



DAILY INFORMATION BULLETIN

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BEACONSFIELD HOUSE, HONG KONG. TEL.: 2842 8777

Wednesday, October 18, 1995

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Government fees and charges

The Government would lose more than \$2 billion a year in revenue if all fees and charges were frozen at their present levels, the acting Secretary for the Treasury, Mr Alan Lai, said today (Wednesday).

To put this figure in perspective, all the salaries tax concessions announced in the 1995 Budget had cost \$1.2 billion in 1995-96, he added.

"The only way the Government could respond to a freeze would be either to reduce the level of service to match the frozen fees, or for the general taxpayer to subsidise the cost of services," he explained.

"Moreover, a one-year freeze would only store up problems for the future - in a year's time fees would have to be increased to cover two years inflation. The amount of increase then would not be acceptable to the community."

Mr Lai said rigorous application of the user pays/full cost recovery principles was an integral part of Hong Kong's low tax regime. Finance Branch was committed to fiscal prudence, and strict adherence to these principles was very important.

"Of course there are some exceptions. For well understood reasons, the central Government heavily subsidises some services such as hospital charges and education fees. But these are special cases where there is overwhelming social justification."

Mr Lai also pointed out that a freeze on government charges would have only a minimal impact on inflation - less than 0.1 per cent.

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LegCo briefed on Legal Department Plans

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The Attorney General, Mr Jeremy Mathews, today (Wednesday) briefed Legislative Council members on the new initiatives outlined in his policy commitments published in association with the Governor's Policy Address.

In respect of the provision of legal services, he proposed strengthening the Legal Department's Legal Policy Division and the Law Reform Commission Secretariat, creation of an Attorney General's office, and continued support for implementation of the legislation relating to vulnerable witnesses, and support for handling extra duties, such as asset recovery, arising under the Organised and Serious Crimes Ordinance, as well as increased workload in respect of commercial crime and corruption.

Mr Mathews explained that the work of the Legal Policy Division had increased tremendously in the past few years.

"The division has a wide variety of responsibilities, ranging from advice on human rights, constitutional and electoral law, and China Law, to the handling of petitions to the Governor and the preparation and promotion of legislation for which I have responsibility.

"Work in respect of each of these areas has grown very significantly. In the past, it was possible for officers in the division to undertake or supervise the work I have just referred to, and also to provide direct support to the Attorney General in dealing with important government legal issues and policy making. This has now become too great a task," he said.

He proposed, firstly, to create an Attorney General's office which will have its own legal officers, as well as administrative and secretarial support.

Secondly, he proposed to increase the staffing of the Legal Policy Division so that assistance in respect of constitutional and legal policy issues could be handled more efficiently.

A further initiative was the proposed creation of a central Mutual Legal Assistance Unit within the division which would handle all requests by other jurisdictions for assistance on criminal or civil matters. On the Law Reform Commission, Mr Mathews said it continued to play an important role in keeping the laws of Hong Kong up-to-date and in tune with changes in community attitudes.

"In view of the increasing demand for the prompt production of high-quality law reform reports, I intend to increase the size of its secretariat," he said.

In common with the rest of the Administration, the Legal Department helps with preparing for the transition. Mr Mathews proposed five new initiatives:

- * improving research facilities and expertise to cope with the increasing demand for advice on China Law, and to keep abreast of the rapid development of the legal system and laws in China;
- * enhancing public access to the judicial system by providing bilingual court documents;
- * providing additional resources for the giving of legal advice in respect of the Basic Law and constitutional law;
- * exploring ways to promote the greater use of both written and spoken Chinese (including Putonghua) throughout the department; and
- * strengthening the Law Drafting Division to enable it to deal with the additional drafting work required in the next three years.

On the two issues of immediate concern that he outlined in his Policy Commitments, namely legal services reform and briefing out of legal department cases, Mr Mathews noted that response to the Consultation Paper on Legal Services was good - 87 written submissions were received and a public opinion survey of 1,000 households was commissioned.

The department was now evaluating the results of these exercises with a view to formulating a clear policy on the way forward and he hoped to be able to brief Members further early next year, he said.

He added that the working party chaired by the Director of Public Prosecutions and including representatives of the Bar and Law Society was carrying out a review of the briefing out of criminal and civil cases and was expected to submit its report to him at the end of December.

He would be happy to brief members of the panel on the Administration of Justice and Legal Services on the report when he received it, he said, adding that in the meantime, he had put in place a number of new procedures designed to make the monitoring of briefed out cases more efficient.

As to the 10 undertakings made last year and the three outstanding since 1992, Mr Mathews reported that the department had completed six, was on schedule on six, and was taking active measures to speed up the progress on the one item which was behind schedule.

The six targets achieved are:

- * to provide additional staff to conduct prosecutions in the Magistrates Courts to reduce the need to brief out work to private counsel;
- * to publish the consultation paper on legal services in early 1995;
- * to advance the publication of the legal glossary and to publish the first issue in March of this year;
- * to introduce a new Succession Posts Scheme to accelerate the promotion of local counsel to the senior directorate;
- * to resume reciprocal legal study visits, subject to the Chinese Government's agreement; and
- * to make special arrangements to ensure that three of the five Law Officer posts are filled by local officers by the end of 1995.

The one project where progress is behind schedule is the proposed provision of training in the common law for government lawyers from China, which is subject to a positive response from the Chinese authorities.

"I and my colleagues are continuing to pursue this idea and we are taking every opportunity to emphasise to the Chinese authorities the benefits to both sides of the proposed scheme," Mr Mathews said.

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Funding support under research and development schemes

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Since the implementation of the Co-operative Applied Research and Development Scheme (CARDS) in June this year, four applications have been received and of these, three projects have been granted funding support of \$16 million.

This was stated by the Assistant Director-General of Industry, Mr Raymond Young, at a briefing organised by the Applied Research Council (ARC) today (Wednesday).

"In addition to the Applied Research and Development (Applied R & D) Scheme, CARDS was introduced to enable local companies to leverage on the research expertise in Hong Kong and China in undertaking applied research projects. Under both schemes, the maximum level of funding is set at 75 per cent of fundable expenses," said Mr Young, who is also the Secretary of ARC.

The briefing was organised by the Applied Research Council Co Ltd in view of the keen interest expressed by the public on the Applied R & D Scheme and CARDS.

It was attended by some 350 participants from the manufacturing sector, tertiary institutions and research institutes as well as industry-support bodies.

Participants have shown great interest in the two funding schemes which aim to provide funding support to worthwhile applied research and product development projects undertaken by the local manufacturing sector.

Mr Young said the funding criteria of CARDS were comparable to those of the Applied R & D Scheme, but under CARDS, applicants needed to assemble a research team with researchers from both Hong Kong and China.

He hoped that through the implementation of CARDS, local manufacturers would be more proactive in tapping the vast pool of research expertise in tertiary institutions and research bodies in China of Hong Kong.

"Through this process, technological collaboration between Hong Kong and China would be enhanced to the benefit of the industrial and technological development of Hong Kong in the long run," he added.

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Lands Tribunal Bill to be gazetted

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A bill which seeks to amend the Lands Tribunal Ordinance will be gazetted on October 20 (Friday).

The Lands Tribunal (Amendment) Bill 1995 seeks to provide the Lands Tribunal with express jurisdiction under section 8(7) of the Lands Tribunal Ordinance to make orders for vacant possession, founded on the termination of tenancies, by notices of termination served pursuant to Parts IV or V of the Landlord and Tenant (Consolidation) Ordinance.

Under the bill, the Lands Tribunal is to be regarded as always having had this jurisdiction.

The bill, which will be introduced to the Legislative Council on November 2, also makes appropriate amendments to reflect the current position on the appointment of members of the Tribunal.

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Fees under the Buildings Ordinance revised

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The Government is to increase the fees specified in the Building (Administration) Regulation 42 for the inclusion, retention or restoration of names to the registers of authorised persons, registered structural engineers, registered building contractors and registered ventilation contractors.

A government spokesman said the proposed increase of about nine per cent would bring the fees up to current price levels, following the last revision in November last year.

The new fees, to be published in the Government Gazette on October 20 (Friday), will come into effect on November 23.

Details of the fee increases are as follows:

Particular -----	Current Fee (\$) -----	Proposed Fee (\$) -----
Inclusion of name in the authorised persons' (AP) register or the registered structural engineers' (RSE) register	6,110	6,670
Retention of name in the AP/RSE's register for:		
1 year	840	915
3 year	2,520	2,745
Restoration of name to the AP/RSE's register	2,500	2,730
Inclusion of name in the registered building contractors' (RBC) register	3,990	4,360
Retention of name in the RBC's register for:		
1 year	480	520
3 years	1,440	1,560
Restoration of name to the RBC's register	1,820	1,990
Inclusion of name in the registered ventilation contractors' (RVC)	8,560	9,350
Retention of name in the RVC's register for:		
1 year	440	480
3 years	1,320	1,440
Restoration of name to the RVC's register	1,635	1,790

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Bill to expand Medical Council representation endorsed

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The Governor-in-Council today (Wednesday) endorsed the introduction of the Medical Registration (Amendment) (No 2) Bill 1995 which seeks to expand the membership of the Medical Council to cope with its increased workload.

Under the proposed bill, the number of members of the Medical Council will be increased from the existing 14 to 24.

There would be additional representation from the University of Hong Kong, the Chinese University of Hong Kong, the Hong Kong Medical Association (HKMA) and the lay sector.

In addition, the new Medical Council would include directly elected members.

"We propose that six members be elected from all registered medical practitioners on the General Register and another six be elected from all members of the HKMA," a spokesman for the Health and Welfare Branch said.

"The introduction of elected members into the Medical Council is in line with our policy of encouraging greater involvement of the profession in its own affairs."

The bill also proposes to establish a specialist register containing a list of medical practitioners entitled to be known as medical specialists in their respective specialities.

In addition to the existing Licentiate Committee and the Preliminary Investigation Committee, the new Council will set up three more committees, namely the Education and Accreditation Committee, the Ethics Committee and the Health Committee.

The bill will be published in the Gazette on October 27 and introduced into the Legislative Council on November 8.

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Better regulation on non-local education qualifications

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The Government will soon introduce new legislation to protect the interest of local consumers by regulating the marketing of locally-conducted courses which will lead to the award of non-local higher academic or professional qualifications.

Under the Non-local Higher and Professional Education (Regulation) Bill to be gazetted on Friday (October 20), any course conducted in Hong Kong which will lead to the award of any non-local higher academic qualification, including sub-degree, degree, postgraduate or other post-secondary qualification, or professional qualification must apply for registration.

The registration of such regulated course will only be approved by the Registrar of Non-local Higher and Professional Education Courses, who will be the Director of Education, if it meets the required criteria.

In the case of a course leading to the award of a non-local higher academic qualification, the institution must be a recognised non-local institution of higher education. In addition, the standard of the course it offers must be maintained at a level comparable to a similar one conducted by the institution in its home country, and recognised by the institution, the academic communities and the relevant accreditation authorities of that country.

For a course that leads to the award of a non-local professional qualification, the professional body offering the course must be generally recognised in its home country as an authoritative and representative professional body in the relevant profession, and must itself recognise the course for the purpose of awarding the qualification.

A government spokesman today (Wednesday) explained that at present there are about 120 non-local institutions of higher education and professional bodies conducting more than 370 courses in Hong Kong. Seventy-four of these courses are conducted in collaboration with local tertiary institutions (LTIs) and approved post secondary colleges (APSC), while the rest are delivered independently.

"The Government has so far not received any substantiated complaints about the quality of such courses or misleading advertisements on them. However, in view of the prevalence of non-local courses being marketed locally, the Government recognises the need to protect consumers' interests and to uphold Hong Kong's international reputation as a place which attaches great importance to the quality of all higher academic and professional qualifications," the spokesman said.

Any regulated course conducted in collaboration with a LTI or APSC will be exempt from registration if the executive head of the LTI or APSC certifies that the course is a collaborative venture meeting the standard required of a registered course.

"In the case of LTIs which receive government funding, the heads will also have to certify that the course is not financed by any fund allocated to it by the Government out of the general revenue," he said.

After the enactment of the proposed legislation, the Education (Overseas Tertiary Institutions) (Exemption) Order made in 1993 under the Education Ordinance to provide similar exemption from registration will be repealed.

The new legislation will also regulate the advertisements of regulated courses. No person will be allowed to advertise any regulated course that has not been registered or exempted to recruit students for the course. Neither will any person be allowed to issue any false or misleading advertisements on any regulated course.

In order to achieve wider consumer protection, the control over false or misleading advertisement will also apply to purely distance learning courses.

However, the new legislation will not require registration of those purely distance learning courses which are conducted solely through mail, telecommunication (for example, TV, radio, or computer network), or sale of materials in commercial outlets, but without the institutions, professional bodies or their agents being physically present in Hong Kong.

This is to balance the interests of consumer protection against any unnecessarily broad restriction on freedom of expression, including the freedom to seek, receive and impart information and ideas of all kinds, which is guaranteed under the Bill of Rights.

"Operators of purely distance learning courses are welcome to apply for registration on a voluntary basis," he said.

With the establishment of the new registration system, the public will have better access to information about non-local courses conducted in Hong Kong. They will be able to inspect free of charge the register of registered and exempted courses and the annual reports of registered courses.

The Non-local Higher and Professional Education (Regulation) Bill is scheduled to be introduced into the Legislative Council on November 8, 1995.

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Payroll statistics for second quarter 1995

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According to statistics released today (Wednesday) by the Census and Statistics Department, average labour earnings in all major sectors of the economy, as measured by payroll per person engaged, recorded an increase of 13.1% in nominal terms in the second quarter of 1995 over a year earlier. After discounting changes in consumer prices, the increase was 3.6% in real terms.

Analysed by sector, average payroll per person engaged in the manufacturing sector increased by 10.5% in nominal terms, or 1.2% in real terms, in the second quarter of 1995 compared with a year ago.

For the wholesale, retail and import/export trades, restaurants and hotels sector, average payroll per person engaged increased by 12.5% in nominal terms or 3.0% in real terms. The increase in labour earnings was concentrated mainly in distributive trades. Labour earnings in restaurants and hotels showed a less rapid increase.

Average payroll per person engaged in the transport, storage and communication sector showed an increase of 14.0% in nominal terms or 4.4% in real terms. The significant increase was to some extent caused by the issue of seasonal bonuses by some transport companies in the second quarter of 1995.

Average payroll per person engaged in the financing, insurance, real estate and business services sector recorded an increase of 14.8% in nominal terms or 5.1% in real terms. The relatively larger increase was mainly due to the increase in the proportion of high-paid staff in the business services and insurance industries, and also the issue of more commission and bonus payment in the insurance industry.

As for the community, social and personal services sector, average payroll per person engaged recorded a moderate increase of 7.8% in nominal terms, equivalent to a decline of 1.3% in real terms. However, the decline was attributable in part to a high base of comparison in June 1994 when a substantial amount of retirement/contract gratuities were paid out by some establishments engaged in education services.

Changes in the indices of payroll per person engaged between the second quarter of 1994 and the second quarter of 1995 for selected major sectors, in both nominal and real terms, are shown in the table as follows:

**Year-on-Year Change in Indices of Payroll Per Person
Engaged by Selected Major Industry Sector**

Selected Major Industry	% Change for second quarter 1995 over second quarter 1994	
	in nominal terms	in real terms Sector
Manufacturing	+10.5	+1.2
Wholesale, Retail and Import/Export Trades, Restaurants and Hotels	+12.5	+3.0
Transport, Storage and Communication	+14.0	+4.4
Financing, Insurance, Real Estate and Business Services	+14.8	+5.1
Community, Social and Personal Services	+7.8	-1.3
All Industry Sectors	+13.1	+3.6

Statistics on average payroll per person engaged are compiled at quarterly intervals based on the results of the Labour Earnings Survey conducted by the Census and Statistics Department. Wage indices are also compiled from the same survey at half-yearly intervals for March and September of the year.

Average payroll includes wages as well as all other irregular receipts such as bonuses and overtime allowances. Statistics on average payroll tend to show relatively larger quarter-to-quarter changes, affected by the number of hours actually worked and the timing of payment of bonuses and back-pay.

Detailed breakdowns of the above statistics are published in the "Quarterly Report of Employment, Vacancies and Payroll Statistics, June 1995". The report will be available shortly at \$44 per copy (exclusive of postage) at the Government Publications Centre, Queensway Government Offices, Low Block, ground floor, 66 Queensway, Hong Kong and at the Publications Unit of Census and Statistics Department, 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong.

For enquiries about the indices of payroll per person engaged, please contact the Census and Statistics Department at telephone number 2582 5076.

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Special postmark to mark Dental Congress

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The acting Postmaster General, Miss Nancy Law, announced today (Wednesday) that to commemorate the 83rd FDI Annual World Dental Congress to be held in Hong Kong from October 23 to 27, a special postmark will be introduced.

While the Post Office will not issue any philatelic item on this occasion, the special postmark will be made available for hand-back service on October 23 at the following seven philatelic offices for any privately-made covers bearing an indication of the event:

- * Beaconsfield House Post Office
- * General Post Office
- * Granville Road Post Office
- * Peak Post Office
- * Sha Tin Central Post Office
- * Tsim Sha Tsui Post Office
- * Tsuen Wan Post Office

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Hong Kong Monetary Authority money market operations

	\$ million	Time (hours)	Cumulative change (\$million)
	-----	-----	-----
Opening balance in the account	2,174	0930	+997
Closing balance in the account	3,063	1000	+997
Change attributable to :		1100	+997
Money market activity	+985	1200	+997
LAF today	-96	1500	+999
		1600	+985

LAF rate 4.25% bid/6.25% offer TWI 121.9 *-0.1* 18.10.95

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.32	2 years	2708	6.06	100.64	5.76
1 month	5.40	3 years	3807	6.16	100.50	6.05
3 months	5.49	5 years	5009	6.95	101.40	6.72
6 months	5.53	5 years	M501	7.90	103.31	7.17
12 months	5.56					

Total turnover of EF bills and notes - \$15,421 million

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Supplement

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Debate on Private Member's Bills

Following is the speech by the Chief Secretary, the Hon Anson Chan, in the motion debate on Private Member's Bills in the Legislative Council today (Wednesday):

Mr President,

The motion that Members are debating today needs to be seen in the context of this Council's overall responsibility for the passing of legislation. Our system of government in Hong Kong provides for the executive - the Administration - to take the lead in formulating policies, and the legislature, that is, this Council, to scrutinize the legislative and financial proposals that we put forward. It has always been the case that the vast majority of Bills considered by this Council are introduced by the Administration.

The Administration's programme of legislation does not come about by accident. It is carefully thought out. Many Bills reflect the wishes of Members of this Council, expressed through motion debates, through discussion in LegCo panels or through other means. Many others are the result of public consultation exercises, or of recommendations made by our many advisory Boards and Committees. Still others are initiatives by the Administration, perhaps to give effect to an international obligation that the sovereign power has entered into on our behalf, to update legislation that is now obsolete or to correct some anomaly or loophole in previous legislation.

Every year, Branch Secretaries put forward proposals for legislation in their policy areas arising from all these sources. The Financial Secretary, the Attorney General and I meet several times with the Law Draftsman to consider these proposals very carefully. We have to balance the pressures for change against the resources available, both in terms of the capacity of the Law Draftsman's Division to draft the legislation and of this Council to scrutinize it. Inevitably, we conclude that we cannot include in our programme all the proposals that have been put forward. So we have to set priorities. And we do this, of course, in terms of what we honestly believe to be the public interest. Our aim is to end up with a balanced programme of legislation that meets, as far as possible, the interests of the various sectors of our society.

So a lot of work goes into the preparation of our legislative programme. And we give it a high priority which I hope is shared by members of this Council.

Let me state at the outset that the Administration fully respects Members' constitutional right to introduce PMBs, subject to the limitation imposed by Royal Instructions regarding PMBs which have the objective effect of disposing of or charging any part of the public revenue. But, as the Governor said in his Policy Address, we doubt whether the public interest is best served by this Council and the Government operating on parallel tracks rather than moving forward on an agreed basis.

Continuing cooperation between the Government and LegCo in the coming session will surely be the best way to promote the interests of the people of Hong Kong.

It is in this spirit of cooperation that the Governor offered in his Policy Address to review with Members our proposed programme of legislation for 1995/96. I have suggested to the Chairman of the House Committee that among the issues we need to discuss are whether this programme needs to be adjusted to take account of Members' own priorities, how the Government's legislative programme can be processed most efficiently and effectively, and how PMBs can be handled in a way that will not upset the processing of public bills or put a strain on resources in the Administration.

I would like to echo the Governor's call for the Government and LegCo to move forward by consensus wherever possible. Clearly the more we can cooperate on the Government's legislative programme, the less need there will be for Members to put forward their own bills.

I now turn to the more specific issue of PMBs which aim to amend or repeal laws enacted to implement JLG agreements. Since 1985, the JLG has reached many agreements on a variety of subjects, from the construction of a new airport to the establishment of the Court of Final Appeal, from Hong Kong's membership in GATT to the future use of defence lands. These agreements have one important point in common: they are the results of joint efforts, by Britain as the current sovereign and China as the future sovereign, to identify solutions for issues which are essential for a successful transition. Together, they provide a framework within which we can work for a secure and prosperous future.

These agreements are not reached lightly. They are invariably the product of careful negotiations. Before the British side signifies its agreement to a particular issue, it will always ensure that:

- (a) the agreement is fully consistent with the Joint Declaration; and that
- (b) the agreement safeguards the best long-term interests of Hong Kong.

At all stages of the negotiations, the Hong Kong Government is fully involved, as it is in all aspects of the work of the JLG. And in the process, we take full account of views expressed by this Council and the community.

Where the implementation of an JLG agreement requires legislation, draft legislation will of course be put before this Council. And this Council has a well established track record of performing its scrutinising role responsibly and with vigour.

But to repeal or make fundamental amendments to laws enacted to implement JLG agreements would have serious consequences. In effect, it would mean negating the work of the JLG, and unstitching the way forward that had been painstakingly agreed on important transitional issues. Progress in the implementation of the Joint Declaration would be severely affected. Indeed, the whole basis for a successful transition would be called into question. All this would be extremely damaging to Hong Kong, and to confidence in Hong Kong, particularly as we enter into the final 20 months of the transition. I am sure that Members of this Council recognize the dangers of proceeding down this road.

At the end of the day, any legislature or executive is credible only if it performs responsibly, and is seen to be acting in the overall interests of the community it serves. As the Governor pointed out in his Policy Address, the interests of the people of Hong Kong must be paramount. He made it clear that he would not shrink from refusing assent to legislation if it were his honest view that this course of action would be in the best interests of Hong Kong. I very much hope, of course, that we will not get ourselves into a situation where the Governor has to consider making use of his constitutional powers

Finally, I would like to turn to the amendment proposed by the Hon Lee Cheuk-yan. The first part of this amendment seems to me to do no more than state what is generally recognised to be the current constitutional position, subject of course to the limitation imposed by the Royal Instructions. The second part relates to the amendment to the Basic Law by the National People's Congress. This of course is a matter for the Special Administrative Region Government and Central People's Government, not the Hong Kong Government. I therefore do not propose to comment on it.

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Government Minute

Following is the speech by the Chief Secretary, the Hon Anson Chan, in introducing the Government Minute in the Legislative Council today (Wednesday):

Mr President,

Laid on the table today is the Government Minute responding to Report No. 24 of the Public Accounts Committee. The Minute sets out the measures the Government has taken, or is planning to take, on the conclusions and recommendations contained in the Report.

Mr Peter Wong, the then Chairman of the Public Accounts Committee, spoke in this Council on 26 July 1995 when tabling the Report. I would like to respond to some of the points he made.

Mr Wong highlighted the problems relating to the licensing of food establishments, particularly the aspects of co-ordination, both within and amongst government departments, and the time required to process applications. As we have advised the Committee at the public hearing, the licensing authorities, i.e. the two Municipal Councils, are conscious of the problems and have been making efforts to rectify the situation. The Director of Regional Services and the Director of Urban Services have been seeking the co-operation of concerned departments to streamline the licensing procedures and co-ordinating improvement measures to achieve this. Both have introduced measures to ensure that the processing time is kept within 60 days. They are also working actively on the "Provisional Licence System" for restaurants whereby premises will be allowed to operate when they have complied with certain basic requirements, pending the issue of a "full" licence. They hope to introduce this system by end 1995. In the meantime, control for food business premises will be strengthened and enforcement action on unlicensed premises stepped up to safeguard public safety.

The second issue addressed by Mr Wong in his speech is road opening. The Administration fully recognises the problems associated with repeated and multiple road excavations and the inconveniences these may cause to the public. We have devoted serious efforts to co-ordinate, plan, and control utility openings to keep disruptions to road users to the minimum. Members will see from the Government Minute what we have done and are planning to do in this respect. We aim to bring to this Council soon the necessary amendments to the Crown Land Ordinance for the implementation of the excavation permits fee scheme, a measure which we have been asked at various fora of this Council to pursue.

Turning to briefing out of prosecution work to private counsel, I note that the PAC concurs with the Attorney General that there are good public interest reasons for the Legal Department to maintain the briefing out system, mainly to meet operational needs if the resources or the expertise required do not permit the Legal Department to handle the cases in-house. It is our intention to handle cases by counsel in the Department as far as possible.

As the PAC rightly points out, it is important for the Legal Department to have clearer policies and guidelines on the briefing out arrangements. The existing system is being reviewed by a Working Party chaired by the Director of Public Prosecutions and comprising representatives from relevant government departments, the Bar Association and the Law Society. The Working Party will report to the Attorney General by the end of this year. We shall continue to improve the existing arrangements taking into account the recommendations of the Working Group. On the question of briefing out fees, since April this year, both the Legal Department and the Legal Aid Department pay maximum standard rates fees only for long and complex cases.

Mr Wong also mentioned the Committee's deliberations on the subject of accountability of public organisations, in particular the role of the Director of Audit in conducting value for money audits of such organisations. On this, we note the range of views that Members of the Public Accounts Committee have expressed. We have given these careful consideration. Whilst such audits might increase the transparency and public accountability of statutory bodies, we need to consider whether they are appropriate having regard to the operating framework of individual organisations.

Like some Members of the Committee, our main reservations on the proposal relate to public corporations like the MTRC, the KCRC and the Airport Authority who are established by law to run on prudent commercial principles. For this category of public organisations, we remain of the view that it would be inconsistent with the concept of establishing statutory bodies with a legal requirement to operate along commercial principles if their day to day management were to be placed under the scrutiny of the Director of Audit, and eventually to be made public.

We prefer instead to continue to place reliance on the tried and tested statutory and regulatory framework under which such bodies are required to operate. This includes internal and external professional audits and reporting of accounts to this Council. We have no wish to be complacent in this respect, however. We will therefore continue to examine further areas for increasing transparency and accountability, as suggested by Members, where these are also consistent with the principles of sound commercial management.

Mr President, I wish to conclude by saying that it is the aim of the Administration to serve the community by delivering quality services that are efficient and effective. The Director of Audit and the Public Accounts Committee have played a significant role in ensuring that we are on the mark. We will continue to work closely with them in our quest for greater efficiency.

End/Wednesday, October 18, 1995

HK Sport Development Board Annual Report

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Following is the speech by the acting Secretary for Recreation and Culture, Mrs Rachel Cartland, on the Annual Report of the Hong Kong Sports Development Board at the Legislative Council today (Wednesday):

I am pleased to be able to present the Annual Report of the Hong Kong Sports Development Board for the year 1994-95. This Report incorporates the statement of the Hong Kong Sports Institute, and is the first consolidated report of the two organisations since they were integrated under the Hong Kong Sports Development Board Ordinance, with effect from 1 April 1994.

The year 1994-95 is the fourth and final year of the Board's first Strategic Plan. During that four year cycle, annual updates of progress have been produced for public information and a consolidated progress report covering 1991-95 has recently been issued.

A good deal of time has been spent in the past twelve months on the preparation of a second Strategic Plan which will cover the next four years, and will thus determine the direction of sports development up to the year 2000. Considerably more consultation with the various agencies has been undertaken in this process than was felt necessary in 1990. The draft Plan was also put out for public consultation from 1 June - 31 July, and comments were received up to 30 September. This exercise has brought the sports community together and its members have responded positively and contributed most helpfully.

Another milestone in sports development was achieved when in May 1994, the Board moved into its new office premises at Sports House, together with thirty-four National Sports Associations. Sports House was built as part of the Hong Kong Stadium redevelopment, through funding from the Royal Hong Kong Jockey Club. The Government, as landlord of Sports House, has entrusted the Board with the responsibility of managing the building at a nominal rental. The building has provided an invaluable focal point for sports development, both locally and internationally and its lecture theatre and conference rooms have been extensively used by the business and sporting communities.

Funds made available to the Board have continued to increase significantly since the Board's inception five years ago. The Government subvention for 1994-95 was \$73.26 million and an additional \$12.49 million was raised through sponsorship and donations. A total of \$24.05 million was dedicated to the programmes of the NSAs, an increase of 25% on the previous year. In addition, the Hong Kong Sports Development Board currently controls two trust funds donated from the Jockey Club for the Board and the Sports Institute respectively, and a \$100 million allocation from the Government for the Sports Institute, from which a total of \$71.18 million has so far been used for the Board's and the Institute's operations.

Since the introduction of the Board's Block Grant Scheme in 1991, NSAs have been enjoying the benefits of funding of their staffing, office expenses and training programmes. In 1994/95, a total of \$41.38 million was allocated under the Scheme to the ASF&OC and NSAs. A comprehensive NSA Career Development Plan has been implemented which includes an in-service training programme, an incremental salary scale, a Provident Fund Scheme and a diploma course in Sports Management at the University of Hong Kong.

One of the Board's most significant community programmes has been the Hongkong Telecom Go! Sports Programme which was launched in 1993. With the full support of the Education Department, major sponsors and two School Sports Associations, it has already reached 40% of Hong Kong schools and promises to be one of the most comprehensive and exciting junior sports programmes yet introduced in the territory.

The Hong Kong Sports Institute is predominantly involved, in accordance with its mandate, in providing an environment in which athletic talent can be identified, nurtured and developed. This aim implies the pursuit of excellence by athletes and coaches. In 1994, Hong Kong's teams won a total of 19 gold, 25 silver and 28 bronze medals at the year's Asian, Commonwealth and FESPIC Games. The Institute played a significant role in helping to produce these results through its coaching effort, and support from its sports medicine and sports science staff.

The Coach Education Programmes administered by the Institute, working with the National Sports Associations have continued to develop with 35 Associations participating. More than 3,900 coaches attended sports theory courses and over 450 coaches attended 7 seminars.

A good deal has been done in forging technical links between the Institute and China. A total of 23 coaches were given financial support to attend coach education programmes there and in other countries. Strong working links have also been developed at a technical level with various institutes and organisations in Australia, Canada, the United Kingdom and China.

An important new initiative was launched in athlete education, appreciating the need for the Institute to do more to keep athletes in the programme. Increased resources were made available to prepare athletes for a life after their sporting careers are over. More assistance has been given in providing educational training and in creating career opportunities for athletes. These important support services will be expanded upon in the next financial year.

All in all, it has been a successful first year for the new integrated body which must continue to provide the leadership to take sports development forward. The second Strategic Plan provides the vehicle for this and I look forward to consulting Members of this Council on that Plan in the near future.

End/Wednesday, October 18, 1995

COMAC's Seventh Annual Report

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Following is the speech by the Chief Secretary, the Hon Anson Chan, in tabling the Government Minute in response to COMAC's Seventh Annual Report at the Legislative Council today (Wednesday):

Mr President,

When COMAC's Seventh Annual Report was presented to the Council on 19 July, the Administration indicated that a Government Minute would be prepared in three months' time. This Government Minute is tabled today.

The Government Minute covers all the complaint cases which COMAC investigated and listed in his Annual Report. In the majority of these cases, the branches and departments involved have accepted and followed up all of COMAC's recommendations. There are a few cases in which some of the COMAC's recommended measures have had to be modified because of operational constraints. The reasons for these modifications are set out in the Minute.

Should any Member of this Council wish to have further clarification on any point in the Government Minute, the Administration would be happy to provide it.

End/Wednesday, October 18, 1995

Two human rights reports tabled in LegCo

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Two UK Government reports on human rights in Hong Kong has been formally tabled in the Legislative Council today (Wednesday).

They are the fourth report under the International Covenant on Civil and Political Rights (ICCPR) and the thirteenth report under the International Convention on the Elimination of all Forms of Racial Discrimination (ICERD). The ICCPR report which has already been made public in July, will be in bound, bilingual format. The report under the ICERD is still being translated and the edition released today will be in English only.

"We hope to publish the bilingual version by early-December", a government spokesman said .

"The UN Human Rights Committee will examine the ICCPR report on October 19 and 20. A Hong Kong team, led by Solicitor General Daniel Fung, will attend as part of the UK delegation.

"We expect that the ICERD report will be examined by the UN Committee on the Elimination of Racial Discrimination at its 48th session in March 1996," the spokesman added.

Free copies of the ICCPR reports (bilingual) and ICERD report (English) are now available at the Marketing Office of the Information Services Department on the 17th floor, Siu On Centre, 176-192, Lockhart Road, Wan Chai.

End/Wednesday, October 18, 1995

Companies Registry's Annual Report tabled in LegCo

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The Companies Registry's Annual Report for 1994-95 was tabled in the Legislative Council today (Wednesday) by the Secretary for Financial Services, Mr Rafael Hui.

The report shows the Companies Registry produced a surplus of \$16.5 million for the period from April 1, 1994, to March 31, 1995. The Registry had budgeted for a surplus of \$5.4 million.

"There will be a retained earnings of \$11.5 million after a dividend payment of \$5 million to the Government. These would be used to upgrade the facilities and computerise the services of the Registry in the next few years," said the Registrar of Companies, Mr Gordon Jones, who is also the General Manager of the Companies Registry Trading Fund.

"In terms of service delivery, most of the performance targets set for the year have been achieved. Incorporation of new companies is achieved in seven working days as targeted, and the registration of overseas companies takes 35 working days, being seven working days shorter than the 42 working days target."

The renovation of the Registry premises in the past year has also brought about noticeable improvements to the facilities for the public to search or lodge documents.

"The next year will see the start of major initiatives to enable customers to conduct business with the Registry more conveniently from their own offices," said Mr Jones.

The Companies Registry plans to make available the Names and Document Indices combined with a facility to allow customers to order searches by fax and thereafter, to introduce an on-line service by phases leading to a search ordering facility by terminal.

Arrangements are also being made to allow the use of either English or Chinese in the filing of documents with the Registry, following the enactment of the Companies (Amendment) Ordinance in July this year.

The report is the Companies Registry's second one since it became a trading fund in August 1993. It covers the first full financial year of its operations.

The Companies Registry's main functions are to incorporate and strike-off companies, receive and maintain information required to be submitted by companies and other organisations in Hong Kong and to make that information available to the public.

It also plays an enforcement role to ensure compliance with the relevant parts of the various ordinances that it administers.

End/Wednesday, October 18, 1995

Land Registry Trading Fund achieved \$24.2M profit

The Land Registry Trading Fund has recorded another very successful year of operation achieving a net profit of \$24.2 million for the year ended March 31.

This represented an annual rate of return of 10.3 per cent on average net fixed assets, as compared with the target of 10 per cent.

These figures were released in the second Annual Report of the Land Registry Trading Fund tabled by the Secretary for Planning, Environment and Lands, Mr Bowen Leung, in the Legislative Council this (Wednesday) afternoon. According to the report, the registry had met all the performance targets and financial objectives during its second year of operation.

"The key to our success in running our operations is that we focus on satisfying customer needs and expectations, managing financial and human resources flexibly and effectively and securing staff commitment to deliver customer-based services," the Land Registrar and General Manager of the Land Registry Trading Fund, Mr Kenneth Pang, said in the report.

In delivering new and improved services to meet the needs of its customers, Mr Pang said an extremely fast and convenient land search facility called "Direct Access Services" had been launched.

"This new service enables customers to make on-line searches of the computerised land registers and place orders for copies of land records through their own office computer terminals without having to call at the Land Registry offices.

"The scope of such services is being progressively expanded as more and more registers in the New Territories are computerised," he said.

The report also pointed out that the Registry was in the process of setting up a Document Imaging System to convert paper land documents into electric images to be stored on optical disks. The system would provide very fast and efficient record retrieval and delivery services to the users.

Looking ahead, Mr Pang said the Land Registry would continue to press on with its efficiency improvement projects and to further upgrade its service.

"When all the major development projects are completed in about two years," Mr Pang said, "the Land Registry will have a fully computerised and unified Land Register for the whole territory.

"All users will then be able to lodge deeds for registration in respect of properties in any district with a central registration office.

"They can also make land searches and obtain copies of land documents in respect of any properties in the territory at any one of the Registry's office or direct from computer terminals at their own offices," he said.

Mr Pang was confident that the Land Registry, as one of the forerunners in the Government in developing and practising a customer-based and service-oriented culture, will continue to deliver value-for-money quality service to its customers.

The Land Registry is one of the first trading fund government departments established on August 1, 1993, to operate on a self-financing and quasi-commercial basis, aimed at improving its quality of service to customers.

End/Wednesday, October 18, 1995

Legal Aid Services Council Bill

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Following is the speech by the Chief Secretary, the Hon Anson Chan, in moving the second reading of the Legal Aid Services Council (No 2) Bill in the Legislative Council today (Wednesday):

I move that the Legal Aid Services Council (No 2) Bill be read the second time. The Bill provides for the establishment of an independent Legal Aid Services Council to oversee the publicly-funded legal aid services operated by the Legal Aid Department and the Duty Lawyer Service. Members will recall that this Bill was introduced into this Council on 22 February, but the Council was unable to accord priority to it, as there were other more pressing commitments at that time. So that it lapsed at the end of the 1994/95 session.

The establishment of a Legal Aid Services Council was one of 25 recommendations made by a Working Group whose report was approved by the Executive Council and published in July last year, and which took into account the comments received on proposals set out in a public consultation paper released in April 1993. The other areas covered by the report involved improvements to the scope and operation of the legal aid scheme. These improvements were implemented via the Legal Aid (Amendment) Ordinance 1995, which was passed by this Council on 15 June and commenced operation on 28 July.

Let me make it clear at the outset that the Administration does not at present interfere with decisions made by the Legal Aid Department or the Duty Lawyer Service on the granting of legal aid. The Director of Legal Aid has a statutory obligation under the Legal Aid Ordinance to consider applications before her independently; and the Duty Lawyer Service is administered jointly by the Bar Association and the Law Society. However, the Administration recognises that the status of the Legal Aid Department as a Government Department may create a perception problem in some quarters. We have therefore accepted the recommendation of the Working Group that an independent statutory Legal Aid Services Council should be set up.

To safeguard the independence of the Legal Aid Services Council, Clause 3 of this Bill establishes it as a body corporate which can take action to enforce its legal rights or can be sued for breach of its legal duties. It will not be an agent of the Crown and will therefore not enjoy any status as such. Clause 15 also adds the Council onto the Schedule of public bodies under the Prevention of Bribery Ordinance.

Clause 4 of the Bill sets out the functions of the Council clearly. Its main function will be to oversee the Legal Aid Department and the Duty Lawyer Service, although it will not interfere with their handling of individual cases. The Council will also act as the Government's advisory body on the formulation of policies relating to legal aid and on the funding requirements of its executive agents.

Clause 5 of the Bill states that the Legal Aid Services Council will be chaired by a non-official who is independent of both the Government and the legal profession. Its members will include four lawyers and four lay persons, in addition to the Director of Legal Aid and the Administrator of the Duty Lawyer Service who are directly responsible for the provision of legal aid services. Members of the Legal Aid Services Council are required by Clause 8 to disclose any interests that they may have in matters being considered by the Council. On the other hand, Clause 7 protects individual members who act in good faith from civil liabilities for any act or omission of the Council.

Clauses 9 to 13 of the Bill deal with the modus operandi of the Council. To enhance its accountability, the Council will be required to submit an annual report to the Governor, and to table its report before this Council. The accounts of the Legal Aid Services Council will be subject to examination and inquiry by the Director of Audit.

The establishment of a Legal Aid Services Council will be far from a cosmetic change, as some critics have suggested. On the contrary, it will represent a significant policy change. It will provide a greater and more direct opportunity for public participation in legal aid administration and policy formulation and will thereby enhance the independence of legal aid administration. Some people have argued that we should go further and dis-establish the Legal Aid Department. The Administration is not convinced that this is the best way forward, but we are not ruling it out. Once the Legal Aid Services Council is established, we will ask the Council to examine the feasibility and desirability of this option.

End/Wednesday, October 18, 1995

Bill to amend anti-corruption laws introduced

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A Bill seeking to make legislative amendments needed in order to implement the recommendations in the report of the Independent Commission Against Corruption (ICAC) Review Committee published in December last year was introduced into the Legislative Council today (Wednesday).

The Bill is similar to the Prevention of Bribery (Miscellaneous Provisions) Bill 1995 which lapsed at the end of the last legislative session. However, there is a difference in the Chinese text, reflecting the fact that an authentic Chinese text of the Prevention of Bribery Ordinance has since been gazetted.

Moving the second reading of the Prevention of Bribery (Miscellaneous Provisions) (No. 2) Bill 1995 today, the Attorney General, the Hon Jeremy Mathews, said the Bill was an essential step in reaffirming the ICAC's mandate in the light of present day circumstances and the changing expectations of the people of Hong Kong 20 years after the establishment of the ICAC.

Mr Mathews said in promoting the Bill, the Government's objectives were to strike a balance between two potentially conflicting views held in the community: that the ICAC needs to have sufficient powers to be effective in the continuing battle against corruption; and that it should be more accountable and transparent in the use of those powers.

The Bill proposes amendments to the Prevention of Bribery Ordinance, the Independent Commission Against Corruption Ordinance and the Magistrates Ordinance. The amendments can be grouped into three categories.

The first category relates to certain powers at present vested in the Commissioner, ICAC, which are to be transferred to the courts.

"In particular, court approval will be needed in order for the ICAC to require a person to supply information under section 14 of the Prevention of Bribery Ordinance, to search premises (save in exceptional cases), or to prevent a suspect from disposing of property," Mr Mathews said.

The second category of amendments are to ensure that the legislation relating to the ICAC is consistent with the Bill of Rights Ordinance. The amendments will provide -

- * that the Commissioner's special powers of investigation arise only if he has reasonable cause to believe that an offence under the Prevention of Bribery Ordinance may have been committed;
- * that the Commissioner's power to apply to a magistrate for a notice requiring a person to surrender his travel documents arises only if he reasonably suspects that person to have committed such an offence;
- * that a person who has surrendered a travel document has the option of applying to the Commissioner of the ICAC, or a magistrate, or both, for its return; and
- * that a statutory declaration or written statement made in compliance with a requirement under the Prevention of Bribery Ordinance will be admissible in evidence against the person who made it only if he gives evidence that is inconsistent with it.

Additionally, provisions in the Prevention of Bribery Ordinance that creates a presumption of corruption and allow a court to comment on the failure of an accused to give evidence are to be repealed, Mr Mathews said.

He said the opportunity presented by the Bill was taken to amend section 10(2) of the Prevention of Bribery Ordinance in order to ensure that it was safe from challenge under the Bill of Rights Ordinance.

Section 10(1) makes it an offence for a Crown servant to maintain a standard of living above that which is commensurate with his official emoluments, or to be in control of pecuniary resources or property disproportionate to those emoluments.

At present section 10(2) creates a presumption, in a prosecution under section 10(1)(b), that certain assets were in the control of the accused, until the contrary is proved.

"It is now proposed to amend section 10(2) by replacing the legal presumption with an evidentiary presumption. The effect of this will be that the accused is not required to prove that the assets were not in his control, there merely has to be some evidence to that effect in order to displace the presumption," he said.

Mr Mathews noted that the importance of section 10 was recognised in a recent case decided by the Court of Appeal, which said in its decision:

"And in case after case over the years, section 10 has proved its effectiveness in the fight against corruption. Although less visible, its deterrent effect must have been even greater. Chapter 201 of the Laws of Hong Kong is rightly named the Prevention of Bribery Ordinance. Section 10's worth is well-established."

The third category of amendments relates to miscellaneous provisions. These include amendments -

- * to give the ICAC the same access to tax records as exists under the Drug Trafficking (Recovery of Proceeds) Ordinance and the Organised and Serious Crimes Ordinance;
- * to modify the power of the Commissioner of the ICAC to dismiss an officer under section 8(2) of the ICAC Ordinance;
- * to make it possible for the ICAC to keep a suspect on bail no longer than is necessary; and
- * to enable the Commissioner of the ICAC, in discharging specified corruption prevention duties, to gain access to all records, books and documents held by public bodies.

Prevention of Bribery Bill

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Following is the speech by the Attorney General, the Hon Jeremy Mathews, in moving the second reading of the Prevention of Bribery (Miscellaneous Provisions) (No 2) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move that the Prevention of Bribery (Miscellaneous Provisions) (No.2) Bill 1995 be read a second time. This Bill is similar to the Prevention of Bribery (Miscellaneous Provisions) Bill 1995 that I introduced into this Council in May of this year, but which lapsed on the dissolution of the Council in the summer. However, the Chinese text of the current Bill differs from that of the earlier Bill, reflecting the fact that an authentic Chinese text of the Prevention of Bribery Ordinance has since been Gazetted.

The purpose of this Bill is to make the legislative amendments needed in order to implement the recommendations in the report of the ICAC Review Committee. That committee was established at the beginning of 1994 to review the powers of the ICAC and its accountability in the exercise of its powers. It was chaired by Mr Helmet Sohmen and included members of this Council, community leaders and members of the Administration.

The report of the Review Committee was published in December 1994 and contained 76 conclusions and recommendations. Those recommendations may broadly be described as evolutionary rather than revolutionary. Members of this Council were given copies of the report, and the Security Panel of the Council discussed the report in January of this year, where it expressed strong support for several of the recommendations.

The Administration has announced that, in principle, it accepts the recommendations in the report, although some minor procedural refinements may be required in some cases. Certain of the recommendations can only be implemented by legislation, and that is the purpose of the Bill I am now introducing. In promoting this Bill, the Government's objectives are to strike a balance between two potentially conflicting views held in the community: that the ICAC needs to have sufficient powers to be effective in the continuing battle against corruption; and that it should be more accountable and transparent in the use of those powers.

The Bill proposes amendments to the Prevention of Bribery Ordinance, the Independent Commission Against Corruption Ordinance and the Magistrates Ordinance. The amendments can be grouped into three categories.

Control by the courts

The first category relates to certain of the powers at present vested in the Commissioner, ICAC, which are to be transferred to the courts. In particular, court approval will be needed in order for the ICAC to require a person to supply information under section 14 of the Prevention of Bribery Ordinance, to search premises (save in exceptional cases), or to prevent a suspect from disposing of property.

Bill of Rights Ordinance

The second category of amendments are to ensure that the legislation relating to the ICAC is consistent with the Bill of Rights Ordinance. The amendments will provide:

- * Firstly, that the Commissioner's special powers of investigation arise only if he has reasonable cause to believe that an offence under the Prevention of Bribery Ordinance may have been committed;
- * Second, that the Commissioner's power to apply to a magistrate for a notice requiring a person to surrender his travel documents arises only if he reasonably suspects that person to have committed such an offence;
- * Third, that a person who has surrendered a travel document has the option of applying to the Commissioner of the ICAC, or a magistrate, or both, for its return; and
- * Fourth, that a statutory declaration or written statement made in compliance with a requirement under the Prevention of Bribery Ordinance will be admissible in evidence against the person who made it only if he gives evidence that is inconsistent with it.

Provisions in the Prevention of Bribery Ordinance that create a presumption of corruption and allow a court to comment on the failure of an accused to give evidence are to be repealed.

The opportunity presented by the Bill is taken to amend section 10(2) of the Prevention of Bribery Ordinance in order to ensure that it is safe from challenge under the Bill of Rights Ordinance. Section 10(1) makes it an offence for a Crown servant to maintain a standard of living above that which is commensurate with his official emoluments, or to be in control of pecuniary resources or property disproportionate to those emoluments. The importance of section 10 was recognised in a recent case decided by the Court of Appeal. I quote from the decision:

"And in case after case over the years, section 10 has proved its effectiveness in the fight against corruption. Although less visible, its deterrent effect must have been even greater. Chapter 201 of the Laws of Hong Kong is rightly named the Prevention of Bribery Ordinance. Section 10's worth is well-established."

At present section 10(2) creates a presumption, in a prosecution under section 10(1)(b), that certain assets were in the control of the accused, until the contrary is proved. It is now proposed to amend section 10(2) by replacing the legal presumption with an evidentiary presumption. The effect of this will be that the accused is not required to prove that the assets were not in his control, there merely has to be some evidence to that effect in order to displace the presumption.

Miscellaneous amendments

The third category relates to miscellaneous amendments. These include amendments -

- (a) to give the ICAC the same access to tax records as exists under the Drug Trafficking (Recovery of Proceeds) Ordinance and the Organised and Serious Crimes Ordinance;
- (b) to modify the power of the Commissioner of the ICAC to dismiss an officer under section 8(2) of the ICAC Ordinance;
- (c) to make it possible for the ICAC to keep a suspect on bail no longer than is necessary; and
- (d) to enable the Commissioner of the ICAC, in discharging specified corruption prevention duties, to gain access to all records, books and documents held by public bodies.

Comment

Mr President, this Bill is an essential step in reaffirming the ICAC's mandate in the light of present day circumstances and the changing expectations of the people of Hong Kong 20 years after the establishment of the ICAC.

End/Wednesday, October 18, 1995

Gas Safety (Amendment) Bill

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Following is the speech by the Secretary for Economic Services, Mr Gordon Siu, in moving the second reading of the Gas Safety (Amendment) (No. 2) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move that the Gas Safety (Amendment) (No. 2) Bill 1995 be read a second time.

The purpose of the Bill is to provide for control, in the interests of safety, over the carrying out of construction works in the vicinity of gas pipes. The Bill was first introduced into this Council on 8 March 1995 but was subsequently deferred to the current session due to pressure of business.

The Bill has four main provisions. First, it empowers the Governor in Council to make regulations to control the carrying out of works in the vicinity of gas pipes.

Secondly, it increases the maximum penalty that may be provided for in regulations made under the Gas Safety Ordinance. This will increase from the existing level of a fine of \$25,000 and imprisonment of 6 months and, in the case of a continuing offence, a daily penalty not exceeding \$5,000, to a fine of \$200,000 and imprisonment for 12 months and, in the case of a continuing offence, a daily penalty of \$10,000.

Thirdly, it enables the Gas Authority, who is the Director of Electrical and Mechanical Services, to inspect works in the vicinity of a gas pipe and to require, through the issue of an improvement notice, the person concerned to take such measures as the Gas Authority considers necessary in the interests of gas safety.

Fourthly, it enables the Gas Authority himself to act in the interests of safety when there is a failure to comply with an improvement notice and provides for recovery of the cost of any precautionary or remedial measures taken by the Authority from the person who has failed to comply with the improvement notice.

If the Bill is enacted by this Council, the Government will introduce a new regulation requiring that construction works should not be carried out near a gas pipe unless its position has been checked and measures have been taken by the person concerned to ensure that it will not be damaged by the works.

Specifically, the new regulation will require that the person concerned should take all reasonable steps to ascertain the location or position of a gas pipe before works are started in the vicinity of a gas pipe. To assist those involved in such works, the Gas Authority will publish, well before the regulation comes into effect, a code of practice detailing the steps that he considers to be reasonable for such persons to take in ascertaining the location and position of a gas pipe.

The new regulation will also require that the person concerned should take reasonable measures to protect the pipe from damage that would be likely to prejudice public safety. A person who fails to such measures will be liable on conviction to the new maximum penalty proposed in the Bill. The new regulation will, however, provide the person concerned with a defence to a charge of not taking all reasonable measures to protect a gas pipe by showing that he has taken all reasonable steps to ascertain the location and position of the gas pipe before starting the works.

The Bill will be brought into effect 6 months after enactment to allow time for the new regulation to be made, for a code of practice to be issued by the Gas Authority and for the gas supply companies and the construction industry to adjust to the new requirements.

Mr President, these proposals reflect the Government's concern at the frequent damage to gas pipes through careless construction and excavation works. There were 120 such incidents in 1994 and a further 71 incidents so far this year up to the end of September. Though the consequences of most of these incidents were - thankfully - relatively minor, damage to a gas pipe may cause a fire or an explosion, posing risks to workers, the general public and property in the vicinity. The proposals that I have outlined aim to minimise the potential for such hazards. I therefore commend the Bill to this Council. I hope this Council would consider it as soon as possible.

End/Wednesday, October 18, 1995

Bank Notes Issue (Amendment) Bill 1995

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Following is the speech by the Secretary for Financial Services, Mr Rafael Hui, in moving the second reading of the Bank Notes Issue (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move that the Bank Notes Issue (Amendment) Bill 1995 be read a second time.

The purpose of the Bill is to modify the legal framework for the issue of legal tender currency notes so that it will be consistent with the provisions in the Sino-British Joint Declaration and the Basic Law.

The Joint Declaration and the Basic Law explicitly state that the authority to issue Hong Kong currency shall be vested in the Hong Kong Special Administrative Region Government and that the Special Administrative Region Government may authorise designated banks to issue or continue to issue Hong Kong currency under statutory authority.

The current Bank Notes Issue Ordinance does not provide the statutory power for Government to issue currency notes. Nor does the Ordinance provide a specific power for the Government to authorise designated banks to issue currency notes.

To be consistent with the provisions in the Joint Declaration and the Basic Law, we consider that the Ordinance should be amended to provide for the following:

- a) the statutory authority for the Government to issue currency;
- b) the statutory authority for the Government to authorise banks to issue or continue to issue currency;
- c) a mechanism for backing the currency notes issued by the Government, if any; and
- d) the statutory authority for the Government to control the arrangements in relation to currency issue.

We propose that the Financial Secretary should be empowered, with the approval of the Governor in Council, to issue currency notes. Consistent with this amendment, the backing mechanism for the issue of bank notes will be extended to the currency notes, if any, issued by the Government.

Notwithstanding the enabling provision, the Government has no intention of taking over the note-issuing function from the note-issuing banks. This is merely to make the Bank Notes Issue Ordinance consistent with the provisions in the Joint Declaration and the Basic Law.

The Bill also provides an explicit statutory power for the Financial Secretary, with the approval of the Governor in Council, to authorise banks to issue or continue to issue currency. The three existing note-issuing banks will deem to have been authorised when the Ordinance comes into effect.

The core features of the present note-issuing regime (i.e. the issue of legal tender notes by the three note-issuing banks with the certificate of indebtedness as backing) will remain intact after the enactment of the Bill. There are just two proposed changes worth noting:

- * the Financial Secretary may, with the approval of the Governor-in-Council, impose terms and conditions on the note issuing banks relating to bank note design, denomination and other arrangements for bank note issue. The Government does not presently have the statutory power to approve the design of bank notes and control other arrangements relating to currency issue, although the note-issuing banks do consult the Monetary Authority on new bank note design as a matter of practice;
- * the fiduciary note issue of The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank will discontinue. For historical reasons, a very small amount of bank notes issued by The Hongkong and Shanghai Banking corporation Limited (\$60 million) and Standard Chartered Bank (\$35 million) is backed by securities held with the Exchange fund and not by the non-interest bearing certificate of indebtedness. To be consistent with the Basic Law which stipulates that "the issue of Hong Kong currency must be backed by a 100 per cent reserve fund", both banks have agreed to terminate the fiduciary note issue when the Bank Notes Issue (Amendment) Bill comes into effect. The provisions governing such issue in the Hongkong and Shanghai banking Corporation Limited Ordinance will be repealed.

Mr President, the Bill contains a number of necessary amendments to make the Ordinance consistent with the Joint Declaration and the Basic Law. This should contribute a smooth transition through 1997.

End/Wednesday, October 18, 1998

Buildings (Amendment) 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 Buildings (Amendment) (No 3) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move the Second Reading of the Buildings (Amendment) (No 3) Bill 1995.

The Amendment Bill was first introduced into this Council on 31 May this year as the Buildings (Amendment) (No 2) Bill 1995. It was not processed for enactment before the expiry of the last session, owing to the heavy workload of the Council at that time.

During the past few months, the Administration has further consulted concerned bodies on supplementary details. The Bill has been refined in a few areas, in particular as regards the supervision duties of different parties in a building project.

The Bill consists of two parts. One aims at improving the system of registration of building professionals. The other aims at tightening safety control over building works and sites with works in progress.

As regards the registration of authorised persons and registered structural engineers, we propose to bring the existing system in line with the provisions of the Architects, Engineers and Surveyors Registration Ordinances.

Under the Bill, only a building professional who is registered under the relevant registration ordinance will be allowed to apply to be an authorised person or registered structural engineer. Two registration committees will be formed to help the Building Authority examine the suitability of an applicant. Most of the committee members will be nominated by the statutory Registration Boards of the respective professions.

The proposed change will ensure the competence of and help encourage self-regulation by building professionals.

As regards the registration of building contractors, we propose that two types of contractors, general building contractors and specialist contractors, should be registered. A contractor's qualifications, experience and competence will have to be assessed by the proposed Contractors Registration Committee, consisting mainly of representatives of the concerned industry and professional bodies, before registration.

Taking into account the views of the industry, we have refined the original proposal such that companies and partnerships will continue to be allowed to register. If the contractor is a company or partnership, the directors, partners or senior staff nominated to act for it for the purposes of the Buildings Ordinance, such as in certifying prescribed documents, will also have to be assessed by the proposed Contractors Registration Committee. To remove the existing grey area in terms of statutory responsibility, such nominated directors, partners or senior staff will be subject to discipline on a personal basis. To illustrate this point, if the director of a contractor is convicted of misconduct, he or she will not be allowed to continue to act for another contractor.

Since the collapse of a part of a wall of a building under demolition at Nathan Road in September last year, the issue of construction site safety has raised increased and considerable public concern. Such concern is shared by the Administration. We therefore announced a comprehensive action plan outlining immediate, medium term and long term measures to tighten safety control over building and demolition works. The plan included a legislative review. The second Part of the Bill is the result of this review.

The Bill proposes to enable the Building Authority, for public safety reasons, to:

- * refuse to approve building or demolition plans or issue consent for the commencement or continuation of building works;

- * require proper supervision and safety measures to be provided at work sites; and
- * require the submission of relevant information so that the Building Authority can determine whether adequate safety measures have been implemented. To ensure safety, the following will be made criminal offences under the Bill -
- * failure to provide proper supervision of building works in a prescribed manner; and
- * non-compliance with the conditions attached to the Building Authority's approval of the building plan or consent to the commencement of building works

This will cover building owners, registered contractors, site agents, works supervisors, building professionals and construction workers. Their responsibilities will be clearly defined, in the form of a supervision plan to be prepared by the professionals and approved by the Building Authority, which reflects their actual roles on a work site.

The Administration has thoroughly consulted all concerned bodies before finalising the Bill. I am pleased that all parties share a common objective of improving safety at construction and demolition sites. The concerned industry bodies and the various advisory committees including the Land and Building Advisory Committee have given in-principle support for virtually all of the Administration's proposals.

I have to report that some disagreement from some professional institutes regarding the Administration's proposal to make failure to provide proper supervision by authorised persons and registered structural engineers a criminal offence. But our consensus in other areas far outweighs this difference. As I mentioned earlier, the proposed criminal liability is required to ensure safety. It is in line with sanctions for breaches of other provisions of the Buildings Ordinance and subsidiary Regulations, such as deviation from approved building plans.

The Bill is a reasonable, workable and effective approach in improving building and site safety. I recommend the Bill to Members.

Thank you, Mr President.

End/Wednesday, October 18, 1995

Air Passenger Departure Tax Bill

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Following is the speech by the acting Secretary for Treasury, Mr Alan Lai, in moving the second reading of the Air Passenger Departure Tax (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move that the Air Passenger Departure Tax (Amendment) Bill 1995 be read a second time.

Every airline passenger aged 12 or above leaving Hong Kong by air from the airport has to pay the air passenger departure tax. The airline operators are responsible for collecting the tax. At present, air passengers can only pay the tax at the airline check-in counters before their departure.

To improve services to passengers, many of whom are tourists, we have examined alternative methods of collecting the departure tax and we now propose to allow hotels to collect the tax by selling tax coupons to their guests. The Bill before Members seeks to enable the Director of Civil Aviation to appoint the hotels for such purpose. This will provide more flexibility in collecting the tax. Overseas visitors staying at hotels will no longer need to worry about keeping local currency for paying the tax at the airport. The amount may also be included in hotel room bills but the hotels will not levy an additional charge for providing the service. This proposal has the support of the Hong Kong Tourist Association and the Hong Kong Hotels Association.

The Bill also seeks to enable the Director of Civil Aviation to delegate his powers and functions for departure tax collection under the Ordinance and to specify the manner in which the powers and functions delegated shall be exercised and performed. This will allow more flexibility in administering the tax collection work.

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

End/Wednesday, October 18, 1995

Tax Reserve Certificates (Amendment) Bill

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Following is the speech by the acting secretary for Treasury, Mr Alan Lai, in moving the second reading of the Tax Reserve Certificates (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move that the Tax Reserve Certificates (Amendment) Bill 1995 be read a second time.

Under our salaries tax system, tax is not deducted from income when it is earned and a taxpayer will not have to pay salaries tax, which is assessed on a provisional basis, until at least nine months after the start of the tax year in which the income is earned. The advantage of this system is that taxpayers have the use of their money during the intervening period but the disadvantage is that some taxpayers may not have set aside sufficient funds to pay their tax and therefore face financial difficulties when the tax bill is due. We therefore see merit in encouraging and facilitating taxpayers to save for their tax bills.

The Bill now before Members seeks to introduce a voluntary Pay-As-You-Earn scheme (or PAYE scheme in short). It will initially be open only to civil servants on a trial basis. The scheme will provide a more convenient and automatic saving alternative for the payment of tax bills.

Under the scheme, a civil servant may elect to authorise the Treasury to deduct from his salary a specified amount each month for the purchase of Tax Reserve Certificates. The Inland Revenue Department will credit each payment received for the purchase to an account held in the applicant's name. To make it more convenient to prospective users and to minimise the cost involved, the scheme will operate in a paperless way whereby no Tax Reserve Certificate will need to be issued for the purchase. Interest will be earned in the normal way as for the purchase of ordinary Tax Reserve Certificates. The accumulated amount in the account will be used to settle the applicant's tax liability on its due date and any surplus will be carried forward.

Subject to the enactment of the Bill, we plan to introduce the scheme immediately. We will review its operation in the light of experience and demand from other sectors, and we will consider whether and when the scheme should be extended on a phased basis to other taxpayers e.g. civil service pensioners both in Hong Kong and overseas.

The Bill also seeks to transfer the power to make rules under the Ordinance from the Governor to the Secretary for the Treasury. This is not an important power and should more appropriately be exercised by the Secretary.

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

End/Wednesday, October 18, 1995

Closure of Tuen Mun Highway

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The following is a question by the Hon Zachary Wong Wai-yin and a reply by the Secretary for Works, Mr Kwong Hon-sang, in the Legislative Council today (Wednesday):

Question:

In regard to the closure of Tuen Mun Highway to traffic on three occasions after boulders had fallen on 18th August, 1995, will the Government inform this Council:

- (a) of the causes leading to the falling of the boulders;
- (b) whether any human error was involved and whether there was any dereliction of duty on the part of the officials concerned;
- (c) whether an independent inquiry will be held; if not, why not; and
- (d) what measures will be taken to ensure that similar accidents will not occur in future?

Reply:

Mr President,

- (a) Investigations have indicated that the probable cause may be attributed to fracturing of a part of the rock mass along a hidden plane of weakness during hand splitting of rock adjacent to the portion which subsequently fell off. The rock joints may also have been further weakened by water infiltration arising from heavy rains prior to the incident, including that associated with Typhoon Helen on 11 August.
- (b) The case is still being investigated by the Police. Upon completion of their investigation, the Police may recommend to the Coroner that he conducts an inquest. The Coroner's Inquest or any further legal proceedings in this matter will determine if any human error or dereliction of duty on the part of any official was involved.
- (c) A Coroner's Inquest will essentially constitute an independent inquiry into the matter.
- (d) For the work relating to Tuen Mun Highway widening, very intensive inspection and monitoring of the slopes are being carried out. The construction methods are under review and will be modified, if required. An alternative alignment is under investigation which will, if adopted, enable the works to proceed at the Tai Lam Section without further cutting of the relevant slopes. For future projects which require rock removal from slopes adjacent to roads, we will require that a more rigorous hazard assessment be included in the construction method proposals. This would ensure that all possibilities of risks and ways of avoiding them are examined in detail.

End/Wednesday, October 18, 1995

No Change in housing welfare for junior civil servants

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The Secretary for the Civil Service, Mr Michael Sze, today (Wednesday) reassured that there is no change to the long-standing arrangement under which junior civil servants may apply for a public housing unit through a quota allocation system agreed with the Housing Department.

In reply to a question in the Legislative Council by the Hon Mrs Elizabeth Wong, Mr Sze pointed out that the changes in housing quota this year for junior civil servants had been caused by developments in the public housing programme.

"I am fully aware of the situation faced by the Housing Authority and accept that civil servants will understand that this will have an effect on the Quota. At the same time, I feel it is important to ensure that civil servants have a reasonable share of the available units," he said.

Noting that the Civil Service Housing Quota was set by the Housing Authority on the advice of the Housing Department, Mr Sze said as a result of negotiation this year, the Civil Service Branch for the first time in the past ten years, was able to secure an increase in the quota, although it had to accept a reduction in the number of rental units.

Since 1985, the quota has remained at 1,700 places comprising 1 300 rental units and 400 units of the increasingly popular Home Ownership Scheme. For 1995-96, the quota will be 1,950, comprising 750 rental units, 700 Home Ownership Scheme units and 500 Home Purchase Loan Scheme places. The amount of the Home Purchase Loan has been increased from \$300,000 to \$600,000 recently.

"The reduction in rental units has been more than offset by the increase in the Home Ownership Scheme units and the introduction of the Home Purchase Loan Scheme places," he said.

Mr Sze pointed out that the Civil Service Housing Quota though not an entitlement, was an important form of staff welfare for junior staff. "There is therefore no question of compensation being paid for the changes in the Quota," he stressed, adding that the Government had not and would not change this policy.

The public housing scheme for junior civil servants was first introduced in 1963 under which they can apply for a housing unit outside the general public housing waiting list. A total of 37,666 officers and their families have benefited from the scheme since its inception.

The quota of the scheme varied over the years depending on the production of flats by the Housing Authority and the level of demand.

Quota allocation is divided into two categories. The General Quota is for the Master Pay Scale (MPS) and the Model Scale 1 (MOD 1) staff while the Special Quota is for Junior Police Officers (JPO) and rank and file officers in the disciplined services, who occupy departmental quarters and are within ten years of their minimum retirement age.

"Distribution of the quota between the various categories is subject to discussion with the Staff Sides," Mr Sze said.

The distribution since 1991-92 has been 660 for MPS; 440 for MOD 1; 400 for JPO and 200 for other rank and file.

The eligibility criteria for application are: officers on or below point 21 on the MPS (monthly salary at \$22,035); and on or below point 28 on the Police Pay Scale (monthly salary at \$28,015); all rank and file officers in the disciplined services (maximum point \$23,180) and all Model Scale 1 staff (maximum point \$9 225).

"Length of service determines priority in allocation. This scheme does not in any way affect the eligibility of those officers who wish to apply through the general public housing waiting list. Indeed for those eligible this is an additional option," he said.

The circular inviting eligible civil servants to apply for places in the Civil Service Public Housing Quota is expected to be issued shortly, with the allocation of units to start as soon as possible thereafter.

End/Wednesday, October 18, 1995

Public housing for lower-paid civil servants

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The following is a question by the Hon Elizabeth Wong and a reply by the Secretary for the Civil Service, Mr Michael Sze, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council of the details regarding the Government's policy on the allocation of public housing to its lower-paid staff and whether there is any intention to change its policy; and if so, whether compensation is payable to cover the retrenchment of such time-honoured staff welfare?

Answer:

Mr President,

As a part of our efforts to improve the welfare of junior staff, there has been a long standing scheme under which such staff may apply - separately from the general public housing waiting list - for a public housing unit. The allocation of units is done through a quota.

This scheme was first introduced in 1963, with the number of units included in the Quota varying over the years, depending on the production of flats by the Housing Authority and the level of demand for the units which are produced. In 1963, 117 units were available under the Quota. The number of units gradually increased. In 1972, there were 2001 available. However, in 1974 there was no Quota due to an acute shortfall in the number of flats produced that year. From 1975 to 1978 the Quota varied between 500 and 1,500 places. In 1979 the Quota was set at 1,100 places and subsequently increased to 1,700 places in 1985. Since 1985 the Quota has remained at 1,700 places comprising 1,300 rental units and 400 Home Ownership Scheme units. The latter has become increasingly popular. A total of 37,666 officers and their families have benefited from the quota system since its inception.

As regards the composition of the quota, a major revision was made in 1979. The allocation was divided into a General Quota, through which the Master Pay Scale and the Model Scale 1 staff are allocated units, and a Special Quota for junior Police officers and rank and file officers in the disciplined services, who occupy government departmental quarters and are within ten years of their minimum retirement age. The distribution of the quota between the various categories is subject to discussion with the Staff Sides. The distribution since 1991/92 has been MPS 660; MOD 1 440; JPO 400; other rank and file 200. The rental element of the sub-quota for JPO and rank and file officers in the disciplined services has been undersubscribed for the last five years. In last year's quota 92 units were returned to the general quota pool.

The eligibility criteria are : officers on or below point 21 on the Master Pay Scale (currently \$22,035) and on or below point 28 on the police Pay Scale (currently \$28,015), all rank and file officers in the Disciplines Services (maximum point \$23,180) and all Model Scale 1 staff (maximum point \$9,225) are within these parameters. Length of service determines priority in allocation. This scheme does not in any way affect the eligibility of those officers who wish to apply through the general waiting list. Indeed for those eligible this is an additional option.

The quota is set by the Housing Authority on the advice of the Housing Department. Civil Service Branch negotiates annually with the Housing Department on the size of the quota and the distribution of the units in the various public housing estates and Home Ownership estates. As a result of the negotiations this year, Civil Service Branch was able to secure the first increase in the size of the Quota for ten years. But we have also had to accept a reduction in the number of rental units. The Quota for 1995/1996 will be 1,950, compared with 1,700 previously. It comprises 750 rental units, 700 Home Ownership Scheme units and 500 Home Purchase Loan Scheme places. Recently, the amount of the Home Purchase Loan has been increased from \$300,000 to \$600,000. The loan is interest-free.

We have not and do not intend to change the policy. The Civil Service Housing Quota though not an entitlement is an important form of staff welfare for junior staff. There is therefore no question of compensation being paid for the changes in the Quota. The changes in the Quota this year have been caused by developments in the public housing programme. I am fully aware of the situation faced by the Housing Authority and believe that civil servants will understand that this will have an effect on the Quota. At the same time, however, I feel it is important to ensure that civil servants can be reasonably allocated residential units. The reduction in rental units has been more than offset by the increase in the Home Ownership Scheme units and the introduction of the Home Purchase Loan Scheme places.

The call circular inviting eligible civil servants to apply for places under these schemes is expected to be issued shortly, with the allocation of units to start as soon as possible thereafter.

End/Wednesday, October 18, 1995

Conduct of medical practitioners

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

Question:

In view of the fact that the court can reverse the Medical Council's ruling on cases involving breaches of code of the professional conduct by medical practitioners, will the Government inform this Council whether it will review as soon as possible the current channels for appeal and examine the effects on the community arising from conflicting rulings between the court and the Medical Council on such cases, so that appropriate measures could be taken to restore public confidence in the existing mechanism for regulating the conduct of medical practitioners?

Reply:

Section 26 of the Medical Registration Ordinance (MRO) provides that a registered medical practitioner who is aggrieved by any disciplinary order of the Medical Council of Hong Kong may appeal to the Court of Appeal, which may affirm, reverse or vary the order appealed against.

One of the proposed amendments to the MRO, which are soon to be re-introduced into this Council, is for the Court of Appeal to be empowered to, inter alia, remit a case back to the Medical Council for a re-hearing. The composition of the Medical Council is also proposed to be expanded to include more lay members.

To further enhance the transparency of its operation, the Medical Council now announces the reasons for its decisions at the conclusion of an inquiry. It is hoped that by so doing, all parties concerned will be better informed of the Medical Council's decision. I hope these measures will be able to meet the Hon. Member's concern. We will, of course, continue to keep this issue in view.

End/Wednesday, October 18, 1995

Container vehicles theft

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The following is a question by the Hon Cheng Yiu-tong and a reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):
Question:

In view of the fact that the problems of theft of tractors of container vehicles which has become rather serious at present, will the Government inform this Council:

- (a) whether the administration is aware of the problem and what measures does it have to tackle it; and
- (b) of the number of cases involving the theft of tractors of container vehicles over the past two years?

Reply:

Mr President,

Separate statistics on stolen container tractors is available only since October 1994; before that, it was grouped under the category of goods vehicle. As such, I can only provide the figures for the past twelve months. During that period, a total of 441 container tractors were stolen, of which 112 (or 24.5%) have been recovered. These 441 stolen container tractors represent 9.3% of the total of 4,725 vehicles stolen during the same period.

The theft of container tractors is the latest trend in vehicle theft. Indeed, the number of cases of theft of container tractors has increased from 92 in the 4th quarter of 1994 to 162 in the 3rd quarter of 1995. We are, of course, concerned at the upsurge of this type of crime. We have reason to believe that the criminals involved are the same groups of people involved previously in the theft of luxury cars. The Organised Crime and Triad Bureau has been tasked with the investigation of these syndicates and at least ten key figures of these syndicates have been arrested and prosecuted since July this year. The Bureau also maintains close liaison with the Chinese Authorities to identify the major figures in these syndicates and the recipients of the stolen vehicles in China.

Very often, the tractors are driven across the border immediately after being stolen. Certain black spots where theft of container tractors occurs have been identified by the Police, and frequent spot-checks by road blocks are conducted at strategic times and locations to interdict the delivery of the stolen tractors.

The Crime Prevention Bureau is also in close contact with insurance companies and relevant haulage and drivers associations to heighten their awareness of the crime so that proper precaution measures, such as the installation of anti-theft devices, can be taken to reduce the number of cases of container tractors being stolen.

End/Wednesday, October 18, 1995

Measures to prevent elderly from committing suicide

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The following is a question by Dr the Hon John Tse and a reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):

Question:

As the problem of old people committing suicide has become more serious in recent years, will the Government inform this Council whether there are any services provided to prevent the old people from committing suicide, and what long-term policy and measures will be adopted by the Government to solve the problem?

Reply:

Suicide is a complex problem. It can be prompted by a wide range of causes - emotional depression, declining health, terminal illness or a feeling of loneliness, of being abandoned. Given timely assistance and counselling, suicide can be avoided in most cases.

To reduce the risk of elderly people attempting suicide, it is necessary to provide a range of services designed to help them feel that they are continuing to participate in and contribute to the community. We are doing this through an ongoing major expansion of social centres and multi-service centres for the elderly.

In addition, in a bid to strengthen the functions of multi-service centres and to widen their contacts, the older volunteer and the volunteer workers programmes have been launched in ten multi-service centres for the elderly since October this year. These programmes are designed to foster links between elderly people and the community in which they live. The older volunteers programme, in particular, provides for elderly people who are still active to reach out to other elderly persons to provide help.

In addition to these preventive measures, outreaching and crisis intervention services are provided. Community based geriatric and psychogeriatric teams as well as the family services centres and psychiatric social workers under SWD all provide professional guidance and counselling. Elderly people and the public can also call the Social Welfare Department for information and assistance when necessary.

As a long term strategy, the Government will continue to strengthen the existing and newly provided services, and promotional and educational activities will be organised at district level. The Government, family members and the public, play an important role in tackling the problem. Family members and neighbours should show greater concern for the old people around them and pay more attention to their daily lives. If there are elderly persons in need of help, the Social Welfare Department or relevant non-governmental organisations can be contacted. The services are there - the major challenge is to ensure that those who most need them are brought into contact with them. The active participation of the public can help us in doing this task.

End/Wednesday, October 18, 1995

Reporter Xi Yang's case

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

Question:

Regarding the imprisonment of Mr Xi Yang - the Ming Pao Daily News reporter - in China, will the Government inform this Council of the measures taken by the Hong Kong Government in the past year to seek his early release and whether it has any information on whether the British Government has taken similar or other measures to obtain the release of Mr Xi Yang?

Reply:

Mr President,

The British and Hong Kong Governments remain concerned about the case of Mr Xi Yang. Both Governments have raised this case on many occasions with the Chinese Government, and at very high level. We have conveyed our concern, and that of Hong Kong people and his family, about Mr Xi, and urged that clear guidelines be produced for journalists working in China. In April 1995, Mr Xi's case was raised by the then Secretary of State during his meeting with Vice-Premier Qian Qichen in New York. In June, at the request of the family, the Hong Kong Government made representation to the Chinese authorities concerning the welfare of Mr Xi. Earlier this month, the Secretary of State, during his meeting with Vice-Premier Qian Qichen in London, also expressed the concern of the British and Hong Kong Governments, Hong Kong people and Mr Xi's family about his circumstances including his health. The Hong Kong Government will continue to keep in close touch with the family and render whatever assistance is appropriate.

End/Wednesday, October 18, 1995

Rat accounts

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Following is a question by the Hon Chim Pui-chung and a written reply by the Secretary for Financial Services, Mr Rafael Hui, in the Legislative Council today (Wednesday):

Question:

Most members of the Stock Exchange and the Futures Exchange are very dissatisfied and displeased with the term "rat accounts", and they consider that the term severely degrades the status of their industries. In view of this, will the Government inform this Council:

- (a) of the Government's interpretation of the term "rat accounts" as well as its analysis of such a practice; and
- (b) whether it is aware that stock and futures brokers as well as their staff are forbidden to match orders with their clients; if so, whether such restriction is in violation of the policy of free trade?

Answer:

- (a) 'Rat trading' is a term which has been used for many years in the Hong Kong securities and futures markets. It is a generic term covering a wide range of malpractices by brokers or their staff (staff) trading dishonestly, to the disadvantage of clients. This trading invariably results in material benefits to brokers or their staff at the expense of unsuspecting clients, by not giving clients the best execution of their orders. This is usually achieved by delaying notification of trade executions so as to take advantage of short term swings in the purchase and sale price of the transaction and by interposing an additional transaction by themselves between the client and the market. As a result, the clients will almost inevitably receive an inferior price in the execution of their orders. In an effort to mask delays and identities of trading activities, the staff will often open an account (i.e. a 'rat account') either with the broker with whom the staff work or, more commonly, with another broker.

To the extent that brokers or their staff engaging in 'rat trading' will not be acting in the best interests of their clients as required by the Rules of the Exchange, neither the Government nor the Securities and Futures Commission would condone such practices.

- (b) The Securities and Futures Commission and the two exchanges have established rules and codes of conduct which a broker should follow when dealing in transactions either for his own account or for his clients. The objective is to protect the interests of investors and to ensure that the broker conducts his business in a manner which contributes towards the maintenance of a fair and orderly market.

These rules and codes of conduct do not forbid brokers and their staff to match orders with their clients as such. Rather, they spell out clearly the principles and practices which a broker shall follow when carrying on cross trading between clients and between the client and the broker (or staff). Among other things, client orders should receive the best available execution and be given precedence over house orders. Moreover, before entering into such transactions, the broker must disclose to his client the fact that he has a material interest in the transactions and receive the client's consent either orally or in writing. The broker also must take all reasonable steps to ensure fair treatment of the client.

We are aware also that as part of their internal control measures, the better managed brokers have rules requiring orders to be time-stamped so as to provide an audit trail. Indeed, some brokers go to the extent of prohibiting their staff from matching their own orders with those of clients or dealing through other brokers.

End/Wednesday, October 18, 1995

Reclamation and redevelopment

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The following is a question by the Hon Christine Loh and a written reply by the Secretary for Planning, Environment and Lands, Mr Bowen Leung, in the Legislative Council today (Wednesday):

Question:

In regard to major consultancy studies relating to reclamation and redevelopment, will the Government inform this Council of:

- (a) the terms of reference, cost and completion date in respect of each of the studies undertaken since 1993; and
- (b) whether consideration is being given to undertaking similar studies in the near future; if so, what are the objectives and cost estimates of such studies?

Answer:

Mr President,

Consultancy studies relating to reclamation and redevelopment include strategic planning studies, preliminary project feasibility studies and detailed project engineering studies.

Details of major consultancy studies undertaken by Government since 1993 are at Table 1.

Details of other major consultancy studies which are tentatively planned to start before 1997 are at Table 2.

Table 1 : Major consultancy studies conducted since 1993

Study	Start/Completion Dates	Terms of Reference	Costs (\$/M)
Hong Kong Island West Development Statement	Jan 1993 to late 1995	Formulate overall planning framework, urban renewal framework and land use sectoral action plan and, examine the institutional arrangements and resource implications for implementation of the proposal in various sections of Hong Kong Island	4.9
Wanchai Reclamation Phase I	Jun 1993 to Nov 1993	Study the viability of, and determine the extent and amount of infrastructure and associated cost for the reclamation	3.5
Green Island Public Dump	Aug 1993 to Sep 1995	Assess the environmental and traffic impacts	5.5
Pak Shek Kok Reclamation	Sep 1993 to Apr 1994	Assess the environmental impact and road access	2.3
Lantau Port Development Stage I - Design of Reclamation for Container Terminals 10 & 11 & Back-up Areas	Jan 1995 to Dec 1995	Study the detailed engineering design of the reclamation and edge structures for the container terminals	22.0

Study	Start/ Completion Dates	Terms of Reference	Costs (\$/M)
Central Reclamation Phase III	Feb 1995 to Mar 1997	Study the detailed design and site investigation	65.0
Tsuen Wan Bay Further Reclamation	Jun 1995 to Mar 1996	Conduct engineering, planning and environmental investigations	10.0
Kowloon Point Development Feasibility Study	Aug 1995 to Nov 1996	Study the feasibility of the development	32.0
South East Kowloon Development Feasibility Study	Sep 1995 to May 1997	Study the feasibility of transforming the South East Kowloon Development Statement into action plans for implementation	85.0

Table 2: Major consultancy studies planned between now and 1996

Study	Tentative Start/ Completion Dates	Terms of Reference	Estimated Costs (\$/M)
Green Island Stage I	Apr 1996 to Jul 1998	Conduct review studies, and study the detailed design and site investigation	64.0
Wanchai Reclamation Phase II	Apr 1996 to Sep 1997	Detailed design and site investigation	140.0
Tsuen Wan Bay Further Reclamation	Jun 1996 to Jan 1999	Study the detailed design	13.0
Tseung Kwan O Area 131	Aug 1996 to Dec 1997	Analyse and select a layout for the development of the area for mid-stream cargo handling facilities, a concrete batching plant and a barging point	13.0

End/Wednesday, October 18, 1995

Illegal use of slopes on Crown land

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

Question:

Recently, many slopes located on Crown land have been opened up illegally, mostly for farming purposes, and the situation is getting increasingly serious. In Kwun Tong District alone, such activities are known to have taken place on a number of slopes. In view of this, will the Government inform this Council:

- (a) of the number of slopes located on Crown land in the territory which have been illegally opened up for farming;
- (b) whether the illegal opening up of slopes for farming will increase the risk of landslips; and
- (c) what interim and long-term measures does the Government have to prevent Crown land from being occupied and used illegally? Reply:

Mr President,

- (a) we regret that we have not kept specific statistics on the number of sites situated on hillsides located on Government land which has been illegally opened up for farming. Undertaking such a survey is very resource intensive and not possible in the time given to reply to the Question. The Lands Department's practice is to act on complaints received on illegal occupation or use of Government land. We shall be very happy to act on the cases mentioned by the Hon Fred Li if he can provide some information to us.
- (b) the opening up of hillside for farming may under certain circumstances increase the risk of landslips. It is not possible to generalise the situation as many determining factors are involved, such as the scale, size and nature of the farming activities, the original condition and margin of stability of the hillside in question, and the impact of the former on the latter.

- (c) the Government has power under the Crown Land Ordinance (Cap 28) to take action against unauthorised occupation of Government land. We will continue to respond to reported cases of illegal occupation of Government land as well as cases detected during patrols made by district land staff.

End/Wednesday, October 18, 1995

Reclamation projects in Victoria Harbour

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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:

In view of the worsening pollution problem in the Victoria Harbour, will the Government inform this Council of:

- (a) the number of large-scale reclamation projects which have been approved along the harbour front; and
- (b) the measures taken to prevent these projects from causing pollution to the harbour?

Answer:

Mr President,

Seven reclamation projects have been approved in the Victoria Harbour. They are Central Reclamation Phase I, Central Reclamation Phase II, Wanchai Reclamation Phase I, Aldrich Bay Reclamation, Belcher Bay Reclamation, West Kowloon Reclamation, and Stonecutters Island Naval Base.

Reclamation projects by themselves are not the cause of pollution. However, they could affect the hydrology in the harbour which might have an impact on water quality. Measures have therefore been taken at both the planning and implementation stages to ensure that any impact is kept within acceptable levels.

At the strategic planning level, the cumulative hydrological and water quality impacts resulting from reclamation projects have been assessed in the context of the Territorial Development Strategy, Metroplan and Port and Airport Development Strategy. Engineering hydraulics studies have been undertaken to study the effects of reclamation projects and other harbour engineering works on tidal flows, wave propagation and sediment deposit. A large scale physical tidal model has been built to facilitate in-depth investigation of the hydraulic effects of such coastal developments.

At the project design level, detailed engineering studies and environmental impact assessments are conducted before the projects are implemented to ensure that the water quality impacts during and after construction do not exceed acceptable limits.

Careful construction programming and monitoring also ensure that any water quality problems caused by the reclamation works is kept to the minimum. Wherever necessary a seawall is first constructed at the perimeter of the reclamation. A carefully planned, controlled, and supervised dredging and in-filling operation then takes place behind the seawall to prevent floating refuse from reaching the harbour and minimise turbidity problems caused by siltation. Furthermore, a comprehensive monitoring programme for each reclamation is established with well defined action levels for key water quality indicators such as suspended solids, dissolved oxygen, turbidity, and temperature. If monitoring results should indicate action levels are in danger of being breached, the site staff would alert the contractor and require him to tighten the environmental mitigation measures in accordance with the contract specifications.

The main source of pollution in the Victoria Harbour is sewage discharges. This problem is being tackled by actions to declare the Harbour as a Water Control Zone and by the construction of Phase I of the Strategic Sewage Disposal Scheme which when completed in 1997 will improve the water quality of the Harbour by 70%.

End/Wednesday, October 18, 1995

Public funded dental services

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

Question:

With regard to dental services financed by public funds, will the Administration provide this Council with the annual breakdown in respect of the following areas in the past five years :

- (a) overall expenditure;
- (b) expenditure on direct services;
- (c) expenditure on staff training;
- (d) expenditure on public education; and
- (e) the staff establishment and strength by major ranks for providing such services.

Reply:

The annual breakdown of dental services financed by public funds in the past four years is as follows :

	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	Approved Estimate s (Note 1) <u>1995-96</u> \$M
	\$M	\$M	\$M	
(a) overall expenditure	258.2	298.9	334.6	361.8

	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	Approve d Estimate s (Note 1) <u>1995-96</u> \$M
	\$M	\$M	\$M	
(b) expenditure on direct services, i.e. services provided to Government Servants/dependants of Government Servants, primary school children participating in the School Dental Service Scheme, special needs group as well as emergency treatment and in-patient dental treatment as an essential part of medical treatment	236.3	273.0	307.9	333.4
(c) expenditure on staff training, i.e. expenditure on the Dental Therapists Training School and expenses under departmental training vote for dental and para-dental staff	16.1	16.8	17.2	18.3
(d) expenditure on public education	5.8	9.1	9.5	10.1

(e) The staff establishment and strength providing dental services by major ranks as at 1 September in the past five years are as follows :

	<u>1.9.91</u>		<u>1.9.92</u>		<u>1.9.93</u>		<u>1.9.94</u>		<u>1.9.95</u>	
	<u>E</u>	<u>S</u>	<u>E</u>	<u>S</u>	<u>E</u>	<u>S</u>	<u>E</u>	<u>S</u>	<u>E</u>	<u>S</u>
Consultants	8	8	8	8	9	8	10	8	11	10
Principal Dental Officers	1	1	1	1	1	1	1	2	1	1
Senior Dental Officers	38	33	38	36	38	35	41	33	43	33
Dental Officers	134	130	134	135	140	138	151	159	158	167
Tutor Dental Therapists	4	4	4	4	4	4	4	4	4	4
Senior Dental Therapists	19	19	19	17	19	19	19	19	19	17
Dental Therapists/ Student DTS	270	253	270	258	270	260	270	255	270	263
Dental Hygienists	8	3	8	4	8	6	8	6	9	8
Senior Dental Surgery Asst.	34	27	34	32	34	30	40	39	42	37
Dental Surgery Assistants	166	158	167	163	167	169	179	170	186	175

Governor's districts visits

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The following is a question by the Hon Cheung Man-kwong and a written reply by the Secretary for Home Affairs, Mr Michael Suen, in the Legislative Council today (Wednesday):

Question:

Regarding the Governor's visits to various districts of the territory since his assumption of office, will the Government inform this Council:

- (a) of the districts which the Governor had visited and the respective dates of those visits;
- (b) of the districts in which special "whitewashing" works, such as repainting, extension or reconstruction and extra cleansing, were carried out by the Government departments concerned before the Governor's visit, as well as the districts in which he was requested to visit only those units that had been varnished over in advance; and the expenses involved in each of those special "whitewashing" works;
- (c) whether the Governor knew and approved of these "whitewashing" works carried out by the departments concerned beforehand; and whether, whilst visiting the districts, he has heard of complaints from the public about their dissatisfaction with Government departments putting up facades and hiding the truth; and
- (d) whether the Government considers that the extra "whitewashing" works carried out before the Governor's visit would conceal the actual situation of those districts, resulting in the Governor not being able to understand precisely the living standard and actual situation of the people; and whether it will review the existing practice of carrying out "whitewashing" works before the Governor's visit, so that he can truly understand the livelihood, feelings and grievances of the residents?

Answer:

Mr President,

My reply to the question is as follows:

(a) Since arriving in Hong Kong in July 1992, the Governor has made 40 district visits as part of a continuing programme to familiarise and update himself with district issues and personalities. A detailed list of the districts visited is at Annex. The Governor has also made other theme visits and unannounced visits for specific purposes, such as seeing for himself living conditions in Temporary Housing Areas (THA).

(b)&(c) One of the main aims of the Governor's visits is to enable him to see for himself what places are like in the normal course of events. It is not usual practice for Government departments to undertake redecoration or improvement work specifically for visits by the Governor. All Government departments are aware that they should not go beyond normal cleansing or maintenance of public facilities or venues which the Governor would be visiting and that they should resist any temptation to provide an unnaturally favourable impression. Indeed, the Governor has asked specifically that this should not be done. The only exception should be where it is relevant to demonstrate a revised standard. This was the case with the recent visit by the Governor to a THA where one of the several units seen by the Governor had been refurbished. This was done, with the knowledge of the Governor, to demonstrate the improved refurbishment standard which will be applied by the Housing Department.

The costs of routine cleansing and maintenance are absorbed as part of normal departmental expenses.

(d) The Governor makes a point of talking to as many people as possible during his visits to help give him a better understanding of the feelings and aspirations of the residents. Very often the Governor achieves this by detouring from the suggested routing and visiting facilities not on the suggested programme. For the same reason, the Governor undertakes unannounced visits to see first-hand the situation on the ground and to talk directly to residents and members of the public.

End/Wednesday, October 18, 1995

Provision of shelters by bus companies

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

Question:

Regarding the open-air bus stops of the three franchised bus companies, will the Government inform this Council:

- (a) of the number of open-air bus stops that are provided with shelter and the respective number of such bus stops owned by each of the three bus companies;
- (b) whether any Government department is responsible for regulating and overseeing the provision of bus stop facilities; and
- (c) whether consideration will be given to requiring bus companies to provide shelters for all their bus stops in future, so as to make it more comfortable for passengers to wait for buses?

Reply:

Mr President,

- (a) There are 5,214 bus stops. 1,570 of these have shelters. Details are annexed.
- (b) The bus companies have an on-going programme to provide new shelters. These programmes are monitored and approved by the Transport Department in consultation with interested parties including District Offices with regard to priority, site suitability and local acceptance. The design and construction of bus shelters have to be approved by the Highways Department.

(c) Our policy is to encourage franchised bus companies to provide bus shelters where possible. However, there are locations where shelters cannot be constructed because of the narrow width of pavement, engineering problems or local objections.

Annex

Company	No. of bus stops provided	No. of bus stops with shelters
Kowloon Motor Bus	3,714	1,322
China Motor Bus	788	123
Citybus	587	50
New Lantao Bus	125	75
Total	5,214	1,570

End/Wednesday, October 18, 1995

Safety at residential care homes for the elderly

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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 (Wednesday):

Question:

Will the Government inform this Council:

- (a) of the progress regarding the implementation of legislation governing residential homes for elderly people in the territories; whether any problems have been encountered, and if so, what are these problems; and
- (b) whether, arising from the case of an outbreak of fire in a private home for elderly people in North Point, there is any intention on the part of the Government to amend the safety aspects of the relevant legislation to protect the interests of elderly people residing in these privately run homes?

Reply:

The reply is as follows:

(a) The Residential Care Homes (Elderly Persons) Ordinance and Regulation came into effect on 1 April 1995 (except for Section 6 of the Ordinance). Relevant application forms and other documentation were then distributed to the operators of all residential care homes for the elderly. As at 17 October 1995, a total of 259 applications (from 44% of the total number of known residential homes) had been received of which, 185 came from private homes, 62 from subvented homes and 12 from self-financing non-profit-making homes.

Four teams of inspectors covering social work, building safety, fire safety and health, have started inspection visits to residential care homes to vet their applications for licences or certificates of exemption. We expect the first batch of licences and certificates to be issued at the end of this month.

We have encountered some problems at this early stage of implementing the legislation. For example, some residential care homes have been found to be operating out of non-domestic premises. This is not strictly in accordance with planning and building requirements, but Social Welfare and Buildings Departments have agreed that a flexible approach should be adopted in such cases provided that fire precaution measures are up to standard and the homes do not have any unauthorised building works. Private homes which were found to have serious safety problems have, on the advice of our inspectors, either already been reprovisioned elsewhere or have had the necessary remedial changes carried out to make them acceptable.

The shortage of nursing staff in all residential care homes and health care staff in private homes has been another major problem. Additional funding has been secured to expand the training of health workers from 400 places to 1 200 places by March 1997.

(b) Even before the introduction of this new legislation, it was standard practice of the Fire Protection Bureau of the Fire Services Department to pay visits to newly established residential care homes for the elderly to explain the fire prevention measures needed. Staff of the Social Welfare Department have also regularly reminded home operators to follow the advice of the Fire Services Department in this respect and have issued letters regularly advising of the need to pay attention to fire safety measures.

With the introduction of the Residential Care Homes (Elderly Persons) Ordinance, all residential care homes for the elderly are now under a statutory obligation to comply with fire services requirements. Senior Station Officers of the Licensing Office of Residential Care Homes for the Elderly give in-depth guidance and advice on fire precaution measures to operators of residential care homes for the elderly when processing their applications for licences or certificates of exemption.

The fire which occurred recently in a private residential care home for the elderly in North Point was a minor incident caused by an electrical malfunction in a wall-mounted fan. Although this home had not yet submitted its application for a licence or certificate of exemption, the home was equipped with the basic fire services equipment and the operator possessed adequate knowledge about fire fighting. As a result, the fire was put out immediately.

This fire was a relatively minor and isolated incident which does not point to any inadequacy in the safety aspects of our legislation. Indeed, the fire was dealt with effectively and the electrical fault which caused it would have been difficult to detect whatever statutory requirements had been in effect at that time.

End/Wednesday, October 18, 1995

Hostel for University of Hong Kong students

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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 (Wednesday):

Question:

It is learnt that some students of the University of Hong Kong residing in Yuen Long, Tuen Mun and the Northern District have not been allocated hostel accommodation in the current academic year, resulting in those students having to travel long distances. In this connection, will the Government inform this Council:

(a) whether the Government, in allocating funds to the universities for providing student hostel places, has imposed conditions requiring the universities concerned to accord priority to students living in remote areas in the allocation of hostel accommodation; and

(b) what assistance the Government will render to students living in remote areas who have not been allocated hostel places; and whether consideration will be given to providing them with a rent or travelling allowance ?

Reply:

Mr President,

(a) Under the existing policy, the tertiary institutions funded by the University Grants Committee (UGC) are provided with capital subvention to cover at most 75% of the total construction costs of the approved hostel places. They are required to meet at least 25% of the total construction costs from private donations and also the recurrent costs of the hostels. In allocating the capital grants to the institutions, the Government and the UGC do not stipulate the conditions for the allocation of the hostel places. It is up to the institutions to allocate the hostel places to their students. Nevertheless, it is understood that the student's travelling time between home and campus is one of the main criteria used by the institutions for allocating hostel places to students.

(b) Students living in remote areas who have financial difficulties may apply for financial assistance under the Local Student Finance Scheme (LSFS). Under the LSFS, grants are provided to eligible students to cover their academic expenses i.e. tuition fees, student union fees and other academic expenses whereas loans are provided to cover their living expenses which include expenses on accommodation and transportation. Recognising that students residing in hostels and rented accommodation have a greater financial burden, student accommodation expenses are allowed to be deducted as necessary household expenses in the calculation of annual disposable income (ADI) for determining the level of grant and loan starting from the 1993-94 academic year. In addition, the expenses of the applicants' siblings on hostel fees or rented accommodation are also included as necessary household expenses in the calculation of the ADI in the 1995-96 academic year. These improvements have increased the amount of financial assistance available to tertiary students living in hostels or rented accommodation near their place of study.

Apart from the grant and loan under the LSFS, students living in remote areas may also apply for the Student Travel Assistance Scheme. Under the Scheme, full-time students aged between 12 and 25 who have not completed their first degree courses and who have passed the means test are provided a travel subsidy to cover part of their travel expenses for education related trips. In general, students residing farther away from their institutions will be entitled to higher rates of subsidy. The level of subsidy will be updated annually to take into account the latest revision of public transport fares. The subsidy for each university student in 1994-95 varied between \$570 and \$5,500 per annum.

End/Wednesday, October 18, 1995

Incidents in September LegCo elections

Following is a question by the Hon Emily Lau and a written reply by the Secretary for Constitutional Affairs, Mr Nicholas Ng, in the Legislative Council today (Wednesday):

Question:

In the Legislative Council elections held on 17 September 1995, some members of the public complained that their names had been removed from the register of electors without prior notification. Discrepancies between the voter turnout figure and the number of votes cast as well as miscalculation in the votes cast also occurred in the process of votes counting. In view of this, will the Government inform this Council:

(a) of the causes of the above mentioned incidents; and

(b) how it can ensure that the results of the elections have not been affected by such incidents? Reply:

Mr President,

The Legislative Council elections held on 17 September 1995 were a great success all round. The electoral arrangements were open and fair, and a record number of electors took part in the elections. Overall, the elections were conducted smoothly and in an orderly manner.

The incidents mentioned in the question relate to:

(a) some people having been unable to vote because their names were not found in the register of electors;

(b) discrepancies which had been identified during the process of vote counting, i.e. those between the summary ballot paper accounts and the actual number of ballot papers found inside the ballot boxes; and (c) a miscalculation in the number of votes counted in the process of votes counting.

Regarding (a), immediately following the elections, the independent Boundary and Election Commission conducted a thorough investigation into these incidents. The investigation in respect of the New Territories North-west and New Territories North constituencies, where two candidates involved also voiced criticism, has been completed. According to the Commission's findings announced on 12 October 1995, out of the reported cases in the two constituencies, about 30 - 40% are former electors whose names had been deleted from the register of electors as a result of the annual vetting exercise. The rest are either electors who are still on the register but had gone to the wrong polling stations, or persons who have never been registered as electors.

On the vetting exercise, it is conducted by the Registration and Electoral Office every year to ensure the accuracy of the register, which is essential in maintaining the credibility and integrity of our electoral system. The vetting procedures are elaborate and are designed to ensure that no electors would be deleted from the register lightly. There is also an appeal mechanism already built into the existing arrangements to guard against wrongful deletion. The Commission's findings confirm that the vetting arrangements had been carried out in accordance with the law.

Regarding (b), a summary ballot paper account was prepared in respect of each polling station at the close of poll. The discrepancies which occurred between the accounts and the actual number of ballot papers found inside the ballot boxes could be caused by miscalculations by polling staff in compiling the accounts. In all cases, the discrepancies had been verified and rectified by the relevant returning officers in the presence of the candidates and agents present at the count.

Regarding (c), there was a miscalculation of the number of votes counted in the Kowloon South-east Constituency. The Commission found that this was due to a clerical error in that extra votes had been inadvertently added to the total number of votes received by the losing candidate of that constituency. However, the election result for this constituency had not been affected.

Following the discovery of the above error, the Registration and Electoral Office conducted a thorough check of the available counting records in respect of all the other constituencies and all relevant calculations have been found arithmetically accurate. The Commission is therefore satisfied that the discrepancy found in the Kowloon South-east constituency was only an isolated incident.

Results of the Commission's investigations into these incidents have been made known to the public. They have not altered the fact that the arrangements for the September Legislative Council elections were open and fair. However, if any candidate or electors (ten or more) feel aggrieved by the election results, the avenue is open to them to consider presenting an election petition to the High Court within two months of the publication of the result of the elections in accordance with the provisions laid down in legislation.

End/Wednesday, October 18, 1995

Traffic congestion at Cross Harbour Tunnel entrance

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

Question:

In view of the frequent traffic congestion at the Hong Kong entrance to the Cross Harbour Tunnel, will the Government inform this Council of the following:

- (a) whether there is any requirement stipulating that buses and heavy vehicles must use the left carriageway at the entrance on Hong Kong Island; if so, what the reasons are;
- (b) if the answer to (a) is in the affirmative, whether the Government has reviewed such a requirement to ensure that it will not cause confusion to the motorists; and
- (c) whether it will study the feasibility of changing such a requirement?

Reply:

Mr President,

(a) It is stipulated in By-law 13 of the Cross Harbour Tunnel By-laws that buses and other heavy vehicles must use only the left hand lanes in the tunnel, except when otherwise directed by uniformed tunnel staff. The purpose is to keep slower moving vehicles in the inside lane for traffic management reasons and for safety reasons. For example, this would facilitate bus passengers alighting on the kerb side in case of emergencies.

(b) The requirement for heavy vehicles to use the left hand lane is sign posted at the tunnel entrances. This practice is well-known and has not caused any confusion to motorists. The main cause of traffic congestion at the Hong Kong entrance to the Cross Harbour Tunnel is not the movement of heavy vehicles to the left hand lane, but the fact that the tunnel itself is operating far beyond its design capacity.

(c) Transport Department and the tunnel operators regularly review the traffic flow system in the tunnel and its approaches, and they are satisfied that the current arrangements are the most practical and are justified on traffic management grounds and for safety reasons.

End/Wednesday, October 18, 1995

Container port industry study

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The following is a question by the Hon Christine Loh and a written reply by the Secretary for Planning, Environment and Lands, Mr Bowen Leung, in the Legislative Council today (Wednesday):

Question:

The Government has indicated that it will soon invite tenders for a multi-million dollar consultancy study on the container port industry and its effects on the long-term sustainability of economic activity in the territory. This study will propose an economic development plan for the territory's port and port related service sector industries for the next decade and beyond. Will the Government inform this Council:

- (a) of the detailed objectives and cost estimate of the upcoming study; and
- (b) whether this study will incorporate the rapid development of manufacturing and port services in the Pearl River Delta Region? Reply:

Mr President,

The government has no plan for a specific study as described in the Question but is exploring ideas for a study of sustainability and development for Hong Kong in the 21st century, including issues relating to the port, developments in the wider region, and other development issues. We have not yet finalised the scope and costs of the study.

We expect to be able to include information about the study in the 3rd Review of the White Paper on the environment, to be published in the next few months.

End/Wednesday, October 18, 1995

Protection of freedom of the press

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The following is a question by the Hon Leung Yiu-chung and a written reply by the Secretary for Home Affairs, Mr Michael Suen, in the Legislative Council today (Wednesday):

Question:

In view of the imprisonment of Mr XI Yang, a Hong Kong newspaper reporter, by the Chinese Government and the recent cases in which a number of Hong Kong journalists met with obstruction while making coverage in China (notably the incidents resulting in the detention of the reporters of Television Broadcasts Limited and the Next Magazine), will the Government inform this Council:

(a) what follow-up action has been taken by the Hong Kong Government, and whether it is aware of any action taken by the British Government in connection with these incidents; and (b) what measures are in place to effect and protect freedom of the press and to prevent the occurrence of the above incidents in the territory?

Reply:

Mr President,

(a) We have conveyed to the Chinese authorities the widespread concern in Hong Kong, both in media circles and more widely, about the case of Mr Xi Yang and the need for clearer guidelines for journalists working in China. In Mr Xi's case, we have raised the case on many occasions with the Chinese authorities and our efforts were reinforced by the British Government. Mr Xi's case was raised by Mr Hurd during his meeting with Vice-Premier Qian Qichen in April 1995 and also by Mr Rifkind during his recent meeting with Mr Qian in London. The Hong Kong reporters involved in the two recent incidents were detained only briefly. Neither their families nor their employers asked us to intervene. Nonetheless, we monitored the developments closely and were pleased to note that the matters were resolved rapidly in each case.

(b) Freedom of the press is a vital part of Hong Kong's way of life. It is protected and guaranteed in the Bill of Rights, the Joint Declaration and the Basic Law. The Government is fully committed to the principle of press freedom. This commitment is backed up by a comprehensive review of legislation with the aim of identifying provisions which might infringe press freedom or conflict with the Bill of Rights. Our review has covered 53 provisions in 27 Ordinances. To date, we have dealt with 43 provisions, including 31 provisions which have been amended or repealed. We have, for example, swept away old and excessive regulations to deal with emergencies while preserving the means to act swiftly to protect public safety in an emergency in ways which are consistent with the Bill of Rights and the International Covenant on Civil and Political Rights. In other areas we have scrapped powers to pre-censor TV and radio broadcasts, relaxed Police powers regulating public meetings and processions, restricted the powers of law enforcement agencies to enter premises to search for and seize journalistic materials, and given the Press more freedom to report and comment upon court proceedings. Action is in hand to complete work on the remaining laws.

End/Wednesday, October 18, 1995