



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL.: 842 8777

Wednesday, February 22, 1995

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Statement on land sale results

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Commenting on the land sale results this (Wednesday) afternoon, the Secretary for Planning, Environment and Lands, Mr Tony Eason, said: "There was very enthusiastic bidding for the two residential sites which were sold at prices well above the opening prices.

"This is a very positive signal from the market that there is strong demand for prime residential sites."

With regard to the three non-residential sites, Mr Eason said, these sites were not sold probably because developers prefer sites where they consider there might be better prospects. This is particularly so when they are well aware that some good sites will be available for sale soon.

"I will discuss the matter further with the Director of Lands to find out whether there is anything we could do regarding the withdrawal of these sites.

"Developers are rightly cautious and selective in the light of the uncertainty of the market and Government cannot sell sites which the market does not want," Mr Eason said.

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Two lots of land sold for \$1,073.5 million

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Two lots of Government land were sold for a total of \$1,073.5 million at a public land auction held by the Lands Department this (Wednesday) afternoon.

The first lot, at the junction of 9 Cox's Road and 1-6 Cox's Path, was sold to Way Charm Investment Limited at \$1,020 million, with bidding opening at \$750 million.

It has an area of 4,126 square metres for residential use.

The developer has to complete a gross floor area of not less than 12,300 square metres before September 30, 1998.

The second lot, adjoining 7 Stanley Main Street, was bought by Senman International Limited at \$53.5 million with bidding opening at \$28 million.

With an area of 210.8 square metres, the ground floor of the building to be constructed at the lot should be used for non-industrial use, excluding godown, while the other floors for residential use.

The developer has to complete a gross floor area of not less than 480 square metres before March 31, 1998.

Another lot at the junction of Lam Lok Street and Sheung Yuet Road, Kowloon Bay, a lot at the junction of On Lai Street, On Kwan Street and On Muk Street, and a lot at the junction of On Lai Street and On Ping Street, were withdrawn because no biddings were made for the opening price of \$280 million for each of the first two lots and \$325 million for the other.

Held in the Jade Ballroom of Hotel Furama-Kempinski, Connaught Road Central, the auction was conducted by Government Land Agent, Mr John Corrigan.

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Sewage charges to be introduced soon

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The Governor-in-Council has approved that regulations should be made to introduce the sewage charging scheme with effect from April 1, 1995 following the passage of the main legislation in the Legislative Council last December.

The charges will be based on a simple calculation method related to water consumption rate. It will be incorporated in the water charge demand notes for the billing period after April 1.

All households will enjoy the sewage service free of charge in the first 12 units (12 cubic metres) of water consumed in a four-month billing period. Thereafter, charges will be levied at \$1.2 per unit of water supplied. Water supplied specifically for flushing will not be counted for charging purposes.

It is expected that about 50 per cent of households will pay less than \$8 a month and 85 per cent less than \$18 a month. Domestic households are expected to receive their first water charge bill with sewage charges incorporated in August this year.

The proposed regulation will enable the Drainage Authority to reduce the sewage charges for specified industries and trades, such as beverage manufacturers, textile bleaching and dyeing industry, ice-making industry and restaurants, which discharge substantially less water than they consume as a result of production process. Charges for these industries and trades will be based on 80 per cent of the volume of water supplied.

Industries and trades that produce effluent above the average strength of domestic sewage will have to pay a Trade Effluent Surcharge (TES) based on the volume of discharge and strength of pollution load in it.

In case a consumer has any query on the TES charged, he may apply to the Drainage Authority for a review of the pollution load. He may also apply for a reduction of TES if he can prove that his discharge is less than 85 per cent of the volume of water consumed.

The charging scheme has been worked out after extensive consultation with the public including the Legislative Council, environmental groups and interested parties.

The Sewage Services Regulations which set out the charging scheme in detail will be gazetted on Friday (February 24).

End/Wednesday, February 22, 1995

Two candidates contest Kwai Tsing District Board by-election

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Two nominations were received for the Kwai Tsing District Board by-election in respect of Lai Wah constituency after the two-week nomination period closed today (Wednesday).

The nominations were received from Mr Lau San-ching and Mr Wong Yiu-chung. Their personal particulars are:

<u>Name</u>	<u>Age</u>	<u>Occupation</u>
Lau San-ching	42	welfare worker
Wong Yiu-chung	36	executive officer

The by-election will be held on April 2.

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January sees another big rise in container throughput

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The phenomenal growth in Hong Kong's container throughput continues. January figures for the eight container terminals at Kwai Chung and Stonecutters Island show an 18.43 per cent growth over the same month last year.

The terminals handled a total of 665,703 twenty-foot-equivalent units (TEUs) in the first month of 1995, compared with 562,126 in January 1994.

The 18 per cent growth for January comes after a year when Hong Kong's overall container throughput rose by just over 20 per cent to 11.1 million TEUs.

Of this total 7.2 million TEUs passed over the quayface at the eight terminals.

Difficulty in collating figures for mid-stream and river trade container traffic has delayed the release of official figures for total port throughput in Hong Kong.

The latest figures show that September was the third successive month that Hong Kong handled more one million TEUs in a month. In July, it became the world's first port to exceed the one-million-TEU-a-month figure.

Although the January figures show that demand on Hong Kong's container facilities continues to increase, they are not an accurate indicator of annual growth for 1995. Hong Kong's throughput tends to build up to a peak in the summer months.

Nevertheless, the January growth does highlight the urgent need for more container facilities in Hong Kong.

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Deadline for proposals on Cordless Access Services extended

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The Telecommunications Authority (TA) has decided to allow the deadline for submission of proposals for Cordless Access Services (CAS) be extended to 5 pm on June 30.

This decision is reached having considered:

- * the overwhelming support for a delay in submission of proposals by registered interested parties who have made known their views;

- * difficulties expressed by interested parties on the sourcing of commercially available CAS equipment at this point in time;
- * the need for consumers to have early access to new CAS technologies.

The TA agrees to an extension to allow more time for interested parties to source equipment but he does not support a lengthy delay.

Separately, the TA, having considered the arguments for and against an extension, has come to the decision that he does not agree to an extension for the submission of proposals for Personal Communications Services (PCS). The factors that he has considered include:

- * the extensive public consultation conducted throughout calendar year 1994, which canvassed, among other things, spectrum issues and the principle of technology-neutrality;
- * the Guidance Notes issued in November 1994 have clearly indicated all the basic parameters for proposals to be submitted and there has been no change to these basic parameters;
- * the period of over three months for proposals to be submitted has already allowed for sufficient time for proposers to clarify points of detail in the bidding process;
- * there is a significant number of interested parties objecting to a delay;
- * the significant costs likely to be borne by many parties who have worked in good faith to meet the deadline;
- * the imminent exhaustion of the capacities of the existing cellular systems leading to a need for early introduction of PCS.

The deadline for submission of proposals for the operation of PCS therefore remains to be 5 pm on March 24. Late submissions will not be considered.

End/Wednesday, February 22, 1995

Fees for dangerous goods services revised

Fees for services set out in four regulations related to mining and the manufacture, storage, conveyance and usage of explosives have been revised with effect from Thursday, March 30.

The four regulations are the Dangerous Goods (General) (Amendment) Regulation 1995, Mining (General) (Amendment) Regulation 1995, Mines (Safety) (Amendment) Regulation 1995, and Dangerous Goods (Government Explosives Depots) (Amendment) Regulation 1995.

A Government spokesman said the fees were revised to recover the administrative and operating costs involved.

He expected that the new fees would have minimal effect on the industries involved as the costs of explosives formed only a very small portion of their total operating costs. The old and new fees for some of the services set out in the four regulations are:

	<u>Old</u>	<u>New</u>
Permit for discharge of explosives	\$25,025	\$31,200
Licence to store explosives	\$23,111	\$23,800
Duplicate licence	\$ 209	\$ 330
Certificate of mine blasting	\$ 857	\$ 1,430
Delivery of explosives not exceeding 50 kilograms (including removal permit)	\$ 2,240	\$ 2,690

The spokesman said the Dangerous Goods Standing Committee, which had representatives from the private sector, including those from the chemical, shipping, petroleum and godown industries, had been consulted on the revision.

Details of the new fees will be published in the Government gazette on Friday (February 24).

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New company for delivery of speedpost items in Canada

The Postmaster General, Mr Mike Pagliari, announced today (Wednesday) that the Post Office has appointed Purolator Courier Ltd to undertake customs clearance and delivery of speedpost items in Canada with effect from March 6, 1995.

Mr Pagliari said the appointment was necessary following a decision by the postal administration of Canada to withdraw from the international postal EMS network (known as speedpost in Hong Kong) and to terminate its existing obligations to other postal administrations to deliver EMS items within its territories at a later date.

The company was recommended by the Universal Postal Union after a rigorous selection process.

Its service has been carefully tested by the Hong Kong Post Office and found to be satisfactory and reliable.

The Post Office is confident that this company will be able to maintain the high standard of service currently provided to speedpost items destined for Canada.

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74 pollution cases in January

A total of 74 convictions were made in the courts last month for breaching anti-pollution legislation enforced by the Environmental Protection Department.

Among them, 42 were convictions made under the Water Pollution Control Ordinance (WPCO), 17 under the Air Pollution Control Ordinance (APCO), 14 under the Noise Control Ordinance (NCO) and one under the Waste Disposal Ordinance (WDO).

The fines ranged from \$2,000 to \$100,000. Owner of the Luen Hing Bean Product Factory and the Sino Estate Management Ltd were fined \$100,000 each for discharging polluting matter in Eastern Buffer and North Western Water Control Zones respectively.

Note to editors:

Enquiries on specific cases can be directed to the following Principal Environmental Protection Officers:

<u>Cases</u>	<u>Officers</u>	<u>Tel</u>
APCO : 1-3	Mr Patrick LEI	2685 1133
4-8	Mr C W TSE	2417 6074
9-10	Mr Steven HO	2516 1800
11	Mr Murray LUO	2411 9601
12-17	Mr R C ROOTHAM	2755 2200
NCO : 18	Mr Patrick LEI	2685 1133
19-21	Mr C W TSE	2417 6074
22-28	Mr Steven HO	2516 1800
29-31	Mr R C ROOTHAM	2755 2200
WPCO: 32-47	Mr Patrick LEI	2685 1133
48-53	Mr C W TSE	2417 6074
54-58	Mr Steven HO	2516 1800
59-73	Mr Murray LUO	2411 9601
WDO : 74	Mr Murray LUO	2411 9601

However, enquiries on general issues should be directed to the department's Media Relations Unit.

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Kwai Chung lot to let

The Lands Department is inviting tenders for the short-term tenancy of a piece of Government land in Kwai Chung.

Covering an area of 3,500 square metres, the lot is for use as a godown, excluding the storage of dangerous goods and scrap metal. The tenancy is for two years, renewable quarterly.

Closing date for submission of tenders is noon on March 10.

Tender forms, tender notice and conditions may be obtained from the District Lands Office, Kwai Tsing, 10th and 11th floors, Tsuen Wan Station Multi-storey Carpark Building, 174-208 Castle Peak Road, Tsuen Wan; the District Lands Offices Kowloon, 10th floor, Yau Ma Tei Car Park Building, 250 Shanghai Street, Kowloon and the Lands Department, 14th floor, Murray Building, Garden Road.

Tender plan can also be inspected at these offices.

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Flushing water cut in Fo Tan

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Flushing water supply to some premises in Fo Tan will be temporarily suspended from 8 am to 8 pm on Friday (February 24) to facilitate checking of the supply system.

The affected areas will include Fo Tan Kowloon-Canton Railway Station, Au Pui Wan Street, Wo Heung Street, Wo Shing Street, Wo Liu Hang Road, Min Fong Street, Shek Lau Tung Street, Tsung Tau Ha Road, Kwei Tei Street, Tat Yip Lane, Fo Tan Road, Fo Tan Village, Cheung Lek Mei Street, Shan Mei Street, Ho Lek Pui Street, Sui Fung Lane, the section of Sui Wo Road to the east of Wong Chuk Yeung Street, Ngau Wu Tok Street, Wong Chuk Yeung Street, Yuen Kong Au Street and Man Hang Street.

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Hong Kong Monetary Authority money market operations

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	1,337	0930	+1,633
Closing balance in the account	1,813	1000	+1,633
Change attributable to :		1100	+1,654
Money market activity	+1,636	1200	+1,655
LAF today	-1,160	1500	+1,656
		1600	+1,636

LAF rate 4.25% bid/6.25% offer TWI 120.4 *-0.2* 22.2.95

Hong Kong Monetary Authority

EF bills		EF notes/Hong Kong Government bonds				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.34	15 months	2605	6.35	99.05	7.29
1 month	5.53	24 months	2702	7.50	99.97	7.66
3 months	6.36	29 months	3707	6.95	98.50	7.78
6 months	6.70	35 months	3801	8.00	100.56	7.93
12 months	7.18	58 months	5912	8.15	99.51	8.44

Total turnover of bills and bonds - \$27,166 million

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SUPPLEMENT

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Labour import schemes must remain flexible

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The labour importation schemes must remain flexible to react swiftly to market needs, the Secretary for Education and Manpower, Mr Michael Leung, told the Legislative Council today (Wednesday).

Speaking at the resumed debate on the second reading of the Hon Michael Ho's Immigration (Amendment) Bill, Mr Leung said it was of vital importance for the schemes to be maintained as administrative schemes because "only in this way can we ensure flexibility."

He pointed out that the Bill, which sought to codify the arrangements for foreign workers to enter Hong Kong, would effectively constrain the Government's ability to respond quickly to support the economy's need for manpower to sustain growth.

"Furthermore, the Bill does not spell out clearly what exactly will be included in the subsidiary legislation," he added.

"This will give rise to a lot of confusion and controversies in the drafting of the subsidiary legislation," Mr Leung said.

"If the Bill were passed, renewal of the quotas under our on-going labour importation schemes will have to come to an abrupt stop until subsidiary legislation acceptable to LegCo has been drawn up and become effective.

He said the Hong Kong economy as a whole would thus be seriously affected, in particular industries and companies which needed to use the schemes to maintain their operation.

"This would not benefit the interests of those whom the supporters of this Bill are trying to safeguard," Mr Leung stressed.

The Secretary noted that both the General Labour Importation Scheme and the Special Labour Importation Scheme for the airport core projects had been carefully devised to take fully into consideration both the labour shortage problem and the need to protect the interests of the local workforce.

"We do undertake regular reviews over the years to ensure that these policies are working to the best interests of our economy and the various sectors affected," he said.

"These administrative schemes have been running smoothly and given a very high degree of transparency," he said.

"We have kept LegCo informed regularly through the Manpower Panel and consulted Members whenever we intended to make any changes to the arrangements under the schemes," Mr Leung said, citing the calculation criteria of the quota allocation as an example.

"I must stress that we have fully taken into account the views expressed by LegCo Members, employers and employees and practical proposals have been subsequently incorporated to meet concerns and changing circumstances," he said.

"The Government's labour policy has thus been closely monitored by LegCo throughout the past few years and there have been no major problems which warrant a drastic change to the existing system," Mr Leung said.

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Governor to chair summit meeting on drugs in March

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The Governor, the Rt Hon Christopher Patten, will chair a summit meeting on drugs on March 6 to highlight the need for a concerted effort to fight the drug problem and to draw on ideas from the community.

The plan was announced by the Secretary for Security, Mr Peter Lai, at the Legislative Council meeting today (Wednesday).

In response to members' questions on drug abuse and trafficking, Mr Lai said the Government recognised that the seriousness of the problems, particularly as they affected the young, was such that anti-drugs effort had to be redoubled.

"The Government will, of course, play its part, but we need the support and participation of non-Government organisations, teachers, parents and indeed the community as a whole."

He said the Administration's long-term policy to combat these problems took a multifaceted approach, which is co-ordinated by the Action Committee Against Narcotics and supported by the Narcotics Division of the Security Branch.

On legislation and enforcement, the policy is to enact the necessary legislation and keep them up to date.

Meanwhile, the enforcement agencies, including the Police, Customs and the Department of Health, take vigorous action to detect and prosecute offenders, and to clamp down on the illegal supply of drugs in Hong Kong.

On treatment and rehabilitation, Mr Lai noted, a wide range of both mandatory and voluntary programmes for the treatment and rehabilitation of drug addicts and substance abusers are provided.

He said: "These programmes are operated by the Correctional Services Department, the Department of Health, the Hospital Authority, the Society for the Aid and Rehabilitation of Drug Abusers, the Hong Kong Christian Service and a variety of voluntary groups."

As to preventive education and publicity, Mr Lai said the aim was to inculcate in the youngsters a healthy and positive attitude to life and to encourage them to resist the temptation to take drugs.

"This is done through a variety of education and publicity programmes and material.

"The Education Department, the Social Welfare Department, the Information Services Department, district-based organisations, voluntary agencies, schools and the media all contribute towards our joint effort," he added.

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Comments welcomed on LegCo elections expense proposals

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The Government has arrived at certain preliminary proposals on the appropriate expense ceilings for the September 1995 Legislative Council elections in a review which is currently under way, the Secretary for Constitutional Affairs, Mr Nicholas Ng, said today (Wednesday).

In a reply to a question raised by the Hon Henry Tang in the Legislative Council, Mr Ng said these proposals should form a sensible basis for discussion and that comments and alternative proposals, both from the Council and from the community at large, were welcome.

"Firm recommendations will be put to the Governor-in-Council for approval in early May in the light of comments received. Our aim is to complete the necessary legislative process in June so that candidates will know for certain where they stand in good time before the elections," he said.

Mr Ng said the Government proposed that the current ceiling of \$200,000 should remain for the geographical elections.

"This proposal recognises the fact that whilst constituency sizes for the 1995 Legislative Council will only be about half that of the existing ones, inflation has gone up by about 50 per cent in the past four years or so.

"A margin should also be built in to allow for more sophisticated, and therefore more expensive, electioneering activities which have become more common in recent years," he said.

For all existing functional constituencies except the Urban Council, the Regional Council, and the Rural constituencies, the Government proposes a ceiling of \$80,000.

"This proposal is principally an adjustment of the current ceiling of \$50,000 to off-set inflation," Mr Ng said.

For the Urban Council, Regional Council and the Rural functional constituencies, the Government again proposed status quo, that is, a ceiling of \$50,000, he said.

Mr Ng explained that having regard to the small franchises of these three constituencies and past pattern on election expenses, the Government believed that this figure should be sufficient to meet candidates' campaigning requirements.

For the nine new functional constituencies, he said the Government proposed a ceiling of \$180,000.

"This figure reflects the relatively large electorate sizes of these constituencies, averaging about 300,000, and the fact that electors are scattered in different parts of Hong Kong," he said.

Lastly, for the Election Committee, Mr Ng said the Government proposed a ceiling of \$50,000 on account of the size of its franchise.

Mr Ng said election expense limits for Legislative Council, Municipal Council and District Board elections set the maximum which candidates for these elections might spend on their campaigns.

"The limits merely prescribe the overall ceilings. Within the limits, candidates are entirely free to spend their resources in whatever ways they deem fit. They are also entirely free to spend as much or as little as they like, provided they stay within the prescribed limits," he said.

The election expense limits for the three tiers of elections are reviewed from time to time. When carrying out such reviews over the years, Mr Ng said the Government had been following the basic principle that the limits must not be so high as to deter aspiring candidates with only limited financial means, nor so low as to make it difficult for candidates to mount an effective campaign.

"In other words, the election expense limits are to provide, in the spirit of open and fair elections, a level playing field for all candidates," he said.

In the review on the election expense limits for the coming Legislative Council elections, the Government had applied the same basic principle while having taken into account a number of practical considerations, he added.

"These include constituency sizes; types and scales of electioneering activities likely to be commonly carried out by candidates; and estimated cost of the common expenditure items, bearing in mind inflation in the past four years," he said.

Election Expense Limits for the District Board, Municipal Council and Legislative Council Elections

Types of Elections	Election Expense Limits					
	District Board		Municipal Council		Legislative Council	
	1991	1994	1991	1995	1991	1995 (proposed)
GCs	\$30,000	\$45,000	\$70,000	\$100,000	\$200,000	\$200,000
FCs (except UC, RC, Rural)	—	—	—	—	\$50,000	\$80,000
FCs (UC, RC, Rural)	—	—	—	—	\$50,000	\$50,000
New FCs	—	—	—	—	—	\$180,000
EC	—	—	—	—	—	\$50,000

Notes:

GCs : Geographical Constituencies

FCs : Functional Constituencies

EC : Election Committee

S for S on importation of labour

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Following is the speech by the Secretary for Security, Mr Peter Lai, at the second reading debate on the Hon Michael Ho's Immigration (Amendment) Bill 1993 in the Legislative Council today (Wednesday):

Mr President,

I will speak on the more general aspects of the Honourable Michael Ho's private member's bill. My colleague, the Secretary for Education and Manpower, will speak on the more specific issues of the importation of labour scheme, which this bill is specifically aimed at.

The bill introduced by the Honourable Member addresses a matter of public policy. Although it may not be evident on the face of this bill, it appears that the Honourable Michael Ho is, in effect, seeking to replace by legislative means, the present Importation of Labour Scheme by some different arrangements. In that case, surely, it is incumbent upon him to spell out precisely what arrangements he is seeking to put in place in replacement of the present scheme. But he has not done so.

In today's debate, some Honourable Members, in support of the bill, said that the present scheme should be revised. Other Honourable Members equally expressing support for the bill seem to want the scheme to be stopped although that is not what the bill says on the face of it. So what really is the bill's intended effect?

The bill, as it stands, has the effect of completely stopping the importation of labour scheme, for no rules have been drawn up by the Honourable Member as to how the scheme might continue to operate after the bill is enacted. My colleague, the Secretary for Education and Manpower, will explain why this is highly undesirable. The Honourable Member has said previously that he is prepared to move a Committee Stage Amendment to postpone the coming into effect of the bill for several months so as to allow time for the rules to be drawn up. But there is no certainty that the intended Committee Stage Amendment will materialise. Quite frankly, there must be considerable doubt that the matter has not been thought through, and it is extremely risky to support the bill which is only half-baked.

What, therefore, does the bill in front of us amount to? I should just use a metaphor to illustrate. It is like saying, I don't like your window and I am now going to break it. You will have to sweep up the broken glass to make sure that others are not hurt. I might, although I cannot promise you, give you a few months to suggest another window to replace the one I have broken. But you will have to figure out the shape and the colour of the replacement. I might not like what you put forward later, and you can't install it unless I allow you to. In the meanwhile, you will just have to live with the wind and the rain that comes in through the broken window. And if everybody else catch a cold, that's their business.

What the bill will do, therefore, is to leave in its wake huge uncertainty. Uncertainty as to its effects; uncertainty as to how long that uncertainty itself is going to last; and uncertainty as to what will happen at the end. That is surely not the proper way to go about making public policy!

Let us also be clear about the responsibilities of those who seek to legislate on public policies. They have a responsibility, to this Council and to the community, to make it clear what precisely is the policy that they seek to make. It is not good enough simply to seek to destroy the present arrangement, without proposing at the same time, precisely what the replacement is, so that this Council and the community can make an informed choice. That is a responsibility owed to the public. That is a responsibility which, under our executive-led system has been fully discharged by the executive. As the well-known adage goes: "The Executive proposes, the Legislature disposes". It is a well tried, and effective system for Hong Kong. Underlying that system is the concept of public responsibility that I have just referred to. In the present case, that public responsibility has not been discharged by the Honourable Member moving this bill. Instead, he puts the owners back to the executive in the person of the Director of Immigration.

Mr President, I should like to make one further point. Our system of immigration control, as enshrined in the Immigration Ordinance, is based on the discretion of the Director of Immigration. That system enables the Director to deal effectively, and with flexibility, with the differing circumstances of each individual case, but working under a general policy. That system has worked well in the past, and it would be dangerous to tamper with it likely. Legislative rules on immigration would introduce rigidity into the system. The bill before us is also likely to have unintended side-effects, for example, the bill before us provides for exemptions from the requirement of legislative rules in respect of foreign domestic helpers, and those in possession of special skills, knowledge or experience not readily available in Hong Kong. It makes no specific exemptions in respect of persons seeking to enter Hong Kong in an employment capacity but bringing with him substantial investments to Hong Kong in the business he is to be engaged in nor does it make specific exemptions in respect of persons entering Hong Kong for employment in international or diplomatic bodies. Apparently, none of these grey areas have been examined carefully nor has any necessary remedy being discussed and agreed. It, that is to say the bill, is to all intents and purposes, a flawed bill and I urge Honourable Members not to support its passage.

For these reasons, and for the reasons which my colleague the Secretary for Education and Manpower will explain later the Administration strongly opposes the second reading of the Honourable Member's private bill.

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SEM on Immigration (Amendment) Bill 1993

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Following is the speech by the Secretary for Education and Manpower, Mr Michael Leung, at the resumption of second reading debate on the Hon Michael Ho's Immigration (Amendment) Bill 1993 in the Legislative Council today (Wednesday):

Mr President,

The Private Member's Bill to amend the powers exercised by the Director of Immigration under the Immigration Ordinance strikes at the very heart of our importation of labour schemes, two schemes which are of vital importance to HK. Let me explain.

But first, contrary to what one member has just alleged, the Government has a sound labour policy which has stood the test of time. This is to ensure that, on the one hand, there is a stable and well-motivated workforce to support economic growth, and on the other hand, Hong Kong can maintain a level of labour standards broadly comparable with those of its neighbouring territories at a similar level of economic development and with a similar socio-cultural background.

Underpinned by sustained economic growth, ever-increasing economic links with China and rapid expansion in our service sectors, we have the good fortune of having near full employment for our workforce in recent years. The latest unemployment rate, seasonally adjusted, was 2.0% for the quarter ending December 1994. This compares with 2.3% for the previous quarter ending September 1994 and 2.0% for the same quarter in 1993. The unemployment rate has been at this low level since 1987. These statistics indicate that the overall labour market situation continues to remain tight.

To ease the constraints that a tight labour market has on our economic growth, the Government allows, as a matter of policy, foreign nationals to enter Hong Kong for employment subject to various conditions. Apart from overseas professionals and Foreign Domestic Helpers, we have in place a General Importation of Labour Scheme which permits the orderly importation of workers at technician, supervisor, craftsman and experienced operative levels up to a total of 25,000 to work in Hong Kong at any one time. Under a separate scheme for importation of workers for the new airport and related projects, we also allow up to a total of 17,000 workers to enter for employment in Hong Kong. At the peak of the various construction projects next year, up to 27,000 workers will be allowed to be imported.

These two labour importation schemes have been carefully devised taking fully into consideration both the labour shortage problem in our economy, and the need to protect the interests of our local labour force. There are a number of basic principles under the present schemes which we seek to enforce. First, the principle of demand. Employers must prove they cannot recruit locally before importing. Second, the principle of parity. Imported workers must be paid at least the medium wage of local workers and subject to similar conditions of service. Third, the principle of relevance. The imported workers must have relevant experience and skill for the jobs they fill. Apart from these fundamental policies devised carefully, we do undertake regular reviews over the years to ensure that these policies are working to the best interests of our economy and the various sectors affected. These administrative schemes have been running smoothly and given a very high degree of transparency. We have kept this Council informed regularly through the Manpower Panel and consulted Members whenever we intended to make any changes to the arrangements under the schemes. Examples of this are the calculation criteria of the quota allocation system. I must stress that we have fully taken into account the views expressed by LegCo Members, employers and employees and practicable proposals have been subsequently incorporated to meet concerns and changing circumstances. The Government's labour importation policy has thus been closely monitored by this Council throughout the past years. There have been no major problems which warrant such a drastic change to the existing system. The Government must be allowed the necessary flexibility to meet changing needs while ensuring that LegCo is kept fully informed and consulted, and remain open always to suggestions for views from LegCo.

These importation schemes are vital to the sustained growth in our economy. They help to relieve the temporary bottlenecks in our labour market and assist in our efforts to contain inflation. It is of vital importance that these be maintained as administrative schemes. Only in this way can we ensure flexibility exists. Mr Ho's Bill which codifies the arrangements under which foreign workers are allowed to enter HK for employment purposes, will effectively constrain our ability to respond rapidly to support our economy's need for manpower to sustain growth. Furthermore, the Bill does not spell out clearly what exactly will be included in the subsidiary legislation. This will give rise to a lot of confusion and controversies in the drafting of the subsidiary legislation. If the Bill were passed, renewal of the quotas under our ongoing labour importation schemes will have to come to an abrupt stop until subsidiary legislation acceptable to LegCo has been drawn up and become effective. In the meanwhile, the Hong Kong economy as a whole would thus be seriously affected. In particular those particular industries and companies which need to use the schemes to maintain the operation of their business will be seriously affected. This would not benefit the interest of those whom the supporters of this Bill are trying to safeguard.

Under the General Scheme, which aims to relieve the limiting effects of labour shortage on sustained growth in certain sectors, the lack of imported workers will actually result in unemployment for local workers.

For example, in the manufacturing sector, imported workers constitute only about 2% of the workforce. However, without these workers who are technicians, supervisors, craftsmen and experienced operatives, manufacturing production would be seriously affected. In severe cases, production lines would have to be shut down. Not only would the productivity and the competitiveness of the local manufacturing sector be hampered but the employment opportunities of local workers would also be affected. This will be more severe for linkage industries such as dyeing and bleaching and the industries they support i.e. textile and clothing. Without the imported workers, these industries will not be able to operate to their full capacities or to plan for expansion.

The hotel sector, as a matter of example, and to a lesser degree, the tourist industry, have long maintained Hong Kong's hospitality industry is suffering from a significant labour shortage. We anticipate that the hotel industry would face real operational problems at the rank and file levels, if the scheme were halted.

In infrastructural development, we are, as members are fully aware, building a new airport which is of paramount importance to our future economy. It is unthinkable to delay the completion of this important project. For the Special Scheme under the ACP, non-availability of any imported labour supply would obviously have a severe impact on the ACP itself. For example:-

- in the peak year 1996, which is next year, the ACP will add some 50% to the demand for on-site construction work labour in Hong Kong which can only be met by importing labour.
- Again, next year, it is estimated that only 10% of the ACP demand for labour can be met by the local labour force. If we cannot import workers, unacceptable delays to the airport projects will result.
- delays in the ACP projects will cause significant increases in cost as a result of inflation affecting expenditure over a longer period of time.
- And finally, the PAA have just awarded \$12 billion worth of contracts for the Air Passenger Terminal Building. We need to ensure that an adequate supply of labour is available now to support the works programme for these very important contracts.

Apart from the constrains on growth, we estimate that the removal of the existing supply of 25,000 imported workers under the General Scheme (amounting to only around 0.8% of the total workforce) would push up inflation, as measured by the CPI(A), by around 0.2 of a percentage point. Moreover, construction wages are likely to rise rapidly, by around 3 percentage points in this year, 7 percentage points in 1996 if the ACP quota were not adjusted upwards.

It has been remarked that the importation of labour schemes have affected the employment opportunities of local workers. This is simply a gross simplification. All the imported workers under our labour importation schemes are confined to those possessing special skills and experience of value to, but not readily available in sufficient numbers in Hong Kong. The impact on employment opportunities of our local workers should be minimal. We are fully aware that as a result of our structural change of our economy, there is bound to be a group of displaced workers, though not of a large number, who are faced with employment difficulties. That is why the Employees Retraining Board (ERB) was set up in October 1992 to assist those workers to re-enter the active workforce by equipping them with new and marketable skills. We believe that the best way to help those workers displaced by the structural changes in our economy is to offer job placement assistance and retraining. We have already informed the Manpower Panel of this Council at the meeting on seventh of February that a pilot scheme to integrate the Local Employment Service with the Employees Retraining Scheme will soon be launched. In short, we intend to arrange direct job referrals and retraining to workers to meet labour requirements of employers faced with labour shortage problems.

The importation of workers have had the beneficial effect on our economy. Surveys conducted by the Industry Department revealed that labour shortage and related problems are the major concerns to local and overseas manufacturing companies in their consideration to invest in HK. Without imported workers, these industries will decline fast since local manufacturers will relocate their operations and overseas manufacturers will not be set up in HK. More local workers will then be displaced who will require job placement assistance and retraining. Let us not forget that retraining is, after all, funded by a levy paid by employers employing imported workers. This surely is a vicious cycle that we should avoid.

Mr Ho's Bill impinges upon a number of public policies. As I have explained, it would be serious consequences if the Bill were passed. To preserve our existing flexibility in dealing with our tight labour market, the Government opposes this Bill. We must uphold our basic labour policy. A later commencement date would not reduce the effects of this Bill but simply defer the serious consequences mentioned which I have just mentioned. The importation of labour schemes must remain flexible to react swiftly to changing market needs. A set of statutory rules will seriously hamper effectiveness of the schemes, and affect the employment opportunities of local workers. This surely will not serve the best interests of Hong Kong. I urge Members to vote against the Bill.

Thank you.

End/Wednesday, February 22, 1995

Motion debate on immigration policy

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Following is the speech by the Secretary for Security, Mr Peter Lai, in the motion debate on reviewing the immigration policy on the entry of spouses and children of Hong Kong residents from China in the Legislative Council today (Wednesday):

Mr President,

Let me make it quite clear at the outset that the Government shares the same family value as Honourable Members, and indeed the community. We believe that it is right that families should be together, and that split families should have the opportunity to be reunited. Nor do we dispute that split families often create social problems. I trust that these values and beliefs are virtually universal.

These values and beliefs are, of course, reflected in the effect of the current arrangements on legal immigration from China which, as Honourable Members know, is based on the "One Way Permit" system. Indeed, about 90% of one-way permit holders enter Hong Kong for reunion with their nuclear family members, that is to say, parents, spouses and children. Of the remainder, most entered Hong Kong for reunion with non-nuclear family members. An average of 105 persons per day, or about 38,000 per year enter Hong Kong from China under the current one way permit system. This is one of the highest immigration for settlement rates per capita in the world. I suggest that 15 places within the daily quota of 105 one way permit holders are specifically earmarked for wives to join husbands in Hong Kong. Another 15 are specifically earmarked for children who will have the right of abode in Hong Kong after 1997 to join parents here.

But we do face a constraint. We cannot admit people from China for settlement in a totally uncontrolled manner. To do so would result in over-straining our community and social services, our housing, education and medical facilities, and of course our ability to pay for them. Let me give just one example. The cost of providing a primary school place is about \$12,000 per annum, and the cost of providing a secondary school place is about \$18,600 per annum. These figures are exclusive of the capital cost of building schools and classrooms. We simply cannot let in more children than we can provide education for; more schools may then have to be built. Our capacity to absorb new immigrants from China is therefore not unlimited, nor I believe would be the community's tolerance to the reduction in standards of the many services which they have come to expect.

The reality we face is that there are probably hundreds of thousands of persons in China waiting to join family members in Hong Kong. We estimate, for example, that there are up to 300,000 legitimate, I stress, legitimate children in China in that position. Not all of these children will have automatic right of abode in Hong Kong after 1997. That is not a situation created by our immigration policy; that is a situation created by the close historical, economic, social and cultural linkage between Hong Kong and China. While it is probably unrealistic in most cases to expect their family members to return to China permanently to join them, it is even more unrealistic to expect that they should all be let into Hong Kong for settlement in an uncontrolled manner. Sheer numbers rule that out.

Clearly, therefore, in determining an immigration policy from China, a balance has to be struck. We have to strike a balance between our humanitarian instincts, based on those shared values of family unity, and our ability to absorb new immigrants, new additions to the community without eroding our quality of life. Where in individual cases there are exceptional humanitarian or passionate grounds, the Director of Immigration do take this into account in exercising his discretion.

Some Honourable Members have referred to the abuse of the Two Way Permit system by women at an advanced stage of pregnancy, coming here for short visits in order to give birth to their children in Hong Kong. It is international practice that if a child is born in a place where one parent is resident, the child will be allowed to have the same resident status of the parent if the parents so choose. We have followed this practice not only in respect of children from China but also in respect of children from other parts of the world. The solution to the problem of abuse lies, in the first instance, in stopping this at source, not in returning Hong Kong-born children with a parent settled in Hong Kong. We are discussing this difficult problem with the Chinese side, most recently at the annual Border Liaison Review meeting in Guangdong.

Mr President, our immigration policy on the entry of spouses and children from China is a matter of striking the right balance. On the whole, I believe we have got that balance just about right, and there is no cause for a "root and branch" revamp. But we are not complacent, we will obviously have to keep it under review in the light of changing circumstances. Clearly, one issue which we are addressing is the admission of the estimated 64,000 children who will have the right of abode in Hong Kong on 1 July 1997, in accordance with the terms of the Joint Declaration and the Basic Law. That is something which will have to be discussed with the Chinese side. The position of the illegitimate children will also have to be addressed in that context.

Mr President, Ex-officio Members will abstain from voting on the Honourable Elsie Tu's motion.

End/Wednesday, February 22, 1995

Motion debate on land supply for public rental housing

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Following is the speech by the Secretary for Housing, Mr Dominic S W Wong, in the motion debate on land supply for public rental housing in the Legislative Council today (Wednesday):

Mr President,

I am grateful to the Honourable Andrew Wong for proposing this debate, and have listened with interest to what Members have said. The debate gives me the opportunity to clear up a few misconceptions and to inform this Council what the Government has done and will do to match the supply and demand of land for public rental housing.

Rectifying misconceptions

The suggestions that an additional 90 or 38 hectares of land should be granted to the Housing Authority before July 1997 for the construction of public rental housing flats are misleading. Some of the reports on which Members based their comments only broadly indicate the amount of new land which may be made available for rental housing and other types of development. They do not necessarily reflect the actual amount of land which the Government has already allocated to the Housing Authority and the Housing Society.

Apart from new and redevelopment sites, there is also another source of supply which also makes a substantial contribution to meeting the demand for public rental housing. Sitting tenants who are successful in their applications under the Home Ownership Scheme and the Private Sector Participation Scheme are required to surrender their rental units upon acquiring the new flats. Since the inception of these schemes in 1978, we have recovered over 70,000 rental flats from this source, for re-allocation to others in need. Over the next five years, we estimate that about 60,000 rental flats will be recovered from tenants in this manner, to be subsequently refurbished and allocated to eligible families.

Policy on land supply for public housing

Let me assure Members that the Government's policy is to provide enough land to meet housing demand in the public and private sectors. The demand for public housing fluctuates owing to factors such as population growth, the timing of redevelopment and clearance programmes, and the market price of private housing. It is a constantly moving target. However, our aim has always been to make available sufficient land to meet the additional requirements arising from regular reviews of public housing demand.

Meeting the policy commitment

In the policy commitments which formed part of the Governor's Address last year, the Government announced that an additional 141,000 public rental flats would be built before April 2001. These flats represent total new production from both redevelopment and new sites, and are not intended to be additional to the targets contained in the Public Housing Development Programme. These flats are an integral part of that Programme. They also take into account the rental units which will be demolished over the same period under the comprehensive redevelopment programme, this method has always been used in the preparation of the Public Housing Development Programme. The policy commitment target for rental housing is also based on this very same method of calculation.

We are making every effort to meet our objective of producing 141,000 rental flats in the six years between April 1995 and April 2001. Some 223 hectares of land have already been allocated to the Housing Authority and the Housing Society, and this more than meets the full land requirement for the production of these rental flats. We will continue to work closely with these two organisations to ensure that the flats will come on stream as scheduled. I can assure Members that the recently established Housing Project Action Team, which I lead, will actively monitor progress, co-ordinate action and resolve problems relating to the public housing sites. We are working closely with the Housing Authority and have already identified some potential new housing sites.

Waiting list for public rental housing

Some Members have referred to the backlog of 150,000 applications on the Housing Authority's general waiting list. According to past experience, not all these applications constitute a real demand for public rental housing because a significant proportion are existing tenants wanting to change flats. Others may be rehoused through other quotas or may be found ineligible. For example, the majority of Temporary Housing Area residents and urban squatters who are on the waiting list will be rehoused through the clearance allocation rather than the general waiting list. As already announced, we expect that by 1997/98, about 70% of the backlog on the general waiting list as at August 1993 will be cleared. After 1997/98, when Temporary Housing Areas and urban squatters on Government land have been cleared and given the increase in public housing production thereafter, we should be able to handle waiting list applicants much faster.

Balance between rental and home ownership flats production

Home ownership has long been regarded as a desirable objective in terms of its contribution to social stability and fostering a sense of belonging. Members will wish to know that while attempting to meet the demand for public rental housing, the Government will also maintain a sensible balance between an adequate supply of public rental housing and aspirations for affordable home ownership. We will continue to provide various subsidised home ownership schemes for those public rental housing tenants and others eligible, who can afford them. Indeed the Government has already pledged to provide 168,000 flats for sale in the public sector before April 2001. This will have the effect of releasing a substantial quantity of rental flats to meet the demand of those in genuine need.

Review of housing demand

Members have raised the question of housing demand. I would like to inform this Council that we have started a systematic and comprehensive assessment of the scale and composition of housing demand in both the public and private sectors. It aims to reflect more accurately the amount of land which should be allocated for the various categories of housing in both sectors. We hope to complete this assessment in the middle of this year. Subject to the findings and a review of the Long Term Housing Strategy beyond 2001, which review will commence later this year, the Government will be prepared to identify and allocate extra sites to enable the Housing Authority and the Housing Society to produce more subsidised rental flats and flats for sale to meet confirmed demand. Similarly, we will make sufficient land available for private housing, subject to the agreement of the Sino-British Land Commission.

Conclusion

In conclusion, I would like to reassure this Council that the Government's commitment to supply enough land to meet the housing needs of the community is as strong as ever. We are on course to meet the Governor's policy commitment last year of building 141,000 public rental flats over the next six years, and have already allocated sufficient sites for this purpose. We are also taking progressive steps to clear the backlog of applicants on the general waiting list. Subject to the findings of the comprehensive assessment of housing demand being undertaken at present and a review of the Long Term Housing Strategy, we will take positive action to identify and allocate more sites to meet the confirmed and realistic demand agreed by the Government.

I know that the Housing Authority's latest assessment of housing demand shows a 38 hectare shortfall in land specifically for the production of subsidised flats for sale. I confirm that it is also the Government's policy to promote home ownership schemes. While more land for this purpose may well be required, as seem to have been implied in Mr Lau Wah-sum's amended motion, we do not wish to pre-empt the findings of the comprehensive review of housing demand which is being undertaken. Therefore, we consider it inappropriate at this stage to commit the Government to any new figure of land allocation, whether it be for public rental housing or flats for sale, before we can have the benefit of all these findings. The motion under debate today presents a technical difficulty. For these reasons, Mr President, the Administration does not support the motion or the proposed amendments urging the Government to allocate extra land to the Housing Authority for the construction of public rental housing before we have the findings of the comprehensive review.

Thank you.

End/Wednesday, February 22, 1995

Human Organ Transplant Bill

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Following is the speech by the Secretary for Health and Welfare, Mrs Katherine Fok, at the resumed debate on second reading of the Human Organ Transplant Bill in the Legislative Council today (Wednesday):

Mr Chairman,

I move that the clauses specified be amended as set out in the paper circulated to Members under my name.

I would like to thank the Hon. Ronald Arculli, Convenor of the Ad Hoc Group studying the Bill, and Members of the Group for their most thorough examination of the provisions therein. As a result, several amendments are now proposed which will increase the scope of the Bill and make its provisions easier to understand.

The amended Clause 4(1)(a) makes it clear that it is an offence for any person in Hong Kong to make or receive payment for supplying or offering to supply an organ, or to act as an intermediary in such arrangement. This, regardless of whether the organ is removed from a living or dead person and whether the removal and transplant take place in Hong Kong or elsewhere. Clause 4(2)(a) is similarly amended to make it an offence to advertise to buy an organ removed from a dead or living person in Hong Kong or elsewhere for transplant in Hong Kong or elsewhere.

New Clauses 4(3A) and 4(3C) respectively make it an offence for a person to transplant in Hong Kong or remove from a dead or living person in Hong Kong an organ that he knew or should have known was a commercially-traded organ, regardless of where payment was to be made for it. A new Clause 4(3B) makes it an offence for a person to import such an organ.

The purpose of amended Clauses 4(4), 5(7), 6(3) and new Clause 7(4) is to provide harsher deterrent penalties.

Amendments to Clause 5 (4) and (5) prescribe arrangements for ensuring that both living organ donors and organ recipients give informed and unpressured consent to the transplant procedure.

A new Clause 7 introduces requirements for information to be supplied to accompany imported organs. The purpose of this is to ensure that organs are healthy and that they have not been obtained commercially. A new Clause 8 provides an extended time limit of three years for commencing criminal proceedings.

To complement the provisions in the Bill when enacted, we shall solicit co-operation from the medical profession to take the lead by reporting any violations to the Administration. Suitable publicity materials will also be produced and made available for the information and guidance of doctors and patients in hospitals.

End/Wednesday, February 22, 1995

Legal Aid Services Council Bill

Following is the speech by the Chief Secretary, the Hon Mrs Anson Chan, in moving the second reading of the Legal Aid Services Council Bill in the Legislative Council today (Wednesday):

Mr President,

I move that the Legal Aid Services Council Bill be read the second time. The Bill provides a legislative framework 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.

The establishment of this Council was one of 25 recommendations in nine subject areas 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 eight subject areas covered by the report involved improvements to the scope and operation of the legal aid scheme, and were the subject of the Legal Aid (Amendment) Bill 1995 that I introduced into this Council on 25 January.

Let me make it clear at the outset that the Administration does not interfere with the 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 Legal Aid Services Council be set up by statute.

To safeguard the independence of the Legal Aid Services Council, Clause 3 of the Legal Aid Services Council 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 the 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 members, 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.

We aim to establish the Legal Aid Services Council as soon as possible after the Bill is enacted. This is far from a cosmetic change, as some critics have suggested. On the contrary, it represents a significant policy change that will provide a greater opportunity for public participation in legal aid administration and policy formulation and will enhance the independence of legal aid administration. Some people, both from this Council and the legal profession, 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 is not ruling it out. Indeed, once the Legal Aid Services Council is established, we will ask the Council to examine the feasibility and desirability of this option.

End/Wednesday, February 22, 1995

Control of Obscene and Indecent Articles (Amendment) Bill 1995

Following is the speech by the Acting Secretary for Recreation and Culture, Mrs Rachel Cartland, in the Legislative Council today (Wednesday) in moving the second reading of the Control of Obscene and Indecent Articles (Amendment) Bill 1995:

Mr President,

I move the Second Reading of the Control of Obscene and Indecent Articles (Amendment) Bill 1995.

The primary objectives of the Bill are to tighten control over the selling and distribution of indecent articles, to facilitate enforcement actions and to increase the deterrent effect of the penalties under the Control of Obscene and Indecent Articles Ordinance. In designing specific provisions in pursuit of these objectives, we are mindful that all proposals must be the minimum necessary to ensure that freedom of expression is not unjustifiably sacrificed.

I would like to thank Members of this Council, Members of the District Boards, and members of various political groups and concern groups for their valuable suggestions and views on how obscene and indecent articles could best be regulated. We have very carefully and thoroughly studied their suggestions and revised some of the proposals contained in the Bill in the light of their views.

Owing to the far-reaching consequences and Bill of Rights implications, some of the more restrictive suggestions and views have not been taken on board in this Bill. However, an inter-departmental working group comprising representatives from the Television and Entertainment Licensing Authority, the Police Force, the Attorney General's Chambers, the Urban Services Department, the Regional Services Department and my Branch is studying the implications and feasibility of these suggestions.

Mr President, I now wish to summarise the main provisions of the Bill.

Clause 5 of the Bill proposes stricter restrictions on the external appearance of indecent articles to minimise nuisance to the public and to make them more easily distinguishable, thus facilitating control and regulation. Indecent articles will be required to be sealed in completely opaque wrappers. It is also proposed that nothing shall be printed on the wrappers except the warning notice, particulars of the publishers, and the name, date, serial number and selling price of the publication.

Although the existing Ordinance already requires a clear and conspicuous warning notice to be printed on indecent articles, we suggest specifying the minimum size under the law. It is proposed that the warning notice must occupy at least 20% of the size of an indecent article. Furthermore, the warning notice is to be printed on the front and back cover of the indecent article as well as on both sides of the opaque wrapper enclosing it. One of the advantages of such a requirement is that, no matter under what circumstances, there is always an easily noticeable warning notice attached to the indecent article reminding people not to sell or lend the article to persons below the age of 18.

Under the existing Ordinance, it is not mandatory for publishers to print their particulars on the indecent articles. Although enforcement action can still be taken against irresponsible publishers who have committed an offence, extra manpower and time are often needed to track down these publishers. To facilitate identification of publishers of indecent articles, clause 5 requires them to print their correct name, address and telephone number on the front and back cover of the indecent article and on both sides of the opaque wrapper enclosing it. Contravention of this requirement is liable to a maximum fine of \$400,000 and imprisonment for one year. The fulfilment of this requirement is the primary responsibility of publishers.

To prevent the selling and distribution of indecent articles which have contravened the legal requirements, clause 7 will make it an offence to possess such articles for the purpose of publication. The presumption clause in the Ordinance will apply to this new offence. If a person possesses more than two copies of such indecent article and the circumstances give rise to such suspicion, he will be deemed to possess it for the purpose of publication.

Clause 10 proposes to grant Police officers the power to seize, in public places, any indecent article which commits or constitutes evidence of an offence. Mr President, I wish to illustrate with an example how the new offence and the new seizing power will aid enforcement action. At present, as long as an indecent article is not published, no offence is committed even if the article in question does not carry a warning notice or contravene any other legal requirement. The new offence will help to eliminate this undesirable situation. No matter whether the indecent article is published or not, an offence is committed so long as two copies of the indecent article are found and the circumstances give rise to reasonable suspicion that these copies are possessed for the purpose of publication. The new power of seizure will further enable Police officers to seize the articles as evidence for prosecution.

There is a strongly-held and widely expressed desire in the community for heavier penalties to be imposed on persons publishing indecent articles in breach of legal requirements. In response to this, we recommend that the maximum fine for offences related to indecent articles be increased from \$200,000 to \$400,000 on first conviction and \$800,000 on second or subsequent convictions. A higher maximum fine for subsequent convictions is proposed in order to increase the deterrent effect.

Mr President, in drawing up these new restrictions on the publication of indecent articles, we have tried our best to introduce measures that are the minimum necessary for the protection of our young people while allowing adults to exercise freedom of choice. We are confident that these legislative proposals are consistent with Article 16 of the Bill of Rights Ordinance and Article 19 of the International Covenant on Civil and Political Rights. I very much hope that these well-balanced proposals will gain Members' support.

Mr President, I beg to move.

End/Wednesday, February 22, 1995

Road Traffic (Amendment) Bill 1995

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Following is the speech by the Secretary for Transport, Mr Haider Barma, in moving the second reading of the Road Traffic (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move the second reading of the Road Traffic (Amendment) Bill 1995. The main purpose of this bill is to strengthen legislation aimed at tackling drunken driving.

The present legislation on drunken driving is extremely difficult to enforce, since it does not specify a blood alcohol limit and suspected offenders are not required by law to provide samples of their breath, blood or urine for testing. As a result, prosecution for the offence is possible only in the most extreme cases.

The Road Safety Council has been deliberating this problem for some time. The amending bill now before Council seeks to incorporate the recommendations put forward. The Transport Advisory Committee has strongly endorsed the proposals and, indeed, there has been support from the general public and the media. The LegCo Transport Panel has also been briefed.

Mr President, the Police now have firm evidence, based on autopsy reports on drivers killed in traffic accidents, to show that excessive drinking is a significant cause of serious traffic accidents. We propose to prescribe limits for the concentration of alcohol in a driver's blood, urine and breath, and to require drivers to provide samples for testing in certain specified circumstances. We recommend that the limit should be 80 milligrams of alcohol in one hundred millilitres of blood. This is the standard adopted in most European Union countries and also in Singapore.

Clause 7 of the bill makes it an offence to drive with an alcohol concentration above the prescribed limit. Whilst we do not propose to introduce random breath testing for drivers, Police officers will nonetheless be empowered so that they may require a driver to take a screening breath test if he is involved in a traffic accident, has committed a traffic offence, or if a Police officer has reasonable cause to suspect that he has been drinking.

If the screening breath test reveals that the alcohol level exceeds the prescribed limit, or if the driver fails to provide a sample, then the suspect may be arrested and required to provide samples of blood, urine or breath for further analysis. The bill sets out the conditions under which the various types of specimen should be required, and where and when they should be provided.

Mr President, the opportunity is also taken to make a number of minor amendments to the Road Traffic Ordinance relating to vehicle registration marks, the powers of traffic wardens, and the authority to vary the fees charged by vehicle testing centres and vehicle emission testing centres.

Thank you, Mr President.

End/Wednesday, February 22, 1995

Banking (Amendment) Bill 1995

Following is the speech by the Acting Secretary for Financial Services, Mrs Lessie Wei, in moving the second reading of the Banking (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move that the Banking (Amendment) Bill 1995 be read a second time.

The two main objectives of the Bill are -

- (a) to establish the Monetary Authority as the licensing authority of all three types of authorised institutions under the Banking Ordinance; and
- (b) to clarify the scope, objectives, duties and powers of a Manager appointed under the Ordinance to take control of an authorised institution. There are also other amendments to effect a number of changes designed to improve the working of the Ordinance.

Presently banks, restricted licence banks and deposit-taking companies are authorised by the Governor in Council, the Financial Secretary and the Monetary Authority respectively. Powers to revoke and suspend also rests with the respective designated authorities, except that the Ordinance does not provide for the suspension of a licensed bank.

After a review of the provisions, we conclude that the Ordinance should be amended -

- (a) to establish the Monetary Authority as the authority responsible for the authorisation, suspension revocation of all three types of authorised institutions, including new powers to suspend a licensed bank;
- (b) to improve the checks and balances in the authorisation arrangements by distinguishing more clearly the administrative and appellate functions; and
- (c) to improve the transparency in the authorisation arrangements by setting out more clearly the criteria which would be used for the authorisation and revocation of all three types of authorised institutions.

The proposal for vesting full responsibility for authorisation matters in the Monetary Authority would be in line with the objective of enabling the Governor in Council to focus on important policy issues. It would also be consistent with the Monetary Authority's central banking role of maintaining the general stability of the banking system and with the practice in other leading financial centres.

The proposed transfer of powers from the Governor in Council and the Financial Secretary to the Monetary Authority would also improve the checks and balances of the authorisation provisions in the Ordinance. The three authorities would play distinctive roles under the new structure: the Monetary Authority would be responsible for administering all authorisation matters; the Financial Secretary would provide a check as the Monetary Authority would be required to consult him on important authorisation decisions; and the Governor in Council would act as the appellate body for hearing appeals against the decision made by the Monetary Authority.

This represents a significant improvement over the existing system where there is no appeal against a decision of the Governor in Council to refuse to grant, to revoke or to attach conditions to a banking licence. These decisions would be subject to appeal under the proposed structure.

Under the revised regime, it is important that the Monetary Authority should be seen to operate within clearly defined statutory criteria for authorisation, suspension and revocation. This would be achieved by introducing the new Seventh and Eighth Schedules to the Ordinance clearly setting out the specific criteria to be applied by the Monetary Authority.

The Bill also deals with the powers of the Monetary Authority to take control of an institution. The powers are based on similar powers introduced into the Insurance Companies Ordinance in 1992. The main objectives of the powers are -

- (a) to allow the Monetary Authority, through a Manager, to control the affairs, business and property of a troubled institution so that it can be nursed back to health, perhaps as a prelude to sale; and
- (b) to enable the Monetary Authority to take quick action to safeguard the assets and maintain the fabric of the business until a liquidator can be appointed.

It is proposed that subject to certain limits which may be imposed by the Monetary Authority, the Manager be given all powers necessary to manage properly the affairs, business and property of the institution. The new Ninth Schedule sets out the specific powers of the Manager which include, amongst others, the power to enter into contract on behalf of the institution, and to dispose of the business or property of the institution. Experience in 1991 in the control of the Bank of Credit and Commerce Hong Kong Limited revealed ambiguities about the powers of the Manager appointed under Part X of the Ordinance. It is considered both necessary and desirable to spell out more clearly the scope, objectives, duties and powers of the Manager to ensure that he could carry out his duty effectively when an institution runs into problem.

There are a number of miscellaneous amendments made by the Bill, covering areas such as publication of audited annual accounts, submission of returns and information to the Monetary Authority, limitation on advances, restriction on the use of the name "bank" and others. These are considered necessary either to clarify various existing provisions in the Ordinance or cater for new developments in the banking sector.

Thank you, Mr President.

End/Wednesday, February 22, 1995

Occupancy rate of singleton hostels

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

Question:

As the overall vacancy rate of the 17 singleton hostels provided by the Home Affairs Department for lodgers in "caged homes" is as high as 60%, will the Government inform this Council of the following:

- (a) what measures it will take to enhance the occupancy rate of the hostels;
- (b) whether it will consider relaxing the eligibility criteria for admission into the hostels, such as accepting applications from street sleepers and public assistance recipients; and
- (c) whether it will review the effectiveness of singleton hostels in solving the housing problem of single persons since their inception in 1991, and whether it will review the future development of the singleton hostel service?

Reply:

Mr President,

Honourable Members will recall that at the resumption of debate on Second Reading of the Bedspace Apartments Bill in April last year, the Chairman of the Committee mentioned the need to rehouse lodgers who might have to be displaced from those apartments which may require improvement works to be carried out to enhance their fire and building safety. In response, I gave an undertaking that efforts would be made to rehouse about 1600 of the then existing 3200 lodgers through the Home Affairs Department's own means and those of the Housing Department and the Social Welfare Department.

It was envisaged that the Social Welfare Department would take care of those who are eligible for compassionate rehousing through the Housing Department Compassionate Rehousing Scheme or through admission into welfare institutions. Those needy lodgers who fall outside these categories would be eligible to apply for admission into singleton hostels provided by the Home Affairs Department.

For the above reason, one of the eligibility criteria for admission into singleton hostels provided by the Home Affairs Department is that an applicant has to be an existing lodger of a bedspace apartment.

The licensing scheme under the Bedspace Apartment Ordinance is being implemented in phases. The demand for singleton hostel accommodation will rise steadily as the scheme gets under way and will reach its peak by the end of 1996 upon full implementation. The occupancy rate is relatively low at present because the peak has not yet been reached.

As singleton hostels are established to fulfil Government's commitment to rehouse half of the bedspace apartment lodgers, it is not considered opportune to relax the eligibility criteria at this juncture to include non-bedspace apartment lodgers, such as street sleepers and public assistance recipients. To do so will reduce our ability to rehouse needy bedspace apartment lodgers into singleton hostels at the appropriate time.

Government will keep under review the effectiveness and the development of hostels run by the Home Affairs Department in rehousing bedspace apartment lodgers.

End/Wednesday, February 22, 1995

Review of LegCo election expense limits under way

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Following is a question by the Hon Henry Tang Ying-yen and a reply by the Secretary for Constitutional Affairs, Mr Nicholas Ng, in the Legislative Council today (Wednesday):

Question:

The 1995 Legislative Council Election will involve several modes of election and there will be a wide difference in the number of voters among the different constituencies, especially in the case of the newly created 9th functional constituency which will have a particularly large number of voters. In view of this, will the Government inform this Council what criteria it will adopt to determine the maximum scale of election expenses for different constituencies so that fair competition can be achieved?

Reply:

Mr President,

Election expense limits for Legislative Council, Municipal Council, and District Board elections set the maximum which candidates for these elections may spend on their campaigns. As the name of the term implies, the limits merely prescribe the overall ceilings. Within the limits, candidates are entirely free to spend their resources in whatever ways they deem fit. Needless to say, they are also entirely free to spend as much or as little as they like, provided they stay within the prescribed limits.

The election expense limits for the three tiers of elections are reviewed from time to time. When carrying out such reviews over the years, we have been following the basic principle that the limits must not be so high as to deter aspiring candidates with only limited financial means, nor so low as to make it difficult for candidates to mount an effective campaign. In other words, the election expense limits are to provide, in the spirit of open and fair elections, a level playing field for all candidates.

We have applied the same basic principle in a review which is currently under way on the election expense limits for the September 1995 Legislative Council elections. In addition, we have also taken into account a number of practical considerations. These include:

- (i) constituency sizes;
- (ii) types and scales of electioneering activities likely to be commonly carried out by candidates; and
- (iii) estimated cost of the common expenditure items, bearing in mind inflation in the past four years.

On the above basis, we have arrived at certain preliminary proposals on the appropriate ceilings for the coming Legislative Council elections. These are as follows:

- First, for geographical elections, the current ceiling of \$200,000 should remain. This proposal recognises the fact that whilst constituency sizes for the 1995 Legislative Council will only be about half that of the existing ones, inflation has gone up by about 50% in the past four years or so. A margin should also be built in to allow for more sophisticated, and therefore more expensive, electioneering activities which have become more common in recent years.
- Secondly, for all existing functional constituencies except the Urban Council, the Regional Council, and the Rural constituencies, we propose a ceiling of \$80,000. This proposal is principally an adjustment of the current ceiling of \$50,000 to off-set inflation.
- Thirdly, for the Urban Council, Regional Council, and Rural Council functional constituencies, we again propose status quo, i.e. a ceiling of \$50,000. Having regard to the small franchises of these three constituencies and past pattern on election expenses, we believe that this figure should be sufficient to meet candidates' campaigning requirements.

- Fourthly, for the 9 new functional constituencies, we propose a ceiling of \$180,000. This figure reflects the relatively large electorate sizes of these constituencies, averaging about 300,000, and the fact that electors are scattered in different parts of Hong Kong.
- Fifthly, for the Election Committee, we propose a ceiling of \$50,000 on account of the size of its franchise.

Mr President, let me emphasise once again that the above figures are only preliminary proposals. We make no claim that we have got the figures exactly right. But, in our judgment, our preliminary proposals should form a sensible basis for discussion. We welcome comments and alternative proposals, both from this Council and from the community at large. Firm recommendations will be put to the Governor-in-Council for approval in early May in the light of comments received. Our aim is to complete the necessary legislative process in June so that candidates will know for certain where they stand in good time before the elections.

End/Wednesday, February 22, 1995

Human rights reports to UN

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Following is a question by the Hon Christine Loh Kung-wai and a reply by the Secretary for Home Affairs, Mr Michael Suen, in the Legislative Council today (Wednesday):

Question :

The United Nations Human Rights Committee announced in April 1991 that the fourth periodic report under the International Covenant on Civil and Political Rights was due on 18 August 1994, but the British Government has now postponed the submission until mid-1995. In this connection, will the Administration inform this Council :

- (a) whether it is aware of the reasons for such a delay; and
- (b) whether a separate report on Hong Kong will be produced, as suggested by several members of the Human Rights Committee?

Reply:

Mr President,

- (a) The United Kingdom Government, as a State Party to the various treaties that apply to Hong Kong, is responsible for submitting periodic reports to the UN treaty monitoring bodies. The Hong Kong Government contributes to the preparation of the relevant reports by preparing and submitting to the UK Government draft reports in respect of Hong Kong.

The British Government faced an unusual situation last year in that four written human rights reports to the UN were due in the same year. These are reports under the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment; the Convention on the Elimination of All Forms of Racial Discrimination; the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights. This situation was exceptional.

The process for the United Kingdom Government to compile each report is complicated and time-consuming, involving several home Departments, as well as 11 Dependent Territories, and three Crown Dependencies. Some delay in meeting the deadlines has become inevitable. The UK Government has therefore decided to postpone the submission of the sections of the ICCPR report in respect of its Dependent Territories and Crown Dependencies to this year.

- (b) There will be a separate section on Hong Kong in the Fourth Periodic Report as there was in the Third Report. The British Government intends to submit the report under ICCPR in respect of Hong Kong this summer, and will express the hope that the Human Rights Committee will examine it at its 55th Session in the autumn. The timing of the examination is up to the Committee.

End/Wednesday, February 22, 1995

Criteria in formulating social service policies

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Following is a question by the Hon Fred Li Wah-ming and a reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):

Question:

Two private survey reports indicate that about one sixth of the population in the territory are living below the 'poverty line'. As there is no official definition for either 'poverty' or 'poverty line', will the Government inform this Council :

- (a) whether it classifies those eligible for comprehensive social security assistance payment as 'the poor';
- (b) of the criteria adopted by the Government in formulating social service policies for the lower-income group; and
- (c) whether the Government will conduct surveys for the purpose of formulating an official definition for 'poverty line'?

Reply :

Mr President,

There appears to be a general consensus amongst experts that 'poverty' as such defies definition - whether in absolute or relative terms or by any other more subjective method. To seek to define it or a 'poverty line' for Hong Kong would serve no useful purpose. We would, as has been the experience elsewhere, no doubt fail to reach a consensus since any definition would involve the exercise of subjective value judgements.

My response, therefore, to the last part of this question is 'no' - the Government will not attempt to formulate an official definition of the 'poverty line'.

What is important, however, is how we go about identifying those in our society who are in need, those who are so disadvantaged that Government support should be provided to them.

For those who lack the means permanently or temporarily to provide for themselves we have a comprehensive safety net. The Comprehensive Social Security Assistance (CSSA) Scheme is an important part of that net. The CSSA is means tested and the level of payment comprises standard rates supplemented by specific grants to meet the individual needs of our clients. Since we have no agreed definition of poverty or who is poor, the Government does not 'classify' those eligible for CSSA as poor.

In formulating our social service policies, the criteria adopted for assisting those who have low incomes necessarily vary from sector to sector depending on the public service concerned. Most of our social welfare services are made available to all and are not targetted exclusively at a lower income group, although those with lower incomes are accorded priority for some services such as child care centres, home help services and care and attention homes for the elderly. If a person cannot afford the fees charged for a service there are provisions for them to be waived or for support to be given through CSSA payments or other charitable funds. In the case of child care services, for example, there is a Fee Assistance Scheme.

In the case of medical services, these are provided on the principle that no person should be denied treatment through lack of means. Again waiver systems operate for those who cannot afford to pay. CSSA recipients are granted full exemption from fees.

In the case of public housing, income criteria for assessing eligibility are calculated by reference to the cost of renting housing in the private sector and the non-housing expenditure required to maintain a reasonable standard of living for households of different sizes. In view of the costs of housing in Hong Kong it is not surprising to see that income eligibility criteria in this field are very different from those applicable to social security assistance. For those in need, the main principle of our housing policy is that no one should be made homeless. Use of transit centres and temporary housing areas ensure that this policy objective is met.

In the case of education, nobody is deprived of a place in the education system due to lack of means. In addition to nine years of free and compulsory education, Fee Remission Schemes ensure that students from low income families can also take part in kindergarten education and senior secondary schooling including sixth forms. At tertiary levels, needy students are eligible for a range of loans and grants. The households benefitting from these schemes range from the low-income to lower-middle-income families. Income eligibility criteria for these forms of support are, again, understandably different from those for social security assistance.

In answer to the second part of the question, I would therefore conclude that rather than formulating policies for a lower income group, we generally formulate our social service policies to address the social needs we see and then, having provided services to address those needs, we ensure that everyone, regardless of income, is given access to them, with priority given to those most in need.

End/Wednesday, February 22, 1995

Compatibility of Stage I and II projects of SSDS

Following is a question by Rev the Hon Fung Chi-wood and a reply by the Secretary for Planning, Environment and Lands, Mr Tony Eason, in the Legislative Council today (Wednesday):

Question:

In its submission to the Finance Committee of the Legislative Council requesting an injection of \$6.8 billion into the Sewage Services Trading Fund, the Government has given assurance that Stage I of the Strategic Sewage Disposal Scheme (SSDS) will be compatible with the Scheme's Stage II projects of any design. However, the preliminary report on the SSDS submitted to the LegCo Panel on Environmental Affairs by the three independent experts commissioned by the Government indicates that the proposed Stage II oceanic outfall plan for the SSDS, which has all along been advocated by the Government, is not feasible. In view of this, will the government inform this Council :

- (a) Why the Government has recommended the SSDS to this Council and the public before the Government has examined fully the feasibility of the primary treatment and oceanic outfall plan proposed by the consultants commissioned by the Government;
- (b) whether the query by the three experts on the proposed primary treatment and oceanic outfall is an indication that there are problems with the consultants' recommendations; why the Government has accepted the consultants' recommendations without first examining their feasibility; and why the Government has not reviewed the consultants' recommendations earlier and has delayed it until recently to commission other experts to conduct the review;
- (c) which part of the Stage I projects will be incompatible with the nine options for Stage II; what remedial measures will the Government take; and
- (d) why the Government has assured the Finance Committee that the Stage I projects will be compatible with the Stage II projects of any design; and whether the Government has given incorrect information to this Council?

Reply :

Mr President,

- (a) The Strategic Sewage Disposal Scheme - or the SSDS for short - is a 10-year capital programme for the collection, treatment and disposal of sewage in Hong Kong. As we have frequently made clear, this scheme is an essential, even critical component of our proposals to abate very serious water pollution and to protect public health. The present form of the SSDS is the result of a 2-year intensive study, completed in 1989, of over 1,000 possible disposal arrangements. An independent group of consultants confirmed, in 1993, that the scheme would be cost-effective and environmentally robust. Members of this Council have been kept informed of the progress of the scheme and the related engineering studies on a regular basis.

The Finance Committee on 4 February 1994 was asked to approve the injection of \$6.8 billion to the Sewage Services Trading Fund to finance Stage I of the SSDS. We usually refer to Stage I as the High Priority Programme (HPP) as it will curtail up to 70% of harbour pollution when completed in 1997. We have assured Members that Stage I of the SSDS will form the fundamental building block for any system of higher level treatment that may be required. This still holds good. We have also made clear to Members our intention to review the oceanic outfall proposal - or Stage II of the SSDS - together with other alternatives, including secondary treatment processes, in parallel with the construction of the Stage I projects; and in doing so to take account of new technologies in sewage treatment and disposal that may have emerged since the first SSDS study in 1989.

We have also undertaken to report to the Environmental Affairs (EA) Panel of this Council the findings and recommendations of the Review of Stage II options within a few weeks of the formulation of its initial findings. This has already been done. The consultants' preliminary draft report became available to us in December 1994 and members of the EA Panel were briefed on the shortlisted options for Stage II by the consultants and the International Panel of Three Experts on 18 January 1995. This Review, may I point out, has not said that the original outfall proposal is not feasible, but that a shorter outfall could be considered if a higher level of treatment was provided for. The consultants recommended nine options for consideration as alternatives to the original Stage II outfall option and the Government is now examining these in detail. Neither the Government nor the Experts have taken a final view on the options identified in the Review or how this might affect the oceanic outfall proposal. Upon completion of the Report, it is our intention that the public should be consulted on the Stage II options.

While a final decision on the later stages of the SSDS can be taken after the public consultation, something must be done now to deal with our water pollution problem. Water quality in the harbour is poor and deteriorating. As a project of the type and scale of the full SSDS is best taken forward in stages in any case, the Government is getting on with Stage I of the SSDS, the High Priority Programme, which offers a speedy and cost effective first step remedy to our problem, as quickly as possible. Our first task therefore is to complete the High Priority Programme by 1997 to curtail harbour pollution by 70%. Our immediate aim is to prevent further deterioration in the water quality of the harbour and to protect public health. As I have said, the Stage I works will not pre-empt any workable Stage II option.

- (b) As I have explained before, the present form of the SSDS is the result of a 2-year intensive study of over 1,000 possible disposal arrangements, the feasibility and effectiveness of which was confirmed by an independent group of consultants in 1993. To be confirmed as part of the long term solution the original Stage II option must be environmentally viable and Environmental Impact Assessment studies to examine this aspect have been started. We made it clear, from the beginning, that it would not be possible to proceed with the Stage II option without the satisfactory completion of a thorough EIA. This needs to be done with the cooperation and assistance of the Chinese authorities; and, eventually, their formal agreement would be required for any oceanic outfall option. There has never been any doubt about this requirement.

However, in the light of more recent developments in sewage treatment technology, the latest Review began in mid 1994 to determine whether more environmentally acceptable and cost-effective alternatives to the original outfall proposal could be identified. The independent examination conducted by the International Panel of Experts has basically endorsed the collection system and centralised treatment at Stonecutters and suggested some adjustments to the treatment level by proposing chemically enhanced primary treatment. Such adjustments are only to be expected during the implementation of long term technical and engineering projects on such a vast scale. This is why the Administration accepts the need to review Stages II to IV of the SSDS and to consult the public, the Advisory Council on the Environment, the Environmental Affairs Panel of this Council and the Chinese side in the process. I must emphasise, however, once again that the present Stage I works will not pre-empt any Stage II options and are basic and essential components of any system involving higher levels of treatment that may be introduced.

- (c) No part of Stage I of the SSDS will be incompatible with possible Stage II options. As I have already said, the International Panel of Experts have made some suggestions as regards the treatment of sewage flows on Stonecutters Island and these are being examined as a matter of priority. They will not affect or delay the High Priority Programme. A commercial proposal to incorporate secondary treatment on the Stonecutters site was examined by the Review consultants but was found not to be feasible for reasons of operational complexity and cost.

- (d) We assured the Finance Committee in February 1994 that Stage I of the SSDS formed the fundamental building block for any higher level of treatment that might be required. This was correct then and is correct now. Current Stage I works will be fully compatible with the possible options for Stage II. Indeed, the preference of the International Panel of Experts for connecting Hong Kong Island flows to the Stage I treatment works at Stonecutters only reinforces the need to get on with the High Priority Programme urgently.

End/Wednesday, February 22, 1995

Community participation necessary to tackle drugs problem

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Following is a question by Dr the Hon Tang Siu-tóng and a reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

As it is reported that drug traffickers are very active at Kam Tin in the Yuen Long district, will the Government inform this Council whether:

- (a) drug traffickers in the district have become active as a result of insufficient police manpower;
- (b) there is any plan to prevent drug trafficking in the district;
- (c) any other drug trafficking black spots are known to exist in the district; and

- (d) there is any evidence to show that triads are involved in drug trafficking in the district?

Reply:

Mr President,

- (a) Drug trafficking activities in the Yuen Long District bear no direct relationship to police manpower in the district. The present manning scale of the Yuen Long Police District is considered to be adequate; police manning scales are of course kept under review from time to time. It should be noted that Police enforcement action against drug traffickers is not confined to Yuen Long District police manpower; action is also taken by Police Regional and Police Headquarters units.
- (b) The Police have taken, and will continue to take enforcement action, which has resulted in more arrests and improvements to the situation on the ground. In addition, assistance has been sought from the public, through the District Fight Crime Committee and community organisations in supplying information to the Police. But enforcement action alone does not provide a long-term solution to the drugs problem, which is not of course particular to Yuen Long District. Treatment and rehabilitation of drug addicts, and preventive education and publicity are necessary to help reduce the demand for drugs. Thus, the Governor will chair a Summit Meeting on Drugs on 6 March to encourage community participation, and to draw on ideas from a wide sector of the community.
- (c) Although street-level drug traffickers may concentrate in particular areas at particular times, they are highly mobile and they do change their locations and methods of operation quickly. Thus, while black spots can occasionally be identified, Police enforcement action tends to make them short-lived.
- (d) It is believed that many street level traffickers have some sort of triad affiliations. However, there is little evidence to indicate that drug trafficking is directly related to triad activities.

End/Wednesday, February 22, 1995

Rank of HK Commissioner in London under review

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

Question:

Will the Government inform this Council whether -

- (a) there is any plan to downgrade the post of Hong Kong Commissioner, London (D8 on the Directorate Pay Scale) by several ranks when the incumbent retires next year; if so, to what level it will be downgraded and what is the justification for doing so; and
- (b) the post of Hong Kong Commissioner for Economic and Trade Affairs, USA will similarly be regraded downward upon the retirement of the present incumbent; if not, what the reasons are?

Reply :

The Government is progressively restructuring the London Office with a view to turning it into an economic and trade office by 1997. We see no justification for retaining the post of Hong Kong Commissioner, London, at the current D8 rank on the completion of the re-structuring in late 1996 or early 1997, at which time the London Office will have relinquished those of its traditional functions which are not directly related to trade and economic matters. The future rank of the post is under review and, while no decision has yet been taken, it will certainly be lower than D8.

The considerations which are relevant to the case of the London Office are clearly not applicable in respect of the United States. No change in the role of our economic and trade offices in the USA is envisaged and we do not have any plans to re-grade the post of Hong Kong Commissioner for Economic and Trade Affairs in the USA.

End/Wednesday, February 22, 1995

Veterinary service bill ready in 1995/96 legislative session

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Following is a question by the Hon Tam Yiu-chung and a written reply by the Secretary for Economic Services, Mr Gordon Siu, in the Legislative Council today (Wednesday):

Question:

Regarding the Agriculture and Fisheries Department's proposals for the enactment of the Veterinary Surgeons Registration Bill and the setting up of a Veterinary Committee, will the Government inform this Council of the progress to date and whether any long-term targets and programmes have been formulated?

Reply:

The demand for veterinary services has increased considerably in recent years. There has been a corresponding increase in the number of veterinary surgeons practising locally and in reports of unqualified persons providing veterinary services. In the interests both of the profession and animal welfare, consideration is therefore being given to the statutory registration of veterinary surgeons who wish to practise in Hong Kong and to related matters including qualifications, standards of practice, conduct and discipline. Our aim is to have a Bill ready for introduction into this Council during the 1995/96 legislative session.

End/Wednesday, February 22, 1995

Sale of Chinese medicine

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Following is a question by the Hon Tam Yiu-chung and a written reply by the Secretary for Economic Services, Mr Gordon Siu, in the Legislative Council today (Wednesday):

Question :

Regarding the sale of Chinese medicine containing controlled ingredients, will the Government inform this Council of :

- (a) the types of controlled ingredients found by the Agriculture and Fisheries Department during the searches of traditional medicine shops conducted in 1994; and
- (b) the criteria on which such searches are based?

Reply:

The types of controlled ingredients found by the Agriculture and Fisheries Department during searches of traditional medicine shops in 1994 were those originating from animals subject to licensing control under the Animals and Plants (Protection of Endangered Species) Ordinance. Some parts and derivatives of endangered species of animals used in traditional medicine, including rhinoceros horn and hide, elephant hide, bear gall bladders and bile, musk pods and grains, sea turtle shells and articles claimed to be tiger parts or crocodile meat were found, in addition to medicines claiming to contain ingredients from rhinoceroses or tigers.

Searches of traditional medicine shops are conducted when the Department has reason to believe that endangered species scheduled under the Ordinance may be found on the premises. Such searches must be authorised by a magistrate.

End/Wednesday, February 22, 1995

Student hostel places at HKIED

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Following is a question by the Hon Timothy Ha Wing-ho, and a written reply by the Secretary for Education and Manpower, Mr Michael Leung, at the Legislative Council today (Wednesday):

Question:

Regarding the Hong Kong Institute of Education's new campus which will be built in Tai Po, will the Government inform this Council of:

- (a) the respective numbers of student hostel places planned for various courses; whether they will be adequate to meet the demand in the next five years; if not, what the reasons are; and

- (b) the ratio between hostel places and the overall number of enrolments; how does this ratio compare with those adopted by institutions under the University Grants Committee ?

Reply :

Mr President,

- (a) A total of 1,500 student hostel places are planned for the full-time students on pre-service courses at the Hong Kong Institute of Education (HKIEd) whereas none are planned for the students on in-service courses. The Government does not specify how these hostel places should be allocated amongst the students.

In planning for the provision of student hostels at the HKIEd, the Government's policy is that Government contribution will be limited to 75% of the capital cost to enable up to 50% of the full-time students to be provided with hostels. This is in line with the policy on the provision of publicly-funded hostels for students in the tertiary sector as a whole as institutions funded by the University Grants Committee (UGC) are at present required to cover at least 25% of the total cost of a hostel project. Nevertheless, because of historical and locational reasons, the levels of provision of student hostels in the UGC-funded institutions vary.

Having regard to its unique academic mission in teacher education, the Institute considers there is a need to enable students to participate more fully in student activities and hence develop their social and organisational abilities and to provide easy access to the Institute's facilities for students to carry out their practical work. In view of the location of the campus, the Institute intends to seek private donations to provide maximum student accommodation in order to better fulfill the unique objectives of teacher education.

- (b) The planned 1,500 student hostel places represent 37.5% of the projected full-time student population of the HKIEd when it moves into its new campus in September 1997. As mentioned in (a), the levels of provision of publicly-funded student hostels for the UGC-funded institutions vary, largely because of historical and locational reasons, and are as follows -

- up to 25% of the full-time student population for the University of Hong Kong

- up to 50% of the full-time student population for the Chinese University of Hong Kong
- up to 30% of the full-time student population for the Hong Kong University of Science and Technology
- up to 50% of the full-time student population for the Lingnan College

The Hong Kong Polytechnic University, the City University of Hong Kong and the Hong Kong Baptist University are not provided with publicly-funded student hostels.

The UGC's review of the space and accommodation requirements of the UGC-funded institutions will be available by late 1995/early 1996 and the Government will consider whether the existing policy on the provision of student hostels at tertiary institutions needs to be adjusted.

End/Wednesday, February 22, 1995

Passenger safety in public light buses

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

Question:

Recently, there have been complaints by the public that in some sixteen-seat public light buses, no handrail is installed for the passenger seat immediately behind the driver's seat, which can easily cause danger to children and elderly passengers occupying this seat. In this connection, will the Government inform this Council whether:

- (a) it will look into the design of seats of public light buses with particular regard to passengers' safety; and
- (b) it will consider requiring public light bus operators to install a handrail behind the driver's seat?

Answer:

Mr President,

It has always been Government's concern that the seating and other arrangements inside public light buses (PLBs) should be designed to enhance the safety of passengers. For example, one of the requirements is that all 16-seat light buses must be fitted with a handrail between the door and the single passenger seat immediately behind the door.

The installation of a handrail behind the driver's seat is not a prescribed requirement at present. In practice, however, many red and green minibuses already have these fitted and, indeed, this has been a standard feature in all new minibuses registered over the past 4 years.

Transport Department, in consultation with the PLB operators, will consider making the provision of such handrails a mandatory requirement.

End/Wednesday, February 22, 1995

Pilot programme to help unemployed local workers aged over 30

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Following is a question by the Hon Frederick Fung Kin-kee and a written reply by the Secretary for Education and Manpower, Mr Michael Leung, in the Legislative Council today (Wednesday):

Question:

With regard to the Employees Retraining Scheme, will the Government inform this Council :

- (a) of the annual breakdown of the number of participants in each of the courses under the scheme since its implementation;
- (b) of the number of retrainees who have been able to find course-related jobs upon completion of their retraining programmes, and the annual breakdown of retrained workers in each course who have been able to find course-related jobs within six months after retraining; and

- (c) whether the Government will consider formulating policies requiring employers to give priority to employing retrained workers before taking on imported labour to fill job vacancies; if so, whether there is a timetable for the formulation of such policies; if not, what are the reasons for not considering the resolution of the employment problems of local workers first?

Reply :

Mr President,

- (a) The statistics on the number of participants in each of the courses provided by the Employees' Retraining Board from 1992/93 to 1994/95 are at Annex.
- (b) We do not have statistics on retrainees who have been able to find course-related jobs after completion of their retraining programmes. However, according to the results of an independent study commissioned by the Employees Retraining Board on the success rate of retrainees in finding jobs, 70.6% of the active job-seekers who completed the full-time Job Search Skills Course have been able to find employment while the corresponding success rate of those who completed other vocational skill courses is 59.7%. The full report is being finalised and will be published when it is completed.
- (c) It is already an integral part of our policy on importation of labour that employers are required to give priority to recruiting local workers, including retrained workers to fill any job vacancies first before they are allowed to apply for imported workers to fill such places. It is in accordance with this policy that under both the General Importation of Labour Scheme and the special labour importation scheme for Airport Core Programme projects, we require employers who wish to import labour to first register their vacancies with the Local Employment Service (LES) of the Labour Department, and then furnish evidence of such efforts to the Immigration Department when applying for quota allocation.

To assist retrainees to re-join the local workforce, the LES of the Labour Department has been providing special counselling and job placement services to retrainees in all of its nine local employment centres. In the past two years, a total of eight 'job bazaars' to promote the employment opportunities for retrainees have been organised. Profiles of retrainees have also been sent regularly to employers on request.

To achieve a better integration of the Employees Retraining Scheme and the LES, we will soon be launching a Pilot Employment Matching Programme to assist unemployed local workers over 30 years of age to rejoin the workforce. This involves the establishment of a Special Register at the LES to provide active placement service for job-seekers over 30 years of age on the basis of actual job vacancies registered by employers, either through direct job referrals, or referrals after arranging for job-seekers to attend job-related retraining courses organised by the Employees Retraining Board.

**Number of participants in
retraining courses offered by
Employees Retraining Board 1992/93 - 1994/95**

	<u>No. of Retraimees enrolled</u>		
	1992/93 (4th quarter only)	1993/94 (1st to 4th quarter)	1994/95 (1st to 3rd quarter ie up to <u>31.12.94</u>)
I <u>General Retraining Programme</u>			
a) Courses on Job Search Skills	-	6,907	9,906
b) Job-Specific Skills Courses	535	3,650	2,237
c) General Skills Course	10	2,808	16,361
d) Skills Upgrading Course	-	266	331
II <u>Programmes for the Elderly</u>	-	132	1,887
III <u>Programmes for the Disabled & Accident Victims</u>	-	55	764
Total	545	13,818	31,486

Profits tax paid by property business sector

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Following is a question by the Hon Eric Li and a written reply by the Secretary for the Treasury, Mr Donald Tsang, in the Legislative Council today (Wednesday);

Question :

Regarding the profits tax levied on the property business sector, will the Government inform this Council :

- (a) whether the property business sector has been sub-categorised as a separate type of economic activity among the sources of profits tax levied by the Government, so that the precise amount of the profits tax paid and its share of the profits tax can be identified; if so, what the figure and its share in the 1993-94 fiscal year were;
- (b) if the answer to (a) is in the negative, what was the proportion of the profits tax paid by the listed property companies to the total profits tax collected in the 1993-94 fiscal year; and
- (c) how long will the tax assessment and collection process take to reflect the situation of the property companies' sharp decrease in profits due to the fall in property prices in late 1994 and 1995, having regard to the fact that property companies usually enter their profits from the sale of property into their accounts at the end of the fiscal year, and that it takes time to go through the procedures of preparing the accounts, auditing, filing declaration and assessment of tax; and whether the decrease in profits tax can only be fully reflected in the 1997-98 fiscal year?

Answer :

In reply to the Honourable Member's questions -

- (a) for statistical purposes, the Inland Revenue Department operates a system of trade classifications which enables the profits tax contribution made by various business sectors to be identified. These statistics are published annually in Schedule 3 of the Annual Review of the Commissioner of Inland Revenue. However, it is not practicable to maintain records which would permit the precise amount of tax paid by every business sector to be ascertained.

For some years now, the profits tax contribution by the property business sector has been included under the heading "Estate Development, Investment and Finance (other than Banking)". This category takes in not only property businesses (both development and rental) but also share/bullion/commodity brokers and dealers, investment companies and merchant banks and finance houses which are not authorised institutions. Based on a sample of files, the Commissioner estimates that of the total profits tax contributed by companies coming within this category, some 80% was paid by property businesses. On this basis, he estimates that about \$8 billion, or 20% of all profits tax contributions in 1993-94, came from the property sector.

(b) see (a) above.

(c) we cannot say yet whether the decline in property prices in late 1994 and 1995 has caused a sharp decrease in the profits of property companies, because the profits for that period have not yet been reported. However, if profits have decreased, the effect on the profits tax yield is likely to be reflected before the 1997-98 fiscal year. For example, companies which close their accounts on 31 March 1995 will have to file their tax returns by October 1995 with tax due for payment before 31 March 1996, i.e. within the 1995-96 fiscal year. Companies which close their accounts on 30 June 1995 will have to file their tax returns by May 1996 with tax due for payment by November 1996, i.e. within the 1996-97 fiscal year.

End/Wednesday, February 22, 1995

Plans to widen Castle Peak Road

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

Question:

In regard to the traffic congestion along Castle Peak Road during peak hours in the morning (particularly the section between Sam Shing and Siu Lam), will the Government inform this Council:

- (a) of the reasons for the congestion;
- (b) what measures are in place to improve the situation; and
- (c) whether there are any plans to implement a full-scale widening of Castle Peak Road; if so, what the specific plans are; if not, what the reasons are?

Reply:

Mr President,

Castle Peak Road can cope with traffic volumes experienced at normal times. Congestion does, however, occur occasionally during peak hours at signal junctions between Sam Shing and Siu Lam, in particular at Sam Shing, Tsing Yung Street and Gordon Hard. To address the problem, Transport Department made adjustments to the traffic signal timings in January this year. The indications are that this has resulted in an improved traffic flow. Transport Department will continue to monitor the situation closely.

To cope with the additional traffic generated by the new developments along Castle Peak Road near Tsuen Wan, a new dual two-lane bypass, Hoi On Road, was opened to traffic in early January 1995. Since then, the traffic flow in this location has improved considerably .

There are plans to widen Castle Peak Road between Tsuen Wan and Sam Shing. The programme is as follows :

(i) Tsuen Wan Area 2 to Ka Loon Tsuen

Highways Department is now carrying out an engineering feasibility study to widen this section of the road. The intention is to upgrade it to dual two-lane. The study will be completed by the end of this year.

(ii) Ka Loon Tsuen to Siu Lam

This section has already been widened to 10.3 metres to provide three lanes : two Tuen Mun-bound and one Kowloon-bound.

(iii) Siu Lam to So Kwun Wat

Highways Department is preparing a detailed design for widening this section to a dual two-lane carriageway. The construction work will commence in late 1995 for completion in mid-1998.

(iv) So Kwun Wat to Sam Shing

This section has already been widened to 10.3 metres, and there is now a dual two-lane carriageway adjacent to the Gold Coast development.

End/Wednesday, February 22, 1995

Plastic envelopes bring environmental problems

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Following is a question by the Hon Mrs Peggy Lam and a written reply by the Secretary for Economic Services, Mr Gordon Siu, in the Legislative Council today (Wednesday):

Question:

Is the Government aware that the environmental problems caused by the extensive use of plastic bags have been exacerbated by the increasingly common use of large quantities of plastic envelopes? If so, will the Government inform this Council:

- (a) of the volume of plastic envelopes currently handled each day by the territory's Post Offices; and
- (b) what measures it intends to take to dispose of this type of plastic waste in order to prevent it from becoming another major environmental problem?

Reply:

Mr President,

The Government is aware that the environmental problems caused by the extensive use of plastic bags have been exacerbated by the increasingly common use of plastic envelopes in large quantities. Similar to other forms of consumer plastic waste, used plastic envelopes are disposed of mainly in landfills. A small proportion are incinerated. There is virtually no recovery of such waste because of its minimal recycling value.

On the average, the Post Office handles 200,000 plastic envelopes each day. Apart from adding to the volume of plastic waste to be disposed of, these plastic envelopes are also creating a serious operational problem to the Post Office because they cannot be processed by the Post Office's Mechanised Letter Sorting System and have to be sorted manually. To discourage their use, especially by large mailers, the Post Office is now considering removing the printed paper discount from items mailed in plastic envelopes.

End/Wednesday, February 22, 1995

Anti-drugs effort needs to be redoubled

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Following is a question by the Hon Timothy Ha Wing-ho and a written reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday);

Question:

Juvenile involvement in drug offences and drug abuse has recently become a serious problem. According to some survey findings, there was a 35% increase in the number of young people who were involved in drug abuse in the 3rd quarter of 1994 as compared with that in the corresponding period in 1993, and the number of youngsters under 21 who were arrested for alleged involvement in drug offences had also risen by more than 30% over the past two years. In view of this, will the Government inform this Council whether it has formulated any long-term policy to tackle the worsening problem of juvenile involvement in drug offences and drug abuse; if so, what the details are; if not, why not?

Reply:

Mr President:

The Government is indeed very concerned at the rising trend of young people involved in drug abuse and drug offences. An important factor contributing to the recent increase in drug offences is the increased supply from drugs-producing areas. Vigorous enforcement and interdiction action is being undertaken. But enforcement action alone is not enough.

The Government's long-term policy to combat the problems of drug addiction and drug offences takes a multifaceted approach:

(a) Legislation and Enforcement

Our policy is to have in place the necessary legislation to combat drug offences, and to keep them up to date. Our enforcement agencies, including the Police, Customs and Excise Department and the Department of Health, take vigorous action to detect and prosecute offenders, and to clamp down on the illegal supply of drugs in Hong Kong.

(b) Treatment and Rehabilitation

A wide range of both mandatory and voluntary programmes for the treatment and rehabilitation of drug addicts and substance abusers is provided in Hong Kong. These programmes are operated by the Correctional Services Department, the Department of Health, the Hospital Authority, the Society for the Aid and Rehabilitation of Drug Abusers, the Hong Kong Christian Service and a variety of voluntary groups.

(c) Preventive Education and Publicity

Our aim is to inculcate in our young people a healthy and positive attitude to life, and to encourage them to resist the temptation to take drugs. This is done through a variety of education and publicity programmes and material. The Education Department, the Social Welfare Department, the Information Services Department, district-based organisations, voluntary agencies, schools and the media all contribute towards our joint effort.

Research is also carried out to better guide these various approaches and programmes. Playing an important co-ordinating role in this multifaceted approach is the Action Committee Against Narcotics, supported by the Narcotics Division of the Security Branch.

We recognise that the seriousness of the drug problem, particularly as it affects the young, is such that we need to redouble our anti-drugs effort. The Government will, of course, play its part, but we need the support and participation of non-Government organisations, teachers, parents and indeed the community as a whole. In order to highlight the need for a concerted effort, and to tap the ideas of all concerned, the Governor will chair a Summit Meeting on Drugs on March 6, 1995. We hope that this will produce worthwhile ideas, which will be followed through.

End/Wednesday, February 22, 1995

Companies apply to carry on insurance business

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Following is a question by Dr the Hon Huang Chen-ya and a written reply by the acting Secretary for Financial Services, Mrs Lessie Wei, in the Legislative Council today (Wednesday):

Question :

- (a) How many companies have applied for authorisation to carry on insurance business in the past three years?
- (b) How many applications have been approved; how many have been rejected and what are the reasons for rejection?

Reply :

- (a) Ten companies have applied for authorisation to carry on insurance business in the years 1992, 1993 and 1994. The number of applications in each of the three years was three, four and three respectively.

- (b) Of the ten applications, three have been approved, two have been granted approval in principle, subject to their setting up a Hong Kong office in accordance with their business plan, and three are being processed. Further information is still awaited from the three applicants concerned to substantiate their financial position and their proposals for establishment of a Hong Kong office. No application has been rejected. However, two applications were withdrawn after the applicants realized that they were unable to meet the authorisation criteria for a strong financial position or the establishment of an office in Hong Kong.

End/Wednesday, February 22, 1995

Children of HK residents in China

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

Question :

According to the Government's recent estimation, about 300,000 children of Hong Kong residents are living in China. In this connection, will the Government inform this Council of :

- (a) the basis on which the above figure is arrived at and the distribution by age groups in intervals of five years;
- (b) the estimated number of such children who will become permanent residents of Hong Kong in 1997; and what variations of this figure are expected in the next two years;
- (c) the estimated number of such children born to unmarried couples and the basis of the estimation; whether children of this category will be eligible to become permanent residents of Hong Kong; and whether the government has discussed the issue with the Chinese Government and reached any agreement; if so, what is the outcome of the discussion; and

- (d) the number of children below the age of 15 who came to Hong Kong with one-way exit permits issued by China, together with the proportion of this group of children to the children of the same age group in the territory in percentage terms, in each of the past three years?

Reply :

Mr President,

- (a) The figure of 300,000 is estimated on available data, including record of applications for Certificates of Absence of Marriage, legal immigration statistics, demographic statistics and assumptions about family size, and a survey conducted in 1991 of the number of Hong Kong men married to women in China. We do not have a breakdown of this figure by age groups of five years.
- (b) We estimate that among these 300,000 mainland children, about 64,000 (as at the beginning of 1995) will have the right of abode in Hong Kong as from July 1, 1997 in accordance with the Joint Declaration and the Basic Law. If the present rate of the entry of these children into Hong Kong for settlement remains unchanged, there will be about 55,000 such children in China by July 1997. That figure may of course be affected by any change to the current one-way permit quota, or by any change to demographic trends.
- (c) Both sets of estimated numbers refer to legitimate children only. We do not have any estimate of the number of illegitimate children born in China to Hong Kong residents. Whether illegitimate children born to Hong Kong permanent residents will have automatic right of abode in Hong Kong under the Joint Declaration and the Basic Law is under discussion with the Chinese Government.
- (d) The numbers of children under 15 who came to settle in Hong Kong under one-way exit permits in 1992, 1993 and 1994 are 7,853, 8,396 and 11,156 respectively. They constituted 0.66%, 0.71% and 0.95% of the under 15 population in Hong Kong in these three years.

End/Wednesday, February 22, 1995

Contact between deaf electors and candidates

Following is a question by the Hon Eric Li Ka-cheung and a written reply by the Secretary for Constitutional Affairs, Mr Nicholas Ng, in the Legislative Council today (Wednesday):

Question:

Regarding the elections of the two Municipal Councils and the Legislative Council to be held this year, will the Government inform this Council of the following:

- (a) whether the Government will consider arranging sign-language interpretation when open fora are held for candidates, so that deaf electors can understand the platforms of the candidates and raise questions thereon; if so, what the estimated manpower and expenses are; and
- (b) if the answer to (a) is in the negative, what the reasons are; and what measures will be taken by the Government to facilitate the contact between deaf electors and the candidates?

Reply:

Open fora organised by the Administration for candidates during last September's District Board elections drew mixed response, with some fora having only one candidate appearing and audience size was very small at others. In view of this, no open fora are being organised for the forthcoming Municipal Council elections.

For the Legislative Council elections in September, the Administration has yet to decide whether open electoral fora will be organised for candidates. The Administration will certainly consider including sign-language interpretation if and when such fora are to be held, subject to the availability of sign-language interpreters.

Contacts between deaf electors and the candidates are not confined to participation at open electoral fora. Candidates often meet their constituents during home visits and other canvassing activities. They also make known their platform through the distribution of printed literature, either through the free mailing service provided by the Administration or other distributory channels.

End/Wednesday, February 22, 1995

Motion on immigration policy passed

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A motion calling on the Government to review the immigration policy on the entry of spouses and children of Hong Kong residents from China, so as to reduce the social problems arising from split families, was passed at the Legislative Council sitting this (Wednesday) afternoon.

After members debated on the motion proposed by Hon Elsie Tu, the Secretary for Security, Mr Peter Lai, replied for the Government.

Another motion on public rental housing was also passed with amendments. The motion was moved by Hon Andrew Wong with amendments proposed by Hon Frederick Fung and Hon Lau Wah-sum.

The Secretary for Housing, Mr Dominic Wong, replied for the Government after members spoke on the motion.

During the sitting, the Human Organ Transplant Bill was passed with amendments.

Second reading debate was resumed on a private member's bill proposed by the Hon Michael Ho - the Immigration (Amendment) Bill 1993. After members spoke on the bill, the Secretary for Security, Mr Peter Lai, and the Secretary for Education and Manpower, Mr Michael Leung, replied on behalf of the Government. The bill was finally vetoed by a vote of 28 to 21.

In addition, four bills were introduced for first and second readings. Debates on them were adjourned. They were the Legal Aid Services Council Bill, the Control of Obscene and Indecent Articles (Amendment) Bill 1995, the Road Traffic (Amendment) Bill 1995 and the Banking (Amendment) Bill 1995.

End/Wednesday, February 22, 1995