreement to it.

Once again, I thank members of the Bills Committee for their dedicated efforts in scrutinizing the Bill. I also thank the Law Draftsman's valuable assistance and advice.

Mr President, I recommend the Betting Duty (Amendment) Bill to Honourable Members.

End

Law Amendment and Reform (Consolidation) (Amendment) Bill 1995

\* \* \* \* \*

Following is the speech by the acting Secretary for Home Affairs, Mrs Stella Hung, in resuming the second reading debate of the Law Amendment and Reform (Consolidation) (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I would like to thank the Bills Committee chaired by the Honourable Mrs Miriam Lau which studied the Law Amendment and Reform (Consolidation) (Amendment) Bill 1995 for its work in scrutinising the Bill.

The Bill is the last substantive change to Hong Kong's law of inheritance in the package of reforms proposed by the Law Reform Commission. It relates to the so-called "forfeiture rule". This is a legal rule of public policy that prohibits a person who has unlawfully killed another from gaining any beneficial interest as a result. The problem with the forfeiture rule is that it applies strictly even where a person who has unlawfully killed another is not morally blameworthy or there are mitigating circumstances that justify its relaxation.

The Bill addresses this deficiency by empowering the court to relax, or waive, the forfeiture rule in cases other than murder where justice demands this. Giving the court this discretionary power to modify the effect of the forfeiture rule will bring Hong Kong into line with other common law jurisdictions.

At the Committee Stage I will move one amendment, as agreed to by the Bills Committee, to extend the scope of beneficial interests covered by the Bill to include nominations, such as those of beneficiaries under insurance policies.

With these remarks, Mr President, I commend the Law Amendment and Reform (Consolidation) (Amendment) Bill 1995 to the Council.

End

Mass Transit Railway Corporation Annual Report 1995

\* \* \* \* \*

Following is the speech by the acting Financial Secretary, Mr Gordon Siu, in tabling the Mass Transit Railway Corporation Annual Report 1995 in the Legislative Council today (Wednesday):

Mr President,

In accordance with section 16(4) of the Mass Transit Railway Corporation Ordinance, I table the annual report and accounts of the Corporation for the year ended 31 December 1995.

In 1995 the MTR carried 813 million passengers, 1% more than 1994. Total revenue increased by 10% to \$5,665 million, while total operating costs before depreciation increased by 13% to \$2,521 million. Interest and finance charges were at \$1,289 million, 2% higher than last year.

The Corporation has adopted a fare policy which offers a value for money service and generates sufficient funds to finance expenditure on upgrading and improving the existing system. Over the next five years the Corporation will spend \$8 billion on capital improvement projects.

The total debt outstanding at the end of 1995 was close to HK\$15 billion. To finance the Airport Railway, the Corporation's borrowings are expected to increase in the next two years. The Corporation continues to enjoy respect in worldwide financial markets. Its debut Yankee bond in the United States was executed well and established another benchmark.

During the year, Government injected equity totalling HK\$11.7 billion for the construction of the Airport Railway. Progress on construction is satisfactory. I am pleased to note that the Corporation is confident of the Airport Railway being completed within estimate.

The Corporation's net profit for 1995 was \$1,196 million compared with \$1,038 million in 1994. The accumulated losses of \$99 million at the end of 1995 will not be extinguished until 1996. The Corporation has not therefore declared a dividend for 1995.

Mr President, the Mass Transit Railway Corporation is obliged under the law to operate in accordance with prudent commercial principles and, accordingly, must ensure that taking one year with another, its revenue is at least sufficient to meet its expenditure and interest payments. It is through annual fare adjustments that the Corporation generates the necessary funds to implement comprehensive maintenance and service improvement programmes. It is in fact the ability to determine its own fares that has enabled the Corporation to enjoy high credit ratings and to raise funds in local and overseas markets successfully to finance new railway projects and build for the future. Since these arrangements have worked well from 1979, when MTR services came into operation, we should treasure them, and not tamper with them.

The Corporation's annual report provides ample evidence of the corporation's very satisfactory performance. I congratulate the Chairman and the Corporation for their achievements in the past year.

End

Kowloon-Canton Railway Corporation Annual Report 1995

\* \* \* \* \*

Following is a speech by the acting Financial Secretary, Mr Gordon Siu, in tabling the Kowloon-Canton Railway Corporation Annual Report 1995 in the Legislative Council today (Wednesday):

Mr President,

In accordance with section 14(5) of the Kowloon-Canton Railway Corporation Ordinance, I table the annual report and accounts of the Corporation for the year ended 31 December 1995.

In 1995, the KCRC carried over 1.1 million passengers each day, 5% more when compared with 1994. About two-thirds of the passengers travelled on the heavy rail and the remaining one-third on the light rail system.

The Light Rail system was extended to the centre of Tin Shui Wai new town in March 1995. The extension has provided an important transport service for the 85 000 residents of the new town.

Productivity improvements have made it possible for the Corporation to keep fares at an affordable level. Over the past five years, Kowloon-Canton Railway Corporation's fares have in fact declined 13% in real terms. In 1995, the KCR and Light Transit System met or exceeded almost all their performance pledge targets, and successfully obtained ISO certification across an extensive range of functions.

The Corporation continued to develop and expand the container freight services launched in 1994. These services link the industrial centres of China with the port of Hong Kong.

The Corporation also aimed at strengthening and improving the quality of cross-border services. At a cost of \$309 million, electric locomotives and rolling stock have been ordered for a new double-deck through train service between Hong Kong and Guangzhou.

In response to the Government's invitation, the Corporation has submitted proposals to Government for the design, construction and operation of a new railway in the North-west New Territories. This will provide domestic and international passenger services and also carry freight from China to the container ports. The system will link up with the existing heavy rail and light rail systems, as well as the Mass Transit Railway and Airport Railway to enhance the existing rail network.

The Corporation maintained a satisfactory financial position in 1995. Total revenue rose to \$2,973 million, representing an increase of 11% over 1994. Net profit for the year after tax was \$901 million. Taking into account the Corporation's cash flow requirements and investment needs in the year ahead, the Government has not asked for any dividends.

The Corporation will invest \$5.7 billion over the next five years in service improvements, including major projects such as automatic train protection, renovation of Hung Hom Station, and noise barriers.

Mr President, under its remit the KCRC is obliged to conduct its business in accordance with prudent commercial principles. What I have just said about the MTRC equally applies to the KCRC. We must maintain the existing arrangements to enable the KCRC to benefit from capital markets, particularly for the Western Corridor Railway project which is in the pipeline.

The Corporation has continued to operate very successfully over the past year. I congratulate the Chairman, its Managing Board as well as the management and staff of the Corporation for their achievements during the past year.

End

#### Shortage of clinical psychologists

\* \* \* \* \*

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

Question:

In regard to the shortage of occupational therapists and physiotherapists in non-governmental rehabilitation institutions, will the Government inform this Council :

- (a) of the establishment, strength and vacancies in various ranks of the occupational therapist and physiotherapist grades in hospitals managed by the Hospital Authority and in the Social Welfare Department as at 31 December 1995;
- (b) of the establishment, strength and vacancies in various ranks of the occupational therapist and physiotherapist grades in non-governmental rehabilitation institutions, including early education and training centres, special child care centres and special schools as at 31 December 1995;
- (c) whether consideration has been given to granting a hardship allowance to occupational therapists and physiotherapists in non-governmental rehabilitation institutions in order to make the pay package offered by these institutions more attractive, thereby easing the manpower shortage?

Reply :

In view of the detailed figures being asked for, I thought it would be easier for members to refer to the tables in the written Annex to this answer which is laid before them today. The tables show the establishment, strength and vacancy of occupational therapists and physiotherapists in various sectors.

Moving now to the last part of the question, as Members may be aware, my Branch has set up a Working Group to address the shortage of clinical psychologists, physiotherapists and occupational therapists. The Working Group comprises representatives from both the government and the non-governmental sectors and representatives of the relevant professional bodies in Hong Kong. The Working Group has completed its study of the situation regarding clinical psychologists and is now nearing completion of its study of physiotherapists.

It has become clear that we must increase the supply of these professions and take steps to facilitate their retention in the non-governmental sector. The package of proposals under consideration for physiotherapists includes the expansion of student places, a more balanced exposure between the health and welfare sectors for physiotherapy students in clinical placements, the creation of senior physiotherapist posts in non-governmental organisations, revised planning ratios, more flexible transfer arrangements for staff between the various sectors and the provision of scholarships for further training. Also under consideration is the feasibility and likely effectiveness of creating an allowance, such as an Extraneous Duties Allowance, for physiotherapists working in non-governmental organisations.

The Working Group is now examining all of these proposals and will soon finalise its recommendations on physiotherapists. We have begun the necessary detailed background research on occupational therapists and the Working Group will commence its study of this profession once the study on physiotherapists is completed. The measures needed to address problems faced by occupational therapists are likely to be similar to those we have so far drawn up for physiotherapists.

-----

**Annex to the Answer given by the  
Secretary for Health and Welfare to Question No. 1 raised by  
Dr the Hon LAW Chi-kwong in the Legislative Council on 24 April 1996**

**Manpower of Occupational Therapists as at 31.12.1995**

Department / Sector	Establishment			Strength			No. of Vacancy		
	SOT	OTI	OTII	SOT	OTI	OTII	SOT	OTI	OTII
Hospital Authority	34	137	203	33	128	180	1	9	23
Social Welfare Department (Rehab Service)	1	6	0	1	6	0	0	0	0
*Subvented NGOs (Rehab Service) #as at 30.9.1995	1	64.5	23.5	1	58.25	8	0	6.25	15.5
<b>Total</b>	<b>36</b>	<b>207.5</b>	<b>226.5</b>	<b>35</b>	<b>192.25</b>	<b>188</b>	<b>1</b>	<b>15.25</b>	<b>38.5</b>

**Manpower of Physiotherapists as at 31.12.1995**

Department / Sector	Establishment			Strength			No. of Vacancy		
	SPT	PTI	PTII	SPT	PTI	PTII	SPT	PTI	PTII
Hospital Authority	57	246	301	55	236	287	2	10	14
Social Welfare Department (Rehab Service)	0	2	0	0	2	0	0	0	0
*Subvented NGOs (Rehab Service) #as at 30.9.1995	1	60.5	23.5	0	40	1.4	1	20.5	22.1
<b>Total</b>	<b>58</b>	<b>308.5</b>	<b>324.5</b>	<b>55</b>	<b>278</b>	<b>288.4</b>	<b>3</b>	<b>30.5</b>	<b>36.1</b>

\* including special schools subvented by the Education Department and rehabilitation non-governmental organizations subvented by the Social Welfare Department

# The Social Welfare Department can only update the strength of non-governmental organizations once every 6 months based on the returns submitted by individual agencies. The latest figures available are those at 30.9.1995.

Note: The decimal points in the tables reflect the fractions of posts to which the non-governmental organisations are entitled to based on approved manning ratios. If an agency is not entitled to a full post, it may combine the fractions of a post for different units in that agency into a full post, or top up their subvention in order to fill a post with someone full-time or employ part-time staff.

Occupational Therapists

SOT Senior Occupational Therapist  
OTI Occupational Therapist I  
OTII Occupational Therapist II

Physiotherapists

SPT Senior Physiotherapist  
PTI Physiotherapist I  
PTII Physiotherapist II

End

Measures to ensure safe use of Chinese medicine

\* \* \* \* \*

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

Question:

It is reported that recently some people have been admitted to hospitals for treatment of intoxication resulted from the taking of the Chinese medicine 'gwai kuo' (Podophyllotoxin) by mistake. As the formulation of legislation to regulate Chinese herbal medicines is unlikely to be completed in the near future, will the Government inform this Council:

- (a) of the total number of people admitted to hospitals for treatment of intoxication as a result of taking toxic Chinese medicines by mistake in the past three years;
- (b) of the number of fatalities in the cases referred to in (a) above; and
- (c) whether the Government will, before the enactment of the relevant legislation, consider requiring drug manufacturers to label toxic Chinese medicines as well as adopting other administrative measures to prevent people from taking such medicines by mistake ?

Reply :

- (a) From 1993 to 1995, two persons were admitted to hospitals for treatment of intoxication as a result of taking Chinese medicines by mistake. In February and March this year, 9 persons were admitted to hospitals as a result of taking "wai ling sin" contaminated by "gwai kou".
- (b) No fatality was recorded among poisoning cases caused by consumption of Chinese medicine in the past three years.

- (c) The Preparatory Committee for Chinese Medicine (PCCM) will publish a list of potent herbs for reference by members of the public. The Department of Health will work with the Committee to educate the public on the safe and proper use of Chinese medicine.

One of the terms of reference of the PCCM is to advise on the promotion, development and regulation of Chinese medicine. It is also tasked with the study on the import, distribution, manufacture and sale of Chinese medicine in Hong Kong. The proposal of labelling toxic Chinese medicine will be one of the topics to be considered by the PCCM.

End

#### Criteria for making appointments to advisory bodies

\* \* \* \* \*

Following is a question by the Hon Yum Sin-ling and a reply by the acting Secretary for Home Affairs, Mrs Stella Hung, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

- (a) whether there are any criteria laid down for making recommendations to the Governor for the appointment of persons to various 'committees', 'boards' and 'advisory committees' as unofficial members, and what are the procedures for making recommendations and what is the selection process;
- (b) whether consideration will be given to requiring that grass-roots representatives (such as District Board Members) be recommended for appointment so that the views of people at the grass-roots level can be reflected in such committees/boards; and
- (c) how the authority concerned assesses the performance of appointed members; and whether the term of office of any appointed member has been terminated on account of poor performance in the past three years; if so, what is the number?

Reply:

Mr President,

In making appointments to advisory boards and committees, and other bodies, Government seeks to secure the services of the best available persons to meet the requirements of the bodies concerned. The expertise, experience, integrity and commitment to public service of prospective appointees are carefully considered. Due regard is also given to the need to ensure a good balance of members in the body concerned. To achieve a reasonable turnover of membership, Government, as a general rule, tries to avoid re-appointing someone who has already served on the same committee for six years. In addition, to ensure a reasonable workload, Government normally does not appoint one person to sit on more than six committees at any one time. These are, however, general guidelines which may not be followed rigidly as some committees may find it necessary to retain the services of members who possess particular expertise and would provide continuity in the work of the committee concerned.

Recommendations to the Governor for appointments to advisory boards and committees, and other bodies are made by the relevant Policy Secretaries or Heads of Departments. Prospective candidates are selected in the light of the general criteria outlined above. In some cases, the individuals selected are already known to the concerned Branches and Departments. In others, they are nominated by professional bodies or other organisations in accordance with the relevant legislative provisions or established administrative practice. Where appropriate, suggestions are also sought from Home Affairs Branch and Home Affairs Department, in view of their close contacts with people from a wide cross-section of the community.

In recommending appointments, Government gives due consideration to the experience and background of people at the district level, including members of local groups such as District Boards. I can assure the Honourable Member that this practice will continue.

Policy Secretaries and Heads of Departments are responsible for the assessment of performance of members of the boards and committees under their purview. In general, the performance of individual members is assessed against their contributions to discussions, their commitment to public service and the functions of the particular committees. It is not usual for us to terminate appointments prematurely. There is no record of any member of advisory boards and committees and other bodies whose term of service was terminated early on account of poor performance in the past three years. Any member who does not perform satisfactorily would normally not be recommended for re-appointment.

End

Traffic accidents involving container vehicles

\* \* \* \* \*

Following is a question by the Hon Albert Chan Wai-yip and a written reply by the Secretary for Transport, Mr Haider Barma, in the Legislative Council today (Wednesday):

Question:

With regard to the recent spate of traffic accidents involving the overturning of container vehicles which have resulted in injuries and deaths, will the Government inform this Council :

- (a) of the number of such accidents, as well as the number of people who were injured or killed in these accidents, in the past three years; and
- (b) whether consideration will be given to introducing legislation requiring that the trailer of container vehicles be subject to inspection annually as in the case of the tractor of such vehicles, in order to ensure that the trailer's braking system is in good working order?

Reply:

Mr President,

Over the past 3 years there have been an average of 21 accidents per annum in which container vehicles overturned. Details are given in the annex to my reply.

To put this in perspective, it should be noted that there are over 13,300 licensed container trucks and 21,000 trailers. Nevertheless, we cannot afford to be complacent and the Hon Chan Wai Yip is quite right in raising the question of inspections and control.

Under section 78 of the Road Traffic Ordinance, the Commissioner for Transport has powers to require the examination of all classes of motor vehicles before they are licensed. All tractors are now subject to annual inspections. As for trailers, only those over 10 years old have to pass an examination before relicensing. This is not satisfactory and, to enhance roadworthiness of trailers, the Administration plans to introduce annual inspections as soon as the necessary facilities and staff can be provided. Such inspections will include a functional check of the braking system.

End

Causes of accidents involving container trucks

\* \* \* \* \*

Following is a question by the Hon Ms Chan Yuen-han and a reply by the Secretary for Transport, Mr Haider Barma, in the Legislative Council today (Wednesday):

Question :

Recently, a traffic accident involving the overturning of a container truck occurred at the Route Twisk interchange. The accident has aroused concern over the safe driving of container trucks and road safety in various traffic accident blackspots. In this connection, will the Government inform this Council :

- (a) what are the main causes of accidents involving container trucks, and whether corresponding remedial measures will be adopted;
- (b) whether consideration will be given to drawing up a set of guidelines on "the use of the road by heavy container trucks" so as to guide drivers on how to drive safely; and
- (c) whether consideration will be given to improving road safety in various traffic accident blackspots, such as a review of the design of road surface and the installation of "Reduce Speed" signs at an appropriate distance before such blackspots?

Reply:

Mr President,

The results of Police investigations have indicated that the main causes of accidents involving container trucks are : - driving too close to the vehicle in front, careless lane changing, loss of control of the vehicle, and defective brakes.

The first three causes relate directly to driving behavior. Container truck drivers have been reminded periodically of the dangers of tailgating and careless lane changing through their associations and at seminars. There have also been publicity campaigns and APIs on television. These will be repeated in the coming months.

As an experiment to further alert drivers, a trial road marking scheme will shortly be introduced on a section of Tolo Highway near Tai Po, in fact in July, later this year. Distinctive chevron markings, spaced apart, will be painted on the carriageway to help drivers judge what would be a safe and correct distance from the vehicle in front.

As I have indicated in my reply to the previous question, both trucks and trailers are subject to licensing checks to ascertain their roadworthiness.

As regards guidelines, the Road Users' Code provides advice on safety for all road users, including goods vehicle drivers. The Code is currently being revised and updated. Separate advisory booklets for goods vehicle drivers will be produced. In addition, advice on keeping a safe distance from the vehicle in front will be highlighted in future editions of the Road Safety Quarterly which is published by the Transport Department.

Blackspots are defined as those where there have been 6 or more accidents involving pedestrians or 9 or more accidents involving passengers in a vehicle during a 12-month period.

Blackspots are monitored closely by the Administration in an attempt to reduce the number of accidents. The remedial measures taken include the provision of better signage, roadmarkings, more police spot checks as well as improving the layout of the roads and the laying of anti-skid road surfacing.

End

#### Funding to non-governmental social services explained

\* \* \* \* \*

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

Question:

It was mentioned in the Progress Report on Individual Undertakings in the Governor's 1992 Policy Address that a sum of \$2.3 billion had been injected into the Lotteries Fund to meet the recurrent expenditure on various social welfare and rehabilitation services up to 1996-97. In this connection, will the Administration inform this Council what arrangements have been made to ensure that the voluntary agencies responsible for providing such services will receive adequate financial support so that they can continue to provide such services in the long run?

Reply:

To provide a secure source of funding to assist in implementing the significant expansion of social welfare and rehabilitation services announced in the Governor's Address to the Legislative Council on October 7, 1992, the Finance Committee of the Legislative Council approved on November 6, 1992 an injection of \$2.3 billion into the Lotteries Fund. This amount is principally being used to pay for the recurrent cost of services required to meet the key targets for the period from 1993-94 to 1996-97. This arrangement will come to an end in 1997-98. As I assured this Council on March 29 and November 2, 1995, the General Revenue Account will be able to absorb from that year onwards all the recurrent expenditure being met from the Lotteries Fund in 1996-97. Under this arrangement, non-governmental organisations providing services with recurrent subventions from the Lotteries Fund at that time will receive funds from the Government to continue such services beyond 1996-97.

End

#### Expanded functions and role of Occupational Safety Council

\* \* \* \* \*

Following is a question by the Hon Tsang Kin-shing and a written reply by the Secretary for Education and Manpower, Mr Joseph W P Wong, at the Legislative Council today (Wednesday):

Question:

With regard to the Consultation Paper on the Review of Industrial Safety in Hong Kong published in July last year, will the Government inform this Council:

- (a) what measures will be taken by the Administration to enhance the functions and the role of the Occupational Safety and Health Council ("the Council") in the coming year, so as to implement the recommendations set out in the Consultation Paper; and
- (b) whether an estimate of the expenses required for enhancing the functions and the role of the Council as recommended in the Consultation Paper has been made by the Council and the Government; if so, what are the specific items of expenditure and plans; if not, why not?

Reply:

- (a) As envisaged in the Consultation Paper on the Review of Industrial Safety in Hong Kong published in July 1995, the Occupational Safety and Health Council (OSHC) is to undertake a leading role in the provision and coordination of safety training and the promotion of a safety culture in Hong Kong. The Government is working closely with the Council to map out the programme of activities and budgetary requirements of the Council over the next few years so as to enable the Council to take forward its important task of promoting safety at work in Hong Kong beyond 2000.

The OSHC's expanded programme of activities will cover the following areas:

- \* Taking over all general safety training responsibility from the Labour Department.
- \* Assuming overall coordination in the provision of safety training in the construction industry by various parties, such as developers and contractors.
- \* Educating small companies to raise their safety awareness.
- \* Providing impetus to award good safety practices at construction sites.
- \* Spearheading research efforts on training and education.

- (b) In response to the Government's invitation to take up greater responsibilities on promoting and publicizing occupational safety among employers, employees and the public at large, the OSHC has submitted an Estimate of Income and Expenditure for 1996-97 which provides for an expanded programme towards achieving these goals. The Government has approved the Council's Estimates for 1996-97 at an expenditure of \$47.553 million, which represents an increase of some 55.8 per cent over the revised expenditure for 1995-96. The approved Estimates provide for significant increase in expenditure in the following main areas :

	<u>Approved Expenditure</u>
Publicity activities	\$ 11,600,000
Training/Research/Consultancy on Safety and Health	\$ 19,600,000
Publication, advisory committees and conference/seminars on safety and health	\$ 3,080,000
Information and library services on safety and health	\$ 700,000

End

Housing benefits to civil servants explained

\* \* \* \* \*

Following is a question by the Hon Andrew Cheng Kar-foo and a written reply by the Secretary for the Civil Service, Mr W K Lam, in the Legislative Council today (Wednesday):

Question:

It is reported that a large number of non-departmental quarters (NDQs) are left vacant, but on the other hand the Government grants a private tenancy allowance (PTA) to civil servants for renting private residential flats, which incurs expenses amounting to millions of dollars a year. In this connection, will the Government inform this Council :

- (a) of the total amount of PTA granted to civil servants in each of the past three years;
- (b) how are NDQs left vacant by civil servants leaving the service dealt with;
- (c) of the current total number of vacant NDQs;
- (d) of the respective numbers of civil servants living in NDQs and those in receipt of PTA, as well as the ratio between the two sectors; and

- (e) why the Government continues to grant PTA to civil servants while a considerable number of NDQs are left vacant?

Reply:

Mr President,

In October 1990 the Private Tenancy Allowance (PTA) scheme and Non-Departmental Quarters (NDQ) were withdrawn as housing benefits for new recruits and replaced by the Home Financing Scheme and a revamped Home Purchase Scheme, which are payable for a maximum of 120 months. This was done to promote home ownership amongst civil servants and to reduce government long term housing costs. Since then, demand for NDQ and the PTA has fallen as officers who are entitled to receive NDQ have left the service or opted to take up the HFS. The demand for NDQ will continue to fall; in due course we expect the NDQ and PTA to be phased out completely.

In recognition of the effect of the policy change, Government undertook a programme to dispose of surplus NDQ by de-leasing leased units and the sale of sites. So far this has resulted in a reduction in the number of NDQ from 3,135 in October 1990 to 1,926 in March 1996. In parallel, the number of PTA recipients has also fallen substantially, from 2,428 in October 1990 to 778 in March 1996.

Government recently set up a Working Group to review the progress of the disposal programme, and to assess the demand for NDQ in future with a view to modifying the programme as necessary. The Working Group has already decided on a number of measures to revamp the programme, including the leasing out vacant quarters and the sale of individual units as interim steps to make better use of the surplus units before sites can be sold or converted to other uses.

Turning to the specific questions -

**Expenditure on PTA in the last three years**

Expenditure on PTA was \$190 m in 1993/94, \$222m in 1994/95 and \$225 m in 1995/96.

### **Allocation of Vacant Quarters**

There are two categories of quarters: non-departmental quarters and departmental quarters. The former are provided to civil servants who are eligible for them because of their conditions of service and are an entitlement for those who are eligible. The latter are provided to civil servants for operational reasons mostly in the disciplined services and are not an entitlement. They are managed by the relevant Head of Department. In answering this question I will limit my remarks to vacancies in the NDQ.

The Quartering Office in Civil Service Branch is responsible for the management of NDQ. All units vacated by civil servants are advertised for reallocation to other eligible civil servants by the Quarters Allocation Committee. Those units that are not allocated and become surplus to requirement will be designated for sale, leasing to the public or conversion to Government/Institution/Community use, as appropriate.

### **NDQ Available for Allocation**

130 NDQ units are listed in the current Quarters Allocation Circular as available for allocation to eligible civil servants.

### **Ratio of Non-departmental Quarters Occupants to Private Tenancy Allowance Recipients**

At present, a total of 1,737 civil servants occupy NDQ. Some 778 officers receive the PTA. The ratio is about 1 civil servant receiving PTA to just over 2 civil servants occupying quarters.

### **Payment of Allowances to those Eligible for Quarters**

Officers employed prior to 1 October 1990 retain their entitlement to the PTA as long as they do not join the HFS or the HPS. The PTA is payable once an officer reaches point 34 on the Master Pay Scale. Government is obliged to honour its contractual obligations to those officers who wish to take up this form of housing benefit.

NDQ are only allocated to civil servants who are eligible for them, i.e. officers employed before 1 October 1990 become eligible for NDQ once they reach point 45 on the Master Pay Scale. There are a number of officers who have chosen to take the PTA rather than move in to NDQ, even though they are eligible to do so. In January 1996, all those concerned were informed that Government will exercise its right not to pay the PTA. They have been given seven months notice to move out of the property rented using the PTA. They may choose to move into NDQ or to take up the HFA. Payment of the private tenancy allowance to those concerned will cease after the notice period. Already, some 34 officers have given up the PTA as a result.

We do not consider it appropriate nor cost effective to permit officers who are not eligible for NDQ, to occupy NDQ. It would of course be totally contrary to our policy. Rather, as indicated earlier, we intend to dispose of all surplus units by way of leasing out, conversion to other uses and sale. But we also continue to honour our contractual obligations to these officers below MPS 45 who remain eligible for PTA.

End

Existing law provision on food fair and practicable

\* \* \* \* \*

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

Question:

Despite the Government's ban on the import of British beef, British dairy and canned beef products are not covered by the ban. In this connection, will the Government inform this Council :

- (a) how the public can ascertain that the non-British made canned beef products or other products for human and animal consumption with a beef constituent are not made from British cattle;
- (b) whether the Government has any information on medical and chemical studies which show that the virus of mad cow disease can survive and incubate in canned food;

- (c) given that the authority concerned will not recall British beef already brought in by restaurants, how it can prevent such restaurants from serving food made from British beef; and
- (d) whether, given the current practice that no food product can be banned from sale unless it has been proved to have adverse effect on public health, consideration will be given to amending the existing legislation so that it can better meet the actual needs of the community?

Reply:

The World Health Organisation (WHO) has advised that there is no evidence of a link between Bovine Spongiform Encephalopathy (BSE) and its human equivalent, Creutzfeldt-Jakob Disease (CJD). No connection has been established between consumption of British beef and CJD. The ban by the European Commission (EC) on the export of British beef on March 27 -- and Hong Kong's suspension of imports of British beef the following day -- were taken to avoid market confusion and to restore public confidence in beef from other countries, rather than on public health grounds.

While there is no way to tell from reading the label on non-British made products whether or not they contain British beef, a number of safeguards have been in effect since 1989. In that year, the United Kingdom Government prohibited Specified Bovine Offal (SBO) for human consumption or for export. (SBO is that part of cows most likely to contain BSE if the animal is infected.) In August 1995, the sale and use of SBO for animal feedingstuffs was also prohibited. Since the EC's total ban in March 1996, no British beef has been exported for use in other countries' products for human or animal consumption.

Currently available information indicates that the causative agent for BSE may not be destroyed during the canning process, but it also shows that the latter can render the agent unable to multiply.

Restaurants have been advised to furnish information to their customers on the origin of the beef they serve.

Section 54(1) of the Public Health and Municipal Services Ordinance (Cap. 132) makes it an offence for any person to sell or prepare for sale any food intended, but is unfit, for human consumption. Such provision is considered to be fair and practicable for the purpose of protecting public health. This provision will be kept under review.

End

Move to facilitate widest circulation of Basic Law

\* \* \* \* \*

Following is a question by the Hon Eric Li and a written reply by the acting Secretary for Home Affairs, Mrs Stella Hung, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council whether copies of the Basic law of the Hong Kong Special Administrative Region will be put on sale at the Government Publications Centre; if not, why not?

Reply:

In response to the enquiry, we confirm that action is in hand to make available copies of the Basic Law of the Hong Kong Special Administrative Region at the Government Publications Centre. These will be provided to members of the public free of charge to facilitate the widest circulation of this important document in the community.

End

Plastics factory safety and health guide

\* \* \* \* \*

Following is a question by the Hon Lau Chin-shek and a written reply by the Secretary for Trade and Industry, Miss Denise Yue, in the Legislative Council today (Wednesday):

Question:

It is learnt that the application for an allocation of \$1 million for the compilation of a code of industrial safety pertaining to the toys and plastics industries, which has been submitted to the Industry Department jointly by the Hong Kong Toys Council and the Hong Kong Plastics Manufacturers Association Limited, is still under consideration. In this regard, will the Government inform this Council :

- (a) whether the application could be made available for examination by this Council and the public;

- (b) of the criteria adopted by the Industry Department for determining whether funds would be allocated; and
- (c) whether other bodies may apply for similar funding?

Reply :

Mr President,

The application from the Hong Kong Toys Council and the Hong Kong Plastics Manufacturers Association Limited was for a sum of \$0.568 million (not \$1 million) from the Industrial Support Fund (ISF) to compile a plastics factory safety and health guide. The application was approved in February 1996.

Regarding question (a), applications to the ISF are not normally made available for examination by the Legislative Council or the public. The applications or project proposals themselves may contain information which the applicants wish to keep confidential, and the assessment procedure is designed to respect this confidentiality. On the other hand, there is nothing to stop an applicant making public its application any time it wishes to do so. With regard to those applications selected for funding, the applicants are required, upon completion of the projects, to disseminate the results and deliverables to relevant parties and/or the public. These results and deliverables can be made available for examination by this Council and the public.

Regarding question (b), the principal criteria adopted for determining whether funds should be allocated include -

- (a) the benefits that the proposed project will bring to the industrial sector of Hong Kong;
- (b) whether there is a demonstrated need for the proposed project;
- (c) the technical and project management capability of the applicant;
- (d) whether the proposed project's schedule of implementation is well-planned and the duration reasonable;
- (e) whether the proposed budget is reasonable and realistic;
- (f) whether the proposed project should be more appropriately funded by other sources such as the University Grants Committee or the Applied Research & Development Scheme;

- (g) whether there is or likely to be a duplication of the work currently carried out by industry-support organisations; and
- (h) if recurrent expenditure is required (e.g. manpower and other administrative expenses), whether the proposed project has potential of becoming self-sufficient after a certain period of time.

Regarding question (c), all industry-support bodies, trade and industry associations, higher education institutions, professional bodies and research institutes are eligible to apply to the ISF. In exceptional circumstances, applications from locally incorporated companies may also be considered if the applicants can demonstrate that their projects will bring benefits to the manufacturing industry that go beyond the interests of individual enterprises.

End

Govt firmly committed to IPR protection

\* \* \* \* \*

Following is a question by the Hon David Li and a written reply by the Secretary for Trade and Industry, Miss Denise Yue, in the Legislative Council today (Wednesday):

Question:

In a report to the US Congress on trade barriers, the Office of the US Trade Representative stated that the US music industry estimated that 20 per cent of the recorded music sold in Hong Kong was pirated. Will the Government inform this Council how it plans to strengthen its law-enforcement efforts to crack down on hawkers and retailers as well as the criminal syndicates that supply pirated compact discs in the territory?

Reply:

Mr President,

The Government is totally and firmly committed to the protection of intellectual property rights (IPR) in Hong Kong. In this context, the Government has been pursuing a number of initiatives to strengthen the effectiveness of its enforcement measures against copyright piracy. They include:

- (a) increasing the staffing resources in the Intellectual Property Investigation Bureau of the Hong Kong Customs by 40%, from 117 in 1994-95 to 164 in 1996-97, in order to strengthen intelligence gathering, border surveillance and interceptions. Intensified enforcement action against the various blackspots selling pirated copyright products has been taken by Customs in recent months and will continue. A hotline to receive IPR infringement-related information has been set up in Customs since March this year;
- (b) a pro-active enforcement approach in the form of intelligence gathering and investigation work relating to alleged triad and organised criminal involvement in local and cross-border copyright piracy activities. Customs and the Police have been closely co-operating with each other on this front, resulting in a number of successful raids on storage premises for pirated CD-ROMs;
- (c) providing new legislative tools to more effectively combat copyright piracy. The statutory maximum penalties against copyright piracy were substantially increased last May. New copyright piracy offence provisions are expected to be passed today in the Intellectual Property (World Trade Organisation Amendments) Bill 1995 to help tackle masterminds of cross-border piracy activities. New customs border measures will soon be put in place to facilitate copyright owners to take civil infringement action against pirates; and
- (d) forging closer co-operation between the Hong Kong Customs and the relevant counterpart authorities in China. Good progress has been made in the past month with the IPR-related enforcement agencies in the Guangdong Province and the Shenzhen Special Economic Zone on a number of initiatives, including setting up of specific contact points, exchange of information and intelligence, organisation of seminars and visits, and where appropriate, the possibility of mounting joint anti-piracy operations.

End

Measures to prevent property fraud

\* \* \* \* \*

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

Question:

The Police has recently revealed that there has been a significant rise in the number of fraud cases involving the selling of properties by culprits claiming to be property owners. In this connection, will the Government inform this Council:

- (a) whether any loopholes have been identified in-
  - (i) the existing legislation governing the assignment of properties,
  - (ii) the legal procedures relating to property transactions,
  - (iii) the procedures for obtaining and altering particulars on property ownership (such as the registration of business and property ownership) filed with the Government which culprits can take advantage of;
- (b) whether it will conduct an overall review on the procedures governing the assignment of property and draw up a code of practice to prevent the occurrence of such cases; if not, why not, and
- (c) whether there are any specific measures to combat such crime so as to safeguard the rights of property owners?

Answer:

Mr President,

- (a) Since early 1996, the Police (Commercial Crime Bureau) have identified 14 property transaction cases involving impersonation of the owner of a property. In some cases, a fake owner accepted a deposit from purchasers but did not complete the property transaction because he was unable to produce the original title deeds. In other cases, the fake owner was paid the whole of the purchase price before the purchaser discovered that the assignment was not made by the genuine owner. All the incidents happened before any documents were registered with the Land Registry.

Identification of the vendor or mortgagor of a property is the responsibility of the vendor's solicitors. The vendor or mortgagor should produce the original title deeds to their solicitors for processing the transaction. To prevent crime and protect the interest of the property owner and purchaser, the solicitor and the bank dealing with the transaction should exercise vigilance in examining the ID cards and documents presented by the vendor before proceeding or releasing the original title deeds of the mortgaged property to the vendor. Without the original title deeds, the purchaser would not pay for the property.

- (i),(ii) We are not aware of any loopholes in the existing legislation and legal procedures which make it easy for a person to impersonate a property owner or conduct a fraud regarding the assignment of properties. It should be noted that conveyancing procedures are designed by solicitors and the Law Society for the purpose of protecting their clients. Nevertheless, we would consider in consultation with the Law Society and other bodies concerned whether there is a need to review the current legislation.
  - (iii) Like Land Registries elsewhere, the Land Registry in Hong Kong maintains a land register which is available for public inspection. Adequate safeguards are provided in the current procedures for inspecting and altering particulars of the land register. Updating of the register is performed by well-trained registration teams under a secured Computerised Land Registration System. The particulars in the register are checked to ensure that they are exactly the same as those set out in the memorials certified to be correct by solicitors.
- (b) Please see (a) above.
  - (c) On 1 April 1996, a press conference was held by the Police to warn the public about property fraud cases. The public was warned that they should take extreme care in supplying photocopies of their identity cards, rate receipts, mortgage repayment schedules, etc., to people who claimed to be interested in purchasing or renting their properties. At the same time, a report containing details of the recent cases was sent to the Hong Kong Law Society and the Hong Kong Association of Banks (HKAB) to enable them to alert their members. Arrangements are in hand to organise training sessions for these organisations and institutions on how to identify fake identity documents. The HKAB has also issued guidelines to its members on 12 April 1996 on precautionary measures to minimise the chance of perpetuation of such frauds.

Terms of employment of universities teaching staff

\* \* \* \* \*

Following is a question by Dr the Hon Law Cheung-kwok and a written reply by the Secretary for Education and Manpower, Mr Joseph W P Wong, in the Legislative Council today (Wednesday):

Question:

Can the Government inform this Council whether the University Grants Committee is aware of:

- (a) the difference between "local terms" and "expatriate terms" adopted by each of the universities in the appointment of teaching staff;
- (b) the respective numbers of teaching staff who are currently appointed on "expatriate terms" in the universities; and
- (c) the respective policies adopted by the universities in regard to the abolition of "expatriate terms" in the employment of teaching staff?

Reply:

Mr President,

- (a) The six universities and Lingnan College funded by the University Grants Committee (UGC) enjoy autonomy in respect of the terms of employment for their staff, provided that they are comparable to and not better than those offered to staff of similar rank in the civil service. The UGC is aware of the differences between local and overseas terms adopted by the institutions. These differences are mainly in terms of the staff's eligibility for passage and baggage allowances, housing benefits and overseas education allowance.
- (b) The numbers of teaching staff employed by the seven UGC-funded institutions on overseas terms as at 31 December 1995 are shown in Annex A.

- (c) According to the UGC, the Hong Kong Baptist University (HKBU), Hong Kong Polytechnic University (PolyU), Lingnan College (LC) and the Chinese University of Hong Kong (CUHK) have already adopted common terms of service since 1995 for newly appointed staff and for staff whose contracts were renewed after the effective date of the adoption of the new terms of service. As regards the City University of Hong Kong (CityU), Hong Kong University of Science and Technology (HKUST) and the University of Hong Kong (HKU), they continue to adopt both local and overseas terms for new recruits at present. However, in November 1995 the CityU Council approved that new offers of appointment should be made mainly on local terms, with offers of overseas terms being made only in exceptional circumstances. CityU is also in the process of drafting a common set of terms with a view to removing the distinction between its local and overseas terms of service. HKUST and HKU are currently reviewing their terms of service for local and overseas staff with a view to working out a common set of terms of service.

-----

Annex A

**Number of teaching staff  
on overseas terms in the UGC-funded institutions**

<b>Institution</b>	<b>No. of teaching staff on overseas terms</b>
CityU	135
HKBU	71
LC	34
CUHK	241
PolyU	145
HKUST	251
HKU	386
<b>Total</b>	<b>1,263</b>

Source: UGC Secretariat

End

Criteria of land grant for charity and welfare purposes

\* \* \* \* \*

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

Question:

Regarding the grant of land by the Government to non-governmental organisations for charity and welfare purposes, will the Government inform this Council:

- (a) whether it has set any criteria for the granting of land for such purposes;
- (b) how many organisations have been granted land through such means and what is the total area of land granted to these organisations;
- (c) how does the Government monitor the actual use of the land granted to ensure that the land use specified in the application is observed;
- (d) whether the sale of such land requires the approval of the Government; if so, what criteria are adopted by the Government for approving such land sale applications; and
- (e) of the number of such land sale cases and the value involved in the past three years, and whether the Government has monitored the use of the proceeds from such land sales to ensure that they are used for charity and welfare purposes?

Reply:

Mr President,

- (a) In brief, an application for the granting of land for charity and welfare purposes will require the applicant to -
  - (i) have the support of the Director of Social Welfare;
  - (ii) provide proof of the prospective grantee's financial capability to develop the site and operate and manage the proposed service; and

- (iii) satisfy the Director of Lands that the site is put to its optimum use.

The availability of a suitable site for the purpose is also an important criterion. In general, the Director of Social Welfare would grant support to an application subject to the following provisions -

- (i) the nature of the project must be welfare-related;
  - (ii) there is a demand for the proposed service in the area;
  - (iii) the applicant has the required financial capability to develop and operate the project (including capital costs and recurrent costs); and
  - (iv) the applicant has the relevant experience and capability in running the proposed service.
- (b) since 1985, 25 organisations have been granted land for charity and welfare purposes, involving 30 land grants and a total area of about 12.89 hectares. No statistics were kept on land grants of this nature made before 1985;
  - (c) the land lease document of each of such land grant stipulates, among other things, the use of the land in question, which is the same as that stated in the original application. If the land is used for a different purpose or ceases to be used or there is a diminution in the use of the site, the Government has the right to re-enter the land;
  - (d) we do not allow the sale of land in this category, but it is possible for a grantee to apply for redevelopment of his site should the site be under-utilised. Each case has to be considered on its own merits and requires the specific approval of the Governor in Council; and
  - (e) as explained in (d) above, land in this category is not allowed to be sold. The information asked for by the Honourable Member is therefore not available.

End

Number of applications for naturalisation

\* \* \* \* \*

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

Question:

In view of the large number of people who have applied for naturalisation last month, will the Administration inform this Council:

- (a) of the number of applications for naturalisation received in each of the past 3 years as well as in the first three months of this year;
- (b) how long the applicants have to wait for a decision on their applications given that there are only 433 days to the transfer of sovereignty;
- (c) whether the successful applicants will be given adequate time to apply for the British National (Overseas) passports; and
- (d) how many applications have been rejected in the past 3 years and whether the applicants have been notified of the reasons for the rejection; if not, why not?

Reply:

Mr President,

- (a) The number of applications for naturalisation/ registration as British Dependent Territories citizens in the past three years and in the first three months of this year is as follows :

<u>Year</u>	<u>No. of applications</u>
1993	17,391
1994	17,803
1995	34,580
1996 (Jan - Mar)	217,603

- (b) The Hong Kong Immigration Department aims to complete processing of all outstanding naturalisation/ registration applications by the end of September 1996.

- (c) Article 4(5) of the Hong Kong (British Nationality) Order 1986, as amended by the Hong Kong (British Nationality) (Amendment) Order 1993, allows a successful applicant to apply for a British National (Overseas) passports within 3 months after the date he has obtained a naturalisation/registration certificate.
- (d) The number of applications rejected in the past three years and in the first three months of this year is as follows :

<u>Year</u>	<u>No. of applications</u>
1993	147
1994	282
1995	451
1996 (Jan - Mar)	348

In line with the practice in the UK and in accordance with section 44(2) of the British Nationality Act 1981, the reasons for rejection of such applications are not disclosed.

End

Indebtedness of CSD officers

\* \* \* \* \*

Following is a question by the Hon Zachary Wong Wai-yin 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) whether the Correctional Services Department management has any knowledge of the amount of debts owed by the staff of the Department in the past three years and the reasons for their staff incurring such debts; and

- (b) what mechanism does the Correctional Services Department management have to prevent the work of their staff from being affected as a result of incurring debts?

Reply:

- (a) Of the 7 184 staff in the Department, 13 are currently known to be in debt. Their total debt now is about \$1,830,000. The reasons for incurring these debts vary e.g. borrowing for personal reasons, bad investments or gambling. We do not have statistics for the past three years.
- (b) Staff Welfare Officers are available to provide advice and counselling to indebted staff, who are encouraged to seek such advice. If a staff member is known to be in debt, his superior officer will interview him, and he will be assisted to formulate a plan on how to settle his debts. The management will continue to monitor these cases very closely, in order to provide further advice and guidance.

End

Pledge to expedite estate duty cases

\* \* \* \* \*

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

Question:

Will the Government inform this Council -

- (a) of the total number of deceased persons registered in the territory, as well as the number of cases where the estate of the deceased is subject to estate duty, in each of the past 5 years (i.e. from 1991-92 to 1995-96);
- (b) of the number of cases referred to in (a) above which were outstanding as at 31 March in each of the five years in question, together with a breakdown by age of the deceased and estimated total amount of estate involved;

- (c) what are the reasons for those cases which have not been settled within two years from the date of filing the application; and
- (d) what measures have been adopted by the Inland Revenue Department to settle estate duty cases expeditiously so as to avoid causing undue hardship to the families of the deceased?

Reply:

- (a) The total number of deceased persons registered and the number of cases where the estate of the deceased is subject to estate duty in each of the past five years, i.e. from 1991-92 to 1995-96 are as follows -

- (i) Number of deaths registered :

For year ended 31 March				
1992	1993	1994	1995	1996
30,258	30,085	30,054	30,493	25,060 (up to 31.1.96)

- (ii) Number of estate duty cases filed :

	For year ended 31 March				
	1992	1993	1994	1995	1996
No. of dutiable cases	365	429	468	408	217
No. of non-dutiable cases	10,289	10,633	10,926	11,169	11,460
Total number of affidavits/statements in lieu of affidavits filed	10,654	11,062	11,394	11,577	11,677

- (b) The number of cases outstanding as at 31 March for each year in the past five years with age analysis and the estimated amount of duty involved

	For year ended 31 March				
	1992	1993	1994	1995	1996
Dutiable cases	693	770	728	649	517
Non-dutiable cases	1,004	1,125	836	1,051	980
<b>Total</b>	<b>1,697</b>	<b>1,895</b>	<b>1,564</b>	<b>1,700</b>	<b>1,497</b>

	For year ended 31 March				
	1992	1993	1994	1995	1996
Estimated amount of duty involved*	\$400m	\$500m	\$700m	\$700m	\$750m
Estimated amount of estate involved (dutiable cases only)	\$7,400m	\$9,300m	\$13,000m	\$13,000m	\$13,900m

\* These amounts are rolled-over from year to year. About two-thirds of the amounts represent the additional duty collectable on assets which were either undisclosed or were declared below market values.

The Inland Revenue Department does not keep statistics on the age of the deceased in the outstanding cases or the estimated amount of estate involved in non-dutiable cases.

- (c) The main reasons for those cases which have not been settled within two years from the date of filing the application are -
- (i) pending outcome of litigation (in most cases between executors and beneficiaries);
  - (ii) disputes on valuation of landed properties and shares in private companies;
  - (iii) valuation of a deceased's interest in a complicated predeceased's estate;

- (iv) in-depth inquiry into potential tax avoidance schemes;
  - (v) slow response to enquiries from executors and third parties;
  - (vi) tracing of a deceased's life-time gifts;
  - (vii) tracing of undisclosed assets; or
  - (viii) disputes between beneficiaries of the estate.
- (d) It has always been the Inland Revenue Department's policy to settle estate duty cases as expeditiously as possible. In fact, the Estate Duty Office's current performance pledge is to finalise 98% of the exempt and simple cases (not involving landed properties, private company shares and interest in business) within six weeks from the receipt of the application; 80% of the other exempt and simple cases within six months; and 75% of the complicated or dutiable cases within two years. The senior management of the Department and its Users' Committee regularly review actual performance as compared to pledged targets. The actual performance achieved for the past two years is shown in Annex.

Where a deceased's dependants have difficulties in meeting his funeral expenses or providing for their own maintenance, the Commissioner of Inland Revenue may authorise banks to release money from the deceased's bank accounts to relieve the hardship.

Where a case cannot be finalised within a reasonable time because of the need to trace life-time gifts etc., the executor or the administrator can apply for the issue of provisional estate duty clearance papers upon production of a satisfactory guarantee (i.e. bank guarantee, equitable mortgage, deposit of quoted shares, transfer of bank account balances as payment on account). The executor or the administrator can then proceed with the application for the grant to administer the estate. For duty payable on the leasehold properties held solely by the deceased, the executor may opt to settle by instalments.

Processing of Estate Duty Affidavits

	Apr 94 to Mar 95		Apr 95 to Mar 96	
	Target (Cumulative)	Output	Target (Cumulative)	Output
<b>EXEMPT &amp; SIMPLE cases</b> not involving landed properties, private shares or business interests				
Performance evaluation		Achieved		Achieved
Assessments or certificates issued within:				
first 6 weeks	98%	99.6%	98%	99.7%
next 10 weeks	100%	100.0%	100%	100.0%
Number of cases processed		6,295		6,383
<b>EXEMPT &amp; SIMPLE cases</b> involving landed properties, private shares or business interests				
Performance evaluation		Achieved		Achieved
Assessments or certificates issued within:				
first 6 months	80%	97.0%	80%	92.86%
next 12 months	100%	100.0%	100%	99.56%
Number of cases processed		3,600		4,459
<b>DUTIABLE or COMPLICATED Cases</b>				
Performance evaluation		Acceptable		Acceptable
Assessments or certificates issued within:				
1 year	25%	62.8%	50%	61.15%
2 years	70%	87.3%	75%	84.43%
3 years	90%	93.5%	90%	91.28%
4 years	95%	96.4%	95%	95.08%
5 years	100%	97.9%	100%	96.38%
Number of cases processed		1,316		919

End

Latest development of fixed telephone networks

\* \* \* \* \*

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

Question:

Will the Government inform this Council of :

- (a) the business development of the three newly-licensed operators since the liberalisation of local fixed telephone networks in July last year; and
- (b) the specific policies which have been implemented, as well as those which are under planning, on the promotion of fair competition among operators of local fixed telephone networks?

Reply:

- (a) The three new Fixed Telecommunication Network Services (FTNS) operators have installed and commissioned their main exchanges and have commenced offering services to the public. All three are now providing an "IDD access" service to the international telephone services of Hong Kong Telecom International. They are actively rolling out their networks. On April 2, 1996 they jointly entered into an agreement with the Mass Transit Railway Corporation to install optical fibre cables for their trunk networks. They are also working jointly with Hong Kong Telephone Company Limited, the dominant operator, to install cabling within new infrastructure projects and to provision new telephone exchange facilities in reclaimed areas and the new airport. As it takes time for the new operators to roll out their networks, the number of directly-connected customers for the three operators is still small. In the mean time, the new operators are building a customer base through the "IDD access" services, personal numbering and calling card services.

- (b) The policy to promote fair competition among FTNS operators has been enshrined in the amended Telecommunication Ordinance and the FTNS Licences issued to the four operators. Examples of specific measures implemented include: taking over of control of the telephone numbering plan by the Telecommunications Authority (TA) in 1993 to enforce an equitable numbering policy; enforcement of number portability (i.e. the ability for customers to retain their existing telephone numbers when changing telephone operators); requirement of operators to maintain separate accounts for different services rendered to monitor cross-subsidisation between services; issue of guidelines by the TA to property owners, developers and managers on non-discriminatory access to the common parts of private buildings by operators; and guidelines on interconnection between networks. The FTNS Licences contain conditions to prohibit anti-competitive behaviour and abuse of dominant position, and require operators to share "bottleneck" facilities. Also, the tariffs of Hong Kong Telephone Company Limited, the dominant operator, are subject to the regulation by the TA.

The Government will continue to monitor the market and enforce the Telecommunication Ordinance and the FTNS licence conditions. We are reviewing the Telecommunication Ordinance and intend to introduce a draft amendment bill into the Legislative Council later in the year. Some of the amendments serve to consolidate the provisions dealing with the development of fair competition in the FTNS market.

End

#### Potential use of alternative fuel vehicles

\* \* \* \* \*

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

Question:

Will the Government inform this Council:

- (a) whether it is currently undertaking a research project on the use of natural gas to replace diesel oil as bus fuel; if so, what is the progress of the project;
- (b) what are the technical difficulties involved in requiring local franchised buses to switch to the use of natural gas, and whether it is feasible to put this into effect; and
- (c) whether, the Government has consulted the public transport trade in the course of the research; if not, why not?

Reply:

Mr President,

- (a) An inter-departmental working group has recently been set up to co-ordinate efforts in studying the potential use of alternative fuel vehicles, including gas and electric vehicles. Some private companies have also undertaken exploratory studies on the technical feasibility of introducing gas as a motor fuel in Hong Kong. We have been involved in the initial discussions but no firm proposal has been received to date.
- (b) A number of issues must be fully examined before gas can be used on local franchised buses. These include availability and reliability of gas supply, storage and distribution arrangements, refuelling facilities, availability of suitable gas buses which meet local transportation needs, infrastructure and support for the installation and maintenance of gas systems, as well as risk and safety factors.
- (c) We are still considering the infrastructure and technical aspects of using gas as a motor fuel in Hong Kong. We are not yet in a position to consult the public transport trade.

End