



DAILY INFORMATION BULLETIN

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

Wednesday, May 15, 1996

<u>Contents</u>	<u>Page No.</u>
FS speaks on business partnership between HK and Malaysia	1
Bill to improve fire safety measures in commercial premises	3
Oil storage installation licence fee revised	4
Tougher drug controls proposed	4
124 VMs depart on orderly repatriation flight	5
HKMA 1995 Annual Report published	6
Four lots of land to let	8
Monitors' Report submitted to CS	9
Native-speaking English Teacher Scheme invited participants	9
Royal Marines host children in charity school challenge	10
Air Quality Report for April	11
Hong Kong Monetary Authority money market operations	12

FS speaks on business partnership between HK and Malaysia

* * * * *

The Financial Secretary, Mr Donald Tsang, today (Wednesday) said he saw great potential for effective partnership to be built between the business communities of Malaysia and Hong Kong.

Speaking at a business seminar in Kuala Lumpur organised by the Hong Kong Trade Development Council, Mr Tsang said the forum provided the impetus for professionals in the two places to start and maintain a rewarding dialogue with each other and to explore the rich business opportunities that would arise in the run-up to the 21st century.

"We do not view the regional services market as a zero sum game. Instead we believe that as the market expands, service providers in Malaysia and Hong Kong will gain more than they can manage separately, if they forge an effective alliance in exploring and creating regional business," Mr Tsang said.

"I see enormous scope for a partnership to be built between service providers in different parts of the region, in which each partner contributes to create a synergy that is greater than the sum of the parts.

"Unlike goods that can be manufactured in great volume and sold all over the world, standardisation of services represents more of a challenge."

He said complex service activities, such as architecture, engineering and construction in particular, often not only involved a combination of sophisticated service components, but also vast different legal and regulatory environments, and were difficult to replicate over huge distances.

"There is a wealth of experience that professionals in Malaysia and Hong Kong, particularly in the fields of architecture, engineering and construction, can share with each other," Mr Tsang said.

He noted that Malaysia was embarking on a very ambitious development programme.

Projects being planned or underway in Malaysia include one of the world's largest hydroelectric dams at Bakun, a new international airport and light railway for Kuala Lumpur.

"Like Malaysia, we in Hong Kong believe that a first class physical infrastructure is the key to continued prosperity and success. We are ourselves investing billions in our new airport and related projects," said Mr Tsang.

He said there were many areas in which Hong Kong and Malaysia had seen close co-operation between their business communities.

"Hong Kong is an important gateway for trade between Malaysia and China. Trade between the two countries that were routed through Hong Kong jumped by 62 per cent to HK\$13.8 billion in 1995," he said.

Mr Tsang said bilateral trade between Malaysia and Hong Kong has grown rapidly over the years and in 1995, was worth some HK\$41 billion, representing an impressive increase of 40 per cent over 1994.

"Malaysia is Hong Kong's 11th largest trading partner and 10th largest source of imports. On the other hand, Hong Kong is now Malaysia's sixth largest trading partner and fourth largest market," he said.

Mr Tsang was leading a 62-member delegation to visit Kuala Lumpur, Singapore and Bangkok to strengthen business ties and identify opportunities for building strategic partnership with them. Kuala Lumpur is the first leg of the visit.

He called on the Deputy Minister of Trade and Industry, Y B Mr Kerk Choo Ting, and Secretary General of Ministry of Finance, Tan Sri Clifford Herbert this morning. He also met the media.

He will attend a dinner hosted by the Hong Kong Bank Malaysia Berhad during which he will meet top business leaders, politicians and government officials.

Mr Tsang will visit the Kuala Lumpur Stock Exchange tomorrow (Thursday) and called on the Governor of Bank Negara before he departs for Singapore in the late afternoon.

End

Bill to improve fire safety measures in commercial premises

* * * * *

The Government will introduce new legislation to improve fire safety measures in commercial premises, a government spokesman said today (Wednesday).

The Fire Safety (Commercial Premises) Bill will be gazetted on Friday (May 17) and is expected to be introduced into the Legislative Council on May 29.

It will cover specific types of commercial premises with a total floor area exceeding 230 square metres.

Such premises include banks, off-course betting centres, jewellery and goldsmith shops, supermarkets, department stores and shopping arcades.

The Director of Fire Services and the Director of Buildings will be able to issue fire safety directions to owners of these premises requiring them to make improvements on fire safety measures in respect of the premises.

"These measures include the provision of fire services installations and equipment, means of escape in the event of fire, means of access for fire fighting and rescue services, and the use of fire resistant materials.

"An owner who fails to comply with the requirement specified in the direction will be guilty of an offence," the spokesman said.

The enforcement authority would, however, apply the fire safety provisions in a flexible manner when there were genuine and practical difficulties in complying with the fire safety measures, he added.

The Government believes that with the enhanced control on fire safety standards in commercial premises, it would reduce the risk to lives and properties of the public and would prevent a similar recurrence of the fire at the Hongkong Bank branch office in Shek Kip Mei on January 10, 1994.

End

Oil storage installation licence fee revised

* * * * *

The Government is proposing to increase the fee for the issue and renewal of oil storage installation licence under the Building (Oil Storage Installations) Regulations from the current rate of \$44,900 to \$48,940.

"The fee was last revised in June 1995. The proposed increase of about nine per cent is to bring the fee up to the current price levels," a government spokesman said.

The amendment regulation will be published in the Gazette on Friday (May 17) and the increase will come into effect on June 28, subject to Legislative Council's approval.

End

Tougher drug controls proposed

* * * * *

The Government proposes to tighten the statutory controls on the record-keeping of the acquisition and supply of dangerous drugs by medical practitioners and pharmacists.

Details of the amendments are contained in the Dangerous Drugs (Amendment) Regulations 1996 which will be tabled in the Legislative Council next Wednesday (May 22).

A government spokesman said: "Under the present Dangerous Drugs Regulations, every person authorised under the Dangerous Drugs Ordinance to supply a dangerous drug should maintain proper records of each dangerous drug obtained or supplied, and make them available for inspection by the Director of Health to monitor the use of dangerous drugs.

"However, there are certain alternative arrangements and exemptions on these requirements applicable to medical practitioners.

"Such exemptions undermine the purposes and effectiveness of the record-keeping requirements as these would make it difficult for the Department of Health to monitor the supply of dangerous drugs, and are liable to abuse by unscrupulous registered medical doctors.

"The Government is therefore proposing legislative amendments to remove the exemptions or alternative arrangements."

Further amendments are proposed to revise the form of the register stipulated under the First Schedule to the Dangerous Drugs Regulations, with a view to simplifying the form, but including additional information, such as the identity card number of the patient, which are needed to monitor the supply of dangerous drugs.

To complement the legislative amendments, the Government also proposes to increase the maximum fine from \$50,000 to \$450,000 for offences in contravention of the record-keeping requirements.

"The increase is proposed after taking into account the time lapse since the fine was first set, the community's concern about illicit sale of drugs by some medical practitioners and pharmacies, and the need to revise the fine to a sufficiently high level to reinforce deterrent effect," the spokesman explained.

A resolution to increase the fine will be moved by the Secretary for Security at the Legislative Council sitting of May 22.

"The whole package of proposals represents a positive step taken by the Government to address the problem of illicit sale of dangerous drugs," the spokesman said.

End

124 VMs depart on orderly repatriation flight

* * * * *

A group of 124 Vietnamese migrants (VMs) returned by air to Hanoi, Vietnam today (Wednesday) on the 36th flight under the Orderly Repatriation Programme (ORP).

All of the returnees, comprising 48 men, 39 women, 14 boys and 23 girls, are from North Vietnam.

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

The group brought to 2,764 the total number repatriated on ORP flights since November 1991.

End

HKMA 1995 Annual Report published

* * * * *

The 1995 Annual Report of the Hong Kong Monetary Authority (HKMA) is published and tabled in the Legislative Council today (Wednesday).

In line with the policy of increasing transparency, the Report contains more detailed information on the balance sheet and the income/expenditure account of the Exchange Fund.

HKMA is disclosing more detailed breakdown of the Fund's assets and liabilities, including the amounts in each type of investment instrument, the types of investment income, off balance sheet items, as well as the foreign currency mix held in the Exchange Fund.

"Greater disclosure is in line with our policy of increasing transparency and accountability," said Chief Executive of HKMA, Mr Joseph Yam.

"We have come a long way since 1992 when accounts of the Exchange Fund were first revealed."

HKMA also announced today that the foreign currency assets of the Exchange Fund stood at US\$59.84 billion as at the end of March, representing a 4.7 per cent increase from end-December 1995. (Detailed comparison with previous years is attached.)

In the Annual Report, Mr Yam presents an overview of major events in 1995 in his Chief Executive's Report.

"The year 1995 was a busy and fruitful one for the HKMA. There was an abundance of events overseas with implications for the monetary and banking systems of Hong Kong and which at the time required our close attention.

"Domestically, we continued to devote considerable effort to strengthen our supervisory framework and our market infrastructure in order to sustain Hong Kong's development as an international financial centre," he said.

The Report highlights the investment returns of the Exchange Fund in 1995.

"The year 1995 was exceptionally good for bonds of all maturities ... the Exchange Fund shared fully in this benign and favourable environment, and the accumulated surplus of the Fund increased by HK\$34.3 billion, the largest ever increase in one year in the history of the Fund," said Mr Yam.

The Report points out that due to uncertainty about interest rate movements and the prospect of a stronger US dollar, it is unlikely that returns in 1996 will match the excellent performance of the Fund in 1995.

On the banking side, performance in 1995 was better than originally expected, according to the Annual Report.

For the sector as a whole, pre-tax operating profits grew by 19.6 per cent, reversing a 1.1 per cent decline in 1994. This reflects improved operating efficiency and good asset quality of banks.

The capital adequacy ratio of locally incorporated institutions remained healthy at 17.5 per cent, well above the 8 per cent standard set by the Bank for International Settlements. The disclosure of banks' inner reserves in the 1995 accounts has helped to confirm their strong capital position.

In 1995, HKMA completed a major review of the legal framework for banking supervision.

With the enactment of the Banking (Amendment) Ordinance 1995 in June last year, the authority for the authorisation, suspension and revocation of all three types of authorised institution has been centralised in HKMA, which is in line with similar functions of central banks in other jurisdictions.

HKMA's interpretation of the authorisation criteria has been set out in a new Guide to Applicants.

On the development of market infrastructure, the interbank payment system was a priority area in 1995.

With the support of the banking community, HKMA completed the feasibility study and the system design for RTGS (real time gross settlement) and together with the Hong Kong Association of Banks (HKAB), established the Hong Kong Interbank Clearing Ltd during the year. This company will take over the clearing functions of the Management Bank of the Clearing House of HKAB during 1996.

The RTGS system will have close interface with the securities register system in the Central Moneymarkets Unit of HKMA to enable banking institutions to carry out intraday repurchase transactions on a real time delivery versus payment basis.

Efforts to develop the debt market continued in 1995 with the introduction of seven-year exchange fund notes and a detailed study on the secondary mortgage market laid the groundwork for the establishment of a government-backed mortgage corporation.

In conclusion to his Chief Executive's Report, Mr Yam said: "I am sure there will be more challenges ahead, on both the monetary and supervisory fronts, as Hong Kong continues to develop as an international financial centre and as we move through the historical transitional period leading up to 1997 and beyond.

"My colleagues and I in the HKMA are fully prepared to meet these challenges and we look forward to playing our part in the transition period with enthusiasm."

End

Four lots of land to let

* * * * *

The Lands Department is inviting tenders for the short-term tenancies of four pieces of government land in the New Territories.

The first two lots are located in San Uk Ling, DD90, New Territories. With an area of about 220 and 240 square metres respectively, both are designated for cooked food cum convenience stall and any other pre-approved ancillary uses.

The tenancies are for two years, renewable quarterly.

Covering an area of about 1,530 square metres, the third lot is located at Lai King Hill Road, Kwai Chung. It is intended for use as a fee-paying public carpark for the parking of motor vehicles, excluding container tractors and trailers.

The tenancy is for two years, renewable quarterly.

The fourth lot located at On Lai Street, Area 11, Sha Tin, has an area of about 10,400 square metres. It is also designated as a fee-paying public carpark for the parking of vehicles.

The tenancy is for 18 months, renewable quarterly.

The closing date for submission of tenders is noon on May 31.

Tender forms, tender notices and conditions may be obtained from the Lands Department, 14th floor, Murray Building, Garden Road, and the respective District Lands Offices of Kowloon, North, Kwai Tsing and Sha Tin.

Tender plans can also be inspected at these offices.

End

Monitors' Report submitted to CS

* * * * *

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

The two monitors came from two non-government organisations. They were Mr Tai Kie-ying from Christian Action and Ms Nadine de Lamotte from Medecins Sans Frontieres.

End

Native-speaking English Teacher Scheme invited participants

* * * * *

Aided secondary schools are invited to participate in the Native-speaking English Teachers (NET) Scheme under which some 100 native English speakers will be employed to teach English in Hong Kong schools in the 1996-97 school year.

A school circular issued by the Education Department today (Wednesday) said each participating school might employ not more than two Native English speakers to fill genuine graduate teaching vacancies.

A Principal Education Officer, Mr C K Tam, said the scheme followed the Government's acceptance of a recommendation in Education Commission Report No 6 that schools should be encouraged to employ on local terms more native English speakers, who were qualified English language teachers, to teach the subject.

"It is intended that the first batch of native-speaking English teachers should be in service in September 1996," Mr Tam said.

He said applications by schools to join the scheme should reach the Education Department not later than Monday, June 3.

NETs may be employed by participating schools directly or through the Education Department. The department's recruitment of NETs will be separately announced later on, in which advertisements and posters will be put up both locally and overseas, Mr Tam said.

The administrative costs arising from direct recruitment may be charged to school Tong Fai accounts or to private funds accounts.

The department will set up a data bank of NETs seeking employment and such information will be provided to participating schools for reference.

Schools which entrust the Education Department to recruit NETs on their behalf may specify some basic requirements for the department's reference.

Mr Tam said schools would have full discretion in the allocation of teaching duties to NETs, and of non-teaching duties which should be mainly of English language/literature related.

NETs will be employed on local terms. Their contract will normally be for two years but subject to renewal after expiry. They will receive a salary of the Graduate Master/Mistress rank, equivalent to MPS 17-33, or \$18,145 to \$38,210.

Fringe benefits will include passages for wife/children, travelling and baggage allowance, and contract gratuity equivalent to 25 per cent of their total basic salary on completion of the contract.

School enquiries on the NET scheme may be made to the respective District Education Offices.

End

Royal Marines host children in charity school challenge

* * * * *

The following is issued on behalf of the Joint Service Public Relations Staff:

Crack troops from the British Garrison take a break from the macho world of anti-smuggling operations this weekend to face an even more daunting challenge - hosting over 80 children at a charity event at Kings Park, Kowloon.

The 10-man detachment from HMS Tamar, the Royal Navy's base at Stonecutters Island, has organised a sports day for children from six local schools and are inviting members of the public to join in the fun to help raise money for the Hong Kong branch of the Save The Children Fund.

The Charity School Challenge kicks off at 10 am on Sunday (May 19) at Kings Park football pitch, with a display by the Royal Logistic Corps' Band who are currently enjoying a short musical tour of the Territory.

Royal Marines will then make a dramatic entrance, fast roping into the arena from a Royal Air Force Wessex helicopter.

While the nine-to-11-year-olds compete for top honours in the school challenge, the public will be invited to participate in target golf - "beat the goalkeeper" - and paintballing.

They will also be encouraged to take part in the grand prize draw with top prizes including rides in one of the Royal Navy's Fast Pursuit Craft and a helicopter flight over Hong Kong.

The Royal Marines, who are based at 42 Cdo, Plymouth, United Kingdom, are nearing the end of their four-month detachment in Hong Kong and are following in the fund-raising footsteps of their predecessors who, earlier in the year, took part in "Rent-A-Royal" in aid of the Save The Children Fund.

Members of the press also invited to attend the Charity School Challenge, at Kings Park football pitch (old British Military Hospital football pitch), Kowloon, from 10 am onwards on Sunday (May 19).

End

Air Quality Report for April

* * * * *

The Environmental Protection Department today (Wednesday) released air quality information for April 1996.

The purpose of the announcement is to keep the public informed of the air quality levels in the territory and to explain the measurements.

The announcement contains monitoring results from Mong Kok, Central/Western and Kwai Chung, which represent three important land use types in the territory:

- * locations close to road traffic in built-up urban areas,
- * combined commercial and residential districts, and
- * districts close to industrial areas.

The reported air pollutants include sulphur dioxide (SO₂), nitrogen dioxide (NO₂), total suspended particulates (TSP) which comprise all sizes of dust particles, and the respirable fraction of the dust (RSP). All these pollutants can affect respiratory health in sufficient concentration.

In April, there was no exceedance of the 24-hour Air Quality Objective (AQO) values at any of three stations. And as usual, the Mong Kok station recorded the highest concentrations of all measured air pollutants.

The gases and particles described originated from various sources. SO₂ is mostly produced when fuels that contain sulphur are burned. NO₂ is formed during combustion by the combination of nitrogen and oxygen, and by the atmospheric oxidation of nitric oxide (NO), also a product of combustion.

Vehicle exhaust is an important source of NO and NO₂ in terms of impact on local air quality. It is also a major source of airborne particulate matter, especially the smaller respirable particles.

Diesel-engined vehicles such as taxis, public light buses, passenger coaches, franchised buses and light and heavy goods vehicles are the greatest contributor of particulate matter. Other sources include industry, furnaces and boilers, construction activities, the sea and the soil.

It is worth noting that while the weather and climate always affect the concentrations of pollutants in the air, the only sure way of reducing the levels is to reduce emissions from the man-made sources.

End

Hong Kong Monetary Authority money market operations

* * * * *

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	2,022	0930	-61
Closing balance in the account	1,992	1000	-64
Change attributable to :		1100	-62
Money market activity	-60	1200	-60
LAF today	+30	1500	-60
		1600	-60

LAF rate 4.00% bid/6.00% offer TWI 123.8 *+0.2* 15.5.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.81	2 years	2805	6.30	100.52	6.11
1 month	4.92	3 years	3904	6.30	99.67	6.53
3 months	5.10	5 years	5103	6.75	98.70	7.19
6 months	5.19	7 years	7302	6.02	92.34	7.62
12 months	5.52	5 years	M502	7.30	99.93	7.45

Total turnover of EF bills and notes - \$27,984 million

Closed May 15, 1996

End



DAILY INFORMATION BULLETIN

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

SUPPLEMENT

Wednesday, May 15, 1996

<u>Contents</u>	<u>Page No.</u>
<u>Legislative Council meeting :</u>	
Veterinary Surgeons Registration Bill	1
Public Health and Municipal Services (Amendment) Bill	2
Betting Duty (Amendment) Bill	3
Dutiable Commodities (Amendment) (No 2) Bill	3
Curriculum on environmental protection	5
Transition of judges and members of the Judiciary	7
Policy on unleaded petrol	8
Compensation for crime fighting victims	10
Government Supplies Department procured goods	11
Power to appoint end date of LegCo session	12

/Unauthorised late

<u>Contents</u>	<u>Page No.</u>
Unauthorised late night construction works	13
Legality of uncompleted small houses pre-sale	14
Meal arrangement for school children	16
Future development of optical-fibre network	18
Comprehensive Redevelopment Area planning approach	20
Development plan for KCRC station tops	21
Review of the Diesel-to-Petrol scheme	22
Tram safety inspection	24
Insurance policies for employees	25
Hong Kong's participation in OECD	27
Cross-subsidy in telephone services	28
Respite service for mental patients	29
Industrial Support Fund Scheme	31

Veterinary Surgeons Registration Bill

* * * * *

Following is the speech by the acting Secretary for Economic Services, Mr Leo Kwan, in moving the second reading of the Veterinary Surgeons Registration Bill in the Legislative Council today (Wednesday):

Mr President,

I move that the Veterinary Surgeons Registration Bill be read a second time.

The purpose of the Bill is to regulate the practice of veterinary surgery in Hong Kong.

At present, the practice of veterinary surgery in Hong Kong is not subject to statutory regulation. However, a person who wishes to practise veterinary surgery in Hong Kong has to be a member of the Royal College of Veterinary Surgeons before he can obtain and use the antibiotics, poisons and other controlled drugs used in the profession. Despite these provisions, it is believed that there are some unqualified persons practising as veterinary surgeons in Hong Kong and that the treatment administered by such persons often causes undue suffering to animals.

The professional conduct of members of the Royal College of Veterinary Surgeons practising in Hong Kong is subject to disciplinary control by the Royal College, but the college has practical difficulties in intervening effectively from the United Kingdom in professional disputes involving the practice of veterinary surgery in Hong Kong.

It is proposed to address these problems through the establishment of a locally-based statutory regime of registration, disciplinary control and professional standards for veterinary surgeons.

The Bill provides for the setting up of a Veterinary Surgeons Board whose main functions will be to establish and maintain a register of registered veterinary surgeons; to set the qualification standards for registration as a veterinary surgeon; to receive, examine, accept or reject applications for registration; and to make rules for the professional conduct and discipline of registered veterinary surgeons and deal with disciplinary offences.

The Bill provides that the Board should consist of 10 persons to be appointed by the Secretary for Economic Services. Of these, one person will be the Chairman, six persons will be veterinary surgeons and three will be medical practitioners or pharmacists or representatives of the interests of the persons who utilise veterinary services.

The Bill restricts the use of the description "registered veterinary surgeon" to those qualified to use it and provides for criminal offences relating to false representation and practising veterinary surgery without being registered, with a maximum penalty on conviction of a fine of \$100,000 and imprisonment for 1 year.

The proposals in the Bill will improve the quality of the veterinary services offered in Hong Kong and open the way for persons holding veterinary qualifications other than membership of the Royal College of Veterinary Surgeons to practise as veterinary surgeons in Hong Kong, subject to their qualifications being accepted by the Veterinary Surgeons Board once it is established. I commend the Bill to this Council.

End

Public Health and Municipal Services (Amendment) Bill

* * * * *

Following is the speech by the Secretary for Recreation and Culture, Mr Chau Tak-hay, in moving the second reading of the Public Health and Municipal Services (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Public Health and Municipal Services (Amendment) Bill-1996 be read the second time.

The purpose of the Bill is to facilitate early removal of articles obstructing scavenging or street sweeping operations. Section 22(2)(a)(i) of the Public Health and Municipal Services Ordinance, as it stands at the moment, requires that a minimum period of notice to be given, i.e. not less than 24 hours, to the owner of an obstructing article, asking him to remove the article. After Section 22(2)(a)(i) is amended, the owner of an obstructing article will have 4 hours within which to remove the article. The legislative amendment will enable the law enforcement officers to expedite the procedure for the removal of obstructing articles and should therefore facilitate further effective environmental improvement.

End

Betting Duty (Amendment) Bill

* * * * *

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

Mr President,

I am grateful for Members' support for the resumption of the second reading debate of the Bill, which seeks to increase betting duty by half a percentage point. The rate for standard bets will be increased from 11.5 per cent to 12 per cent and that for exotic bets from 17.5 per cent to 18 per cent.

As Members may recall, on 24 April 1996, this Council passed the Betting Duty (Amendment) Bill 1995 introduced by the Secretary for Home Affairs. The legislation was gazetted and came into force on 3 May 1996. It provides for, among other things, the charging of betting duty on overseas bets at one half of the rates for local bets. It, however, refers to the duty rates of 11.5 per cent and 17.5 per cent, and the application of one half of the two rates, that is, 5.75 per cent and 8.75 per cent, to overseas bets. It is therefore necessary for us to move a Committee Stage Amendment to the Betting Duty (Amendment) Bill 1996 today so that one half of the new duty rates of 12 per cent and 18 per cent apply to overseas bets. I will move an amendment to this effect at Committee Stage.

Thank you, Mr President.

End

Dutiable Commodities (Amendment)(No 2) Bill

* * * * *

Following is the speech by the Secretary for the Treasury, Mr K C Kwong, at the resumption of the second reading debate on the Dutiable Commodities (Amendment)(No 2) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I am grateful for Members' support for the resumption of the second reading debate on the Dutiable Commodities (Amendment)(No 2) Bill 1996. The Bill seeks to increase tobacco and fuel duty by 9 per cent to catch up with inflation, as proposed in the Budget.

I understand that there is only one area in the Bill where the Administration and some Members have different views, that is, the proposed increase in light diesel oil duty, and the Honourable Miriam Lau will move a Committee stage amendment to abolish the increase. I strongly urge Members not to support the amendment. My reasons are as follows.

First, we have proposed various revenue concessions and increases in tax and duty in the Budget. These measures have to be taken as a package. Otherwise, the careful balance which we have strived to achieve in the Budget would be lost.

Duty is an important source of revenue, constituting an estimated 5.5 per cent of recurrent revenue in 1996-97. The proposed fuel duty increase is an integral part of the entire Budget package. Together with other proposed increases, it enables us to fund the various revenue concessions announced in the Budget. The increase in light diesel oil duty is an important element in the proposed fuel duty increase, contributing an estimated \$170 million in additional revenue in 1996-97. The revenue concessions in the Budget, which were well received by this Council and the community, were proposed on the basis that all the tax and duty increases announced in the Budget, including the light diesel oil duty increase, would be passed.

Second, there have at various times been suggestions that we might end up with a surplus rather than a deficit in 1995-96 and that we would achieve a greater surplus in 1996-97 than what is estimated in the Budget. Therefore, we could afford to drop the proposed light diesel oil duty increase. I must point out that these are entirely speculations made without any valid grounds. While the accounts for 1995-96 have yet to be closed, latest indications are that we would end up with a deficit of not less than \$2.5 billion as forecast in the Budget. As for 1996-97, the estimate of a surplus of \$1.6 billion is the best we could make at the moment. Given total estimated Government expenditure of \$194.1 billion and revenue of \$195.7 billion, this is effectively a balanced budget. It would be most unwise at this early stage, and would send entirely the wrong signal both locally and overseas, if we were to consciously put that modest surplus at risk.

Third, the proposed 9 per cent increase is broadly in line with inflation. This is consistent with our policy to maintain the real value of the duty and a stable revenue source. The impact of the increase on inflation is minimal - well below 0.02 percentage point.

Fourth, I understand that some Members are concerned that the duty adjustment would increase the financial burden on the public. In fact, for the majority of commuters, they would not be affected at all as the bulk of the franchised bus services is exempt from fuel duty. As for taxis, PLBs and goods vehicles, fuel cost constitutes only a minor proportion of the overall operating cost and the proposed adjustment would increase the operating cost by no more than 2.5 per cent. The impact is by no means significant.

Fifth, some Members have expressed concern about the increase in illicit activities on the use of diesel oil and are worried that the proposed increase would widen the price differential between light diesel oil for vehicular use and marked oil, thereby fuelling illicit activities in this area. As announced in the Budget, we have strengthened the resources of the Customs and Excise Department to tackle such activities. Two additional investigation and enforcement teams will be established this year. We have also increased the penalty to enhance the deterrent effect against such activities. We expect that the situation would be under control and the proposed increase should not fuel such activities or result in a diminishing return on revenue.

Finally, I would like to emphasise the point that the Budget, as announced, has gained the support of the community and that of this Council as shown in the debate early last month. It should be accepted as a package.

For the reasons I have set out, I hope Members would support in full our proposals to increase fuel duty. Mr President, I commend this Bill in its entirety to this Council.

End

Curriculum on environmental protection

* * * * *

Following is a question by the Hon Choy Kan-pui and a reply by the Secretary for Education and Manpower, Mr Joseph W P Wong, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council whether the Education Department has devised a comprehensive curriculum on environmental protection for primary and secondary schools if so, what the contents of the curriculum are and what effects have been achieved so far; if not, why not?

Reply:

Mr President,

Environmental education is a process concerned with understanding the environment, and developing skills and attitudes for participation in improving the quality of the environment. It is Government's policy to promote environmental education at all levels of school education. The aims, objectives and curricula of environmental education in schools have been set out clearly in the Guidelines on Environmental Education in Schools issued by the Education Department in 1992.

2. Government has adopted a cross-curricular approach in environmental education. Each subject area of the school curriculum focuses on and explores different aspects of human understanding and experience of the environment. At primary level, subjects incorporating elements of environmental education include Social Studies, Health Education, General Studies and Science. At secondary level, the relevant subjects include Geography, History, Economics and Public Affairs, Social Studies and science subjects.

3. Let me explain how these different subject groups can help students acquire an understanding of our environment from different perspectives. For example, through science subjects, students acquire the skills of scientific investigation and an understanding of concepts related to the natural environment. Through humanities subjects, students learn about the interaction of man with his environment from historical, sociological, economic and geographical angles. Through Arts and Music students develop an aesthetic appreciation of the environment. Learning these subjects helps students achieve an all-round understanding of the environment and develops their own values towards environmental issues.

4. In addition to the formal curriculum, students can learn about the environment through extra-curricular activities. These can take the form of school based activities like discussion, debate or role play; or they can be in the form of out-door activities like field trips or visits to an organic farm or polluted areas. Through these activities, students are exposed to real problems and can obtain first-hand experience of the environment, thereby increasing their concern for and appreciation of the environment.

5. Every primary and secondary school is actively promoting environmental education through the formal curriculum and extra-curricular activities. For example, over 200 schools have participated in the Student Environmental Ambassador Scheme and some 250 schools in schemes to collect waste paper for recycling. We also see an encouraging trend that schools are organising environmental activities which involve greater participation of students such as greening the school ground and saving energy and water. This indicates that schools are putting more emphasis on environmental education at both the primary and secondary levels.

End

Transition of judges and members of the Judiciary

* * * * *

Following is a question by the Hon Ho Chun-yan and a reply by the Secretary for Constitutional Affairs, Mr Nicholas Ng, in the Legislative Council today (Wednesday):

Question:

Regarding the Government's handling of the issue concerning the transition of judges and other members of the judiciary, will the Government inform this Council:

- (a) how the Government interprets the stipulation in Article 93 of the Basic Law of the Government of the Hong Kong Special Administrative Region (the SAR Government) that judges and other members of the judiciary may all remain in employment; whether they need to be invited by the SAR Government or some other organisations before they can continue to serve in the SAR Government; and whether those who remain in employment will be able to retain their original posts; and
- (b) whether, in handling the above issue, the Government will request the Sino-British Joint Liaison Group to explain the meaning of "may all remain in employment"; if not, why not?

Reply:

Mr President,

Article 93 of the Basic Law states in very clear terms that judges and other members of the judiciary serving in Hong Kong before the establishment of the Hong Kong Special Administrative Region may all remain in employment and retain their seniority with pay, allowances, benefits and conditions of service no less favourable than before. This mirrors the provision in the Joint Declaration on the continued service of judges and other members of the judiciary. Their continued service has therefore been very clearly and explicitly provided for in the Joint Declaration and the Basic Law. We have no reason to doubt that these provisions will be complied with.

End

Policy on unleaded petrol

* * * * *

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

Question:

In order to minimise pollution caused by lead content in the air, the Government introduced unleaded petrol (ULP) in 1991 and prohibited the import of vehicles using leaded petrol as from 1992. It has also been levying lower duties on ULP so as to encourage drivers to switch to the use of ULP. In this connection, will the Government inform this Council:

- (a) whether the lead content in the air has been reduced after the implementation of the above measures; if so, please provide information on the improvement in air quality achieved in the past five years;
- (b) of the total reduction in petrol duties collected since the introduction of ULP; and
- (c) of the criteria adopted by the Government for assessing whether "the policy on unleaded petrol" has fulfilled the "cost-effectiveness" principle and achieved the purpose of reducing air pollution?

Reply:

Mr President,

- (a) The introduction of unleaded petrol in 1991 has contributed to reductions in lead emissions in the air and built on steps which had been taken before 1991 to reduce the lead content of petrol fuel. Currently, less than 20 tonnes of lead is emitted into the air per year, which amounts to a reduction of 50% from the 1991 figure. Consequently, the three-month average level of lead in air is now below 0.15 microgrammes per cubic metre, which is below 10% of the Air Quality Objective value. However, it should be noted - as we pointed out in the 1989 White Paper on the Environment that unleaded petrol was introduced not only to reduce lead emissions but also to pave the way for the use of catalytic converters, made mandatory in 1992, which would reduce emissions of nitrogen dioxide, carbon monoxide and hydrocarbons from petrol vehicles. As a result of these measures, and despite an increase in the petrol vehicle fleet by about 35% from 1991 to 1995, the levels of these three pollutants in air have largely been maintained within their Air Quality Objectives values. However, as the Administration has been at pains to point out, to this Council and to the public, air pollution from vehicle emissions remains a serious community health problem, mainly because of the high level of particulates emitted by diesel vehicles.
- (b) There has been no reduction in petrol duties because the lower duty for unleaded petrol has been offset by the higher duty for leaded petrol.
- (c) I believe it would be fair to say that the unleaded petrol policy has been cost-effective in minimising air pollution taking into account the measured air quality benefits which I have mentioned, the fact that, as noted above, there is no cost to government, and that the pump price of unleaded petrol is less than leaded petrol and therefore affordable to motorists.

End

Compensation for crime fighting victims

* * * * *

Following is a question by the Hon Andrew Cheng Kar-foo and a reply by the Secretary for the Treasury, Mr K C Kwong, in the Legislative Council today (Wednesday):

Question:

Under section 18A(1) of the Public Finance Ordinance, the Legislative Council may by resolution award compensation, by way of either a single payment or periodical payments, from the general revenue of the Colony to any person injured in the execution of a moral or legal duty to assist in the prevention of or resistance to crime or any offence, or to the dependants of a person so injured or who dies as a result of such injury. In this connection, will the Government inform this Council :

- (a) of the specific policy governing the application of this provision;
- (b) of the circumstances under which the Government will apply this provision; and
- (c) of the criteria adopted by the Government for determining the amount of compensation ?

Reply:

Mr President,

The provisions in Section 18A(1) in the Public Finance Ordinance (Cap.2) first featured in the Compensation (Special Cases) Ordinance enacted in 1949. These provisions were subsequently transferred first to the Interpretation and General Clauses Ordinance enacted in 1966, and then to the Public Finance Ordinance in 1993. When moving the Compensation (Special Cases) Bill in July 1949, the then Attorney General explained that the object was to provide an enabling measure for the award of compensation to a person injured or to the dependants of a person killed in fulfilling a duty to uphold the law. It was made clear then that the legislation would not attempt to prescribe the conditions or circumstances in which an award of compensation should be made or the amount which should be awarded as this would enable each case to be judged on its merits. This remains the situation today.

That said, the provisions have not been used for a long time, certainly not at all since their transfer to the Public Finance Ordinance. This is because the Administration may award compensation and ex-gratia payments using normal Estimates procedures under the Public Finance Ordinance. Provision for such award is made under Head 106 Miscellaneous Services Subhead 284 - Compensation and is approved by this Council annually in the context of the Appropriation Bill. Any supplementary provision required during the year may be approved by the Finance Committee or by delegated authority as appropriate. That subhead provides for the grant of ex-gratia payments and the settlement of claims made against the Government (other than those compensation which should be charged to specific sub-heads, such as those connected with land, public works, mail and for civil servants under the Employees' Compensation Ordinance).

End

Government Supplies Department procured goods

* * * * *

Following is a question by the Hon Emily Lau Wai-hing and a reply by the Secretary for the Treasury, Mr K C Kwong, in the Legislative Council today (Wednesday):

Question:

Regarding the countries of origin of goods procured by the Government Supplies Department, will the Government inform this Council :

- (a) of the criteria for determining the countries from which goods are to be procured;
- (b) of the percentage of the value of the goods procured from Britain out of the total value of all the goods procured in the past two years; and
- (c) whether it has any plans to procure more goods manufactured in China in the future; if so, what the reasons are; and whether it will in future continue to adopt the criteria mentioned in the answer to (a) above for determining the countries from which goods are to be procured?

Reply:

Mr President,

The answers to the three parts of the question are as follows -

- (a) We operate a level playing field in Government procurement. Our aim is to ensure open and fair competition amongst domestic and foreign suppliers. We select the offers that represent best value for money, having regard to their suitability for the users' requirements, competitiveness in price, maintenance and other operational costs, and to reliability of performance and, where applicable, after-sale services. The country of origin of the goods is not a consideration in the award of contracts.
- (b) The United Kingdom accounted for 9.7% and 12.0% respectively of the total value of contracts, at HK\$50,000 or more each, for goods procured by the Government Supplies Department in 1994 and 1995. Further details of the market share by major suppliers are set out in the table appended to the written version of my reply. We do not have the breakdown by country of origin for small value contracts.
- (c) We have no intention to change the purchasing policy outlined in my answer to the first part of the question.

End

Power to appoint end date of LegCo session

* * * * *

Following is a question by the Hon Lee Wing-tat and a written reply by the Chief Secretary, the Hon Anson Chan, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council whether the Governor has any authority to appoint a date after 30 June 1997 as the ending date of the 1996-97 Legislative Council session; if so, what the legal basis for such authority is; if not, whether the Governor will appoint a date on or before 30 June 1997 as the ending date of the 1996-97 Legislative Council session?

Reply:

Mr President,

The Governor's power to appoint the end date of a LegCo session derives from Clause XXIA(1) of the Royal Instructions (RI). There is no legal constraint in our existing constitutional instruments that would prevent the Governor from making an order to appoint a date after 30 June 1997 as the end date of the 1996/97 LegCo session, so long as the order is made whilst the RI are in force. However, any such appointment will cease to have legal effect after 30 June 1997 since, by operation of the Hong Kong Act 1985, the RI will lapse after that date when Britain ceases to have sovereignty over Hong Kong.

According to past practice, the end of a LegCo session is usually fixed shortly before the last sitting date of that session, which would have been determined previously by the President of LegCo. We see no reason to depart from this normal practice in appointing the end date of the 1996-97 LegCo session.

End

Unauthorised late night construction works

* * * * *

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

Question:

As the contractor of the project for the construction of the Lai King station of the Airport Railway has repeatedly carried out construction works late at night without the permission of the authority concerned, will the Government inform this Council whether the contractor has been prosecuted; if so, what the result was; and how it will prevent such unauthorised activities from recurring?

Reply:

Mr President,

The contractor of the Airport Railway at Lai King MTR Station was issued a Construction Noise Permit in January 1996 to operate specified Powered Mechanical Equipment up to 11 p.m. at night. However, subsequent spot checks conducted by Environmental Protection Department revealed breaches of the Permit conditions. As a result, the Construction Noise Permit was cancelled on 22 March 1996. Prosecution action against the offender was taken and the hearing will be held on 18 July 1996. A further site survey made on 25 March found no more breaches of the Noise Control Ordinance.

After cancellation of the Permit, the contractor submitted a fresh application for a Construction Noise Permit, together with proposals for noise abatement measures to be implemented when Powered Mechanical Equipment are used. The application meets the requirements of the Noise Control Ordinance and a new Construction Noise Permit was issued on 3 April 1996. The Permit limits the maximum number of Powered Mechanical Equipment that can be used at the site and requires noise abatement measures to be implemented. The contractor has been reminded to comply diligently with all Permit conditions. The Environmental Protection Department will continue to monitor the site to ensure compliance with the conditions of the Permit. So far, no further violation of the Noise Control Ordinance has been found.

End

Legality of uncompleted small houses pre-sale

* * * * *

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

Question:

In view of the occurrence of several incidents of pre-sale of uncompleted small houses involving fraud and other disputes in recent months, will the Government inform this Council :

- (a) whether the pre-sale of uncompleted small house is illegal;
- (b) whether it will consider legalising the sale and purchase of uncompleted small houses and monitoring such activities; if not, whether it will consider introducing measures to prevent prospective buyers from being cheated; and
- (c) which government department is responsible for controlling the sale and purchase of uncompleted small houses?

Answer:

Mr President,

Under the small house policy, an indigenous male villager over the age of 18 is allowed to apply either for a building licence at nil premium to build a small house in his own land or for the grant, at a concessionary premium of two-thirds of the full market value, of a site on Government land for the same purpose.

All small house grants made under the small house policy are subject to restrictions on alienation:

- (i) for grants of government sites within village environs of recognised villages, the restriction is perpetual. Lands Department will only consider applications for modifying the restriction after the development of the small house has been completed and a certificate of compliance has been obtained. Any approval given will also be subject to the payment of a premium and an administration fee, and the execution of a modification document;
- (ii) for grants of government sites in Village Expansion Areas, the restriction is perpetual. The Lands Department would only consider modifying the restriction on alienation after the lapse of three years following the issue of the certificate of compliance; and
- (iii) for grants in respect of land owned by the villagers, the period of restriction is five years. The conditions for modifying the restriction on alienation are the same as those in category (i).

Unless and until the above restrictions are no longer in force, any other form of disposal of any interests in the small house development would amount to a breach of the lease conditions.

- (a) The presale of uncompleted houses on lots which have been granted to indigenous villagers under the small house policy is a breach of the lease conditions.
- (b) We do not consider that the presale of uncompleted small houses should be permitted or legalised. Grants under the small house policy are made, on concessionary terms, to eligible indigenous villagers so as to assist them to improve their living conditions. Hence, restrictions against alienation should be retained. Permission to allow for the transaction of uncompleted small houses will go against the principle of the small house policy.

Prospective purchasers should always approach their solicitors or other professional representatives for advice if they have any doubts before committing themselves to any purchases or handing over any deposits.

- (c) The District Lands Office is responsible for the day to day administration of matters including lease enforcement action relating to small house grants. Any deception cases involving small houses would be investigated by the Royal Hong Kong Police Force.

End

Meal arrangement for school children

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 (Wednesday):

Question:

According to a recent survey on lunch arrangements for school children conducted by the Hong Kong Federation of Youth Groups, there is a rising trend of school children staying in school for lunch and the number of schools using the delivery service provided by lunch box suppliers has also increased. As the choice of food will directly affect the health and physical development of the next generation, will the Government inform this Council whether, and if so how, it will address the recommendations made in the survey report, including :

- (a) undertaking a comprehensive assessment and planning on lunch arrangements for school children, and introducing effective monitoring measures to ensure that school children are provided with hygienic and nutritious meals;
- (b) reviewing the existing measures and guidelines concerning lunch arrangements for school children and monitoring their implementation to ensure that the prescribed standards are met;
- (c) incorporating the provision of venues of having lunches in the list of standard facilities for new school premises; and
- (d) promoting and encouraging parent-teacher associations to monitor and manage the lunch arrangements for school children, and stepping up publicity to remind parents and students of the effects of eating habits on health?

Reply:

Mr President,

Meal arrangements for students in schools are matters of concern to the Education Department. The Education Department advises schools through two circulars on operation of tuckshops and on arranging meals from licensed food establishments. Turning to the specific parts of the questions:

- (a) Given the trend that more students are staying in school for lunch and that more whole-day primary schools are coming on stream, the Education Department is conducting a review on existing lunch arrangements which includes monitoring measures. The Department expects to complete the review by August 1996.
- (b) The Education Department's review as described in paragraph (a) above includes a careful examination of the existing guidelines to schools with a view to updating and supplementing them as necessary. The Department aims to issue the new guidelines to schools before the start of the new school year in September 1996. In the new circular, schools will be encouraged to form co-ordination groups to supervise, co-ordinate and improve meal arrangements for students.

- (c) A school can make use of its existing accommodation, such as covered playground or assembly hall, to cater for students staying in school for lunch. We consider the present arrangement to be both flexible and cost-effective. Providing additional accommodation solely for students to use during lunch break will not be an optimal way of using space in view of the sizeable area required and the low utilisation rate.
- (d) We agree that parent-teacher associations can play an active role in managing and monitoring meal arrangements in schools and promote healthy eating habits among students. Through the new guidelines to be issued in October 1996, the Education Department will encourage schools to involve their parent-teacher associations in the co-ordination groups on meal arrangements in schools.

It is also important to cultivate in students good eating habits and a healthy lifestyle. Education on health and nutritional value is promoted through the teaching of a number of subjects namely, Health Education, Social Studies and Science at the primary level and Home Economics, Social Studies and science subjects at the secondary level. Through these subjects, students will learn about the effects of various types of food on the body and food hygiene, and will understand the importance of a balanced diet to personal health.

In addition, the Education Department organises regular in-service education programmes to enhance and update teachers' knowledge on food nutrition and meal arrangements for students.

End

Future development of optical-fibre network

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

Question:

Will the Government inform this Council:

- (a) of the existing capacity of the telephone lines, including optical-fibre network, used for calls transmission;
- (b) of the proportion of the total capacity of the optical-fibre network that is used for calls transmission;

- (c) whether the Government has any information on the number of telephone lines used for other value-added services, and its proportion in the total number of telephone lines; and
- (d) whether the existing optical-fibre network can cope with the load when all telephone lines are used for other value-added services; if not, what the future development plan for the optical-fibre network is?

Reply:

Mr President,

- (a) In March 1996, the Hong Kong Telephone Company network consisted of 3.3m lines, of which about 40,000 are provided with fibre-optic connections from the local exchange. In addition, 92% of the connections between one exchange and another are using fibre-optics.
- (b) The telephone network does not distinguish between telephonic and non-telephonic messages passing through the network. We do not have data indicating the proportion of the messages which are telephonic.
- (c) Some indicative figures only on value-added traffic are available. During April 1994 to March 1995, the total both way occupancy traffic (i.e. incoming and outgoing) passing through the telephone network amounted to about 51,300 million minutes, of which local calls were estimated to account for some 45,210 million minutes, international calls 3,450 million minutes and other identifiable types of traffic (such as licensed public value-added services) 2,640 million minutes. The 45,210 million minutes of local calls include telephonic and non-telephonic (such as fax and computer communications) usage. Separate breakdowns on telephonic and non-telephonic traffic are not available.
- (d) The existing network is designed to carry the present normal traffic levels, including the current level of value-added traffic. A quality of service standard is imposed on HKTC to ensure that 99% of the calls in the busiest hour are successfully connected. If there is in future a significant increase in the volume of value-added traffic, HKTC might need to make additional investment in switching and other network elements in order to carry such additional traffic and to maintain the current grade of service. The three new Fixed Telecommunication Network Service Licensees are also constructing their own optical fibre backbone networks which will be able, when completed, to share some of the traffic loading of the HKTC network.

End

Comprehensive Redevelopment Area planning approach

* * * * *

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

Question:

Will the Government inform this Council:

- (a) of the number of redevelopment projects which have been undertaken since the adoption of the Comprehensive Redevelopment Area (CRA) planning approach;
- (b) how it will assess whether such a planning approach has been successful; and
- (c) how it can ensure that the property ownership rights of residents in the CRAs will not be affected by the redevelopment projects undertaken by the Land Development Corporation and the Hong Kong Housing Society?

Answer:

Mr President,

- (a) Fifteen redevelopment schemes designated as 'comprehensive development area' (CDA) on the outline zoning plans have been implemented. Another sixteen schemes have received planning and building plan approval and are at various stages of implementation. Thirty-six other schemes are under planning.
- (b) There are no hard and fast rules by which we evaluate the effectiveness of the CDA designation. The success or otherwise of such an approach would depend on the specific circumstances in each case. However, having regard to the substantial number of schemes already implemented through this method, such as Whampoa Garden, City Garden and Tsuen Wan West, the comprehensive provision of supporting facilities within such developments and the popularity of these developments among local residents, we could say that this approach is successful. In this connection, it should be noted that many CDAs are so zoned at the request of the land owners.

Moreover, it is Town Planning Board's policy to review each CDA zone every 5 years since its first publication on a statutory plan. The idea is to review the feasibility of achieving the planning objectives within a reasonable time frame. This is one way to assess whether the CDA approach has been successful.

- (c) Development rights of individual owners are protected by the relevant Ordinances under which compensation would be payable if the properties are acquired or resumed for redevelopment. Any person who is not satisfied with the compensation may appeal to the Lands Tribunal for a determination.

End

Development plan for KCRC station tops

* * * * *

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

Question:

As the Kowloon-Canton Railway Corporation (KCRC) is planning to apply to the Government for the development of commercial and residential premises on top of its stations at Kowloon Tong and Sha Tin, will the Government inform this Council:

- (a) of the progress of the negotiation between the Government and the KCRC on the matter; and
- (b) whether the Government will require the KCRC to include the construction of multi-storey car parks in its development plan, thus putting into effect the "park-and-ride" concept, so as to alleviate traffic congestion in the Lion Rock Tunnel and urban areas?

Reply:

Mr President,

As one of the measures to reduce traffic congestion, we support the provision of park and ride facilities at railway stations to encourage commuters to continue their trips to busy districts by public transport. Indeed, we have taken the opportunity to ensure that adequate parking facilities are included in development proposals for major stations and interchanges, for example, at the Central and Tsing Yi Stations of the Airport Railway.

An initial proposal for a commercial development at Kowloon Tong Station has been submitted by the Kowloon-Canton Railway Corporation (KCRC) to the Town Planning Board. This proposal is being assessed in terms of land use planning, traffic, urban design and other relevant factors. No decisions have been taken. We will be consulted and will assess the feasibility of incorporating park and ride facilities in this project.

KCRC has just commenced a preliminary study on the development potential of the Sha Tin Station. No application has yet been received from the Corporation. Should the Corporation decide to redevelop this site, the provision of park and ride facilities will be examined.

End

Review of the Diesel-to-Petrol scheme

* * * * *

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

Question:

The Government published the consultation paper "Cleaner Air - Further Proposals to Reduce Emissions from Diesel Vehicles" last year to seek the views of the public on the proposed mandatory Diesel-to-Petrol (DTP) Scheme for diesel vehicles of four tonnes or below, and the consultation period expired at the end of last year. A motion was also carried by this Council on 13 December last year urging the Government to review the scheme and replace the proposed mandatory scheme with incentive measures to attract owners of diesel vehicles to change to petrol vehicles on a voluntary basis. Up to the present moment, the Government has still not released the results of the consultation and its review of the scheme. In view of this, will the Government inform this Council:

- (a) of the public response to the recommendations put forward in the consultation paper and the ratio between the views in favour of the DTP Scheme and those against it;
- (b) of the progress in collating the views submitted by the public in response to the consultation paper, and the date of making a formal announcement of the results of the consultation; and
- (c) whether it has considered shelving the proposed mandatory DTP Scheme?

Reply:

Mr President,

At the end of the consultation period on 31 December 1995, a total of 1 327 written submissions had been received. Of these, 1 250 are identical letters in four versions and 77 are submissions from organisations and individuals. Reactions to the proposed diesel to petrol scheme are mixed. Views were expressed on health and environment issues, on operating costs, and on implementation arrangements. All the identical letters and about two-thirds of the submissions are opposed to the scheme. About one-third are in support.

We are re-examining the proposals in the light of the divergent views that have been expressed in the written submissions, and in the light of comments made by Members of the Legislative Council during the Motion Debate on this issue on 13 December 1995. A formal report on the consultation exercise will be published shortly. The Administration is working on a paper to set out the options for the control of emissions from diesel vehicles and their pros and cons and hope to be able to discuss it with the relevant Panels of the Legislative Council soon.

We have not as yet considered shelving the scheme because we remain of the view that only a substantial reduction of diesel vehicles can tackle the serious problem of particulate pollution, and that the proposed diesel to petrol scheme is the most effective way to do this. However, in the light of comments received, we are exploring alternative measures to reduce emissions from diesel vehicles to see if such measures could sufficiently improve air quality to safeguard public health. These will be covered in the options paper mentioned above.

End

Tram safety inspection

* * * * *

Following is a question by the Hon John Tse Wing-ling and a written reply by the Secretary for Transport, Mr Haider Barma, in the Legislative Council today (Wednesday):

Question:

In view of the frequent occurrence of tram accidents recently, will the Government inform this Council:

- (a) given that the authorities concerned at present do not conduct periodic checks on trams, whether the Government will consider changing the existing mechanism for inspecting tram safety and conducting periodic checks on trams in the near future;
- (b) of the training period which tram drivers are currently required to undergo before they are permitted to drive trams; and whether the Government will consider introducing legislation to regulate the training of tram drivers; and
- (c) in regard to the review being undertaken jointly by the Electrical and Mechanical Services Department and the Hong Kong Tramways Limited on the maintenance programme of trams, of the items covered in the review, the progress of the review and when it is expected to complete?

Reply:

Mr President,

Hong Kong Tramways has full responsibility for the maintenance and inspection of its tram cars and, indeed, all tram cars are subject to functional checks daily both before they leave the depot and on their return. The Government does not conduct any periodic checks. The Director of Electrical and Mechanical Services (DEMS) investigates each accident to ascertain whether it has been caused by equipment faults. Should the company subsequently seek to modify tram cars, the approval of DEMS must first be sought.

Following the recent accidents, DEMS has suggested that Hong Kong Tramways should review the wiring system and electrical equipment. These aspects have been included in the scope of a consultancy study which the company intends to commission very soon. The company expects that the consultant will need ten weeks to make available his preliminary findings. The Government will be consulted on the findings and will then decide whether additional regulations for maintenance and safety of tram cars need be introduced.

In keeping with international practice for transport modes running on tracks, the Administration does not regulate the training of tram drivers through legislation. The driver training programme now provided by Hong Kong Tramways for its trainees covers an eight week period. Apart from training on road use, equipment handling, safety precautions and emergency procedures, it also includes about 100 hours of driving practice on roads. In addition, trainees are required to pass a written driving test before they qualify as tram drivers.

To see how their current programme can be enhanced, Hong Kong Tramways will also seek their consultant's advice on recruitment procedures and the training programme. Meanwhile the company has also liaised with the Hong Kong School of Motoring to see whether their current core programme for tram drivers can be broadened to include other road skills.

End

Insurance policies for employees

* * * * *

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

Question :

Will the Government inform this Council of:

- (a) the current number of staff in the Labour Department responsible for inspecting industrial, commercial as well as services organisations to ensure that employers have taken out insurance policies for their employees; and whether the present staff establishment of the Department is adequate to cope with such work; and
- (b) the number of employers who were found failing to take out insurance policies for their employees, as well as the number of employers who were found taking out insurance policies at an insured amount which did not meet the statutory requirement, in each of the past three years; how the Labour Department came to know of such cases; whether the employers concerned were prosecuted and if so, what the results were?

Reply:

Mr President,

- (a) At present, 123 Labour Inspectors are deployed, among other duties, to inspect industrial and non-industrial establishments to ensure that employers have taken out employees' compensation insurance policies for their employees. The existing staff establishment is adequate to cope with such work.
- (b) The number of cases detected by the Labour Department involving employers who had failed to take out employees' compensation insurance policies in the past three years were : 692 in 1993, 849 in 1994 and 726 in 1995. Most of these cases were detected by Labour Inspectors during regular inspections while the remainder came to light during investigation of complaints or work-related injuries. The Labour Department had prosecuted those offenders where prima facie cases were established. For cases of a minor nature or where no prosecution witness could be secured, warnings were issued to the employers concerned. The detailed breakdown is as follows :

	<u>1993</u>	<u>1994</u>	<u>1995</u>
Cases of failure to take out insurance policy	692	849	726
Cases detected during inspections	660	802	660
No of summonses issued	353	347	530
No of summonses convicted	331	331	514
Amount of fines on conviction	\$400 - \$12,000	\$500 - \$14,000	\$800 - \$20,000

The statutory requirement of the insured amounts are specified in the Fourth Schedule of the Employees' Compensation Ordinance. No employer has been found taking out insurance policy below the statutory limit since its enactment in 1995.

End

Hong Kong's participation in OECD

* * * * *

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

Question:

Will the Government inform this Council:

- (a) whether it knows of the criteria adopted by the Organisation for Economic Co-operation and Development (OECD) for classifying whether a country is a developed country;
- (b) whether the OECD has carried out any assessment regarding the category into which Hong Kong should be put; if so, what category does Hong Kong come under; and
- (c) if the answer to (b) is in the affirmative, whether the Government is aware of the factors which the OECD has taken into account in classifying Hong Kong; whether the Government has assessed the impact of the influx of Chinese immigrants in recent years on the territory's economy and whether such impact will be helpful to Hong Kong in obtaining the 'developed territory' classification from the OECD?

Reply:

Mr President,

The OECD does not have a category of "developed country" in its classifications.

Purely to provide a guide to aid patterns in a changing world and to form the basis for the collection of comprehensive and comparable statistical information on aid and other resource flows, the OECD Development Assistance Committee (DAC) compiles a list entitled the "DAC List of Aid Recipients". This list, updated regularly, consists of two parts. Part I lists those least developed countries and income groups based on regularly updated World Bank thresholds. Part II lists those developing countries and territories in transition, with a sub-category entitled "More Advanced Developing Countries and Territories" which is devoted to those places progressing from Part I of the list.

On January 1, 1997, Hong Kong will be moved from Part I to Part II of the list and put under the sub-category of "More Advanced Developing Countries and Territories". Six countries, namely: The Bahamas, Brunei, Kuwait, Qatar, Singapore and United Arab Emirates, were moved similarly on January 1, 1996.

Immigration from China provides a useful source of manpower supply which is conducive to raising the productive capacity and growth potential of our economy. While the increase in legal immigrants from China in recent years poses additional demand on the community's facilities and resources, the annual inflow of legal immigrants represents less than 1% of our population which is within Hong Kong's ability to cope.

End

Cross-subsidy in telephone services

* * * * *

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

Question:

The data provided by the Government show that under the existing flat-rate pricing scheme for telephone services, light users have been cross-subsidising heavy users in both residential and business telephone services. In this connection, will the Government inform this Council:

- (a) whether out-going long distance calls are incorporated in the relevant data on the monthly usage of residential and business lines; if so, what the usage pattern of out-going long distance call service is (i.e. a breakdown of the percentages of customers according to long distance call time per month) in the residential and business sectors in the past year; if not, how the overall usage situation would be affected, and whether the amount of cross-subsidy on heavy users from light users would vary, if the data on out-going long distance calls are incorporated;
- (b) of the proportion of long distance calls in the total out-going calls made by heavy users (i.e. those with an average call time of over 400 minutes per month), as well as the respective proportions of out-going long distance calls made by such users in the total long distance calls made locally in terms of call time and in terms of profits in the past year; and

- (c) of the proportion of long distance calls in the total out-going calls made by light users (i.e. those with an average call time of 0-400 minutes per month), as well as the respective proportions of out-going long distance calls made by such users in the total long distance calls made locally in terms of call time and in terms of profits in the past year?

Reply:

Mr President,

- (a) The data provided in the Economic Services Panel paper entitled "Review of the Pricing Structure of Local Telephone Services" cover successful local outgoing call minutes only. The data were collected from a sampling measurement exercise conducted in the third quarter of 1995 covering some 12,000 residential lines and 11,000 business lines which were randomly selected. Successful local conversation minutes were derived by applying a scale-down factor on all measured outgoing call minutes. As the survey was conducted to collect data on local calls only, information on the usage pattern of outgoing long distance calls had not been collected. However, based on sampling checks it is estimated that international calls accounted for 4% of the total residential traffic and 10% of the total business traffic.
- (b&c) As explained in (a) above, the survey was conducted to collect data on local calls only. Data on usage pattern in respect of international calls had not been collected.

End

Respite service for mental patients

* * * * *

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

Question:

Regarding the respite service provided for the mentally handicapped, will the Government inform this Council:

- (a) of the number of residential places currently provided by the Social Welfare Department and the establishment of staff who are directly involved in providing such service;
- (b) of the requirements for applying for such service;
- (c) whether it has provided financial assistance to voluntary organisations for the provision of such service; if so, how many residential places provided by these organisations are funded by the Government; and
- (d) whether it will consider enhancing such service in the near future?

Reply:

The objective of the respite service is to provide temporary residential accommodation for people with a disability, including mentally handicapped persons, for a period not exceeding two weeks in order to allow those who are responsible for caring for them at home to have a short break or respite.

- (a) The Social Welfare Department is currently providing two residential places in its Cheung Hong Hostel for respite purposes. The service is provided by the existing staff of the Hostel and no additional posts have been established specifically for this purpose.
- (b) The respite service is available to persons with a disability who are of 15 years of age or above; do not have infectious diseases; do not require intensive care; and do not have violent behaviour.
- (c) At present, there is no financial assistance provided by the Government to non-governmental organisations for the provision of respite services, although some respite places are provided by such organisations using their own resources.
- (d) Subject to the availability of resources, it is the intention of the Government eventually to subvent two residential places for respite services in hostels for the mentally handicapped in each of the five regions.

End

Industrial Support Fund Scheme

Following is a question by the Hon James Tien Pei-chun and a written reply by the Secretary for Trade and Industry, Miss Denise Yue, in the Legislative Council today (Wednesday):

Question:

The Government has recently approved 49 applications, which have been recommended by the Industrial and Technology Development Council, for financial support under the Industrial Support Fund scheme. Of these, 30 applications came from tertiary institutions whereas only 17 applications came from industrial establishments and industrial support agencies. In this regard, will the Government inform this Council:

- (a) of the criteria adopted for assessing applications made by industrial support agencies;
- (b) whether the same criteria are adopted for assessing applications made by tertiary institutions and industrial establishments; and
- (c) whether the Government will step up the promotion of the scheme in order to encourage more industrial establishments applying for financial support under the scheme to undertake projects which will contribute to the territory's industrial and technological development, thereby enhancing the competitiveness of the territory's industry?

Reply:

Mr President,

- (a) The criteria adopted for assessing applications made to the Industrial Support Fund (the Fund) are summarised below -
 - (i) what specific benefits a proposed project will bring to the industrial and technological development in Hong Kong;
 - (ii) whether there is a demonstrated need for a proposed project and whether there is any duplication with work already being undertaken;

- (iii) whether the applicant of a proposed project has the required technical and project management capability and whether the schedule of implementation and duration of the project are acceptable;
 - (iv) whether the budget of a proposed project is reasonable and whether the project will become self-sufficient financially after a certain period of time; and
 - (v) whether it would be more appropriate to fund a proposed project by other sources such as the University Grants Committee or the Applied R & D Scheme.
- (b) All applications submitted to the Fund, whether by tertiary institutions or by industrial establishments, are vetted by the Industry and Technology Development Council and its committees in accordance with the same set of criteria.
- (c) The Industry Department already promotes, and will continue to promote, the Fund in the following ways -
- (i) annual issue of invitation letters together with publicity materials on the Fund to all likely applicants, including trade and industrial organisations (ITOs);
 - (ii) regular briefings on the Fund for all likely applicants, including ITOs;
 - (iii) inclusion of information on the Fund in government publications such as the fact sheets on Hong Kong Manufacturing Industry and on Science & Technology, the Hong Kong Annual Report, the annual report on the Hong Kong Manufacturing Industry, the leaflet on "Support Service for Hong Kong" and Industry Department's Handbook; and
 - (iv) inclusion of information on the Fund in the Industry Department Home Page on the Internet.

In addition, the findings and deliverables of various completed projects supported by the Fund will be exhibited at the Technology Week scheduled for 6-11 January 1997. This should help to promote the Fund. Also, to encourage more ITOs to submit applications beneficial to the industrial and technological development in Hong Kong, the Industry Department will consider an earlier issue of invitation letters to allow interested bodies more time to prepare their submissions. The Department will undertake more briefings on the Fund to the ITOs.

End