



## DAILY INFORMATION BULLETIN

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

Thursday, November 2, 1995

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Joint Communique of JLG meeting

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The Joint Liaison Group held its thirty-fourth meeting in Peking from October 31 to November 2, 1995.

The Group had a discussion about the Transfer of Government, including the transitional Budget and related matters, transfer of Archives, Government assets, the Handover Ceremony etc; matters relating to Hong Kong's international rights and obligations; Hong Kong's Air Services Agreements and air services arrangements between Hong Kong and Taiwan; Civil Service matters; the Defence of Hong Kong and Public Order; franchises and contracts extending beyond 1997 and related matters, (including Reclamation plans, the Railway Development Strategy and Container Terminals); Hong Kong's Sewage Disposal Scheme; Investment Promotion and Protection Agreements between Hong Kong and relevant countries; Surrender of Fugitive Offenders Agreements between Hong Kong and relevant countries; Mutual Legal Assistance in criminal matters between Hong Kong and certain countries; the Reciprocal Recognition and Enforcement of Judgments in civil and commercial matters between Hong Kong and foreign countries; Localisation of Laws; Adaptation of Laws; the court of Final Appeal; the implementation of the provisions of the Joint Declaration relating to the Right of Abode in Hong Kong after 1997; Visa Abolition Agreements; Retirement Protection and Social Welfare; Vietnamese Migrants in Hong Kong (boat people and refugees); Intellectual Property; and the Transfer of Sentenced Persons.

The next meeting of the Joint Liaison Group will take place in Hong Kong at a time to be decided.

End/Thursday, November 2, 1995

### Overhaul of Bankruptcy Ordinance underway

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The Government is constantly updating the legal and administrative framework regarding insolvency to meet the challenges and opportunities of the 21st century, the Financial Secretary, Mr Donald Tsang, said this (Thursday) morning.

Speaking at the 1995 INSOL Asia Pacific Conference, Mr Tsang said a major overhaul of the Bankruptcy Ordinance was underway with a view to introducing amendments in the present legislative session.

He added that the Law Reform Commission was now reviewing the winding-up provisions of the Companies Ordinance and had recently produced a document on Corporate Rescue.

"As some of you will be aware, we have also commissioned a wide-ranging review of the other parts of the Companies Ordinance," he said.

On streamlining the administrative framework, Mr Tsang said the Official Receiver's Office and the Companies Registry had undergone significant organisation changes and restructuring over the past three years.

He said both the Companies Registry and the Official Receiver's Office were hived off from a former conglomerate known as the Registrar General's Department.

"The Registry was subsequently established, in August 1993, as one of the first two trading funds in the Hong Kong Government. The benefits of allowing the department to retain and reinvest its own revenues are already becoming apparent.

"The Official Receiver's Office meanwhile was revamped and a dedicated grade of Insolvency Officers established," he said.

Mr Tsang said economic development and responsibility went hand in hand.

"We need a stable and healthy business environment for our economy to continue to flourish," he said.

End/Thursday, November 2, 1995

### First issue of 7-year Exchange Fund Notes to be launched

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The Financial Secretary, Mr Donald Tsang, announced today (Thursday) the Government's decision to launch the 7-year Exchange Fund Notes.

In a speech to the Seminar on Global Payment Systems organised by the Hong Kong Monetary Authority (HKMA) that opens today, Mr Tsang said the first issue of the 7-Year Exchange Fund Notes, which will be offered on a quarterly basis, will open for tender later this month.

Existing Exchange Fund paper has maturities of two years, three years and five years.

"The development of Exchange Fund Notes has provided a reliable benchmark yield curve for Hong Kong dollar debt," Mr Tsang told the seminar of central bankers and market practitioners from around the world.

"We believe that now is the right time to extend the yield curve by issuing 7-Year Notes. This will be another milestone in our efforts to develop Hong Kong's debt market."

Preparation of the launch of the 7-Year Exchange Fund Notes has geared up following the favourable market reception to the 5-Year Notes, which were first introduced in September last year. So far, five issues have been offered, with an average rate of over-subscription of 3.34 times.

Chief Executive of HKMA, Mr Joseph Yam, said: "The introduction of the 7-Year Notes underscores HKMA's continuous efforts to broaden and deepen the Hong Kong dollar debt market with the increase of the supply of top quality and highly marketable debt instruments."

The Chinese side has expressed full support for the issuance of 7-Year Exchange Fund Notes, given its importance to the development of the Hong Kong dollar debt market.

The Exchange Fund Notes Programme was introduced in May 1993, with the launch of 2-Year Notes to replace the 2-Year Government Bonds.

This was followed by the issue of 3-Year Notes in October 1993 and 5-Year Notes in September 1994. So far 24 issues of Exchange Fund Notes have been issued, of which 22 issues, valued at \$13.2 billion, are outstanding.

End/Thursday, November 2, 1995

HK's foreign exchange reserves to be published quarterly

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The Financial Secretary, Mr Donald Tsang, announced today (Thursday) that the Government has decided to publish the size of Hong Kong's foreign exchange reserves every quarter instead of every six months.

Mr Tsang told the Seminar on Global Payment Systems organised by the Hong Kong Monetary Authority (HKMA) today that he has decided, in consultation with the Exchange Fund Advisory Committee, to move to greater transparency and openness regarding data on the Exchange Fund, which is managed by HKMA.

Beginning with the third quarter, figures for the foreign exchange reserves in the Exchange Fund will be released on a quarterly basis.

"The Mexican crisis has raised concerns about the timeliness and consistency of international data, especially data on the balance of payments and external reserves ... the world today feels that full disclosure and transparency is preferred, and as an international financial centre and a good global citizen, Hong Kong will undertake to provide the world with the full picture of our success story," said Mr. Tsang.

In the past three years, HKMA has taken important steps toward greater accountability and transparency of the Exchange Fund.

In 1992, the size of the Exchange Fund was disclosed for the first time, and the balance sheet of the Fund had since been published on an annual basis.

Starting this year, data on the Exchange Fund are available on a six-monthly basis. At the end of June, the size of Hong Kong's foreign reserves stood at US\$53.6 billion.

"We are encouraged by the favourable reception to our move to six-monthly figures on the Exchange Fund," said the Chief Executive of HKMA, Mr Joseph Yam.

"We think it's time we moved to quarterly publication of the size of our external assets to remind the world at more frequent intervals of the strength of our financial position and the success story of Hong Kong."

End/Thursday, November 2, 1995

#### Investigation results of Vitasoy drinks

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In connection with recent complaints involving "off-taste" in Vitasoy products, the Department of Health revealed today (Thursday) that no harmful substance had been found in the analysis of the products concerned.

A spokesman for the department said investigation was conducted immediately following reports by consumers in October that fishy taste was found in a number of packages of the Vitasoy products and a recall by the manufacturer of the relevant batches from the local market.

"Staff of the department had visited the production plant to look into the production process and a total of 41 samples from the batches of products involved were taken," he said.

"Test results from the Government Laboratory indicated absence of heavy metals, preservatives, organic solvents and disinfectants in the samples.

"Bacteriological analysis of the samples by the Department of Health's Institute of Pathology also revealed absence of bacteria.

"There is thus no evidence to suggest that the product would pose health risk to the public."

End/Thursday, November 2, 1995

DHA and DB members visit service centre for new arrivals

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The Director of Home Affairs, Mrs Shelley Lau, visited the International Social Service (ISS) Hong Kong Branch this (Thursday) morning to look at the services provided by the organisation for new arrivals from China.

The visit is part of Mrs Lau's on-going programme to visit organisations which provide services to new arrivals to familiarise them with Hong Kong's lifestyle and to facilitate their assimilation into the local community.

The Chairman of the Wan Chai District Board, Mrs Peggy Lam, and four DB members also joined today's visit at Mrs Lau's invitation.

Speaking to the media after the visit, Mrs Lau said the Governor stated in his Policy Address last month that the Government intended to expand orientation and information services for new arrivals to ease their process of integration into the community.

The Home Affairs Department (HAD) has been given direct responsibility for monitoring and assessing services for new arrivals.

Towards this end, Mrs Lau has set up a steering committee which she personally chairs.

"The HAD will enhance the co-ordination between government departments and voluntary organisations which provide services to the new arrivals.

"Through the District Officers' liaison network, we would try to make sure that these services reach those who need help and that groups which are especially at risk are identified and offered assistance.

"I think it is important that new arrivals know what services are available to them once they enter Hong Kong," Mrs Lau said.

HAD is now working with departments and organisations concerned to produce a handbook of services which will be distributed to new arrivals when they clear immigration on first landing. This handbook will complement a video, which the ISS will produce with HAD's assistance.

"In the meantime, I will also discuss with District Board chairmen and members to seek their views on the most effective ways to help new arrivals to integrate into the local community as quickly as possible," Mrs Lau added.

During today's visit, Mrs Lau and the DB members were told that each year ISS provided orientation and counselling services to more than 20,000 new arrivals from China who have been here for less than two years.

These programmes include English and Cantonese classes, outings, social gatherings and support groups.

A government-subsidised organisation, ISS makes quick contact with new comers from China at the Hung Hom Station and the Immigration Department soon after their arrivals.

"The new arrivals are part of our community, the Government will make all efforts to assist them to assimilate into our community and help them overcome problems," Mrs Lau stressed.

End/Thursday, November 2, 1995

#### Management initiative explained

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In response to press enquiries regarding the views expressed by the Local Professional Officers Association of the Marine Department on a Marine Department management initiative, the Director of Marine, Mr Ian Dale, today (Thursday) said:

"I find it difficult to understand the stance that the association appeared to have adopted on the issue.

"The management initiative is essentially an internal management approach intended to create a practical framework that will allow the Marine Department to recruit the professional staff it needs to provide the necessary services to the port and the public at large well into the next century.

"It has nothing to do with port integrity and safety which are the principal objective of the Marine Department.

"Levels of safety are a function of the standards set by the department based on international convention requirements, and staff must meet those standards.

"An academic qualification alone is not the way to ensure this is achieved. Experience and in-house training are as important if not more so.

"I am sorry that a small number of my professional staff seem to be taking a narrow and parochial view of both the department's future development, and the needs of the community. But I am encouraged that the vast majority of my professional officers agree with the initiative."

End/Thursday, November 2, 1995

Signalling of distress call to be standardised

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The Government is introducing the Merchant Shipping Safety (Signals of Distress and Prevention of Collisions) (Amendment) Regulation 1995 to implement the amendments stipulated in the International Regulations for Preventing Collisions at Sea 1972.

These amendments, of technical nature, will come into effect on November 4. They include:

- (a) standardising the signals to be displayed by:
  - (i) vessels engaged in trawling, regardless of their length;
  - (ii) vessels engaged in fishing, other than trawling, regardless of their length;
  - (iii) vessels engaged in fishing in close proximity to each other, by making it compulsory, rather than optional, for such vessels to display certain additional signals; and
  - (iv) larger vessels engaged in trawling and pair trawling, by making it compulsory, rather than optional, for such vessels to display certain signals relating to their operation.

- (b) adding provisions regarding certain vessels to regulate for example, the horizontal positioning of the forward masthead light in small vessels, the use of two all- round lights on vessels where it is impracticable for one light to meet the visibility requirements and the vertical positioning of the masthead light on high speed craft; and
- (c) the addition of signals from survival craft radar transponders to the list of signals to indicate distress and need of assistance.

The Regulation will be published in the Government Gazette tomorrow (Friday).

End/Thursday, November 2, 1995

#### Pre-war building in Sai Wan to be demolished

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The Building Authority today (Thursday) declared a two-storey pre-war building in Sai Wan as dangerous and should be demolished for public safety.

The Buildings Department posted a Notice of Intention at No 23 Yu Lok Lane, Sai Wan, this morning informing the occupants that demolition work would commence after a Closure Order was applied from the Kong District Court at 9.30 am on December 29.

The Chief Building Surveyor (Dangerous Buildings) of the department, Mr Kwok Yui-chung, said the building was mainly constructed of brick walls and timber joists.

"Many of the joists are badly rotten, and the timber staircase giving access to the roof has partially collapsed. Serious cracks also appear on the walls.

"The building is so dilapidated that it is considered structurally dangerous and beyond repair. It is necessary to close it for demolition in order to ensure public safety," he said

The Housing Department and the Social Welfare Department have contacted the affected occupants from two families to arrange for resettlement and to render assistance if necessary.

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Hong Kong Monetary Authority money market operations

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	\$ million	Time (hours)	Cumulative change (\$million)
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Opening balance in the account	2,692	0930	-115
Closing balance in the account	1,261	1000	-121
Change attributable to :		1100	-118
Money market activity	-141	1200	-115
LAF today	-1,290	1500	-115
		1600	-141

LAF rate 4.25% bid/6.25% offer TWI 122.4 \*+0.3\* 2.11.95

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.22	2 years	2708	6.06	100.72	5.70
1 month	5.34	3 years	3810	6.15	100.43	6.08
3 months	5.49	5 years	5009	6.95	101.51	6.69
6 months	5.53	5 years	M501	7.90	103.43	7.13
12 months	5.56					

Total turnover of EF bills and notes - \$26,568 million

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CS in LegCo debate on motion of thanks

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Following is the speech by the Chief Secretary, the Hon Anson Chan, in the Legislative Council debate on the motion of thanks today (Thursday):

Mr President,

This afternoon my colleagues have attempted to respond positively to the many comments and suggestions made by Hon Members during this debate. I hope it would be clear from their speeches that far from being a "sunset Government", we have made significant progress in a wide range of Government programmes since 1992. Furthermore we have ambitious plans to improve both the range and quantity of our services in the years to come. As some Members have recognised, these programmes are set out in detail each year in the Policy Commitments issued by each Branch Secretary, and reported on each year in our Progress Report. In the latter report, we have acknowledged both our successes and our failures as part of a sustained effort to make the Administration more open and more accountable. I believe we are unique in the world in doing this.

As my colleagues have already noted the Policy Commitments provide the answers to many of the complaints and criticisms made in this Council last week. In particular, they show that our programmes extend well into the future, beyond 1997, often into the next century. This should not be surprising. Hong Kong will not come to an end on 30 June 1997. Nor will its Administration. Even though there may be a few changes of personnel - as the Governor has often pointed out, there must be at least one! - the vast majority of civil servants will be at their desks, doing the same jobs and implementing the same policies, on the next working day after the transfer of sovereignty.

Co-operation with LegCo

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Many Members commented on what the Governor had to say about cooperation between the executive and the legislature. Unfortunately, most focused on the three sentences in which he referred to his constitutional power to refuse assent to legislation, and ignored the context in which he put this. Some even complained about "executive dictatorship", a concept which I find rather hard to accept when the Administration has no votes at all in this Council.

Let me remind Members what the Governor actually said. He made it clear that the Administration is committed to working together with Members of this Council on behalf of the community we both serve. But he also recognised that the buck ultimately stops with him, and that if he honestly felt that it was necessary in the best interests of Hong Kong, he would have to make use of the constitutional powers granted to him. This was no more than a recognition of the constitutional position. And it certainly was not meant as a threat, and I am frankly surprised that it should have been interpreted as one.

Be that as it may, many Members have expressed their concern that the Administration is not serious about co-operating with this Council, and that we do not take enough account of Members' views and suggestions. This is simply not true. We are fully committed to co-operating with this Council. How could it be otherwise, when we have to obtain your approval for every one of our legislative and financial proposals, without a single vote of our own to rely on? Almost every major piece of enacted legislation reflects the valuable input of Members of this Council. Many of the policy commitments are based on the initiatives and priorities of this Council. Of course, we may not always be able to accept every point that Members put to us. In such cases we will have a duty to do our best to explain our position. But it is wrong to suggest that the Administration must be at fault whenever it does not fully meet LegCo's wishes. Neither of us can claim to have a monopoly of wisdom. The important thing is that we should respect each other's constitutional role, and seek to foster a better mutual understanding and co-operation. Cooperation is after all a two-way process. At the end of the day, the executive has to decide what proposals it wishes to put forward, and the legislature has to decide whether or not it is prepared to accept them.

Two specific areas in which the Governor suggested that cooperation would be useful were in considering whether there was a need for more formal channels of communication between the executive and this Council, and in relation to the programme of legislation that we have put forward for the 1995/96 session. I have already written to the Chairman of the House Committee to set out the issues relating to the handling of Government business in LegCo that we wish to discuss with Members. I understand that the Sub-committee on Procedural Matters will be considering these next week, and I look forward to receiving their views. But I want to repeat now what the Governor said three weeks ago - our hope is that we can move forward by consensus whenever possible, rather than on parallel tracks, and we will spare no efforts to try and achieve this consensus.

## Co-operation with China

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I turn now to our relationship with China. Many Members have called for intensified efforts from the Administration as we move into the final phase of the transition. And rightly so. With only twenty months now left before 30 June 1997, there are still many issues important to people's livelihood, and to the economic and social development of Hong Kong, that need to be resolved quickly. Let me reaffirm our commitment to co-operate fully with China to ensure that these issues are resolved and that there is as smooth a transition as possible.

It goes without saying that we will continue to work towards the successful resolution of all items still on the JLG agenda. In this respect, I am glad that we have made some progress in JLG XXXIV, which has just ended in Peking earlier today.

On economic issues, we reached full agreement on the Intellectual Property regime to be applied to Hong Kong after 1997, including the localisation of Hong Kong's Registered Designs law, Patents law and Copyright law and the continued application of the Patent Co-operation Treaty after 30 June 1997. While CT 9 still remains to be resolved, the Foreign Ministers agreed last month that both sides should intensify their efforts to develop Hong Kong's container port. We will continue to work for a satisfactory resolution of this long-standing problem.

On legal issues, we agreed on the continued application to Hong Kong of two important civil aviation treaties on the carriage of goods by air, on one international convention on telecommunications which completes the arrangements for guaranteeing Hong Kong's continued participation in the International Telecommunication Union, and on a bill to localise the U.K. legislation on whaling. We have also agreed a model text for bilateral treaties relating to the transfer of sentenced persons. Much still remains to be done, but I am sure it is the wish of both sides to intensify co-operation so that the important issues still remaining on the agenda can be resolved.

Many Members also spoke of the need to co-operate fully with the Preparatory Committee. As the Governor made clear in his Policy Address, we will offer every practical assistance to the Preparatory Committee. The Committee will play an important role in the establishment of the future Special Administrative Region Government. It is important, therefore, that there should be close co-operation between the Hong Kong Government and the Preparatory Committee. We will do our best to ensure that this is the case.

Some Members expressed concern that the Preparatory Committee might develop into a second power centre or that civil servants might be placed in a situation where their loyalties were divided. I would like to reassure Members that we too are aware of these potential problems. In co-operating with the Preparatory Committee, we will ensure that whatever we do is fully consistent with the Joint Declaration and the Basic Law, that the Hong Kong Government's power of administration is not compromised in any way and that civil servants are not subject to conflicting loyalties. Within these parameters, however, we are prepared to be flexible and we stand ready to offer any assistance necessary to ensure a smooth and efficient transition.

We have, in fact, already begun to discuss with the Chinese side what sort of assistance the Preparatory Committee will require. I can assure Members that our dealings with the Preparatory Committee will be based on the important principles of openness and transparency, and that members of the community and Members of this Council will be briefed regularly on our exchanges.

Let there be no misunderstanding. This Administration will continue to govern Hong Kong until 30 June 1997. There can be no question of a parallel government, or of the Hong Kong Government shirking its responsibility. We are fully committed to taking all action necessary to ensure that after 1997 the Hong Kong SAR enjoys the high degree of autonomy pledged to it in the Joint Declaration and the Basic Law.

#### The civil service

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I turn now to the civil service. Only a few members felt it necessary to comment on the civil service in last week's debate. I very much hope that this was because Members of this Council recognise that the civil service is performing well, and that it is maintaining its high standards of service to the community. Indeed some Members spoke highly of the civil service's professionalism.

A few Members also referred to the need to maintain morale in the civil service, and I was grateful that this issue was recognised. I am sure that Members agree that maintaining a strong civil service is critical to achieving a smooth transition in 1997. We recognise of course that many civil servants are worried about 1997. One way to alleviate these worries is for them to get to know their Chinese counterparts better - at all levels. Some Members still seem to believe that there is limited contact between Hong Kong and PRC officials. The truth is very different. At working level, many departments have literally daily contact with the Chinese side on both day to day and more important issues. And a large and increasing number of officials from both sides visit the territory of the other on familiarisation tours, fact finding missions and sponsored visits.

Nevertheless, while many of our Secretaries and Heads of Departments have working contacts with their Chinese counterparts, we accept that there is scope for these to be broadened and deepened. We were therefore very pleased when the two Foreign Ministers announced last month that there would be informal get togethers, in Hong Kong, between senior Hong Kong civil servants and officials of the Chinese Government. This will enable both sides to get to know each other better, not only in the work context but also at a personal level. Both sides are keen to begin this process, and we have now agreed with the Chinese side on the detailed format of the get-togethers. I hope that it will be possible for the first meeting to take place later this month.

Another way of maintaining morale in the civil service is to ensure that we are well prepared for the transition, in terms of our understanding of China and its systems and by increasing the use of Chinese, including Putonghua. We have therefore embarked on a major programme to provide training on China related issues and to improve our ability to work and communicate in Chinese. Our aim, as Members will know, is to become a biliterate and trilingual civil service. But it is very important that, in our quest to upgrade our standard of Chinese, we do not allow our high standard of English to slip. And we must ensure that our expatriate colleagues are given the opportunity to continue to contribute to Hong Kong's development. We have some way to go before we achieve our goal. But Members' approval last week of \$112M for the purchase of computer equipment and the provision of related training will help us considerably.

#### Corruption

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Finally, I would like to say a few words about corruption and the work of the ICAC. Members made various comments about the current and future role of the ICAC, its powers, transparency, accountability and resources. The public has also told us through surveys that they are concerned about the future of the ICAC beyond 1997. I would like to make three points:

- (a) The Basic Law provides for the continuation of the ICAC after 1997;
- (b) We are determined to continue to fight corruption in Hong Kong both before and after 1997, as successfully as we have done in the past 20 years; and

- (c) The ICAC was established as a result of public demand in 1974. Continued public support will see the Commission through 1997 and into the 21st century.

The Commissioner of the ICAC recently visited the Hong Kong and Macau Affairs Office in Peking. Officials there made it clear that the Chinese Government wanted the fight against corruption in Hong Kong to continue vigorously both before and after 1997, to maintain confidence in Hong Kong and ensure that it continued to be an international financial and business centre. They also stressed the importance of cooperation between the ICAC and the anti-corruption authorities on the mainland, a view entirely shared by the Commissioner.

The Administration shares members' views that the ICAC must have sufficient powers to combat corruption. As Members will know, these powers were reviewed in 1994 by the ICAC Review Committee. The Committee's recommendations were accepted by the Government and the legislative proposals necessary to put them into effect are the subject of a Bill currently before this Council. The recommendations of the Committee for increased transparency in the ICAC and for changes to some of the ICAC's Advisory Committees were also agreed and are being implemented. In particular, Members of this Council will continue to be appointed to the Advisory Committee on Corruption, the main advisory committee for the ICAC.

The Commissioner believes that, despite the increase in reports of corruption, he has sufficient resources for the time being. If he sees a need for additional resources, he will seek them. Corruption in the public sector, particularly in the disciplined services, will continue to be the prime concern of the Commission. But the education of young people about the evils of corruption is not being overlooked. The ICAC will soon be holding a major conference to launch a Youth Ethics Programme. The Administration will continue to place great importance on the work of the ICAC.

To conclude Mr President, let me reaffirm the Administration's determination to work constructively with members of this Council and with the community in achieving the ambitious goals we have set ourselves. Together, I believe we can demonstrate that Hong Kong is ready for a fully elected legislature, a legislature that can contribute towards stability and a smooth transition while at the same time creating wealth so that we can continue to make social progress. This must be our common objective. Members of this Council play a vital role in our system of Government and my colleagues and I look forward to working closely with all members as part of an Administration in which hopefully the sun never sets.

Thank you, Mr President.

End/Thursday, November 2, 1995

### FS in LegCo debate on motion of thanks

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Following is the speech by the Financial Secretary, the Hon Donald Tsang, in the Legislative Council debate on the motion of thanks today (Thursday):

#### Working with LegCo for the Public

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In his Policy Address, the Governor said that the Civil Service, no matter how effective its performance, never expects headlines in the press to read "Government does a great job". He also predicted that the response of this Council to his Address, to the Progress Report and to the Policy Commitments, would be a blend of fair-minded appreciation of what has been achieved and demands for higher standards, new policies and greater accountability. He was right in the case of a selected number of speeches that I heard on Wednesday and Thursday last week, but the focus of many others seemed to fall elsewhere.

Before I respond to the many specific proposals advanced by Members in their contributions in this debate, I would like to take up two important general issues. The first concerns the assertion, made specifically by several members and implied by many others, that the Government does not listen hard enough to the views of this Council or to the community.

Let me emphasise just how seriously the Hong Kong Government takes your comments and criticisms.

Many of the 471 outstanding Policy Commitments from the Governor's first three Policy Addresses had their origins in suggestions from Members of the Legislative Council.

Many of the 343 new initiatives announced by the Governor this year also have their origins in ideas and suggestions from Members of the Legislative Council.

The consultation on the Budget, which began before the summer recess, is a six-month process of listening to the views of Members of this Council to ensure that the Budget addresses the real concerns of the community. As Members know, I have recently started the second stage of this vital exercise.

Of course the Government listens. And the Government also responds. This is the second general point I wish to make. Over the past three years there has been a revolution in the culture of our public service. The principles of performance and service are now the very essence of the relationship between the Civil Service and the community. I hope Members will not lose sight of this essential fact of Hong Kong's political and administrative life as they make their contributions to the many important debates which lie ahead of us in this session.

The Chief Secretary will have more to say on the subject. Sufficient for me to say briefly here that the totally transparent way my colleagues have spelt out our policy commitments and evaluate the results every year have given a whole new meaning to public administration.

In his Policy Address last month, the Governor stressed that the Government and the Legislative Council must work together, otherwise any plans to improve our services will amount to nothing more than good intentions. The Administration takes this policy to heart. My colleagues and I attach great importance to the views of this Council in shaping our proposals to Members. Of course, there will be differences of opinion. Of course, the Government will sometimes express its views very forcefully. Of course, there will be vigorous debate. But our guiding principle, our shared guiding principle, must be the best interests of the community we serve. Equally, the community has the right to know in full the arguments for and against the policy proposals under debate in this Council.

It falls to me to start the Government's response to the many important points made by Honourable Members last week. For me as Financial Secretary, the single most important issue was the very real concern which Members expressed over their perceptions of the current state of Hong Kong's economy.

I have been presented with a very substantial agenda. Members have asked me to produce packages to stimulate the economy, and to reduce inflation, unemployment, the income gap and taxes. In themselves, these are all laudable objectives, which the Administration is fully prepared to discuss further with Members. I will address these issues individually today and, in more detail, during the separate debates in this Council scheduled for next week.

## The Economy

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Let me start with the general state of Hong Kong's economy. I have heard Members use the term "recession" to describe its present or projected condition. I do not believe that "recession" is an appropriate way to describe our economy, which is growing this year at a rate of 5% in real terms. A commonly accepted definition of a recession is when the actual level of an economy's GDP has fallen - I repeat - fallen over a continuous period of, at least two consecutive quarters. We are scarcely in such a situation. In the first quarter of 1995, the economy grew by 5.9%, due to a particularly strong rise in export levels. As some members have pointed out, it is simple arithmetic that in forecasting a 5% growth for the year, the growth rate is likely to moderate to below 5% during the latter part of the year. But, for the year as a whole, I would still expect the economy of Hong Kong to achieve real growth of around 5%. This is very much in line with the forecast trend growth rate on which the Government bases its revenue and spending plans.

I acknowledge that this growth rate represents a slower pace of economic expansion than we had forecast at the start of the year. But I do not accept that a reduction in our forecast growth rate for the year from 5.5% to 5% justifies the more lurid media reports of doom and gloom that have accompanied the release of recent economic data. By no stretch of the imagination can Hong Kong be described as in recession or even threatened by recession. What we are seeing now is a moderation of the very rapid speed at which our economy grew in the latter part of the eighties.

The present rate of 5% growth would be the envy of many industrialised countries, which understand the full meaning of the term "recession" because they have suffered sustained declines in GDP. Through hard work and some good fortune, Hong Kong, like many of this region's economies, has remained largely untouched by the latest global recession.

While we should never be complacent about our own performance, we must accept that, even for resilient and entrepreneurial Hong Kong, an open economy means that we cannot escape completely from the consequences of major shifts in the market-place or cyclical downturns of the global economy. This means that, from time to time, the pace of growth will slow down. Let me emphasise that it is the pace of growth that may decline. But I do not expect that, even in a global recession, Hong Kong's GDP will fall in actual terms. I base this confidence on Hong Kong's record of unbroken annual growth in GDP for the past 35 years.

At the moment we are in the phase of the business cycle which brings lower growth. We are currently experiencing a slow-down in domestic consumption after several years of remarkable buoyancy. A period of consolidation of the stock and property markets began somewhat earlier and has also affected local sentiment and consumption and, of course, reduced the "feel good" factor.

However, let us place all this in context. We continue to perform well on the external trade front. In the first nine months of this year, domestic exports, re-exports and exports of services all grew in real terms, with the last two in particular registering double digit increases over the same period in 1994.

The growth in investment activity has also been impressive over this period. Investor confidence has remained solid. Retained imports of capital goods were up by 28% in the major sectors for the first nine months of this year.

With significant injections of public and private funds taking place in such infrastructure projects as the Airport Core Programme over the next few years, and potential projects, such as the Railway Development Strategy, on the drawing board, a high level of investment looks set to continue well into the next century.

#### Short-Term Economic Stimulus

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These facts scarcely point to a recession. But I must repeat : we are not complacent about our economic performance, and I am grateful for Members' suggestions about ways to overcome our current problems and improve our future performance. But there are limits to what can be done. Before we embark on new policies, we must be certain that the proposals for change are necessary, and not just short-term gestures which could do lasting harm; they must be effective, and not just a matter of throwing taxpayers' money at problems; and they must be within the Government's proper responsibility and not just an excuse for clumsy intervention in the economy.

I will have more to say on this and on our longer-term economic strategy during the Motion Debate on the economy next week. But, in general, I would ask Members to bear in mind the experience of advanced economies elsewhere that short-term measures designed to "kick-start" the economy can be costly, are often of doubtful usefulness and can have harmful consequences over the long term.

Members have suggested that Government should set up an Economic Development Board, Council, Committee, or similar agency, with public participation. This new body would be tasked with steering Hong Kong's economic development in the "right direction", winning more foreign inward investment, tackling our economic problems and making us more competitive. These are all worthwhile endeavours.

But it is not immediately clear to me whether Members are proposing policy-making and executive powers for this body or whether it would function simply as an advisory capacity. If the latter, I doubt whether the formation of such a body would add much more than an extra layer of redundant bureaucracy to the existing and well-tried network of advisory committees, boards and committees. These already provide the Government with valuable views and suggestions on economic and related issues. The Governor's Business Council and my own Economic Advisory Committee are two such examples.

If, on the other hand, the intention is that we should give this body powers to make and implement policies for economic development, I would have serious reservations. So I think would a majority of Members of this Council. First, this would derogate from the Government's existing duty to formulate policy on economic issues. Second, such a body might lead us to stray from our fundamental economic strategy which leaves the private sector to generate our economic growth free from government direction and interference. The direction on the private sector has served us well during more than three decades of sustained economic growth. It is generally accepted by the community. I am by no means convinced that a radical departure from our well-tried economic principles would be in Hong Kong's best interests.

#### Revenue Measures

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I am grateful for Members' suggestions regarding possible taxation measures that we might adopt in order to advance our economic interests. As I mentioned earlier, I am now in the process of consulting Members on the revenue measures for the next Budget. This consultation exercise is an important part of the Budget exercise. I can assure Members that we will be considering their views and advice in detail and with great care before I formulate my proposals for the next Budget.

I am sure that Members will wish me to consider their ideas for tax cuts with one eye on our established fiscal policies and on the other on our actual budgetary position. We will need first to ask ourselves two questions : First, can we afford the concessions? Second, will the lower taxes provide relief where it is needed most ? And, while tax concessions are superficially attractive, they can have very serious and wide-ranging implications for our economic performance as a whole.

On a matter of budgetary strategy, I would also like to remind Members that the Governor in his Policy Address proposed a convincing way to reassure Hong Kong and our trade and investment partners of our commitments to financial stability and to an open economy. This would be for Members to endorse the simple rule that government expenditure should increase over time only in line with the trend growth rate of economic growth. I hope Members will give further careful consideration to this suggestion.

Members have also expressed their and the community's legitimate concerns about inflation, unemployment and the gap between the rich and poor. They deserve, and receive, our continued attention.

#### Inflation

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Our current level of inflation remains relatively high. However, allowing for some short-term volatility in consumer prices, the underlying trend during the course of the year has been downward. The year-on-year rate of increase in Consumer Price Index (A) was 9.5% in the first quarter, 9.2% in the second and 8.6% in the third. As the US dollar gathers strength, inflationary pressures from imports are falling. Locally-generated inflationary pressures are also easing up. We have stabilised the property market through the package of measures we announced last year, we have also stepped up our efforts to provide more land for development.

Inflationary pressures generated by the labour market have eased. As we move from a manufacturing to a service-based economy, we have experienced a structural change in the labour market, resulting in a temporary skills mismatch. In addition, the labour supply is growing this year more rapidly than demand for workers as more former residents return to Hong Kong and the new immigration quota brings in young people of working age from China.

Land and labour are the key resources for our overall production capacity. By ensuring a larger and more stable supply of both for the future, we will help to stabilise costs, contain inflation and maintain our competitive edge.

## Unemployment

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There is of course a less welcome side to any slackening of the labour market. I am well aware of the impact of increased unemployment on those who lose their jobs and on their families. We regard the rise in the unemployment rate as a matter for serious concern. The Governor held a summit in June to discuss unemployment with union and business representatives. That led to immediate measures to tackle the problems which had aggravated the situation: illegal employment and skills training and matching. The Governor has organised a second summit for next Thursday. I am sure its deliberations will make a further valuable contribution to tackling this issue.

The Secretary for Education and Manpower will have more to say on the steps being taken. I would simply like to point out that from the perspective of Government, the private sector and the employee, it is clearly in the best economic interests of Hong Kong to have a work force that is stable, well-trained and fully employed, and one that enjoys a good working relationship with its employer. Industrial harmony has been a notable feature and important contributor to Hong Kong's economic success over the past years. It is essential for the maintenance of our future growth.

## Income Gap

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Members have also drawn attention to the problem of the growing gap between the rich and poor. This is a long-term social issue rather than one related to short-term fluctuations in the economy. Over the past ten years or so, those at the higher end of the income spectrum have enjoyed faster rises in income than those at the lower end. The lower income groups, nevertheless, have recorded considerable income increases over the period. This means that their well-being has also been improving in real terms, although at a slower rate.

In a free market economy such as ours, we do not set ourselves the objective of a completely even distribution of income. Instead, we set ourselves the objective of trying to ensure that everyone benefits from economic success. That is why we have gradually refined our tax system to assist the less well-off. That is why our public housing programme provides highly-subsidised accommodation for nearly half of all our households. That is why we have adopted substantial welfare measures and have increased welfare spending within our overall spending guidelines. And that is why in the past three years, we have increased the average monthly CSSA payment by 60%. Provided we can afford them, we will continue to make improvements to the scope and level of social welfare assistance in our community.

Conclusion  
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Overall, Hong Kong's economy is in good shape. We are not staring at a recession. Our sound economic policies have served us well for many years and look set to do so for many years to come. Market forces have effectively corrected the earlier over-heated property sector and are already working on the apparent over-supply of labour. Inflation is coming down. At the same time we are channelling resources, in accordance with the principle of "living within our means", to help those who are most in need of them.

I said at the beginning of my speech that Government listens and Government responds. In closing, I should like to assure Members we are indeed here to listen to and respond to their views. We look forward to forging a close and effective partnership with them in the service of the people of Hong Kong in the challenging times that lie ahead.

End/Thursday, November 2, 1995

SHA in LegCo debate on motion of thanks

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Following is the speech by the Secretary for Home Affairs, Mr Michael Suen, in the Legislative Council debate on the motion of thanks today (Thursday):

Mr President,

Equal Opportunities  
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A number of Members have raised the subject of equal opportunities in this year's Policy Debate. The first point I would like to make is that the Government remains wholly committed to the principle of equal opportunities for all. Implementation should be done on a step by step basis. The enactment of the Sex Discrimination Ordinance and the Disability Discrimination Ordinance some three months ago are direct results of that commitment. The two Ordinances make it unlawful to discriminate against a person on the grounds of sex, marital status, pregnancy and disability. They guarantee that the people of Hong Kong will enjoy a similar level of legal protection, in respect of equal opportunities between the sexes and between people with and without disability, as is provided for in other advanced societies.

Discrimination is an issue which is closely associated with societal values and personal beliefs. Public education is needed to enable the community at large to have a full understanding of the meaning of "equal opportunities for all". We have, since the enactment of these two Ordinances, actively promoted awareness of their provisions. We have also allocated additional resources to step up public education on equal opportunities. The Committee on the Promotion of Civic Education has launched activities to promote equal opportunities.

#### Equal Opportunities Commission

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To facilitate the early commencement of the Sex Discrimination Ordinance and the Disability Discrimination Ordinance, preparation for the establishment of the Equal Opportunities Commission is now well underway. A preparatory team has been set up in Home Affairs Branch to oversee all the necessary arrangements and work is progressing well. We hope to bring the Equal Opportunities Commission into operation by the end of this year. The Commission will have an annual recurrent budget estimated at \$65 million. Proposals for funding the Commission will be submitted to the Finance Committee shortly.

#### Studies on Family Status and Sexuality

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In respect of other areas of discrimination, the Government committed in July this year to undertake studies on discrimination on the grounds of age, family status, and sexuality, and to report to the Legislative Council the conclusions of these studies within the current legislative session. The study on age discrimination is being undertaken by Education and Manpower Branch, and my colleague, the Secretary for Education and Manpower will explain separately what his Branch is doing in this regard.

Home Affairs Branch has already embarked on studies with respect to discrimination on the grounds of family status and sexuality. These involve extensive research and assessments of the problem of discrimination. Our research involves an examination of experience overseas and a series of discussions with interested groups to identify the problems and possible measures to tackle them.

In respect of the study on sexuality, an opinion survey has just been completed to ascertain public attitudes in this area. Some have questioned the necessity, and even Government's motives, in conducting such a survey. I would like to explain briefly the Government's position in this regard. Unlike family status and age which have been discussed widely in the public domain, there has not been a focused discussion in respect of discrimination on the ground of sexual orientation. An informed public debate on the matter, we believe, is possible only if we have a full understanding of the different concerns of the community as a whole. We have also been obtaining the views of various groups, including groups representative of homosexuals, to ensure a full and fair understanding of the issues in question.

After we have completed our research and assessments of the problems involved, we will come up with proposals on various measures to tackle the problems identified, including legislative options. Our target is to publish the relevant consultative documents before the end of the year for public consultation over a two-month period. If, after this exercise is completed, it is concluded that the legislative option should be pursued, we would aim to introduce the legislation into this Council before the end of the current session.

#### Private Members' Legislation

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Some Honourable Members have indicated interest in reviving proposals contained in the private member's equal opportunities legislation proposed by Ms. Anna Wu in the last legislative session. I hope Honourable Members will recognise the unity of our common purpose in seeking to promote equal opportunities. The studies now being undertaken by the Government are essential for ensuring a full appreciation of the different issues involved and we have set a tough timetable for their completion. I urge Honourable Members to allow the Government time to complete this necessary work before considering whether or not to undertake legislative initiatives of their own in this area.

## Women's Rights and CEDAW

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Some Members suggested that a central body should be established to oversee matters concerning women rights. The Government operates on a functional basis and policies pertaining to women are being vigorously implemented by different Government departments and subvented agencies. Different aspects of women development, including worker retraining, family, health, other supportive and remedial services, are addressed by various government departments such as Labour Department, Department of Health, and Social Welfare Department. A separate body to oversee women issues would only result in overlap and duplication of work. The Home Affairs Branch has for some time been playing a co-ordinating role in women issues, and we believe such role has been strengthened through our participation at the Fourth World Conference on Women of the United Nations in September this year. Since the Conference, we have forged much closer ties and co-operation with non-government organisations. This will facilitate the implementation of the Platform for Action adopted at the Beijing Conference.

Implementation of the Platform is an on-going process demanding the commitment and continual efforts of both the Government and non-government organisations. Different parts of the Government will be involved, and the Home Affairs Branch, as co-ordinator within Government on women issues, has already initiated discussions with women's groups to seek their views on the implementation of the Platform for Action.

In respect of women's rights, we are also keen to see the early extension of CEDAW to Hong Kong. After we announced in June 1994 the intention to seek the extension, we had initiated discussions with the UK Government. The discussion had to be held in abeyance because the UK was reviewing its reservations under the Convention. The UK recently announced at the World Conference in Beijing held in September its intention to withdraw many of its current reservations in respect of CEDAW. We have since then examined the impact of the withdrawal of such reservations on Hong Kong. The draft list of reservations that should be extended to Hong Kong is now being finalised. We will seek to agree with the UK Government the list of reservations as soon as possible, preferably before the end of this year. Once an agreement has been reached, we shall commence consultation with the Chinese Government through the Joint Liaison Group.

## Bill of Rights Ordinance

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Several Members have referred to the proposals by the Legal Sub-group of the Preliminary Working Committee (PWC) to repeal sections of the Bill of Rights Ordinance and readopt the former versions of certain laws that have been amended following the Ordinance's enactment. The proposals have raised widespread expressions of opposition in the community. The Government's position is clear. We attach great importance to the protection of human rights through the rule of law, an independent judiciary and the Bill of Rights Ordinance. Article 39 of the Basic Law makes it clear that the International Covenant on Civil and Political Rights shall be implemented through the laws of Hong Kong. The amendments to the six pieces of legislation referred to by the PWC were intended to bring the relevant laws into line with the ICCPR. There is no inconsistency between the Bill of Rights Ordinance and the Joint Declaration and Basic Law and we see no reason for it to be amended in the way that has been suggested. The community has made it clear that we regard the Preliminary Working Committee's proposals as a retrograde step, one that will create a great deal of uncertainty and seriously undermine confidence. We have taken the matter up at the meeting of the Joint Liaison Group this week and will continue to press the Chinese side through formal channels.

## Rural Planning & Improvement Strategy (RIPS)

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Some concerns have been expressed over the slow progress of work in the implementation of the Rural Planning & Improvement Strategy (RIPS).

Let me reassure Members that Government is fully committed to completing the RIPS programme within the original timeframe of 1999/2000. Of the \$5 billion available for this programme, \$3.4 billion has been earmarked for Major Works which fall under the responsibility of the Director of Territory Development costing over \$15 million each, and \$1.6 billion for Minor Works which fall under the responsibility of the Director of Home Affairs costing less than \$15 million each.

I took over responsibility for the RPIS Minor Works in August 1994. We have already made swift and effective progress in speeding up the implementation of the Minor Works, in no small part due to our long and close links with the rural community. Since taking over, we have introduced a two-tier committee system to encourage local participation and to involve the rural community more closely in the Minor Works programme. The central Steering Committee, chaired by the Director of Home Affairs and comprising New Territories (NT) District Board Chairmen, Heung Yee Kuk representatives and senior Government departmental officials, is tasked with overseeing the general implementation of the RPIS Minor Works programme and offering advice and assistance to help speed up the programme's implementation. To complement this, each NT District Officer chairs a District Working Group, comprising local leaders and Government representatives, which is responsible for overseeing the programme within its district, setting district priorities for projects and assisting to overcome any objections or disputes arising from implementation of the projects.

#### New Arrivals

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Lastly, I would like to turn to the subject of services provided to new arrivals from China and explain how we plan to monitor and assess the services provided to them, so that their needs are met as far as possible.

The most frequent problems facing new arrivals are educational needs, language training, social services, as well as their lack of familiarity with Hong Kong generally. The Government is anxious to ensure that Hong Kong continues with its fine tradition of integrating new arrivals into the wider community. To this end, we are already subventing the International Social Service - Hong Kong Branch (ISS) to run a Traveller's Aid Desk at the Kowloon Railway Station where new arrivals are helped to make contact with their relatives and given general information on the social services available. The ISS also operates an office at the Immigration Department so that when the new immigrants apply for their Hong Kong Identity Cards, they have another opportunity to seek assistance and be referred to relevant social services.

Regarding education, support services are available to help children of new immigrants to adapt to Hong Kong. These include induction and remedial English programmes organised by agencies, remedial teaching and special counselling services provided by schools.

Apart from the above, the Director of Home Affairs who has been tasked to monitor and assess the services provided for new immigrants, has established a steering committee bringing together service providers, such as the various Government departments providing direct services, as well as Non-Government Organisations, to ensure that we are providing the right services and that these services are reaching their target. To complement the work of the committee, each District Office will collect and collate information on new immigrants in the respective district, to monitor and assess the services which are provided to them, and to reflect the findings through the steering group to the departments and agencies concerned. This will ensure that the needs of new arrivals are met in a comprehensive and co-ordinated manner.

We hope that with these initiatives, we can ease the process of integration for new arrivals into the community at large as quickly and effectively as possible.

End/Thursday, November 2, 1995

Methodologies used to set CSSA rates further elaborated

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To peg the Comprehensive Social Security Assistance (CSSA) rates to 30 per cent of the median wage as suggested by some Legislative Councillors would be totally contrary to the Government's philosophy of assessing payments against individual needs.

This was stated by the Secretary for Health and Welfare, Mrs Katherine Fok, during the motion debate in the Legislative Council today (Thursday) to thank the Governor for his Policy Address.

Mrs Fok said CSSA provided the vulnerable with a safety net to meet basic needs for food, clothing, housing, fuel, light, water and transport as well as for household goods.

In addition, payments are made to meet the education expenses of children. Medical treatment for recipients at public clinics and hospitals is free.

"To set rates by reference to a percentage of the median wage would be too rigid to address needs; it should also be borne in mind that the median wage can drop in times of recession." she said.

"At such times it would not necessarily be wise to decrease welfare payments as well.

"It may be of some academic interest to note that the average CSSA payment for a single elderly person already represents about 29 per cent, and for a family of four represents 95 per cent of the median wage."

Turning to suggestions from members to increase the CSSA standard rates in line with the recommendations in Professor MacPherson's Report of June 1994, Mrs Fok maintained that the approach adopted in the Report was to provide a level of financial support to the vulnerable to enable them to enjoy a certain lifestyle.

This approach, she added, inevitably involved certain subjective judgments as to what type of lifestyle should be assumed to be appropriate, especially in terms of recreational and social activity.

While the Government's basic philosophy is different from that adopted in the Report, the methodologies used by both are not that far apart.

"But we have one key advantage in that we have been able to use the statistics produced by the first six months of the latest Household Expenditure Survey (HES)," Mrs Fok explained.

"This has enabled us to compare our CSSA standard rates with what CSSA recipients say they spend and with what people in lower income groups also say they spend monthly.

"These statistics showed us quite clearly that the CSSA standard rates for certain groups of recipients were too low. As a cross-check on the results of this HES-based methodology, we also built up a basic needs budget for each category of CSSA client.

"Although more work needs to be done to refine further this approach, the preliminary results broadly supported the conclusions we reached using the HES method."

For comparison purposes, the Government has compared the expenditure patterns of CSSA recipients with the group nearest to them in terms of financial resources, that is the lowest five per cent income group.

"The result of this exercise, I can confirm, would have been the same even if we had used the lowest 15 per cent income group.

"In other words, the monthly expenditure of all persons in the lowest 15 per cent income group was lower than the CSSA standard rate payment for all categories other than adults and elderly persons living in a family.

"I fully understand members' surprise regarding some of this data, especially those relating to the elderly. But we cannot simply ignore what the Survey tells us."

Some members had called for an increase in the level of assets a person should be able to hold while being eligible for CSSA payments. This related to a desire of some members to widen the CSSA safety net to support more of the unemployed.

In this respect, Mrs Fok strongly cautioned against any attempt to "hijack" the CSSA scheme to address problems it was never intended to address, whether this be unemployment or, retirement protection.

She reiterated that CSSA was a non-contributory scheme created to provide a safety net to meet basic needs. Elsewhere in the world, schemes designed to support appropriate lifestyles for the unemployed or for retired persons were contributory in nature.

As regards the Hon Law Chi-kwong's request to fund social security and welfare services from separate accounts, Mrs Fok emphasised that within the limits of welfare spending, it was important to strike the right balance between spending on social security and direct welfare services.

Spending on welfare has been growing rapidly; this year it will have increased by 24 per cent in real terms over last year.

Since 1991-92, as a proportion of total recurrent public expenditure, welfare expenditure has grown from 7.8 per cent to 9.2 per cent.

"This is good news, but we must be careful not to allow the lion's share of this increased expenditure to go on social security funding instead of on the necessary sustained upgrading and expansion of welfare services," said Mrs Fok.

"When we come to examine the full recommendations of the CSSA Review, we must bear in mind that the total funding available for welfare is limited.

"There is inevitably, therefore, a trade-off; greatly increased expenditure on social security could, indeed, mean relatively less for expanding welfare services."

Mrs Fok also touched on the need to continue to nurture with care the co-operation and partnership between the Government and the non-government sector to meet the welfare needs of our community. However, she said to nurture was not to freeze that relationship.

"It must be allowed to grow and respond to changing times. A constructive dialogue is currently in hand regarding how we might modernise our subvention systems to allow our partnership with the NGO sector to grow stronger and flourish well into the next century.

"The Subvention Consultancy Study will, I hope, make some fundamental recommendations for change. Those changes are likely to give the NGO's much greater freedom to deploy resources provided by Government in a more effective way to meet the standards of performance required in all service areas," she said.

Turning to the health side, Mrs Fok said the Government objectives in the promotion of primary health care were clearly defined.

She noted that the main health problems in our community were addressed through a comprehensive programme of promotional, preventive, curative and rehabilitation services. The establishment of a Health Care and Promotion Fund further illustrated the Government's commitment to increasing health promotion, preventive care and associated research. In disease prevention, the immunisation and health education programmes for children are on-going and a new Student Health Service has been introduced.

It is also Government's policy to improve the oral health of the population by promoting oral hygiene and oral health awareness in the community, targeting in particular young people. Curative service is also provided to specific groups on a need basis.

On some members' comments about the Government's monitoring mechanism of the Hospital Authority, Mrs Fok said the Authority was required by law to furnish the Secretary for Health and Welfare with all relevant information relating to its operation and the facilities for verification of such information.

The Authority's Annual Accounts and Annual Report are tabled in the Legislative Council. Quarterly meetings are also held between the Government and the Authority to review its performance against agreed targets.

She further assured members that adequate staff would be recruited to avoid possible delays in the commissioning of new hospitals.

To address some members' concern over the improper use of drugs by medical practitioners, Mrs Fok said a working group had been set up to see how the medical profession's code of practice on the improper use of drugs could be tightened.

End/Thursday, November 2, 1995

SHW in LegCo debate on motion of thanks

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Following is the speech by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council debate on the motion of thanks today (Thursday):

Mr President,

I wish to thank Members for their useful comments and views on Health and Welfare matters and welcome this opportunity to reply to some of them.

Let me start with Health Issues.

On the promotion of primary health care, our objectives are clearly defined. The main health problems in our community are addressed through a comprehensive programme of promotional, preventive, curative and rehabilitation services. In collaboration with the private sector, we provide a wide range of primary health care services.

Demographic characteristics and medical needs of the target community are the key factors which we take into account in providing clinics and health centres. My policy commitment already sets out our plan to increase primary health care centres, as well as providing elderly health centres and woman health centres. Other than these, in disease prevention, our immunisation and health education programmes for children are on-going and we have introduced a new Student Health Service. The establishment of a Health Care and Promotion Fund further illustrates our commitment to increasing health promotion, preventive care and associated research.

Dr the Hon Leong Che-hung suggested the development of a proper dental care policy. In oral health care, our emphasis is on prevention. Our policy on dental care therefore aims to improve the oral health of the population by promoting oral hygiene and oral health awareness in the community, targeting in particular our young people. Basic dental care is provided to some 380,000 primary school children through the School Dental Care Service.

Curative service is provided to specific groups on a need basis. We provide emergency dental service to the community at eleven dental clinics throughout the territory. Curative service is also provided to hospital patients as well as mentally and physically handicapped persons. CSSA recipients can obtain an allowance under the CSSA for private dental services.

Some Members spoke about the Government's monitoring mechanism of the Hospital Authority. The Government monitors the Hospital Authority's operation through a combination of statutory provisions and administrative arrangements. The Hospital Authority is required by law to furnish me with all relevant information relating to its operation and the facilities for verification of such information. The law further provides for a copy of its accounting statement and annual report to be tabled in this Council. Quarterly meetings are also held between Government and the Authority to review its performance against agreed targets. The Hospital Authority Board, comprising mainly unofficials including two Members of this Council, on which I am also represented, plays a very important role in the planning and management of hospital services. I shall of course continue to keep in view the effectiveness of the monitoring mechanism which is currently in place.

With regard to the roles of the public and private healthcare sectors, we see a clear need for both. Our policy is to encourage collaboration to ensure quality and continuity of patient care. In this respect, the Hospital Authority is in dialogue with private doctors and hospitals on how closer collaboration can be effected through a better referral system. The aim should be to make the best use of both public and private sector resources to meet community needs.

The Hon Michael Ho has asked for an assurance that adequate staff will be recruited to avoid possible delays in the commissioning of new hospitals. Adequate manpower is fundamental to the provision of healthcare services. We are mindful of the need to recruit adequate healthcare staff, particularly nurses, to ensure the timely commissioning of our new health care facilities. A planning process is in place to work out in advance with the Hospital Authority the projected manpower requirements and to draw up corresponding training and recruitment plans.

Some Members have expressed concern over the improper use of drugs by medical practitioners. To address this matter, the Hong Kong Medical Council, together with the Department of Health and the Hong Kong Medical Association has set up a working group to see how the medical profession's code of practice on the improper use of drugs can be tightened. The outcome of the working group's deliberations is expected by early 1996.

Government's health policy is clear. It is that no one should be denied adequate medical treatment through lack of means. With increasing demand and escalating costs, there is understandably a growing concern over the community's ability to finance our healthcare system. We are not alone in this. Many developed countries are facing this very same situation. We will be consulting Members in due course on proposals for a long-term healthcare financing strategy, including the issue of itemised charging about which several Members have spoken. One key issue that first needs to be resolved is how to improve public sector services while containing costs and recognising the role of the private sector.

#### Welfare Issues

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I should now like to turn to welfare issues raised by Members and will start with social security payments. The Governor announced significant increases in the Comprehensive Social Security Assistance - or CSSA - standard rates for adults and elderly persons living in a family unit with effect from April next year. This is a proposal which will cost about \$300 million to implement and will benefit about 52,000 people. We estimate that it will increase the average payment to a family of four to \$9,180 per month.

Members have raised a series of specific concerns relating to this announcement which I should like to address today.

Many expressed the view that CSSA standard rates should be increased still further - especially those for the elderly - and some suggested that reference should be made to the recommendations in Professor MacPherson's Report of June 1994.

We gave a considered response to that Report at a meeting of this Council's Welfare Services Panel on 7 September 1994. The approach adopted in the Report was to provide a level of financial support to the vulnerable to enable them to enjoy a certain lifestyle. This approach inevitably involved certain subjective judgments as to what type of lifestyle should be assumed to be appropriate, especially in terms of recreational and social activity.

Our approach to social security is different. We consider it to be a safety net. It is this fundamental difference in approach which has led us to arrive at different payment levels. The level of payments in our system are set to cover basic needs for food, clothing, housing, fuel, light and water and transport as well as for household goods. In addition, payments are made to meet the education expenses of children. Medical treatment for recipients at public clinics and hospitals is free.

Whereas our basic philosophy is different from that adopted in that Report, our methodologies are not that far apart. But we have one key advantage in that we have been able to use the statistics produced by the first six months of the latest Household Expenditure Survey (HES). This has enabled us to compare our CSSA standard rates with what CSSA recipients say they spend and with what people in lower income groups also say they spend monthly. These statistics showed us quite clearly that the CSSA standard rates for certain groups of recipients were too low. As a cross-check on the results of this HES-based methodology, we also built up a basic needs budget for each category of CSSA client. Although more work needs to be done to refine further this approach, the preliminary results broadly supported the conclusions we reached using the HES method.

I shall pause here to address a technical point raised by some Members about our methodology. For comparison purposes, we looked at the expenditure patterns of those in the lowest 5 per cent income group - that is the income group immediately above those on CSSA. We did so because we consider it natural to compare CSSA recipients, the most vulnerable in our community, with the group nearest to them in terms of financial resources. For those uncomfortable with this approach, I can offer some further elaboration.

The result of this exercise, I can confirm, would have been the same even if we had used the lowest 15% income group. In other words, the monthly expenditure of all persons in the lowest 15% income group was lower than the CSSA standard rate payment for all categories other than adults and elderly persons living in a family. I fully understand Members' surprise regarding some of this data, especially those relating to the elderly. But we cannot simply ignore what the Survey tells us.

When our comprehensive Review of the system is completed next year, we shall of course present all our recommendations to this Council and there will then, no doubt, be an important and fully informed debate on them.

Our Review covers much more than just assessing the level of standard rates. Even that assessment is not complete yet because we still need to examine carefully the full 12-month data from the HES and to refine further our cross-check methodology of building up a basic needs approach. Other issues being considered in the Review could also have a major impact on the level of support provided to CSSA recipients.

Before leaving this subject, I should like to comment on a specific proposal made by some Members who suggested that CSSA rates should be pegged to 30% of the median wage. This would be totally contrary to our philosophy of assessing payments against individual needs. In our system, very few recipients receive exactly the same payment because standard rates vary according to the age of recipients and the payment of special grants vary according to the precise nature of their special needs. If our safety net is to address needs, such an approach is necessary. To set rates by reference to a percentage of the median wage would be too rigid to address needs; it should also be borne in mind that the median wage can drop in times of recession. At such times it would not necessarily be wise to decrease welfare payments as well. We do already have a mechanism for regularly increasing all CSSA rates in line with a special inflation index to ensure their real value is maintained. It may be of some academic interest to note that the average CSSA payment for a single elderly person already represents about 29%, and for a family of four represents 95% of the median wage.

Some Members have called for an increase in the level of assets a person should be able to hold while being eligible for CSSA payments. I believe this recommendation is connected to wider concerns Members have expressed about the plight of the unemployed and how the CSSA scheme can be revised to address their problems. Of course, an unemployed person is eligible for CSSA support if his financial situation meets the eligibility criteria. But I would strongly caution against any attempt to "hijack" the CSSA scheme to address problems it was never intended to address, whether this be unemployment or, indeed retirement protection. The CSSA is a non-contributory scheme created to provide a safety net to meet basic needs. In other places, schemes have been devised to provide unemployment benefits or old age pensions but these schemes are normally contributory. Indeed, the mandatory provident fund scheme to be set up here is a contributory scheme designed to provide financial support in retirement. These schemes are often designed to support a lifestyle well above the basic needs level we seek to maintain in our safety net.

On a point also related to social security, I note the Honourable Law Chikwong's request that social security and welfare services should be funded from separate accounts. I assume that the objective behind this suggestion is to make it easier for us to increase spending on both simultaneously. But we must be realistic. The size of welfare spending as a part of the overall government spending can only be so large and can only increase so fast. Within the limits of welfare spending, it is important to strike the right balance between spending on social security and direct welfare services. Spending on welfare has been growing rapidly; this year it will have increased by 24% in real terms over last year. Since 1991/92, as a proportion of total recurrent public expenditure, our expenditure on social welfare has grown from 7.8% to 9.2%. This is good news, but we must be careful not to allow the lion's share of this increased expenditure to go on social security funding instead of on the necessary sustained upgrading and expansion of our welfare services. Even a minor upward adjustment in social security payments can lead to a very significant increase in recurrent expenditure. Getting the balance right is a key issue. When we come to examine the full recommendations of the CSSA Review, we must bear in mind that the total funding available for welfare is limited. There is inevitably, therefore, a trade-off; greatly increased expenditure on social security could, indeed, mean relatively less for expanding welfare services.

In the case of the elderly in particular, this balance between financial support and the provision of welfare services merits careful consideration. The Governor's address highlighted the major initiatives in hand to meet the service needs of the elderly. Yes, we have suffered some minor delays in the provision of some services and we are doing all we can to meet our targets. We must remember just how ambitious some of those targets are. For example, by the end of this financial year, we will have provided an additional 4,400 residential places, 35 social centres and six multi-service centres for the elderly. I understand Members' desire to see these programmes completed even more quickly but I would hope that this desire would not blind them to the significance of what has already been achieved.

The Honourable Christine Loh highlighted the need for more outreach and home help services for the elderly. I could not agree more. I should like to see such services expanding more quickly and will be considering how to develop our existing programmes more effectively in this respect, and in particular by building on the Older Volunteers Programme which is still at only its early stages of development. We shall also be assisted in developing new ideas in this regard by a consultancy study on the needs of the elderly which we aim to commission early next year.

Much of our recent rapid expansion in services for the elderly has been funded through the Lotteries Fund and I note the concern of the Honourable Law Chi-kwong that this Fund may be depleted by 1997/98 when the \$2.3 billion injected into it in 1992 has been used up. On 29 March this year, I assured this Council that the General Revenue Account will be able to absorb after 1996/97 all the recurrent welfare expenditure currently provided from the Fund. This has already been taken into account in our current financial forecasts.

I should like to conclude by referring to another important point raised by Members which is the need for us to continue to nurture with care the co-operation and partnership between the Government and the non-government sector which is critical to the successful provision of services to meet the welfare needs of our community.

To nurture is not, however, to freeze that relationship. It must be allowed to grow and respond to changing times. A constructive dialogue is currently in hand regarding how we might modernise our subvention systems to allow our partnership with the NGO sector to grow stronger and flourish well into the next century. The Subvention Consultancy Study will, I hope, make some fundamental recommendations for change. Those changes are likely to give the NGO's much greater freedom to deploy resources provided by Government in a more effective way to meet the standards of performance required in all service areas. If, working together, we achieve this goal we shall have made a significant change for the better in the provision of welfare services in Hong Kong.

On that point of hope for the future, Mr President, I should like once again to thank Members for their support and for their comments. I look forward to working with them in this session to improve the provision of health and welfare services for the community.

Thank you.

End/Thursday, November 2, 1995

### Critics of Supplementary Labour Scheme challenged

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The Secretary for Education and Manpower, Mr Joseph W P Wong, today (Thursday) told the Legislative Council that a complete ban on the importation of labour is not the answer to unemployment problems and he challenges anyone to come up with a more open, fair and strict scheme than Government's proposed Supplementary Labour Scheme (SLS).

Speaking at the resumed debate on the Motion of Thanks on the Governor's Policy Address, Mr Wong stressed that Hong Kong as an open and flexible economy must have the option to supplement the workforce with imported workers to fill vacancies that could not be filled locally.

"This ability to respond quickly to labour requirements is a major component in the maintenance and furtherance of our competitiveness. There may also be jobs which, because of their nature, may no longer be attractive to our now more sophisticated labour force," he said.

Mr Wong said up to now, he had not heard any rational argument as to why in these circumstances and following the termination of the General Scheme, the Government should not even retain a policy option of employing a limited number of foreign labour.

He noted that public feedback as expressed in an independent opinion poll and media comments had been generally very supportive of the proposed scheme.

Also, the Labour Advisory Board (LAB) at a meeting earlier today had agreed in principle to take on the role of monitoring the operation of the scheme.

"Procedures for vetting the applications and monitoring the scheme have been discussed and will be finalised having regard to the advice of the LAB members. They will be both stringent and transparent," he said.

Mr Wong pointed out that in his discussions with many Legislative Council Members in the last few weeks, he did not feel that there were fundamental differences between the Administration and Members on this issue.

"We share a mutual concern to ensure that local workers are not deprived of job opportunities," he said.

He urged Members to consider the Government's proposal in a positive light as the Government's attitude had always been positive and open.

"I hope Members will adopt a similar stance so that we can resolve this issue as expeditiously as possible," he said.

Noting that critics of the proposed SLS claimed that the Government merely gave a new name to the General Scheme which had been terminated, Mr Wong said this was not a fair nor reasonable comment.

"Our proposed scheme is different from the existing scheme in three main areas. First, it has no industry sub-quota; application for imported labour will be considered on a case-by-case basis.

"Secondly, the application has to pass three tests, namely, open recruitment, Labour Department's job matching programme and the alternative of ERB retraining, before it is processed further.

"Thirdly, the operation of the scheme will be monitored by the Labour Advisory Board and by the Manpower Panel of the Legislative Council," he said.

Mr Wong said the special scheme for the new airport and related projects was of paramount importance to the completion of the new airport on time and it was not covered in the earlier review on the general scheme.

He assured that adequate measures had been in place to safeguard the employment opportunities of local workers and the Government had no intention to make any changes to the airport scheme.

End/Thursday, November 2, 1995

Review on graduate teacher posts completed by year end

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The Government is aware of the possible mismatch between demand and supply of primary graduate teachers before 2007 and has set up a Working Group under the Education and Manpower Branch to consider the issue and recommend solutions.

The Working Group expects to complete the review by the end of this year.

This was stated by the Secretary for Education and Manpower, Mr Joseph W P Wong, today (Thursday) when he spoke at the resumed debate on the Motion of Thanks on the Governor's Policy Address.

Mr Wong said he noted that concern had been raised about insufficient number of primary graduate posts to meet the Education Commission Report No. 5 target of such posts which represented 35 per cent of all primary teacher posts by the year 2007.

He said the Government, recognising the importance of provision of graduate posts, had provided 360 posts in the past two years and another 300 would be provided in 1996-97.

"The 35 per cent target was accepted by the Government as a planning target. The Working Group under the Education and Manpower Branch will assess this target having regard to the impact of the scheme on the quality of primary education so far, the future development of primary education, as well as the financial implications involved and make recommendations on the rate of provision for the medium term," he said.

Mr Wong also pointed out that it was only one of the many measures the Government had taken to raise the quality of primary school education. Other measures include:

- \* provision of additional teachers to both primary and secondary schools to reduce class sizes. The Government has provided over 2,000 additional teachers and reduced the ratio of pupils to teachers to 24 in primary and 20 in secondary schools two years ahead of schedule;
- \* introduction of special measures to assist the lower achievers and the less motivated;
- \* commencement of a massive programme to improve the teaching and learning environment of our schools;
- \* establishment of the Hong Kong Institute of Education to upgrade teacher education and standards;
- \* introduction or re-inforcement of a series of other measures such as promotion of Chinese as medium of instruction, diversification of the school curriculum, and introduction of the School Management Initiative and Target Oriented Curriculum.

End/Thursday, November 2, 1995

SEM in LegCo debate on motion of thanks

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Following is the speech by the Secretary for Education and Manpower, Mr Joseph Wong, in the Legislative Council debate on the motion of thanks today (Thursday):

I am grateful to Members who have spoken on education and manpower issues in the Motion of Thanks on the Governor's Policy Address.

Education

There appears to be a misunderstanding that because not all important educational issues have been mentioned in the Policy Address, education is being relegated to a role of lesser importance in the overall Government policy. Nothing is further from the truth. Education has been and will continue to be at the fore front of Government's priorities. This is fully borne out by the fact that our education budget has remained the single largest recurrent expenditure item in Government over the past five years - at around 20 - 22%. In money terms, it has grown from \$16.6 billion in 1991-92 to \$30.3 billion in 1995-96, representing an increase of 82% or 26% in real terms. While tertiary education has claimed a larger share of this growth to achieve the programme of expansion started in 1989, basic school education has also seen a substantial increase from \$11.3 billion to \$18.6 billion representing an increase of 64% or 13.3% in real terms over the same period. Against a net reduction in school population by 50,000 or 5.2% over the same period, such increase has assumed greater significance than it appears. Indeed, it has enabled our on-going improvement programme to continue including:

- \* the provision of additional teachers to both primary and secondary schools to reduce class sizes;
- \* the introduction of special measures to assist the lower achievers and the less motivated.
- \* the launching of a programme to upgrade teaching posts in both our primary and secondary schools.
- \* the commencement of a massive construction programme to improve the teaching and learning environment of our schools.
- \* the establishment of the Hong Kong Institute of Education to upgrade our teacher education.

- \* the introduction or re-enforcement of a series of policy initiatives aimed at enhancing the overall quality of our students such as the policy on medium of instruction, diversification of the school curriculum, the introduction of the School Management Initiative and Target Oriented Curriculum.

Notwithstanding these improvements, we are in no way complacent as some Members seem to suggest in their speeches. On the contrary, we have been working hard to lay the solid foundation for the 21st century and to develop high quality education:

- \* the University Grants Committee will be submitting to Government its Report on the Review of the Development of Higher Education in early 1996, setting out the vision, goals and objectives for higher education into the next century;
- \* the Education Commission is expected to submit its anxiously-awaited report on Language Proficiency by the end of this year. This report should provide us with a comprehensive strategy in enhancing the language proficiency of our school students in Chinese, English and Putonghua.
- \* the next immediate tasks of the Education Commission are to complete its final report on school quality and publish its consultative document on school funding, both in 1996.
- \* the Board of Education is conducting separate reviews on the nine-year compulsory education and special education and expects to complete them in the first half of 1996.
- \* to complete the review on the school sector, the Education Commission will commence its review on the post-compulsory school education in early 1996.

The recommendations from all these reviews plus those from the Working Party on Kindergarten Education expected by the end of 1995 will provide the Administration with not only an overall perspective of our education system but more importantly, the opportunity to develop our education policies and strategies for the next century in a coherent and forward looking manner.

I hope I have said enough to reassure Members of Government's determination to continue to develop and improve our education services. In particular, I hope the Education Commission's report on Language Proficiency should address the concerns of some Members on the need to improve the language standards of our students. In this respect, I note the suggestion that we should speed up the learning of Putonghua in our schools. I agree entirely. In my policy commitments, I have already pledged that all our school children can start their formal Putonghua lessons from 1998. This timetable has been proposed to take account of the minimum two-year lead time needed for the preparation of the curriculum and publication of the new Putonghua textbooks required. But we lose no time in preparing our children; we will seek approval of a capital sum of \$30 million from the Finance Committee this month, so that summer Putonghua classes will be organised in 1996, 1997 and 1998.

I should now like to respond to other specific comments made by Members.

#### Curriculum

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A number of Members have called for broadening of the school curriculum to meet changing needs. Reviewing of the curriculum is an ongoing process. For example, an evaluation of computer subjects will take place this year to ensure that they reflect the latest technological changes and trends of computer applications. Another example is the current revision of the guidelines on civic education which will be completed in 1996. Nevertheless, I share Members' concern on the continuing need to develop our curriculum and shall pass it to the Curriculum Development Council as a timely reminder of their role in this respect.

#### Primary Graduate Posts

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Concern has been raised about insufficient number of primary graduate posts to meet the Education Commission Report No. 5 target of such posts representing 35% of all primary teacher posts by the year 2007. The provision of graduate posts is one of the many measures Government has taken to raise the quality of primary school education. We recognise its importance. We provided 360 posts in the past two years and will provide another 300 in 1996-97. Government is aware of the possible mismatch between demand and supply of primary graduate teachers before 2007 and has set up a Working Group under the Education and Manpower Branch to consider the issue and recommend solutions. The Working Group expects to complete its review by the end of this year.

## Special Education

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Some Members have expressed concern on special education. This subject was discussed at length in a motion debate in this Council in June this year. I shall not repeat the details here. I just wish to emphasise two points. First, integration has been and will continue to be at the heart of our policy on special education. To support this policy, we have developed over the years a comprehensive network of services to ensure that as many children with special education needs as possible are educated alongside their peers in ordinary schools. Secondly, we look forward to receiving the recommendations arising from the Board of Education's review of special education and will examine them positively.

I leave Education by restating its two very important goals. One is to develop the character and potential of our youngsters to enable them to lead a full, meaningful and dignified life. The other is to train up a large enough pool of people with the necessary knowledge and skills to meet the ever growing demands of the economy and our society at large. This brings me to manpower.

## Manpower

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It has been suggested by some members that we do not have a manpower policy. This is simply not true. Government's policy is to ensure that there is a stable and well-motivated workforce to support our economic growth. Also, we aim to maintain in Hong Kong a level of labour standards which compares favourably with those of our neighbouring countries with similar economic developments and social-cultural background.

Our policy objectives are geared towards meeting the requirements of our economy both in the short and in the long term. In pursuance of this, the Education and Manpower Branch conducts manpower studies regularly to assess the kind of education which the working population should possess. These studies provide statistical projections of manpower supply and requirements by educational levels for the purpose of assessing whether under existing and planned education provisions, the mix of manpower supply in terms of educational levels will be broadly in line with the future needs of the economy. The latest report published in 1994 projected our manpower requirements up to the year 2001. I am considering whether it will be useful to attempt an update in advance of the 1996 Census exercise.

## Vocational Training

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As part of the process in determining the overall manpower requirements of Hong Kong, the Vocational Training Council (VTC), through its training bodies, conducts surveys biennially of the manpower requirements of the different sector of the industries. These studies provide a solid basis upon which the VTC develops its courses for the students. Last year, some 100,000 places were offered in the VTC programme. Next year, we will spend \$1.4 billion on the VTC programme offering about 110,000 places.

The VTC has been making a valuable contribution to our manpower supply. But we should not be complacent. We must ensure that the young people attending VTC courses will continue to be provided with a comprehensive system of technical education and industrial training suited to Hong Kong's ever changing needs. I therefore intend to commission a consultancy to undertake a review of the VTC including its programme of activities. We shall of course work closely with the VTC in this important exercise.

## Employees Retraining Board

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Hong Kong's success has been built on the dedication of entrepreneurs and the hard work of our labour force. The economy of Hong Kong took off in the 50s when our factories began to produce goods that were sold all over the world. The workers in the factories were skilled, industrious, productive and flexible. Those qualities were instrumental in making Hong Kong what we are today. Many of the workers who have helped to build this dynamic economy are still in their prime. We need to upgrade the skills of those who are already in our workforce and to equip those who have been displaced as a result of the economic restructuring. The Employees Retraining Board (ERB) was set up in 1992 precisely for these purposes. In the short time since its establishment, the ERB has provided over 80,000 training places. This is a reflection of its popularity and the eagerness of our workers to improve themselves.

I am convinced that ERB will continue to remain an integral part of our manpower supply. I am also convinced that it has the potential to provide an even better service to our workers. So it is only right that we take stock of what we have done and ask ourselves some searching questions. I have started discussions with the ERB on the commissioning of a consultancy study to review the direction and strategy of our retraining programme. Both this and the VTC study will be completed early next year. They will provide Government and the two bodies with a very good basis for setting our sights in the next 5 or 10 years.

## Importation of Labour

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I share the concern of many Members over the current difficulties faced by the unemployed in finding jobs. But a complete ban on the importation of labour is not the panacea. As an open and flexible economy, Hong Kong must have the option to supplement our workforce with imported workers to fill vacancies that cannot be filled locally. This ability to respond quickly to labour requirements is a major component in the maintenance and furtherance of our competitiveness. There may also be jobs which, because of their nature, may no longer be attractive to our now more sophisticated labour force.

When the General Labour Importation Scheme was introduced in 1989, the labour market was very different from what it is now. We have conducted a thorough review of this scheme and put forward proposals for its termination and replacement by a very limited Supplementary Labour Scheme. Critics of the proposed Supplementary Labour Scheme claim that in essence it is the same as the General Scheme but with a new name.

This is not a fair nor reasonable comment. Our proposed scheme is different from the existing scheme in three main areas. First, it has no industry sub-quota; application for imported labour will be considered on a case-by-case basis. Secondly, the application has to pass three tests i.e. open recruitment, Labour Department's job matching programme and the alternative of ERB retraining, before it is processed further. Thirdly, the operation of the scheme will be monitored by the Labour Advisory Board and by the Manpower Panel of the Legislative Council.

In short, our proposal ensures that local workers have first priority and every opportunity to fill the available vacancies. I challenge anyone to propose a more open, fair and strict scheme. This perhaps explains why public feedback as expressed in an independent opinion poll and media comments have been generally very supportive of the Government's proposal. The Labour Advisory Board (LAB) has met earlier this afternoon to discuss the proposed Supplementary Labour Scheme. I am glad to inform Members that the LAB has agreed in principle to take on the role of monitoring the operation of the Scheme. Procedures for vetting the applications and monitoring the Scheme have been discussed and will be finalised having regard to the advice of LAB members. They will be both stringent and transparent.

I am aware that imported labour is a very sensitive issue. Government is equally concerned over the plight of the unemployed. But I repeat: the sole purpose of the proposed Supplementary Labour Scheme is to allow the entry of a limited number of foreign workers to take up jobs which cannot be filled locally. No one, and I repeat no one has put forward a rational argument as to why in these circumstances and following the termination of the General Scheme, we should not even retain a policy option of employing a limited number of foreign labour. As a Government, we cannot afford to lose sight of the wider community interest. I urge Members to consider the Government's proposal in a positive light and I will spare no effort in discussing our case within and outside this Council.

Before I leave the subject of importation of labour, I want to make it clear once again that our review did not cover the Special Scheme for Importation of Labour for the New Airport and Related Projects. That scheme is of paramount importance to the completion of the new airport on time. Adequate measures are in place to safeguard the employment opportunities of local workers. We have no intention to make any changes to the scheme.

#### Industrial Safety

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Earlier on, I referred to the importance of training and retraining. In addition to upgrading the skills of our workforce, we must also ensure that there is an increasing awareness of safety practices. We need to do more to reduce the unacceptable number of deaths and injuries in industrial undertakings particularly among workers in the construction industry. The consultation paper on industrial safety which was published in July proposed a series of measures to improve safety practices. We have completed the public consultation exercise and I am pleased to report that there is general support for the new policy initiative of introducing a safety management system in our work places. We will also propose to increase Government's monitoring and enforcement responsibilities. We are finalising our policy proposals and I shall be putting forward legislative proposals to Members for consideration in 1996.

#### Age Discrimination

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I would like to say a few words about the issue of age discrimination in employment. This is not an area where we are standing still. I have set up a working group to look into age discrimination in employment. The Working Group will:

- (a) ascertain the extent to which age discrimination is a problem in Hong Kong; and
- (b) consider what Government measures, if any, should be adopted to tackle the problem.

The working group is now examining information on administrative and legislative provisions relating to age discrimination in a variety of overseas jurisdictions. We are interested in those places where this issue has been resolved without recourse to legislation as well as those where the legislative route has been followed.

Later this month we shall select a consultant to carry out a fact finding survey on this subject. The results of this survey, as well as our assessment of what has been done overseas, will be incorporated in a paper for public comments in early 1996. In the meantime, I shall continue to ask employers not to use 'age' as a factor when recruiting staff. I shall keep the Manpower Panel of the Legislative Council closely informed of and, where appropriate, involved in this worthwhile exercise.

#### Labour Relations

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Mr President, I would like to conclude my statement by emphasising that Hong Kong's success is based on its excellent labour relations. This has contributed immeasurably to business confidence in Hong Kong. Our system, which involves both employers representatives and employees representatives with Government playing a mediating roles has served Hong Kong well. We should continue with this well tried formula. Government is committed to improving labour rights and benefits in keeping with our economic growth and in tune with the community's aspirations. We will continue to search for and strike the right balance between the interest of employers and the welfare of our workers. I see no fundamental conflict between the two in the long or even in the short term.

The Legislative Council has a vital and positive role to play in the decision-making process. I will endeavour to work with employers and employees representatives, and in particular with Members of the Council on labour issues. I look for co-operation and solution, and I see no need for confrontation and division. I am confident, with goodwill and an open mind, working together, we will continue to improve the rights and benefits of our well-deserved labour force.

End/Thursday, November 2, 1995

S for W in LegCo debate on motion of thanks

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Following is the speech by the Secretary for Works, Mr Kwong Hon-sang, in the Legislative Council debate on the motion of thanks today (Thursday):

Mr President,

I wish to respond, to the remarks by Honorable Members in respect of improving slope safety.

Accelerating the current LPM Programme

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I wish to reassure members that we are determined to accord slope safety a higher priority. We have advised members that \$1.3B have been provided for the investigation and necessary upgrading works on potentially hazardous man-made slopes in the existing Catalogue of Slopes compiled in 1977/78. Besides, increased staff resources of some 160 posts have been approved since last year to facilitate acceleration of the LPM Programme. A further 25 posts have been approved in this financial year. These will assist in completing all the investigation and necessary upgrading works on slopes in the existing Catalogue by the year 2000. We take note of Members' concern on the expediency of these works, and will try all possible ways to finish the necessary works as early as possible.

We are taking a pragmatic approach to deal with the Landslide Preventive Measures Programme. Slopes affecting busy roads and footpaths will be given a higher priority in the accelerated Programme.

In fact, the \$1.3B has included a provision of \$100M to deal with some other slopes not included in the existing Catalogue, but which are considered to be posing some degree of danger.

## Revising the Catalogue

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There are about 10,800 slope features in the Catalogue compiled in 1977/78. We have estimated that some 25,000 additional slopes formed before the setting up of the Geotechnical Control Office in 1977 will likely be identified and added to the Catalogue. The reason for this substantial increase in number is that the Catalogue of 1977/78 concentrated on man-made slopes in urban areas of Hong Kong Island and Kowloon. Only the larger man-made slopes in the New Territories were included. By adopting the urban areas' man-made slope registration criteria for the New Territories, the number of additional slopes to be included will therefore be significant. We plan to request for more resources in the next financial year in order to follow up with investigation and upgrading works where necessary.

In addition, man-made slopes formed after the setting up of the Geotechnical Control Office will also be included in the Catalogue.

## Natural Slopes

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Natural slopes cover some 60% of the total land area in Hong Kong. While it is impractical to catalogue every single natural land feature in the Territory, we have commenced a consultancy study to prepare a catalogue of old landslide sites on natural hillsides over the Territory from aerial photographs. This study is expected to be completed in March 1996.

The catalogue of old landslide sites will be used for assessment of the risk posed by natural hillsides which will take about one year to complete. Necessary follow up actions would then be made after these assessments.

## Other Measures

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Besides expressing concern on the need to accelerate slope improvement works, Members also asked the Government for details of other measures being implemented as mentioned in the Policy Address and suggested that risk assessment criteria should be amended. We wish to briefly advise Members of the progress on the following works.

## SIMAR

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Regarding the identification of responsibilities for the safety of man-made slopes, the GEO is assisting the Lands Department in compiling an inventory of slope ownership. This is under a project known as Systematic Identification of Maintenance Responsibilities of all registerable slopes in the Territory (SIMAR). The project will start in early 1996 and is scheduled for completion in 1998. Once the maintenance responsibility is clearly established, the Government will be in a better position to ensure that the necessary slope maintenance or upgrading works are undertaken by the responsible party.

## Legislative Control

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Changes to existing legislation will be introduced to call for the investigation of buried drains which may affect slope stability and to ensure that waterpipes are kept out of slopes. New legislation for the mandatory periodic inspection and maintenance repair of slopes and buried services will also be considered. Other measures may include requiring private owners to certify the safety of slopes registered under their responsibility.

## Risk Assessment Criteria

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Regarding risk assessment, the GEO has reviewed the Consequence Classification System (formerly called Risk Classification) for slopes and the associated Priority Classification for LPM Action for the selection of slope for investigation and upgrading works. GEO have taken steps to consult the geotechnical profession on the proposal and intend to consult the LegCo Panel on Planning, Lands & Works at appropriate time.

## Conclusion

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We believe the above should have addressed Members' concern regarding slope safety. We fully understand that this concern is shared by the public at large. We will continue to step up our efforts to complete the on-going Programme and to implement the additional measures to improve slope safety in an efficient, systematic and cost-effective manner.

End/Thursday, November 2, 1995

S for T in LegCo debate on motion of thanks

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Following is the speech by the Secretary for Transport, Mr Haider Barma, in the Legislative Council resumed debate on Motion of Thanks on the Governor's Policy Address today (Thursday):

Mr President,

I am very grateful to those Honourable Members who have spoken on transport issues in this debate. No doubt their comments reflect public views and aspirations and provide the Administration with a clear indication of what they believe the priorities, in transport terms, should be. The fundamental message seems to be to urge the Administration to plan ahead and speed up projects. A study of the Progress Report clearly illustrates that action is in fact already in hand in respect of many of the suggestions put forward by Honourable Members. We have a full and ambitious programme and are very much on target in meeting our commitments.

All major cities have transport problems and face congestion during rush hours. Hong Kong is no exception but we should not be shy in recognising that we have one of the best transport systems in the world. That said, I am amongst the first to acknowledge that there is no room for complacency and that there is scope to do better. Indeed, we are looking ahead and will spend some \$30 billion in the coming 5 years to expand our infrastructural network and enhance traffic management schemes.

Let me now try to put into perspective some of the major points that Honourable Members have made:-

Northwest New Territories and Tuen Mun Road

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With a population of over 700,000 in the Northwest New Territories I agree 100% that the present transport network is over stretched. There are many reasons for this but I believe there is little to be gained in attempting to identify what went wrong. Rather, and more important, we should focus our energies on practical measures to cope with present and future demand. This is precisely what the Administration is doing.

The past 2 to 3 years have seen the completion of major projects. The New Territories Circular Road has been widened and improved thus providing for better access from the east. The Tuen Mun/Yuen Long Eastern Corridor was opened in 1993, and the Yuen Long Southern Bypass in November 1994. Other measures such as bus only lanes, the improvement of the Au Tau Roundabout and the provision of more ferry services are also in hand. In addition, certain sections of Castle Peak Road are being widened and, in this respect, I can assure Honourable Members that thorough traffic impact assessments will be conducted in respect of proposals for development projects. Looking further ahead Route 3 is now under construction and we are pursuing the implementation of the Western Corridor Railway. There are also plans to provide additional lanes along Tolo Highway - we expect work to commence towards the end of 1998.

The closure of Tuen Mun Road resulted in a horrendous nightmare. Let me again, on behalf of the Administration, apologise for the considerable inconvenience and frustration that this caused to the tens of thousands of residents in Tuen Mun and Yuen Long. The Government firmly believes that, given the advice of experts that there was a real danger of landslips, we had no choice but to close the highway and that it was the correct decision. There was no question of subjecting commuters to any risk of injury or fatality. We did our level best to alleviate transport problems through special traffic arrangements by providing additional bus and ferry services. There are of course lessons to be learnt and we shall certainly draw on the experience to improve contingency arrangements. We are now considering how best to complete the climbing lanes along Tuen Mun Road with minimal disruption to traffic. The District Boards concerned and the LegCo Transport Panel will be fully briefed and consulted before work proceeds.

#### Railways

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I now turn to Railways. Many Members have urged us to accelerate the completion of the three top priority projects identified in the Railway Development Strategy. As Honourable Members know the Kowloon-Canton Railway Corporation and the Mass Transit Railway Corporation have been invited to submit detailed proposals for the construction of the Western Corridor Railway and the extension to Tseung Kwan O respectively. As for the third priority, we have just engaged consultants to advise on an intermediate capacity system from Ma On Shan to Tai Wai, coupled with the loop from Hung Hom to Tsimshatsui.

At this point let me deal with the repeated request from this Council as well as District Board Members to extend the WCR line from Tuen Mun North to Tuen Mun Town Centre. As promised, we have asked the KCRC to examine this option when extending the invitation and providing them with the brief to undertake this project. Although the Administration awaits a formal submission from the KCRC, I am pleased to be able to advise Honourable Members that the Corporation considers that, based on its preliminary investigations, such an extension is technically feasible and can be provided by 2001. I can assure Hon Members that the Administration will adopt a positive approach in studying the proposal to bring the railway to Tuen Mun Town Centre. Indeed, the recent experience arising from the closure of Tuen Mun Road underlines the urgency to provide an alternative transport mode.

In so far as the WCR is concerned I should also highlight the fact that we see the need for a new passenger terminal at Lok Ma Chau. This is being discussed with the Chinese under the Infrastructure Co-ordinating Committee. But Lo Wu will continue to be the crossing point for through trains, eventually linking up with the WCR to provide a direct freight service to the container port as well as an alternative route for international passengers with a terminus at West Kowloon.

Some Members have urged the early implementation of a number of other railway projects, such as MTR extensions on Hong Kong Island and other railway proposals in Southeast Kowloon. Such possible alignments have been identified in the Railway Development Strategy. We shall constantly review these projects. But it would be totally unrealistic to accord them higher priority than the three rail projects which I have outlined. Apart from substantial costs, I doubt very much that either we or the railway corporations have the manpower and other resources to take on yet additional railway schemes all at the same time.

We should not forget the Airport Railway. Construction is in full swing with the opening scheduled for June 1998 at the latest. With MTRC's excellent track record on project management, we are confident that the Airport Railway will come into operation on target.

The Lantau Line of the Airport Railway will, of course, also serve Tung Chung New Town and provide an alternative rail link from Tsuen Wan to Central thus relieving pressure along the Nathan Road Corridor.

## Traffic Congestion and Public Transport Services

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I now turn to congestion on our roads and the importance of public transport services.

I have often said, and make no apologies for repeating yet again, that we simply cannot build our way out of congestion. Our fundamental policy is clear-cut: to manage road use and improve the availability and quality of public transport. The public consultation exercise and debate in this Council earlier this year on measures to address traffic congestion demonstrated strong support for the adoption of the user-pays principle through the implementation of an Electronic Road Pricing System. Transport Department is now drawing up and finalising a study brief. We expect to invite tenders for a consultancy by the middle of next year. This will be followed by a pilot scheme before full implementation. We shall brief and consult this Council and District Boards as the exercise progresses.

Although fiscal measures to alleviate congestion did not find favour with many Hon Members, past experience has proven that such measures do have an immediate impact. The substantial growth in the number of private cars up to the early part of this year was particularly worrying. Although the market has self-adjusted for now, the stark reality is that our road systems, even with the substantial investment in infrastructural projects which are planned, cannot cope with an annual growth of more than 2 to 3%. That is why, unpopular though it may be, the Administration has to be ready to take action should circumstances so warrant. We are now drafting legislation to provide the Administration with the requisite powers to increase Annual Licence Fees and impose passenger taxes at the tunnels and expect to submit bills to this Council for consideration early in the New Year. If and when the Administration believes that such fiscal constraints actually need to be imposed, Hon Members will of course be consulted and have the opportunity to examine and vet the proposals in detail.

It is no fluke that in Hong Kong we have one of the best public transport systems in the world. We have a wide range of transport modes at affordable prices. We have a successful formula: the key factors are that public transport is provided by operators who run their business on commercial principles, there is no government subsidy and we have an effective regulatory framework.

We encourage private sector participation by allowing transport operators to obtain a fair and reasonable return on their investment. This is a pre-requisite if operators are to re-invest in service improvements to meet public demand for higher public demand for comfort and reliability. They in turn depend on fare increases to meet increasing costs. Indeed, the inevitable cycle of submissions for fare adjustments from transport operators has commenced. Such submissions will be scrutinised by the Administration before Members are consulted.

A number of Honourable Members have expressed concern about ferry services and the importance of ferries as an alternative transport mode. In the past two years, there have been significant improvements in services to the NWNT. For example, three new high speed catamarans have been deployed on the Tuen Mun route to cater for the morning rush. Two new routes have also been introduced - one from Tuen Mun to Wan Chai and one from Gold Coast to Central. Special feeder buses and green mini-buses have been provided to connect ferry piers with residential areas and these services will be strengthened. In the next 12 months, peak hour capacity between Tuen Mun and Central will be increased by 10% through the provision of one more catamaran. Some Members have suggested a shuttle service, at least during rush hours, between Tuen Mun and Tsuen Wan. This will be explored. But it must be recognised that ferry services can only be viable if there is adequate patronage.

Mr President, the Administration will continue to review its policy on ferry services and take steps to encourage investment. For example, we are finalising the detailed terms of a pier development package with the Hong Kong and Yaumati Ferry which would enable the ferry company to implement service improvements to the NWNT and the outlying islands with fares kept at reasonable and affordable levels.

On taxis, the Transport Advisory Committee completed a comprehensive review in early 1994. Many measures to combat malpractices have been implemented. These include stiffer penalties and the display of I.D. cards by taxi drivers. I believe that this Council is also aware that we have introduced cross-harbour taxi stands on a trial basis for the greater convenience of both passengers and taxi operators. Separately, the Transport Advisory Committee has just embarked on a full review of public light bus policies to see how these services can be improved. My colleague, the Secretary for Planning, Environment and Lands has referred to proposals to require taxis and public light buses to switch from diesel to petrol. The views of the trade will be fully taken into account as part of the public consultation exercise now in hand.

## Parking

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Several Members have referred to "park and ride" in the context of congestion. This proposal was advocated during our consultation exercise. We are actively looking for suitable "park and ride" sites. The Town Planning Board has recently approved an MTRC proposal to develop a transport interchange at Choi Hung MTR Station that will incorporate such facilities. We have earmarked \$60 million as Government's contribution for this project and will be seeking funding support from Finance Committee in 1996.

We also have two related studies, progress on which, unfortunately, has slipped somewhat because of the very heavy workload in Transport Department. The Parking Demand Study is nearing completion and should be ready by the end of this year.

We recognise the existing shortfall in the provision of goods vehicle parking spaces. This is being addressed in the Freight Transport Study. Sites are difficult to obtain. One possible long term solution is the provision of permanent multi-storey lorry parks near the container port and in industrial areas. In the shorter term, we will do our best to provide lorry parks on short term tenancy sites.

Mr President, my colleagues and I look forward to working closely with the Transport Panel of this Council in the year ahead. I am particularly pleased that the Hon Miriam Lau and Hon Zachary Wong have been re-elected as Chairperson and Vice-Chairman of the Panel and that another 17 Members have joined the Panel. This demonstrates the tremendous interest and concern in the transport portfolio. We all share the same goal of improving transport services both in qualitative and quantitative terms. To achieve this we need to work in partnership.

Thank you, Mr President.

End/Thursday, November 2, 1995

S for H in LegCo debate on motion of thanks

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Following is the speech by the Secretary for Housing, Mr Dominic Wong, in the Legislative Council debate on the motion of thanks today (Thursday):

Mr President,

The Housing Branch was set up less than a year ago to co-ordinate and direct our housing policy, and to ensure that the Government's ambitious targets for increasing the production of flats in the public and private sectors could be met. As I said in my introduction to this year's Policy Commitments, we have been able not only to demonstrate significant progress towards meeting our production targets, but also to focus on the quality of our housing stock, and particularly on the quality of our public rental housing.

This year we have made another 36 policy commitments, relating to public rental housing, subsidised home ownership and private housing. We need the co-operation and support of this Council, the Housing Authority, the Housing Society and the private sector in achieving all our targets. I welcome the comments and suggestions made by Honourable Members last week, and would like to respond to some of the main issues raised.

Public rental housing  
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First, I shall deal with public rental housing. Despite the increasing aspirations of the community to home ownership, there is no doubt that public rental housing remains one of the main pillars of our social policy. The total supply of public rental housing flats up to 2001 will be in the order of 240,000. This figure comprises the 141,000 new flats to which we are committed, and about 100,000 flats to be vacated by tenants and then refurbished for re-allocation. This increase in supply should be sufficient to reduce the average waiting time for public rental housing for eligible applicants from seven years at present to just under five years by 2001, without compromising our ability to meet other commitments in respect of redevelopment, squatter and Temporary Housing Area clearances, compassionate rehousing and overcrowding relief.

Some Members have cast doubt on our ability to achieve such a substantial reduction in waiting time. As the Governor said in his Policy Address, this will be no easy task. But we are determined to use our best efforts to achieve it. Against the background of our flat availability position which I have just mentioned, we shall be helped by the historical trend that the number of persons who join the general waiting list but are eventually found not eligible, or who are rehoused through other schemes or quotas, accounts for about half of all applicants on the list. We shall also be able to increase the number of flats to be allocated to successful waiting list applicants from 1998 onwards, after our existing Temporary Housing Area residents and urban squatters on Crown land have been offered rehousing.

I also note that some other Members, far from regarding our target as over-ambitious, have asked us to reduce waiting time still further by allocating more land to the Housing Authority for the construction of more public rental flats. I would like to make our position clear on this. We have already allocated to the Housing Authority some 223 hectares of land, comprising new and redevelopment sites, to meet the target of building 141,000 new rental flats. In addition, about 185 hectares have been allocated or earmarked for building 148,000 home ownership scheme flats. These amounts of land are sufficient to achieve our present targets. Whether or not these targets need to be modified will depend on the outcome of our comprehensive assessment of housing demand in the next ten years, which is now approaching its final stage. This assessment will take into account factors such as population growth, the timing of redevelopment and the market price of private housing. Should an increase in demand be indicated, we will use our best endeavours to make additional land available as expeditiously as possible. We will also follow up Members' suggestion of increasing the plot ratio of public housing sites, so as to make the best use possible of our limited land resources. This suggestion ties in very well with our own thinking.

A few Members expressed concern about our pledge to privatise gradually public rental housing estate management. The fact is that our experience with similar arrangements in Home Ownership Scheme courts has shown that customer satisfaction with private management agencies is high. In addition, savings can be achieved, and scarce human resources can be released for redeployment elsewhere in the public sector where they are needed for new or improved activities. Having said this, I should make it clear that we do not intend to proceed precipitately. We shall carry out a pilot scheme in three selected rental estates, beginning in early 1996. Residents will themselves be able to monitor the performance of private management agencies both directly and through the Estate Management Advisory Committee scheme.

I wish also to respond briefly to the comments of some Members on the subject of better-off tenants. The reason for the proposed policy was clearly stated by the Governor in his Policy Address: it is plainly wrong that public rental housing should continue to accommodate tenants who have the financial resources to meet their own housing requirement. We must ensure that heavily subsidised housing is enjoyed by those who need it most. Where tenants can afford to buy their own homes, whether at subsidised or market prices, or to rent accommodation in the private sector, they should make way for others whose only hope of finding decent accommodation lies with public rental housing. This is a case where the need to make the best use of scarce housing resources and the basic considerations of fairness point in the same direction.

#### Temporary housing

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Turning to temporary housing, some Members have criticised the Government for not honouring its pledges on Temporary Housing Areas. I would like to reiterate publicly again that we will honour in full the three pledges. We are well on target to fulfilling these pledges. Indeed we will be able to go one step further : that is, by the end of 1997, all THA residents at the end of September this year will be offered rehousing in public rental estates.

Separately, as a result of future clearances and increased immigration from China, there will still be a genuine need to retain some THAs in the foreseeable future. This is why we have announced the need to retain and refurbish 13 THAs after 1997 for new residents, but we are determined to improve the living conditions by a renovation programme and improved management. I am grateful to the Honourable Lee Wing-tat for his suggestion that some older rental blocks in the urban fringe areas should be retained for use as vertical THAs. This is in fact one of our new Policy Commitments. These high-rise blocks will have many advantages over the conventional wooden THA units. They will be in more convenient locations and offer better security, fire safety and environmental conditions. A pilot scheme has already been implemented in one public rental block, and we will expand this programme in 1996. In addition, new designs of temporary accommodation, with more space and better quality living standards, will gradually be introduced to replace the existing type of temporary housing.

## Home ownership

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I referred earlier on to some Members' differing views on our flat production targets for public rental housing. I detect the same ambivalence with regard to home ownership and, in particular, to our subsidised home ownership schemes. Some Members would prefer us to take a left-hand path (so to speak), and others a right-hand one. In fact, it is misleading to compare directly our public rental and home ownership production figures. These two different types of public housing are needed to achieve two different social objectives. Public rental housing is intended for those who are in genuine need and have not yet reached the stage where home ownership is a real possibility. On the other hand, our subsidised home ownership schemes are designed to meet the increasing aspirations of a high proportion of our low and middle income families to own their own homes. In fact we will build over 175,000 Home Ownership and Sandwich Class Housing flats by 2001, a significant increase on last year's announced target. Loans will also be provided to over 16,000 families to help them buy their own homes in the private sector. We believe that this home ownership programme for over 190,000 families is not only important in meeting increasing demand from individual families, but is also desirable in itself as a means of fostering social stability in Hong Kong. I sincerely hope that we can make up lost ground in achieving our original target of "just under 60%" for home ownership by 2001.

I would like to acknowledge the views of some Members in support of the sale of public rental flats to existing tenants as a means of increasing home ownership. We will certainly examine ways to make it easier for tenants of public rental flats to own their own homes, including the option of selling public rental flats to existing tenants.

I would emphasise that the increase in our subsidised home ownership programme will not be at the expense of public rental housing production. Based on present targets, the public rental housing to home ownership scheme ratio by the end of this century will still be seven to three. This is a high proportion of public rental housing by international developed territory standards; even much higher, for example, than in Singapore, Taiwan or England.

Private sector  
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I turn now to the private sector. We rely on private sector developers to meet about 40% of our total target production of over half a million new flats over the next six years. I am fully aware of the difficulties which developers sometimes face in acquiring land and in obtaining all the Government approvals required before they can deliver flats to the market. For this purpose, we have set up a Housing Project Action Team to facilitate this process for any major development -- major in the sense that it will contribute 500 or more flats to our production target. Developers are encouraged to approach me or my colleagues in the Housing Branch with projects where they are experiencing difficulties. Members may wish to know that we are already monitoring or fast-tracking in this way over 50 projects, involving more than 120,000 flats throughout the territory.

While we recognise and, indeed, actively support the role of the private sector in achieving our housing production targets, we must be careful to resist the siren's calls (if I may borrow a phrase from my colleague the Financial Secretary) of those who ask us to relax significantly or even abandon our measures to contain speculation in the residential property market. As several Members have rightly pointed out, the measures introduced by the Government in June last year have successfully dampened speculation and stabilised property prices. The residential property market is now dominated by end-users who actually purchase property from developers first-hand. Developers realistically react to changed market sentiment by cutting prices and by offering attractive sales packages and supplementary financing. Housing affordability has also improved. We are satisfied that the anti-speculation measures are achieving the desired results without undue interference in market forces. We do not intend to introduce further restrictive measures, but we must still guard against the rekindling of speculation. Hence, we will keep a close watch over developments and will continue to review the situation on a regular basis.

Meanwhile we have received proposals to increase the operational flexibility of both developers and purchasers so as to facilitate property transactions within the existing regulatory framework. We are examining these proposals with great care, to see whether some operational flexibility can be allowed, without giving rise to speculative activities and without compromising the integrity of our price-stabilisation package.

## Long Term Housing Strategy

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Mr President, I shall shortly be embarking on a review of our Long Term Housing Strategy. I am pleased that several Members have welcomed this. Let me say a few words about the scope of the review. We will consider all major aspects of housing policy, and will determine the way in which we manage the enormous resources required to provide decent and affordable housing for the community. To give some key examples:

- (a) we will project housing production targets forward for the next 10 years to 2005-2006, taking into account our latest projections of housing demand;
- (b) we will examine carefully the appropriate split between flat production in the private, public rental and subsidised home ownership sectors;
- (c) we will review public housing policies regarding eligibility, subsidy, redevelopment and clearance; and
- (d) we will identify gaps in provision.

We have already set up an inter-departmental working group in the Housing Branch to conduct research and produce background materials and papers. To give the review direction and focus, a high-level steering group will shortly be formed, chaired by myself, and including people from the public and private sectors in their personal capacities. Very shortly, I shall invite Members of this Council to meet with me and to give their views on possible future direction. Views from interested groups will also be welcome. We will then consider all these views during our review before compiling a report for public consultation. Mr. President, this review will take time to complete, but it is an important exercise. We must get it right. I look forward to lively and constructive debate on all the issues involved over the months ahead.

Thank you Mr President.

End/Thursday, November 2, 1995

**S for S in LegCo debate on motion of thanks**

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Following is the speech by the Secretary for Security, Mr Peter Lai, in the Legislative Council debate on the motion of thanks today (Thursday):

Mr President,

The security of our community underpins the stability and prosperity of Hong Kong. The people of Hong Kong attach great importance to the maintenance of law and order and public safety. The Hong Kong Government shares this sense of importance. There should be no doubt about the Government's determination to preserve Hong Kong's status as a well-ordered society, subject to the rule of law. We shall do our utmost, now and beyond 1997, to achieve the highest possible standard in fighting crime, and in protecting the lives and properties of people. We shall spare no effort in maintaining the confidence and respect which our disciplined services enjoy in the community. I shall take the opportunity today to share with Honourable Members our policy directions, and the plans and actions to which we are committed in order to achieve specific objectives.

**Policy Direction**

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Our policy directions. First, we aim to live up to the growing aspirations of our community. Secondly, we aim to keep up with the times, by maximising efficiency through management reform and increased use of modern technology. Thirdly, we aim to work together with the Chinese side to resolve the key issues for a smooth transition in 1997.

## Living up to the Community's Aspirations

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### Combating Crime

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When most of us go home in the evenings to our families, or when we go out during the holidays to enjoy ourselves, these are the very hours when our policemen are actively tackling crime on the streets. There are 21,000 police officers, comprising 78% of the Police Force, involved in front-line operational duties. Apart from policemen seen in their uniforms walking the beat or on operational patrols, many of them are working in plain clothes in the prevention and investigation of criminal activities. Yet others are performing essential tasks such as anti-illegal immigration operations at the border, or pursuing smugglers at sea. Nevertheless, the Government perceives clearly the wish of the community to have more visible police presence on the streets to fight crime and to deter potential offenders. As the Governor pointed out in the Policy Address, we now have an extra 800 police officers on the streets compared with 1992. We are on schedule to meet last year's Policy Commitment to deploy an additional 400 police officers for front line duties. A further 220 will also join the front-line in 1996-97.

Although the overall crime rate in the past 3 years has increased by about 5%, the violent crime rate, unlike that in other metropolitan cities, has actually fallen by some 11%, and the number of armed robberies has dropped by a remarkable 62%. There is of course no room for complacency. This year, we have strengthened the capability of the Organised Crime and Triad Bureau, and the Criminal Intelligence Bureau; next year we will provide considerable resources to strengthen the anti-triad units in Police Regions and Districts. These measures, together with the enactment of the Organised and Serious Crimes Ordinance, should enable the Police force to break the back of organised crime syndicates. Some Honourable Members have expressed their concern on increases in pickpocketing, syndicated shopthefts and juvenile crimes. Let me assure you that the Police will continue to pay particular attention to detecting and preventing such crimes, with their additional resources and better criminal intelligence capability. As regards juvenile crime, we have in May this year published the Report on the Research on the Social Causes of Juvenile Crime, which was commissioned by the Fight Crime Committee. We have received feedback from the community and concerned groups, and are now drawing up an action plan to implement the recommendations arising from the Report, which cover educational, social welfare, correctional, Police and research aspects. This will be ready by the end of the year. I am confident that with the coordinated efforts of the many Government departments and non-governmental organisations involved, the problem of juvenile crime will be kept under control.

## Fire and Ambulance Services

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Apart from maintaining law and order, it is also the community's wish to strengthen the Government's capabilities to safeguard lives and properties from fire and other hazards. We shall be providing an additional 66 posts to reinforce the staff at existing fire stations, and will be adding a further 161 posts to man two new fire stations in 1996-1997. We will also be introducing new legislation in this session to enhance fire prevention and protection in old commercial buildings. To enable us to meet our targets for responding to emergency ambulance calls, we have just completed a consultancy study on our ambulance service. We are already beginning to implement the recommendations from that study, and expect to see improvements in service in the next year.

## Illegal Employment

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No less than six Honourable Members called for stronger actions against illegal employment, which undermines our immigration control and threatens employment opportunities for our residents. We are determined to take resolute action to combat the problem. So far this year, we have already increased the number of raids by 86% over the same period last year, leading to an increase of arrests of employers by 12% and illegal workers by 19%, and an increase in prosecution by 6% for employers and 54% for illegal workers. With the doubling in strength of the Immigration Department Task Force to 92 officers last month, we will be able to carry out more targeted raids in the coming months. We will also be introducing a number of administrative and legislative changes over the next few months to make it easier to prosecute and convict offenders, especially unscrupulous employers. These measures include the introduction of the "W" prefix to Identity Cards of foreign domestic helpers to enable easier identification of their status; requiring contract workers to surrender their identity cards to the Immigration Department for cancellation at the end of their contracts; and requiring employers to inspect contract worker's travel documents to make sure that they can be legally employed before offering employment. Our proposal to increase the level of fines for illegal employment and other immigration offences has been submitted to this Council, and I hope Honourable Members will give their support to it. We will also continue to heighten community awareness of the illegal employment problem by having Immigration Department officials visiting and talking to trade and industry organisations and targeted business premises, and by publicising messages against illegal employment through APIs and other publicity materials. I join Honourable Members' appeal to the public to help us by reporting illegal employment activities to the Immigration Department through their telephone and fax hot lines.

## Correctional Services

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As we step up our enforcement action against crime and illegal employment, we will face increasing pressure on accommodation in our correctional institutions. Over-crowding in our prisons has been a long-standing problem; unfortunately it is still with us today despite the addition of 970 custodial places since the beginning of 1994. In the coming three years, we plan to increase penal accommodation by at least 1,000 places; this will provide some relief, not only to the crowded conditions in our prisons, but also to the pressure on staff. We will continue our search for additional penal accommodation.

A modern and humane correctional service is not just about locking up people in gaol. It is also about reform and rehabilitation. The Correctional Services Department already runs a variety of rehabilitation programmes, particularly for drug addicts and young offenders, successfully. This year, we have legislated for a post-release supervision scheme, which is aimed at reintegrating those who have completed their terms of imprisonment back into society. Next year, we plan to introduce legislation to give the Board of Review, Long Term Prison Sentences statutory powers to deal more effectively with prisoners serving long or indeterminate sentences.

## Image of the Disciplined Services

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Before I turn to the second policy direction, I feel obliged to respond to Honourable Members' concern about corruption in the disciplined services, with particular reference to the Police Force. We have, over the years successfully built up a clean and honest reputation for our disciplined services. The Government is fully confident to keep it that way; the community expects us to do no less. Although there are a few bad eggs who have committed corruption and other crimes, this should not be allowed to tarnish the reputation and image of the disciplined services as a whole. The ICAC will investigate all corruption cases vigorously, and has recently deployed 30 additional staff to deal with corruption in the disciplined services. Honourable Members may also be assured that the Police Force Management is fully committed to combating corruption. Indeed, some of the recent reported corruption and criminal cases were uncovered as a result of Police investigations. A high-level Force Anti-Corruption Strategy Steering Committee has recently been set up, with ICAC participation, to develop a code of ethics and enhance anti-corruption training. Corruption prevention is given particular attention in the review of Police procedures and at all levels of training. Internal guidelines are issued to commanders to help them identify and monitor police officers who, because of their lifestyles, are more at risk to corruption. And, in response to the invitation of this Council's Security Panel, the Commissioner of Police, Mr Eddie Hui, and I will discuss in more details all these issues with Honourable Members at the Panel's meeting on 13 November.

I fully agree with Honourable Members that a credible police complaints system will increase public confidence in our Police Force. We have introduced a series of measures to enhance the transparency of the system; for example, by empowering the Independent Police Complaints Council to interview witnesses, by installing CCTV and introducing video or tape recording of statements taken in CAPO offices. We are also conducting a comparative study of the police complaints systems in other jurisdictions to learn from their experience, and to see what further improvements might be made. A joint IPCC/Police/Security Branch study team has just completed its visit to five North American police jurisdictions; a further round of study visits to other jurisdictions will take place early next year. At the same time, we are discussing with the IPCC arrangements to implement, on a trial basis, the Lay Observers Scheme, under which investigations by CAPO will be observed by upright citizens, and arrangements to second a suitable directorate-grade Administrative Officer to the IPCC to enable it to observe and review more closely CAPO procedures. We are also drafting a bill to give statutory status to the IPCC. I expect to see all these efforts bearing fruit in the coming year.

I am confident that most of our men and women colleagues in the disciplined services will do nothing to compromise the well-deserved respect which they enjoy in the community. They are highly professional, often risking their lives to protect the community from crime and other adversities. They deserve our thanks for doing a good job.

#### Keeping up with the Times: Greater Efficiency and Better Services

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In a world of increasing sophistication and rising expectations, there is the inevitable demand for quality service. That brings us to our second policy direction of keeping up with the times. All the disciplined departments under Security Branch are committed to a continuous search for new and better ways to deliver their services to the public with greater effectiveness and efficiency.

The Immigration Department is conscious of the need to look for ways to reduce the processing time for its document and control procedures, so as to bring more convenience to the public in applying for travel documents and make travelling through our control points a less onerous experience. The Department has already taken a number of measures to simplify the visa application procedures to reduce processing time. Since October 1994, we have allowed applications for visas for residence, investment, employment and study to be directly submitted to the Hong Kong Immigration Department. In February, 1996, this convenience will be extended to visit and transit visas from most countries. Simplification of procedures have also allowed us to cut down the processing time for permits of Taiwanese visitors from seven to five working days. Part of the strategy to improve efficiency is the wider application of modern Information Technology. The introduction of a new computer system and optical readers at our Immigration control points save 20 seconds of processing time for each traveller who has a machine readable passport, and 4 seconds for holders of identity cards. We are also examining the feasibility of a "smart card" system, which will enable travellers to complete clearance procedures at our control points even quicker. Streamlining procedures has also reduced the time required to process applications for naturalisation as British Dependant Territories citizens from 12 months to eight months. Upon the full implementation of the Information Systems Strategy, we expect to save some 600 posts.

The Fire Services Department is introducing new equipment to improve its communication and control system. This includes a digitised Geographic Information System that will allow fire appliances to obtain geographical information about the location of fires more quickly and accurately, and thus to respond faster to emergency calls. The Department is also developing a Fire Protection Information System, which will improve the communication and coordination between the Fire Protection Bureau and regional offices on fire prevention advice. One of the aims of our recent ambulance service consultancy study is to develop PC-based computer modelling techniques for future service planning. This is now being implemented.

The Correctional Services Department has also taken steps to modernise its operation. We have recently completed the installation of the Penal Records Information System, which has brought about efficiency improvements in its records system. We are also modernising the security systems in our penal institutions to provide a more secure environment and improve the operational effectiveness of the Department.

We accord the highest priority to have a modern and efficient Police Force. The Police Management Review, begun in 1992 and completed in 1994, critically examined ways to improve the command structure, the use of modern technology and the manning levels of the entire Police Force so that it will be properly structured and equipped to meet future challenges. We have made a start to implement some of the recommendations arising from the Review this year; we will take forward the rest in the next few years. Furthermore, by implementing the Police Information Technology Strategy, work currently done manually will be done by computers. This will create the opportunity for even more police officers to be re-deployed for operational duties in the future. Plans are also being formulated to modernise report and interview rooms in police stations, so as to provide a more pleasant environment for members of the public to report crime.

#### Facing the Future: 1997 and Beyond

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In addition to keeping abreast with the community's aspirations, we are actively planning for our future post-1997. We are committed to resolving the key transitional issues, working closely with our Chinese colleagues. Concern was expressed by Honourable Members on the progress of discussions with the Chinese side on the Right of Abode, on the issue of the HKSAR passport and on travel convenience for Hong Kong residents in the future. These are matters of great importance to our community, and their early and satisfactory resolution will enhance confidence. We will continue to work with the Chinese side to assure third countries that the HKSAR passport will be a first class document, that it will be up to international standards and can be accepted as a secure travel document. Indeed, we shall soon be seeking funds from this Council to develop a sophisticated computer system to enable HKSAR passports to be issued from 1 July 1997. We will be working hard to secure arrangements that will give the greatest possible degree of travel convenience for Hong Kong residents post 1997. We will continue our efforts to resolve the Right of Abode issue in discussion with the Chinese side, with the object of enabling Hong Kong people to retain or acquire their right of abode through simple procedures.

Our planning for a smooth transition goes well beyond these important immigration issues. To name a few others :

- \* First, we are making preparations for a smooth handover of defence responsibilities to the Chinese Central Government. From 1 July 1997, the People's Liberation Army will be responsible for the defence of the Hong Kong SAR. The agreement on defence lands, reached in the Joint Liaison Group last year, has laid a good foundation for this. The Government and the out-going British Garrison are stepping up our efforts to cooperate with the Chinese authorities to ensure that the task is completed successfully and in good time.
- \* Secondly, we are working in close consultation with the Chinese side on a series of arrangements to combat trans-boundary criminal activities. We are, for example, negotiating a network of new bilateral agreements with third countries on the surrender of fugitive offenders which will remain in force after 1997. We are also negotiating new bilateral agreements with third countries for the provision of mutual legal assistance in criminal matters. Subject to further consultation with the Chinese side, we will be putting legislation to this Council to bring these new agreements into force as soon as possible.
- \* Thirdly, we are engaged in continuing liaison with the Chinese authorities, through Interpol and through border liaison channels, to improve our joint efforts in combating cross-border crimes, smuggling, illegal entry and other immigration offences. The results are evident, for example, in the significant reduction of stolen luxury vehicles in recent years, in the swift and successful cracking of the Macao jetfoil robbery case a few months ago, and in the substantial reduction in the number of pregnant Two Way Permit holders coming to give birth in Hong Kong in the first nine months of this year. We are also engaged in discussions with the Guangdong authorities on the boundary of administration of Hong Kong, so as to clarify ambiguities on the ground and at sea, and thus achieve a smoother working relationship with our neighbour.
- \* Fourthly, we have now reached agreement in principle with the Chinese side on the negotiation of arrangements with third countries on the Transfer of Sentenced Persons which will continue beyond 1997. These will replace current UK-based arrangements under which persons sentenced to imprisonment in another territory can, subject to the agreed conditions, return to their home country to serve out their prison terms.

Mr President, I shall now turn to two specific issues over which Honourable Members, and indeed the community, have expressed particular concern.

## Combating Drug Abuse

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Tackling drug abuse, particularly by young persons, is a top-priority issue for the Government. Despite the drop in the number of newly reported young drug abusers from 1,600 in the first half of last year to 1,108 in the same period this year, there is no room for complacency; the total number of reported young drug abusers is still on a rising trend. Since the Governor's Beat Drugs Summit in March this year, we have pursued vigorously the commitments made in our Forward Action Plan, and the many constructive ideas suggested by the Summit participants. The second quarterly report on progress made in implementing these plans and suggestions will be published shortly; Honourable Members will then be able to see clearly how much we have done. But in response to some of the specific concerns expressed by Honourable Members, the Medical Council and the Pharmacy and Poisons Board are discussing possible new measures to further tighten control on malpractice and the illegal sale of drugs. To clamp down on the sale of soft drugs to young persons, the number of pharmacy inspections per month has been increased from 560 to 700, and a special task force to help prosecution of offending drug retailers has been set up. Maximum penalties for the illegal or improper sale of drugs by pharmacies have been raised recently. We have strengthened the Police Narcotics Bureau, and updated the legislation against the laundering of drug proceeds to enable better enforcement action against drug traffickers.

The Education Department has taken a series of steps to beef up preventive education, targeting not only the students but also their parents; it is also carrying out a programme of assistance and training to schools and teachers to enable them to perform their essential task of educating their students to stay away from drugs more effectively. The Social Welfare Department has also set up a team of specially trained social workers to help young drug abusers.

On the treatment and rehabilitation front, the Hospital Authority have established six substance abuse clinics this year. We are proceeding with the establishment of two additional residential treatment centres for young opiate abusers, and a new counselling centre in the New Territories for psychotropic substance abusers.

Honourable Members have welcomed the Beat Drugs Fund announced by the Governor in his Policy Address. This will provide a substantial additional source of funding for worthwhile anti-drug projects. All non-governmental organisations, including the religious rehabilitation agencies, will be able to apply to the Fund for project financing. I am confident that the cumulative effect of all these measures will have a considerable impact, and save more of our young people from the dangers of drug abuse.

## Vietnamese Migrants

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Finally, let me respond to some Honourable Members' concern on the Vietnamese Migrants (VM) problem. We share the community's wish to see an early end to this unwelcome burden on Hong Kong. We remain fully committed to resolving this problem as soon as possible.

All the VMs in our detention centres came after June 1988, when we began the screening policy. They have gone through scrupulously thorough screening procedures, and have been determined to be non-refugees. Under the Comprehensive Plan of Action (CPA), which was agreed in 1989 by over 70 countries (including China) as the strategy to deal with the VM problem, all screened-out VMs must return to Vietnam. There is no other course. Indeed, over 47,000 Vietnamese Migrants have since returned to Vietnam through the voluntary and orderly repatriation programmes, rather than wasting their lives in the camps.

Sadly, false hopes of overseas resettlement have stalled the voluntary repatriation programme in recent months. Any suggestion that adds to such false hopes but without any realistic prospect of their fulfilment, will clearly harm our efforts to repatriate the remaining 21,000 Vietnamese Migrants. We have already seen the damage done by legislative initiatives in the US Congress. Any suggestion that the UK should take all the VMs if any of them should still be in Hong Kong by July 1997 will exacerbate the damage, and work against what we - the Government, the people, and indeed the international community - all want to achieve.

We are experiencing a trough in the voluntary repatriation programme, but that is no reason to be despondent. We are liaising closely with the UNHCR and the US Administration which, we understand, is working hard to repair the damage done by the US Congressional initiatives. As I now speak, a US Administration delegation is in Hanoi to discuss with the Vietnamese Government measures to re-generate voluntary repatriation. We hope that voluntary repatriation under the CPA will pick up again before too long. In the meantime, we will step up the pace of the Orderly Repatriation Programme. This is no easy task, as events in the last few months have demonstrated. Our Correctional Services and Police officers, who have displayed exemplary professionalism, courage and restraint in carrying out these operations in often dangerous circumstances, deserve a vote of gratitude from the community.

A few Honourable Members have also questioned the port of first asylum policy. I understand that a Motion Debate on this issue may be moved shortly, and will respond in full on that occasion. But let me make just one point at this stage : the most pressing problem we face now is not new arrivals, but how to return to Vietnam the 21,000 VM's who are already here. Abolishing the port of first asylum policy will not help us to do that at all. On the contrary, it will tarnish Hong Kong's reputation as a humane society, and will do nothing in our efforts to enlist international support to resolve our current difficulties. This is certainly not what we wish to see, especially when what is most needed is concerted effort by the UNHCR and the CPA countries to achieve the early repatriation of all screened-out Vietnamese Migrants. Frustration at the current, unsatisfactory state of affairs is understandable, but that is no substitute for clear-headed thinking on what is the best course of action to achieve our common objective.

#### Concluding Remarks

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Mr President, I hope I have said enough to demonstrate that, in the Security programme areas, we are a forward-looking administration, with clearly defined policy directions and achievable objectives and targets. Our planning horizon extends well beyond 1997. We have set ourselves ambitious goals, and we look to the support of this Council and the community in achieving them. We take constructive criticisms in a positive spirit, because we are dedicated to achieving the highest standard of public service. Above all, the men and women of the Disciplined Services take pride in serving their own community, not only now but well into the twenty-first century.

Thank you, Mr President.

End/Thursday, November 2, 1995

STI in LegCo debate on motion of thanks

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Following is the speech by the Secretary for Trade and Industry, Mr Chau Tak-hay, in the Legislative Council debate on the motion of thanks today (Thursday):

Mr President,

The effects of the economic restructuring understandably continue to be a concern of the Government, this Council and the community. I am therefore pleased to see the support expressed by Honourable Members for the Government's initiative to seek to promote the development of the service industries. Building on Hong Kong's success as an international services centre, the Financial Secretary's task force is looking into the strengths and weaknesses of individual service sectors, and measures to create a domestic environment conducive to the further development of services. The task force will carry out extensive consultation with the business sector and professional experts in the coming months.

But let me make it very clear that this initiative does not mean that we are going to develop the service industries at the expense of the manufacturing sector. Nothing is further from the truth. In this regard, the Government shares the view expressed by some Honourable Members that the future of our manufacturing industry lies in the use of high-tech processes and the production of high valued-added products.

However I am baffled by what many Honourable Members perceive as the role of the Government in our industrial upgrading. Almost without exception, Honourable Members who spoke on this subject advocated, explicitly or implicitly, an interventionist approach by the Government. An extreme example is the attribution of the success of our neighbouring countries to their governments having followed "the Japanese example in which the powerful Ministry of International Trade and Industry has coached some companies for excellence, even dominance, in certain specialities to the country's benefit". Nothing can be more wrong-headed and more mind-boggling than these demands that we should turn Hong Kong's free and open economic regime - a regime that has over the past few decades made Hong Kong the economic wonder of the world - into one in which entrepreneurs are made to dance to a tune composed by bureaucrats!

We are not apologetic at all about our policy of minimum intervention and maximum support. It is our firm conviction that the Government's role should be confined basically to maintaining macro-economic stability, creating an environment that is the most business-friendly in the world, providing education and training for our workforce and building up the physical infrastructure required to support economic activities. We believe, wholeheartedly, that the Government should not attempt to direct or manage the economy at the macro level or to second guess markets and entrepreneurs at the micro level. This is because our entrepreneurs make better business decisions than civil servants. Indeed the very success of our economic way of life is to trust the markets and to let competition take command. In short, Adam Smith's "invisible hand" of the market is much to be preferred to the dead hand of government interference.

In addition to maintaining a favourable climate for business and economic development, the Government has invested in projects which are specifically targeted at supporting industrial upgrading.

- \* We have three industrial estates catering to companies which are able to bring new or better technologies or products to Hong Kong and which cannot operate in multi-storey buildings. We are looking into the need for a fourth industrial estate.
- \* The Hong Kong Productivity Council with its network of subsidiary companies provides a wide range of services to help manufacturers upgrade their productivity and technology.
- \* The Industrial Technology Centre was opened this year providing accommodation, support and services to new technology-based businesses. We will look into the possibility of setting up a second industrial technology centre.
- \* A fund of \$200 million has been allocated for applied research and development.
- \* On top of that, we have also set up an industrial support fund for the purpose of providing financial assistance for projects seeking to upgrade the technological skills of and to facilitate technology transfer to the manufacturing industry. In its first two years, \$180 million was injected into the Fund in 1994-95 and \$210 million in 1995-96; and subject to the approval of the Finance Committee, \$250 million will be made available in 1996-97.

- \* The Industry Department's inward investment programme is designed to attract overseas investors who can bring useful and relevant technologies to Hong Kong.

I note the support for the construction of a science park. As Honourable Members know, we have completed a consultancy study report and are consulting interested parties. We look forward to discussing this project with the Trade and Industry Panel of this Council later this month.

Some Honourable Members also asked for greater co-operation with China to help develop Hong Kong's industrial technology. This is already happening. We have established an Applied Research Council to support joint applied research and development projects between Hong Kong entrepreneurs and major research institutes in China. During my visit to Beijing last month, I discussed with State Councillor Song Jian, who is the Chairman of China's State Commission on Science and Technology, the possibility of encouraging and facilitating further co-operation between Hong Kong entrepreneurs and Mainland scientists; and, with his enthusiastic support, I am optimistic about the prospects for such co-operation.

Turning to competition policy, I should like to stress once again that the Government is fully committed to the promotion of competition, which is the best guarantee of economic efficiency and reasonable prices for consumers. Where necessary, we will use appropriate and pragmatic measures to rectify any unfair business practices, safeguard competition and protect consumer interests.

As Honourable Members are aware, we have provided funds to the Consumer Council to conduct a series of sector-specific studies on competition. So far, studies on banks, supermarkets and gas supply have been completed. The Government has responded, positively and constructively, to these reports and already provided responses to the studies on banking and the supermarket industry. Our response to the report on the domestic water heating and cooking fuel markets will be ready early next year. The Consumer Council will complete studies on telecommunications, broadcasting and the residential property market by the end of this year. The Consumer Council's study on the overall state of competition in Hong Kong is expected to be completed in early 1996.

We will consider whether additional administrative or legislative measures to promote healthy competition are necessary in the light of the findings of these studies. I wish to emphasise that we are adopting a step-by-step and pragmatic approach in the formulation of the frameworks that are most suitable for promoting healthy competition in the different sectors of our economy. At this stage, we are open-minded as to whether comprehensive legislation on competition or fair trading should be introduced in Hong Kong and we await the Consumer Council's overall study with interest.

End/Thursday, November 2, 1995

#### The Road Traffic Ordinance

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Following is the speech by the Secretary for Transport, Mr Haider Barma, in the motion debate on the Road Traffic Ordinance (Amendment of Schedule 8) Order 1995 in the Legislative Council today (Thursday):

Mr President,

The fees for the inspection of private cars and light goods vehicles at Government Vehicle Examination Centres were increased in June 1995. The Road Traffic Ordinance (Amendment of Schedule 8) Order 1995 seeks to bring to the same level the fees for similar inspections at Car Testing Centres which, although privately owned, are designated by Government under the Road Traffic Ordinance to provide vehicle testing facilities. The Order also seeks to adjust the fees payable for Certificates of Roadworthiness.

It is only fair and to be expected that a vehicle owner should pay the same fee to have his vehicle inspected either at a Government VEC or a CTC. In this respect, I am glad that the Honourable Ron Arculli has accepted this and has not sought to amend section 2 subsection (b) of the Order which seeks to standardise these fees.

Section 2(c) of the Order seeks to revise the fees for Certificates of Roadworthiness. This is the mechanism through which the Administration recoups costs in respect of providing staff to administer the CTC scheme. Our team qualify CTC vehicle testers and are responsible for checking the facilities at and monitoring the quality of service provided by CTCs. Such monitoring is necessary to ensure that the standards of vehicle examinations are uniform.

The fact is that vehicle owners do not pay anything extra for roadworthiness certificates. It is the CTC operators who pay the Administration out of the fees that they will collect. Indeed the schedule of charges already include administrative costs. I therefore see no logic or justification whatsoever in seeking to repeal section 2(c) of Order.

Mr President, if the Motion is adopted, this will result in a distinct element of inconsistency on the Council's part. May I respectfully remind Honourable Members that in adopting in 1994 the Public Accounts Committee recommendations on the Audit Report on "Fees for Vehicle Examinations", Members specifically expressed the firm view that fees for vehicle examination services should be set on a full cost recovery basis and that the level of fees should be revised annually to avoid substantial adjustment at irregular intervals.

Mr President, to support the Motion now under consideration would in effect mean that Honourable Members are vetoing what they themselves so strongly advocated should be the practice that the Administration should follow in reviewing and adjusting vehicle inspection fees. I therefore urge Members to vote against this Motion.

End/Thursday, November 2, 1995

#### Legal Aid Regulation

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Following is the speech by the Chief Secretary, the Hon Anson Chan, in moving the resolution on the Amendments to the Legal Aid (Assessment of Resources and Contributions) (Amendment) Regulation 1995 in the Legislative Council today (Thursday):

Mr President,

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

The Legal Aid (Assessment of Resources and Contributions) (Amendment) Regulation 1995 (the Regulation) adjusted the contributions payable by persons granted legal aid under ordinary circumstances and provided for a variation of the resources limits for persons granted legal aid for meritorious Bill of Rights cases to the Director of Legal Aid. The Regulation was gazetted on 28 July. It commenced operation on the same date as part of the subsidiary legislation of the Legal Aid (Amendment) Ordinance 1995, which was passed by this Council on 14 June. The Regulation was laid on the table in the Council on 11 October.

I am grateful to the Legal Service Division of the Legislative Council Secretariat for raising a number of drafting issues concerning the Regulation. The Administration accepts the points made and is now proposing a number of technical amendments.

First, a necessary consequential amendment to the Legal Aid (Assessment of Resources and Contributions) Regulations (the principal Regulations) resulting from the Legal Aid (Amendment) Ordinance 1995 has been inadvertently omitted. The Regulation at present amends Schedule 3 to the principal Regulations to provide for a variation of the resources limits for meritorious Bill of Rights cases. Cases relating to any inconsistency with the International Covenant on Civil and Political Rights have been left out. The new section 2(c) of the Regulation provides that meritorious International Covenant on Civil and Political Rights cases are also included.

Secondly, Part IV of Schedule 3 has at present no direct reference to a regulation in the text of the Legal Aid (Assessment of Resources and Contributions) Regulations. The new section 1 of the Regulation repeals Part IV of Schedule 3 and transposes it as the new regulation 15 of the principal Regulations.

Mr President, I beg to move.

End/Thursday, November 2, 1995

Legal Aid Criminal Cases Rules

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Following is the speech by the Chief Secretary, the Hon Anson Chan, in moving the resolution on the Legal Aid in Criminal Cases (Amendment)(No 3) Rules 1995 in the Legislative Council today (Thursday):

Mr President,

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

The Legal Aid (Amendment) Bill was passed by this Council on 14 June and received the assent of the Governor on 15 June. Under sections 9 and 9A of the Criminal Procedure Ordinance, the Chief Justice made the Legal Aid in Criminal Cases (Amendment) (No. 2) Rules 1995 after the Bill has been passed into law. The Ordinance and its subsidiary legislation, including the Rules, came into effect on 28 July.

Rule 16 of the Legal Aid in Criminal Cases Rules provides that the Director of Legal Aid may require a person granted legal aid to pay a contribution towards the sums payable on his account by the Director. It has now been found that as a result of the earlier amendment, Rule 16 now covers only legal aid applications for proceedings in which a breach of the Hong Kong Bill of Rights Ordinance is an issue and has possibly omitted legal aid applications under ordinary circumstances. The present amendment to Rule 16, as amended in the Legal Aid in Criminal Cases (Amendment) (No. 2) Rules 1995, is required to ensure that the ordinary applications for legal aid in criminal matters are covered, as well as Bill of Rights cases.

In accordance with sections 9 and 9A of the Criminal Procedure Ordinance, the Chief Justice has made the Legal Aid in Criminal Cases (Amendment) (No. 3) Rules 1995 on 14 October. The Rules now require the approval of this Council by Resolution.

Mr President, I beg to move.

End/Thursday, November 2, 1995

Costs in Criminal Cases Bill introduced into LegCo

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A Bill which sets out a fair and coherent set of principles governing the award of costs in criminal proceedings was introduced into the Legislative Council today (Thursday).

Moving the second reading of the Costs in Criminal Cases Bill, the Attorney General, the Hon Jeremy Mathews, said the purpose of this Bill was to reform the existing law and practice governing the award of costs in criminal cases by removing anomalies and inconsistencies and by providing a clear set of principles applicable to all levels of criminal courts.

Mr Mathews said: "At present, in the magistrates' court, costs may be awarded to a defendant who has been acquitted only if the magistrate is satisfied that the proceedings ought not to have been instituted or pursued.

"But in the High Court and District Court, a different test applies, in that costs are normally to be awarded to the acquitted defendant unless there are positive reasons for their not being so awarded, namely that he has brought suspicion on himself and has misled the prosecution into thinking the case against him is stronger than it is," he said.

"Thus, in the magistrates' courts, an acquitted person carries the burden of demonstrating that the prosecution is at fault; in the District Court and High Court, he will normally be awarded costs unless he is at fault or the acquittal turns on a technicality."

Mr Mathews said the Bill provided that the same guiding principles for the award of costs should apply in all courts, and that the court should be given a complete discretion on the question of costs.

That discretion, he added, should normally be exercised in favour of the acquitted person unless there should be positive reasons for not so doing.

He noted that the Bill also provided that costs limit in the magistrates' court should be increased from \$5,000, which was set in 1981, to \$15,000 unless they were to be assessed by an official of the court or had been agreed by the prosecution and the defence.

It also gives courts at all levels a discretion to award costs in favour of a defendant where he is charged with multiple offences but is acquitted of one or more of them, he said.

Mr Mathews pointed out that the Bill also empowered the Court of Appeal to award costs to a defendant where it substituted on appeal a sentence substantially at variance with that passed by the court below.

The reason is that although such costs may not have been occasioned through any fault of the prosecution, but rather because the trial judge imposed an inappropriate sentence, the defendant should not be left out of pocket when he has been obliged to appeal against a sentence which is held to be flawed.

In respect of prosecution costs, Mr Mathews said the Bill provided for costs to be ordered in favour of the prosecution in summary proceedings, indictable proceedings, and where a judge or the Court of Appeal dismissed an unmeritorious appeal lodged by a defendant.

However, the liability for costs of a legally-aided defendant should not exceed his contribution paid or payable to the Director of Legal Aid towards the costs of his defence.

On the issue of wasted costs, Mr Mathews noted that the Bill arms the courts with the power to prevent persons from suffering losses and expenses as a result of unjustifiable conduct on the part of lawyers by enabling them to order the legal or other representative to pay the whole or part of wasted costs.

In order to allay the concern that the interests of the legal or other representatives might not be adequately protected if the court intends to order wasted costs against them, the Bill provides that no wasted costs order should be made unless the legal or other representative concerned has been given a reasonable opportunity to appear before the court to show cause why the order should not be made.

The Bill also provides for avenues for appeals against costs orders made by the court.

Mr Mathews said: "Where any of the parties to the proceedings is not satisfied with an order for costs, he or she can appeal against that order, or apply for those costs to be assessed by the court, or apply for a review of that assessment."

End/Thursday, November 2, 1995

### Costs in Criminal Cases Bill

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Following is the speech by the Attorney General, the Hon Jeremy Mathews, in moving the second reading of the Costs in Criminal Cases Bill in the Legislative Council today (Thursday):

Mr President,

I move that the Costs in Criminal Cases Bill be read a second time.

The purpose of this Bill is to reform the existing law and practice governing the award of costs in criminal cases by removing anomalies and inconsistencies and by providing a clear set of principles applicable to all levels of criminal courts.

#### Defence Costs

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I will deal, first, with the Bill's proposals concerning defence costs. At present, in the magistrates court, costs may be awarded to a defendant who has been acquitted only if the magistrate is satisfied that the proceedings ought not to have been instituted or pursued. But in the High Court and District Court, a different test applies, in that costs are normally to be awarded to an acquitted defendant unless there are positive reasons for their not being so awarded, namely that he has brought suspicion on himself and has misled the prosecution into thinking the case against him is stronger than it is. If the defendant is legally-aided, then any award of costs will be limited to the extent of any contribution he has made towards the costs of his defence.

Thus, in the magistrates courts, an acquitted person carries the burden of demonstrating that the prosecution is at fault; in the District Court and High Court, he will normally be awarded costs unless he is at fault or the acquittal turns on a technicality.

It is difficult to justify the different principles applicable in the award of costs in criminal proceedings. The Bill, therefore, provides that the same guiding principles for the award of costs should apply in all courts, and that the court should be given a complete discretion on the question of costs. That discretion should normally be exercised in favour of the acquitted person unless there should be positive reasons for not so doing.

To remove the different principles governing the award of costs to an acquitted defendant in the magistrates court and superior courts, Part II of the Bill provides that courts at all levels have a complete discretion on awarding costs to a successful defendant at trial or otherwise, and on appeal.

Clause 3 Subclause(2) provides that costs in the magistrates court should not exceed \$15,000 unless they are to be assessed by an official of the court or have been agreed by the prosecution and the defence. The amount of \$15,000 represents a substantial increase from \$5,000, which was set in 1981.

Clause 6 gives courts at all levels a discretion to award costs in favour of a defendant where he is charged with multiple offences but is acquitted of one or more of them.

Clause 9(2)(b) empowers the Court of Appeal to award costs to a defendant where it substitutes on appeal a sentence substantially at variance with that passed by the court below. Although such costs may not have been occasioned through any fault of the prosecution, but rather because the trial judge imposed an inappropriate sentence, the defendant should not be left out of pocket when he has been obliged to appeal against a sentence which is held to be flawed.

#### Prosecution Costs

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I turn now to that part of the Bill dealing with the prosecution costs. Part III of the Bill provides for costs to be ordered in favour of the prosecution in summary proceedings that's in (Clause 11), indictable proceedings (Clause 12), and where a judge or the Court of Appeal dismisses an unmeritorious appeal lodged by a defendant that's in (Clause 13).

I should make it clear that it will not automatically be the case that the prosecution will ask for or be awarded its costs where there is a conviction. Generally speaking, the prosecution will not seek costs in relation to any defendant or appellant who has a Legal Aid Certificate. However, in other cases where the prosecution is satisfied that the defendant or appellant is financially capable of paying costs, the prosecution may seek an order for costs. Of course, discretion must be used and if it is considered that there is no prospect of enforcing the order there is not much point in making any application for costs.

Similar to Clause 3(2), Clause 11 Subclause (2) increases the costs limit in the magistrates court from \$5,000 (set in 1981) to \$15,000; again, costs may only exceed that amount if they are to be assessed by an official of the court or have been agreed by the prosecution and the defence.

Clause 16 of the Bill provides that liability for costs of a legally-aided defendant should not exceed his contribution paid or payable to the Director of Legal Aid towards the costs of his defence.

### Wasted Costs

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At present, there are no provisions governing wasted costs in criminal cases, so that where loss or expense is caused to any person by the unjustifiable conduct of criminal litigation by either side's lawyers, there is no remedy. That cannot possibly be right. Clause 18 of the Bill arms the courts with an effective remedy for the protection of the injured. That clause enables the court to order the legal or other representative to pay the whole or part of wasted costs. Clause 2 of the Bill defines wasted costs to mean any costs incurred by a party to criminal proceedings as a result of an improper, unreasonable or negligent act or omission on the part of his legal or other representative, or where, in the light of any such act or omission occurring after such costs had been incurred, it is unreasonable to expect that party to pay. I should make clear that the court's power to make a wasted costs order would extend to the prosecution as well as to the defence.

In order to allay the concern that the interests of the legal or other representatives may not be adequately protected if the court intends to order wasted costs against them, Clause 18 Subclause (2) provides that no wasted costs order shall be made unless the legal or other representatives concerned have been given a reasonable opportunity to appear before the court to show cause why the order should not be made. It is intended that rules will be made under Clause 22 of the Bill to make detailed provision for this safeguard.

### Appeals

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The Bill also provides for avenues for appeals against costs orders made by the court. Where any of the parties to the proceedings is not satisfied with an order for costs, he or she can appeal against that order under Clause 19, or apply under Clause 20 for those costs to be assessed by the court, or apply under Clause 21 for a review of that assessment.

Mr President, the Bill sets out a fair and coherent set of principles governing the award of costs in criminal proceedings. It arms the courts with the power to prevent persons from suffering losses and expenses as a result of unjustifiable conduct on the part of lawyers. The Bill makes significant improvements to the administration of criminal justice and I commend it to this Council.

End/Thursday, November 2, 1995

### Lands Tribunal Bill

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

Mr President,

I move the second reading of the Lands Tribunal (Amendment) Bill 1995.

The Bill seeks to provide the Lands Tribunal with express jurisdiction under section 8(7) of the Lands Tribunal Ordinance (Cap. 17) to make orders for vacant possession, founded on the termination of tenancies, by notices of termination served pursuant to Part IV or V of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7).

Under the Bill, the Lands Tribunal is to be regarded as always having had this jurisdiction. This is to overcome the decision of the Court of Appeal in a civil appeal case in 1993 which held that the Lands Tribunal did not have such jurisdiction. Prior to this decision, the Lands Tribunal was believed to possess such jurisdiction.

We also take the opportunity to amend the Lands Tribunal Ordinance (Cap. 17) to reflect the current position on the appointment of members of the Lands Tribunal.

Mr President, with these remarks, I commend the Bill to Honourable Members for favourable consideration.

Thank you, Mr President.

End/Thursday, November 2, 1995

Container terminal developments

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The following is a question by the Hon Choy Kan-pui and a written reply by the Secretary for Economic Services, Mr Gordon Siu, in the Legislative Council today (Thursday):

Question:

Since the Chinese Foreign Minister and the British Foreign Secretary have reached an understanding to seek a solution to the Container Terminal issue in the territory, will the Government inform this Council whether it has submitted or is planning to submit in the near future a new proposal to the Chinese side, so that the Sino-British Joint Liaison Group can discuss the new proposal and come to a decision early; if so, when has it submitted or when will it submit the new proposal?

Reply:

Mr President,

We are much encouraged by the consensus reached by the Foreign Ministers of China and the United Kingdom that progress should be made on our container terminal developments.

These are matters which we have raised consistently at the Sino-British Joint Liaison Group for the last two years.

We have been discussing with the Chinese side a number of ways in which we might be able to make progress. We are clearly anxious to establish common ground so that an early resolution to the problem can be achieved. We will continue to press for a solution and are working hard to achieve this end.

End/Thursday, November 2, 1995

Broadcasting Bill

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Following is a question by the Hon Andrew Cheng and a written reply by the acting Secretary for Recreation and Culture, Mrs Rachel Cartland, in the Legislative Council today (Thursday):

Question:

Regarding the Government's failure to introduce the proposed omnibus broadcasting bill into this Council in the last session, will the Government inform this Council whether:

- (a) the Government will introduce the bill into this Council in this session; if so, when it will be introduced; if not, why not;
- (b) approval of the Chinese Government is required before the bill can be introduced into this Council; if so, whether it is because the bill involves such issues as the ratio of foreign owned shareholding of a broadcasting corporation and cross-media ownership?

Reply:

Mr President,

It remains the Government's intention to introduce the Broadcasting Bill for consideration by Members in the current Legislative Council session. We cannot yet be more specific about the precise timing. This will depend on the progress of drafting and the time taken for consultation with relevant parties, including the broadcasting industry. As the bill is intended to provide a regulatory basis for the broadcasting industry extending well beyond the change of sovereignty, we intend to consult the Chinese side before finalising it for enactment by this Council.

End/Thursday, November 2, 1995

### Licensing applications at Trade Department

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Following is a question by the Hon Henry Tang Ying-yen and a written reply by the Secretary for Trade and Industry, Mr Chau Tak-hay, in the Legislative Council today (Thursday):

Question:

Will the Government inform this Council :

- (a) of the respective average numbers of licensing applications and related enquiries received daily by the Trade Department, and whether there are low and peak seasons in submitting applications and making enquiries;
- (b) of the average time taken for processing each application as well as the average waiting time for making an enquiry; and
- (c) whether the Trade Department will consider opening their offices during lunch time to handle applications, as in the case of other government departments such as the Transport Department and the Home Affairs Department, if not, why not?

Reply:

Mr President,

Trade Department deals with a wide variety of licence applications, the majority of which are concerned with textiles export control.

In 1994, the Department received 1.45 million textiles export licence applications, of which 650,000 were restrained licences and 800,000 were non-restrained licences. On average, therefore, the Department received 2,200 restrained licences applications and 2,700 non-restrained licences applications per working day. The peak seasons usually occur before the final licensing date at the end of the year, before Lunar New Year Holidays, and before and after long holidays. There can be as many as 15,000 (restrained) and 4,500 (non-restrained) licence applications in a day. The Department does not keep statistics on the number of enquiries on textiles related services but the number is substantial according to experience.

The target processing time for textiles export licences is two clear working days. The Department managed to achieve this target last year. As for enquiries, most are answered instantly by the relevant desk officers.

Other more significant kinds of licences processed by the Department are concerned with textiles imports, various non-textiles imports and exports, as well as certificates of origin. In 1994, Trade Department received about 1,480 such applications per working day. The Department was able to deal with them in accordance with its performance pledge which ranged from 24 hours to 14 days, depending on the kind of licence involved. In general, there is no peak or low season in the year for these kinds of applications.

Trade Department does not have any plan to operate its licensing service regularly during lunch time. To keep the service counters open during lunch time, additional staff will have to be deployed. This would push up operating costs, hence licence fees. This will not be welcomed by clients. Alternatively, the existing staff resources may be re-deployed to cover the lunch hour. This would affect service to clients during the normal office hours. Given the cost consideration and the fact that licence application is part of the normal business activities of exporters, it is not unreasonable to expect them to handle their applications during the normal office hours.

End/Thursday, November 2, 1995

Liaison Office between Government and Preparatory Committee

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The following is a question by the Hon Allen Lee and a written reply by the acting Secretary for Constitutional Affairs, Mr Stephen Lam, in the Legislative Council today (Thursday):

Question:

In regard to the Government's proposal to set up a Liaison Office to co-ordinate liaison matters between the Government and the Preparatory Committee, will the Government inform this Council of:

- (a) the functions and scope of duties of the Liaison Office;
- (b) the criteria to be adopted by the Liaison Office for determining which categories of information on the Government and government officials will be provided to the Preparatory Committee; and
- (c) the criteria to be adopted by the Liaison Office for providing the necessary practical assistance to the Preparatory Committee and the Chief Executive (Designate)?

Reply:

The Liaison Office will be the designated channel of communication between the Hong Kong Government and the Preparatory Committee. Where, in the course of its work, the Preparatory Committee requires information or assistance from Policy Branches and Departments, the Liaison Office will provide a central point of contact for the Committee, and will manage the process within the Hong Kong Government.

The Liaison Office will be part of the Hong Kong Government, and will be headed by the Secretary for Constitutional Affairs and staffed by civil servants. It will report directly to the Chief Secretary and the Governor. Details regarding the operation of the Liaison Office are still being worked out. We have already approached the Chinese side to take forward discussions on the types of assistance which the Preparatory Committee will require.

In co-operating with the Preparatory Committee and, in due course, the Chief Executive (Designate), we will ensure:

- (a) that the authority and credibility of the Hong Kong Government to administer the territory until 30 June 1997 are not compromised;
- (b) that the arrangements for co-operation are fully consistent with the Joint Declaration and the Basic Law, and are in the interests of Hong Kong; and
- (c) that the morale and confidence of the Civil Service are not affected.

End/Thursday, November 2, 1995

Accommodation for the elderly

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Following is a question by the Hon Fung Kin-kee and a written reply by the Secretary for Housing, Mr Dominic Wong, in the Legislative Council today (Thursday):

Question:

With regard to its commitment of providing decent accommodation for all elderly people currently living in bedspace apartments by the end of 1997, will the Government inform this Council:

- (a) of the respective numbers of elderly people currently living in bedspace apartment and cubicles;
- (b) of the types of resettlement housing for the elderly currently living in bedspace apartments, what is the breakdown by types of housing units expected to be set aside for rehousing these elderly people in each of the next two years;
- (c) whether there is any plan to rehouse the elderly living in cubicles; if so, what is the breakdown by types of housing units expected to be set aside for rehousing these elderly people in each of the next two years; if not, why not; and
- (d) what is the definition of "decent accommodation" mentioned by the Government?

Reply:

Mr President,

Under the Bedspace Apartment Ordinance, bedspace apartments (BSAs) are defined as premises which comprise 12 or more bedspaces under rental agreements. There are now some 150 BSAs with about 3,200 lodgers. Based on a survey conducted by the Home Affairs Department in late 1993, about 38% of the lodgers were over 60 years old. Thus, the existing elderly population living in BSAs is estimated at about 1,200.

We do not have the elderly population figure for those residing in cubicle-type apartments as the scope of the Bedspace Apartments Ordinance does not cover this type of accommodation.

Elderly lodgers, whether in bedspace apartments or cubicles, may be rehoused either in welfare institutions operated by non-government organisations, or in public rental housing including purpose-built singleton flats, and other small flats, Housing for Senior Citizens flats and refurbished flats either on a single or shared basis. A breakdown of the supply of public housing flats for elderly people in Hong Kong in the next two years is given below:

	1996	1997
	-----	-----
Housing for Senior Citizens flats	1,430	2,000
Singleton/small flats(*)	3,850	5,090
Refurbished flats(*)	2,730	2,620
	-----	-----
Total	8,010	9,710

(\*) flats suitable for housing singletons, including elderly persons

There are special schemes designed to fast-track elderly people's applications on the Waiting List. Elderly people may apply under the Elderly Single Persons Priority Scheme or the Elderly Priority Scheme for two or more elderly persons. Beneficiaries of these schemes will be rehoused in approximately two years after registration. Every year, about 3,000 elderly people are rehoused through these priority schemes. In addition, the Housing Authority sets aside a number of flats for compassionate rehousing cases recommended by the Social Welfare Department. Each year, about 600 elderly people, some from bedspace apartments and cubicles, are rehoused in public rental housing estates through this quota.

Apart from flats provided by the Housing Authority, the Hong Kong Housing Society also provides 830 flats for elderly people.

We have launched a series of publicity and outreaching campaigns to encourage elderly people living in sub-standard private accommodation, including those living in both bedspace apartments and cubicles, to register on the Waiting List of the Housing Authority.

Decent accommodation refers to permanent housing with adequate living facilities, which provides a degree of privacy and basic management care.

End/Thursday, November 2, 1995

Proposals for tax concessions on rent or mortgage

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Following is a question by the Hon James Tien Pei-chun and a written reply by the Secretary for the Treasury, Mr K C Kwong, in the Legislative Council today (Thursday):

Question:

At present people in the territory especially those in the low-income bracket have to bear a heavy mortgage repayment burden. Moreover, there were between 300 and 400 forfeiture of deposit cases a year in the purchase of Home Ownership Scheme flats over the past two years and there is a tendency for such cases to continue to increase. In this connection, will the Government inform this Council whether it will reconsider adding a "Housing Allowance" in the salaries tax personal assessment, which will enable taxpayers to enjoy tax exemption of an amount set at \$20,000 per annum on actual expenditure on rent or mortgage repayment, so that the burden of taxpayers with heavy expenditure on housing can be alleviated?

Reply:

Among our key revenue principles are maintenance of a low, simple and predictable tax regime and provision of tax concessions where most needed, having regard to our budgetary position. The Financial Secretary is currently consulting Members on the revenue measures for the 1996-97 Budget. Proposals for tax concessions for accommodation expenditure have been raised by Members in that exercise. We will examine these proposals carefully, having regard to the principles stated above, before the Financial Secretary formulates the revenue measures for the coming Budget.

End/Thursday, November 2, 1995

Training of product and software design personnel

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Following is a question by the Hon James Tien Pei-chun and a written reply by the Secretary for Education and Manpower, Mr Joseph W P Wong, in the Legislative Council today (Thursday):

Question:

Will the Government inform this Council of the following:

- (a) what is the present situation regarding the demand for "hi-tech personnel" in product and software design in the industrial sector in the territory; and
- (b) are the Government's efforts in providing training in this field adequate; what is its long term policy, and what is the amount of funds that will be spent, in this regard?

Reply:

Mr President,

- (a) The latest manpower information available from recent surveys indicates that our manufacturing industries' annual requirement for product design technologists is about 35 persons, who are mainly product engineers. In the area of software design, the annual demand by the industrial sector is about 35 at the managerial level and 400 at the support level.
- (b) It is Government's long term policy to provide a sufficient number of trained personnel to meet the industries' needs. Government believes that its efforts to provide training in the field of product and software design are adequate. The Vocational Training Council (VTC) trains design personnel in its technical colleges and technical institutes. The VTC's two technical colleges run higher diploma and higher certificate courses in manufacturing engineering with a design stream. The planned total final year places are 70 and 60 respectively. The technical institutes also expect to turn out 238 design graduates in various diploma level disciplines. In software design, there is a total of 75 higher diploma and 90 higher certificate final year places. The technical institutes also produce about 350 diploma level graduates in computing studies.

Besides supplying new graduates, the VTC provides training to upgrade and update in-service design personnel in its Electronic Design Technology Training Centre, the Precision Tooling Training Centre, the Plastics Industry Training Centre and the Information Technology Training Centre. In total, these centres provide 3,540 places amounting to 156,500 trainee hours.

VTC expenditure on the student and trainee places indicated above amounted to \$76 million a year at 1995 prices.

Training of personnel in this field is also provided by the tertiary institutions under the University Grants Committee (UGC). In 1994-95, there were 4,310 student enrolments in programmes under the Academic Programme Category (APC) of Information Technology and Computing, at an estimated cost of \$600 million. The number of students is projected to increase in the next two years, to 4,661 in 1996-97.

Apart from the expenditure on the relevant APC, there are other projects funded from the UGC's Central Allocation Vote and under the Research Grants Council's Cooperative Research Centre scheme which are related to the development and training of personnel in information technology. These projects are: the establishment of a centre of software technology facilities, a computer integrated manufacturing facility for training and teaching of information technology and other related subjects, the establishment of an institute of micro systems to facilitate the research and training in semi-conductor and micro-electronics, and Cooperative Research Centre pilot schemes in open systems technology and the application of image technology in fabric inspection. The total funding approved for these on-going projects amounts to some \$46m.

To ensure that Hong Kong's needs for a comprehensive system of technical education and industrial training are being met in the light of the restructuring of Hong Kong's economy, we shall soon be undertaking a review of the system of providing technical education and vocational training. This would include the specialist areas mentioned above.

End/Thursday, November 2, 1995

**Polluting industries in residential areas**

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

**Question:**

Regarding the problem of industrial facilities (such as garages) which pollute the environment being located in residential areas, will the Government inform this Council of the following:

- (a) how many commercial establishments engaged in polluting industries are located in residential areas in the territory;
- (b) what impacts do such industries have, in so far as environmental hygiene is concerned, on the residents nearby, and how many residents are affected; and
- (c) what short-term measures and long-term policy the Government has put in place to deal with this problem; and whether consideration will be given to relocating such commercial establishment and giving them compensation?

**Reply:**

**Mr President,**

(a) "Commercial establishments engaged in polluting industries", which has not been defined in the question, is not a standard industrial classification on which government collects statistics. Nevertheless, using the example given in the question, there are, within the purview of the Environmental Protection Department, three main types of trades which might be considered polluting industries located in residential areas. Their numbers are:

Garages/auto-repair shops	768
Petrol filling stations	86
Pig roasting shops	99

(b) The emission of paint mist, smoke and dust, if excessive, may cause eye and throat irritation to people nearby. In addition, these shops may cause littering, traffic (in the case of vehicle repair shops), and safety problems. However, there are no statistics on the total number of residents affected.

(c) As far as short term measures are concerned, the current policy is that no industrial undertaking of any kind will be permitted in a building which is restricted, under the lease, to residential use. Lands Department would take lease enforcement action against such industrial undertakings. No compensation nor relocation is offered to industrial undertakings displaced from residential buildings as a result of lease enforcement action. Lands Department would also terminate industrial undertakings in unsuitable areas held on short term tenancies/short term waivers.

Pollution problems associated with industrial undertakings in residential buildings can be dealt with under the provisions of the Air Pollution Control Ordinance, Water Pollution Ordinance and Waste Disposal Ordinance.

Measures by way of negotiation with the operators are also adopted. For instance, an informal code of practice has been formulated with the vehicle repair merchant association. Should it be complied with closely by the operators, it would reduce the impact of such undertakings on the residential area.

A large number of industrial undertakings are found in older residential areas and have probably been in existence before the area came under statutory planning control. Such industrial undertakings are tolerated. However, upon redevelopment, uses of the building would need to conform with the zoning of the plan. Industrial undertakings would thus be phased out in the long term from residential areas upon redevelopment.

Other long term measures would include identification of possible sites for accommodating potentially polluting industries in industrial buildings and disposal of suitable sites through land sales.

End/Thursday, November 2, 1995

Seismic risks and building design

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The following is a question by Dr the Hon Samuel Wong and a written reply by the Secretary for Planning, Environment and Lands, Mr Bowen Leung, in the Legislative Council today:

Question:

According to the "Code of Practice on Shock-proof Design in Buildings and other Constructions" adopted by the Chinese Government, Hong Kong is zoned in an area with the same seismic hazard as Shanghai. It was also pointed out in independent studies carried out and published in the territory that the zoning for Hong Kong as set out in the above-mentioned Code of Practice is reasonable. In view of this, will the Government inform this Council :

- (a) what measures has the Government taken to reduce the damage caused by seismic activity;
- (b) whether the Government will require the relevant authorities to apply additional rules in the design of low-rise buildings; and
- (c) whether the Government will introduce or amend building design regulations requiring the design of Government or institutional buildings, as well as civil engineering projects such as bridges, power stations in the territory to withstand a certain degree of seismic hazard ?

Reply:

Mr President,

The answers to the three parts of Dr the Hon Samuel Wong's question are as follows:

- (a) To reduce the possible damage caused by seismic activity, the Building (Construction) Regulations require all private buildings to be designed to withstand the dynamic motion caused by a reference wind gust of 250 km/hr, and adequately restrained in both the superstructure and the foundation in such a manner that accidental damage to any structural member will only affect the local part of a building. The motion on buildings owing to seismic risk of Hong Kong is generally covered by the design requirements on wind load and structural stability.

To help ensure adequate protective measures are put in place, the Civil Engineering and other concerned Government Departments regularly assess the seismic risk of Hong Kong, sometimes with the assistance of seismologists from the UK and China. During the past few years, a number of studies have been carried out on issues such as:

- (i) data of earthquakes occurring in the nearby regions;
- (ii) the tectonic setting of Hong Kong; and
- (iii) the effects of seismic loading on slopes, retaining walls, reclamations and buildings. In addition, the Government is upgrading the local seismic monitoring network;

(b) The structural design of each type of building/structure has to be considered on a case-by-case basis. The relevant authority will require the inclusion of seismic risk in the structural design of a building/structure as the case may be; and

(c) The relevant Building Regulations and Codes of Practice are regularly reviewed, taking into account the latest data of the seismic risk of Hong Kong. For example, in the current review of the Code of Practice for Structural Use of Concrete, seismic effect is one of the subjects being considered by a Committee including representatives from the relevant professional and academic bodies.

Structural designs of Government and Housing Authority buildings follow closely the requirements of the Building (Construction) Regulations and the relevant Codes.

As regards highways, railways and facilities with special post-disaster functions, such as the new Chek Lap Kok Airport Terminal Building, seismic risk is normally included in the design as an additional factor which may affect their structural stability, i.e. they should be able to withstand earthquakes of a scale comparable to the seismic risk of Hong Kong.

End/Thursday, November 2, 1995

Curriculum Development Institute staff recruitment

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Following is a question by the Hon Anthony Cheung Bing-leung and a written reply by the Secretary for Education and Manpower, Mr Joseph W P Wong, in the Legislative Council today (Thursday):

Question:

In his reply to the question raised in this Council last year on the open recruitment of staff in the Curriculum Development Institute (CDI), the Secretary for Education and Manpower stated that it was the objective of the Government to increase the proportion of posts filled by open recruitment to 60% by 1998-99. In this connection, will the Government inform this Council of:

- (a) the progress of recruitment so far, and a breakdown of the number of recruits by their professions; and
- (b) the recruitment target set for the coming year?

Reply:

Mr President,

(a) The number of non civil service posts in the Curriculum Development Institute (CDI) has been increased to 50. Of these 50 posts, 41 have been filled as follows:

- 1 Assistant Director (Curriculum Development Institute)
- 25 as subject specialists
- 9 for curricula development
- 2 for research; and
- 4 for education television and technology.

Recruitment for the 9 vacancies was conducted in October 1995. Suitable candidates have been selected and appointments are expected to be made shortly.

(b) Up to 8 more non-civil service staff are expected to be recruited by CDI in 1996-97.

End/Thursday, November 2, 1995

**MTRC power failure incident**

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

**Questions:**

In regard to the recent incident of power failure of the Mass Transit Railway which occurred during the morning rush hours and which resulted in disruption of train services for several hours, will the Government inform this Council whether it is aware of the following:

- (a) what were the causes of the incident?
- (b) how the Mass Transit Railway Corporation (MTRC) will prevent similar incidents from occurring in future?
- (c) what contingency measures does the MTRC have to divert passengers in the event of a serious incident occurring during rush hours?
- (d) whether the measures mentioned in (c) are effective; if not, whether the MTRC will be asked to review such measures and devise new ones; and
- (e) whether the MTRC has any plans to purchase buses for emergency and contingency use; if so, when such plan will be put into effect; if not, why not?

**Reply:**

Mr President,

The MTR service disruption between Kowloon Tong and Choi Hung Stations on 22 September 1995 lasted for 3 hours and 45 minutes. This was caused by the loss of power supply resulting from a fractured insulator supporting the overhead power line. At no time during the incident was passenger safety at risk.

The cause of the fracture is still being investigated. In the meantime, MTRC has, as a precautionary measure, replaced those insulators in that particular section of the tunnel where the fractured one was located. The Corporation has also inspected all other similar insulators and confirmed that they are in order.

In accordance with contingency procedures for dealing with a major service disruption, the MTRC alerts the Transport Department and other public transport operators immediately of the need to provide alternative transport services. The Corporation also informs members of the public of service suspensions through announcements at MTR stations and through radio and TV stations.

The above procedures were followed on 22 September. For example, in response to this emergency, KCRC informed passengers that they should avoid changing at the Kowloon Tong Station for journeys to East Kowloon. KMB deployed extra buses on routes linking East Kowloon with Kowloon Tong, Tsim Sha Tsui and Hong Kong Island, and carried over 80,000 additional passengers.

It is impracticable for the MTRC to acquire and maintain a fleet of buses to cater for emergencies as this has substantial costs and operational implications. Overall, co-operation from other transport operators has been readily forthcoming. Nevertheless, the Corporation will draw on the experience of this particular incident to see how such interface can be enhanced and will also consider ways to improve communication with passengers and the public about re-routing alternatives and resumption of service.

End/Thursday, November 2, 1995

#### Women employed in industrial sector

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Following is a question by the Hon Lee Kai-ming and a written reply by the Secretary for Education and Manpower, Mr Joseph W P Wong, in the Legislative Council today (Thursday):

Question:

Will the Government inform this Council of:

- (a) the total number of women employed in the industrial sector; and
- (b) the person-times and number of hours of overtime work undertaken by women employed in the industrial sector this year, together with the number of those employees who were required to work beyond 11 pm?

Reply:

Mr President,

(a) According to the statistics of the Census & Statistics Department 176,350 women were employed in the manufacturing industry in June 1995, accounting for 44% of the total number of persons employed in the industry.

(b) The Women and Young Persons (Industry) Regulations of the Employment Ordinance regulate the employment of women in industrial undertakings in respect of the hours of employment, and overtime employment. According to Regulation 10 of the Regulations, any employer who wishes to employ women in excess of the working hours specified under the Regulations have to notify the Commissioner for Labour in writing before such overtime employment is to begin. During the first nine months of this year, employers from 1,551 industrial undertakings reported overtime employment of women under the above Regulation. A total of 39,345 women workers and 117,620 hours of overtime employment was involved. We have no statistics on the person-times of overtime work undertaken by women in the industrial sector. However, Regulation 10(2) of the above Regulations stipulates that no woman may work overtime in an industrial undertaking for more than 200 hours in any year or 2 hours in any day.

According to Regulation 8 of the above Regulations, the period of employment of any women in any industrial undertaking shall neither begin earlier than 6 am nor end later than 11 pm, except with the written permission of the Commissioner for Labour. In the first nine months of this year, such permission was given to the employment of 1,658 women in the industrial sector to work beyond 11 pm.

End/Thursday, November 2, 1995

Community Rehabilitation Network Scheme

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The following is a question by the Hon Elizabeth Wong and a written reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Thursday):

Question:

Will the Government inform this Council whether it supports the Community Rehabilitation Network Scheme, which is currently funded by the Jockey Club; if so, when will the Government fund the entire scheme through subvention from general revenue; if not, why not?

Reply:

With Government support, in April 1994, the Hong Kong Society for Rehabilitation was successful in its bid for a grant from the Royal Hong Kong Jockey Club for the setting up of a Clearing House and two Community Rehabilitation Network centres for two years.

We shall shortly be seeking funding from the Lotteries Fund to cover the operation of the Clearing House and the two existing centres in 1996/97. The Society is also planning an additional centre at Lei Cheng Uk Estate. We shall be bidding for funds in the resource allocation exercise for the 1997/98 financial year with the aim of subventing directly the existing services and that new centre. Thereafter, we shall discuss with the Society the need and timing for any further expansion of the scheme.

End/Thursday, November 2, 1995

UNHCR debt to Hong Kong

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

Question:

In view of the huge amount of outstanding debt which the United Nations High Commissioner for Refugees (UNHCR) has yet to repay the Hong Kong Government for looking after and maintaining the Vietnamese migrants (VMs), will the Government inform this Council of the following:

(a) what is the total sum presently owed by the UNHCR, when is this sum expected to be repaid in full, and what is the time-table for repayment;

(b) how much is the Government required to contribute towards such cost before the repatriation of all VMs, and what are the purposes for which the Government's contributions will be used; and

(c) will the Government seek the commitment of the British Government to repay any outstanding debt not fully repaid before July 1997?

Reply:

Mr President,

(a) Under the terms of a Statement of Understanding, entered into with the Hong Kong Government in 1988, the United Nations High Commissioner of Refugees (UNHCR) is responsible for meeting the costs of the care and maintenance of the Vietnamese migrants (VM) in Hong Kong's camps. Since 1989, the UNHCR has only been able to reimburse a proportion of these costs and, as at 30 September 1995, owed the Hong Kong Government about \$1 billion.

As we have done in the past, we shall continue to remind UNHCR to discharge their debt to us. The UNHCR has re-affirmed their commitment to repay the amount owed on many occasions, most recently in September this year. But UNHCR has no independent funds and relies on contributions from the international community.

(b) The principal costs associated with the VM problem which are borne by the Hong Kong Government relate to the operation of the detention centres, the provision of medical services and the orderly repatriation programme. These costs will amount to about \$750 million in the current financial year. The costs in future years will depend on the pace of repatriation.

(c) The debt is owed to the Hong Kong Government by UNHCR. The UNHCR has re-affirmed their commitment to repay the debt. The United Kingdom was not a party to the 1988 Statement of Understanding.

End/Thursday, November 2, 1995

Petrol filling station safety

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Following is a question by the Hon Tse Wing-ling and a written reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Thursday):

Question:

Will the Government inform this Council of the following:

(a) how many petrol filling stations are at present located less than 50 metres away from residential buildings in the territory; and

(b) what measures does the Government have to prevent the danger being caused to the residents in the event of a an outbreak of fire at one of these petrol filling stations?

Reply:

Mr President,

(a) There are, at present, 90 petrol filling stations (PFSs) located less than 50 metres away from residential buildings in the territory.

(b) The Hong Kong Planning Standards and Guidelines (Chapter 11) provides details on planning considerations for PFSs. They should be situated on open ground, or at acceptable areas within commercial or industrial buildings, and shall not in any case be located inside any residential buildings.

In accordance with the Institute of Petroleum Marketing Safety Code, tank openings and dispensers of PFSs should be located with their centre lines not less than 4.25 metres from any fixed source of ignition or from the boundary of the PFS. Where such safety distance cannot be provided, stringent fire protection measures will be required.

Depending on the location and layout of the PFSs, fire protection systems may include the provision of a drencher system, an automatic foam water spray system, mechanical ventilation system, portable fire fighting equipment and warning signs. Complete fire separation of the PFS from other parts of the building will also be required if the PFS is located inside a building. In addition, the design of storage tanks, pipings, pumping/dispensing systems and electrical installations have to comply with standards stipulated by the Director of Fire Services. Licensing conditions govern traffic management at PFSs, product delivery and dispensing procedures, and the actions to be taken in an emergency.

These precautionary measures and controls have proven generally effective. Nonetheless, in the event that a fire occurs at a PFS, there is a pre-determined Fire Services attendance so that well-trained operational crew will quickly attend the scene of the incident.

End/Thursday, November 2, 1995

#### Death of school children while attending classes

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The following is a question by the Hon Zachary Wong Wai-yin and a written reply by the Secretary for Education and Manpower, Mr Joseph Wong, in the Legislative Council today (Thursday):

Question:

Will the Government inform this Council:

(a) of the number of school children who died suddenly whilst attending classes in schools over the past three years, together with the causes of their death; and

(b) what measures does the Government have to prevent the occurrence of such deaths?

Reply:

Mr President,

(a) Over the past three years, there is only one such case. This concerns the death of an eight-year-old girl during a Physical Education lesson on 10 October 1995. The cause of death is still under investigation.

(b) Section 55 of the Education Regulations requires that every school should have at least one first aid box and at least two teachers trained in administering first aid. In addition, the Education Department has issued to all schools a handbook on "Safety Precautions in Physical Education for Hong Kong Schools". Annual seminars on safety precautions in Physical Education are also conducted for Physical Education teachers and the chairpersons of the subject panel.

After the exact cause of death in the present case is known, we will consider whether further preventive measures should be taken.

End/Thursday, November 2, 1995

#### Design standards for secondary and primary schools

\* \* \* \* \*

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

Question:

With regard to the latest design standards for secondary and primary school premises, will the Government inform this Council :

(a) of the details of the design standards, together with a list showing the numbers and areas of various rooms, utility areas and venues; and whether new school premises must be built to these standards;

(b) of the number of secondary and primary schools whose designs have yet to meet these standards at present;

(c) of the names of the 20 secondary schools and the 20 primary schools whose designs fall short of these standards by the widest margin in terms of total floor area and open playground area per student;

(d) whether the Government has any schedules for the improvement, expansion of extension of all schools of sub-standard designs, so as to bring them up to standard as soon as possible; and

(e) whether the Government has put in place any interim arrangements and measures to assist those schools which are significantly below standard in improving their crowded environment before the completion of the up-grading projects recommended in the Education Commission Report No. 5 for the existing secondary and primary schools?

Reply:

Mr President,

The Education Commission recommended in its Report No. 5 that all new schools should be built to an improved standard to provide additional space for teachers and students, and that all existing schools should be brought up to this new standard under a phased improvement programme. The Government accepted this recommendation. In November 1993, it introduced a new schedule of accommodation for building new schools. Details are at Annex A. In 1994, it commenced a School Improvement Programme to improve in stages all existing schools.

(a) The improved standard as set out at Annex A applies to all new schools the planning of which commences after November 1993 except where because of non-availability of standard school sites and the need to meet significant shortfall of school places, schools have to be built on smaller sites.



**SCHEDULE OF ACCOMMODATION  
FOR 26-CLASSROOM SECONDARY SCHOOL**

ITEM NO.	DESCRIPTION	NO.	INTERNAL FLOOR AREA (sq.m.)
1	Classroom	26	1 456 (Q56)
2	Remedial Teaching Room	3	84 (Q28)
3	Special Room	14	2 115
4	Principal's Office	1	14
5*	Staff Room	3	224
6*	Staff Common Room	1	56
7	Career Master's Room	1	14
8	Office for Teacher of Special Responsibilities	1	14
9*	Interview Room	2	42
10	General Office	1	64
11	Medical Inspection Room	1	14
12	Printing Room	1	14
13	Pantry	1	6
14	Store Room	12	185
15	Assembly Hall	1	461
16	Dressing Room/Chair Store	1	174
17	Covered Playground	1 1	474 292
18*	Student Activity Centre	1	176
19	PE Store	2	44
20	Changing Room	2	112 (Q56)
21	Dark Room	1	20
22	Timber Store	1	28
23	Wet Wood Store	1	12
24	Dangerous Goods Store	1	7
25	Tuck Shop	1	20
26	Staff Toilet	NA#	NA#
27	Pupils' Toilet	NA#	NA#
28	Menial Staff Quarters	2	64 (Q32)

SCHEDULE OF ACCOMMODATION  
FOR 30-CLASSROOM PRIMARY SCHOOL

ITEM NO.	DESCRIPTION	NO.	INTERNAL FLOOR AREA (sq.m.)
1	Classroom	30	1 680 (@56)
2	Remedial Teaching Room	3	84 (@28)
3	Special Room	4	294
4 *	Library	1	112
5	Headmaster's Office	2	28 (@14)
6 *	Staff Room	3	224
7 *	Staff Common Room	1	56
8	SGO's Office	1	14
9 *	Interview Room	2	42
10	General Office	1	44
11	Medical Inspection Room	1	12
12	Printing Room <sup>1</sup>	1	14
13	Pantry	1	6
14	Store Room	9	87
15	Assembly Hall	1	461
16	Dressing Room/Chair Store	1	174
17	Covered Playground	1	474
		1	292
18 *	Student Activity Centre	1	176
19	PE Store	2	44
20	Changing Room	2	56 (@28)
21	Tuck Shop	1	20
22	Staff Toilet	NA#	NA#
23	Pupils' Toilet	NA#	NA#
24	Menial Staff Quarters	2	64 (@32)

NOTE \* : Additional accommodation recommended by the Education Commission Report No. 5.

# : The no. and size of the staff and pupils' toilets are determined by the no. of latrine facilities required.