



DAILY INFORMATION BULLETIN

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Wednesday, December 14, 1994

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Governor meets Japanese Prime Minister

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The Governor, the Rt Hon Christopher Patten, began a full programme of engagements today (Wednesday) in Tokyo on his second official visit to Japan as the Governor of Hong Kong.

He called on Mr Tomiichi Murayama, the Japanese Prime Minister, and Mr Yohei Kono, Minister for Foreign Affairs. He also exchanged views with Mr Ichiro Ozawa, Secretary-General, New Frontier Party and the former Prime Minister, Mr Kiichi Miyazawa.

During his meeting with Prime Minister Murayama, the Governor noted the large and growing stake Japan has in Hong Kong's economy.

He outlined recent developments in Hong Kong, and said he hoped that Japan would continue to be one of Hong Kong's largest trading partners and investors, before and after 1997.

He noted that Hong Kong's success depended in large part on its rule of law and the other rights and freedoms set out in the Joint Declaration. They would continue to underpin Hong Kong's success after 1997.

Earlier at a photo call preceding his meeting with Mr Yohei Kono, the Foreign Minister noted that Mr Patten had a very hectic schedule during his visit which included many meetings and public engagements.

He said it was a reflection of a strong and close relationship between Japan and Hong Kong.

A spokesman for the Governor said the Governor had a series of useful, informative and wide ranging discussions with Japanese Government and political leaders.

The meetings today had provided an opportunity to discuss Hong Kong/Japan relations in detail. Hong Kong and Japan had substantial economic and trade ties, and also share values, the spokesman added.

Following his meeting with Mr Kono in the morning, he arrived at the Tokyo Kaikan to meet some of the Japanese leading businessmen in a reception before addressing a luncheon hosted by the Japan/Hong Kong Society, Hong Kong/Japan Business Co-operation Committee, Hong Kong Trade Development Council and Hong Kong Economic and Trade Office.

Speaking to more than 600 guests attending the luncheon, the Governor listed Hong Kong's achievements since he last addressed the gathering only two years ago.

Hong Kong's per capita GDP was overtaken that of Australia, Canada and United Kingdom; Hong Kong has moved up from being the 10th largest trading entity in the world to the eighth; Hong Kong is now into its 34th year of economic growth; since 1992, 153,000 new businesses have been set up in Hong Kong and over 700 more foreign companies registered there, taking the total to 3,900.

Noted that the growing economic relationship is matched by growing human contacts, Mr Patten said the number of Japanese living and working in Hong Kong has gone up from 14,000 to 20,000; 10 years ago it was only around 7,000.

"Trade between Japan and Hong Kong now totals about US\$20 billion. About 11 per cent of Hong Kong total's global trade," he said.

"You are the biggest external investor in our manufacturing sector. Your investment in Hong Kong industry is worth about US\$2 billion. One in four of our banks in Hong Kong are Japanese-owned."

Japanese companies are also playing a leading role in helping Hong Kong to build for the future.

"Twenty-six per cent of all the largest infrastructure projects associated with the new airport projects have gone to Japanese companies," Mr Patten said.

Turning to the question of whether Hong Kong will continue to prosper after 1997, the Governor said he was optimistic it would provided that the Joint Declaration was sustained, which underpinned the concept of one country, two systems.

"Under our system, we have the rule of law; under our system, we have a level playing field in business and in the courts; under our system, we have openness and accountability; under our system, contracts are not awarded according to political correctness; under our system, you can't cancel leases without answering in court; under our system, you can't walk from a commercial bargain that you strike," Mr Patten said.

"As long as the Hong Kong system survives, and I believe it will, Hong Kong will continue to prosper."

Tomorrow, the Governor will meet a number of other cabinet ministers including Mr Masayoshi Takemura, Minister of Finance, and Mr Ryutaro Hashimoto, Minister for International Trade and Industry.

He will officiate at the opening of the 17th Joint Plenary Meeting of the Hong Kong/Japan Business Co-operation Committee and Japan/Hong Kong Business Co-operation Committee.

He will also meet Mr Schoichiro Toyoda, Chairman of Keidaren (The Japan Federation of Economic Organisations). He will make a speech at Japan's National Press Club and take questions, as well as giving a number of media interviews.

End/Wednesday, December 14, 1994

Railway Development Strategy announced

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The Secretary for Transport, Mr Haider Barma, today (Wednesday) announced the Railway Development Strategy which maps out plans for the future development of the railway system in Hong Kong.

Mr Barma said: "The Strategy will contribute greatly towards improving the territory's transport network, relieving road congestion, supporting future housing development in the New Territories and assisting Hong Kong's economic growth."

"The Strategy accords high priority to constructing three railway projects targeted for completion by 2001 as follows:

The Western Corridor:

It would accommodate three rail services as follows:

* A Port Rail Line from the border via Kam Tin and Tsuen Wan to a Port Rail Terminal at Kwai Chung.

* A Cross Border Passenger Service from the border to a terminal at West Kowloon next to the Airport Railway's West Kowloon Station.

* A Sub-regional Passenger Service connecting West Kowloon with the Northwest New Territories via Kam Tin, Yuen Long, Tin Shui Wai before terminating at Tuen Mun North. (Consideration will be given to extending the link to Tuen Mun Town Centre at a later date.)

MTR Extension to Tseung Kwan O:

The line would run from the existing Lam Tin Station to Po Lam. To relieve resulting interchange congestion at the existing MTR Quarry Bay Station, there may be a need to extend the existing MTR Kwun Tong Line from Quarry Bay to Tin Hau.

East Kowloon Route:

It would comprise an underground extension of the existing KCR line from Hung Hom to Tsim Sha Tsui and a rail link from Ma On Shan to Tai Wai. (A further extension of the KCR line from Tsim Sha Tsui to West Kowloon, and a rail link from Diamond Hill to Hung Hom via the Kowloon Bay reclamation could be considered at a later stage.)

As a rough indication, the total cost of the three high priority projects is expected to be in the range of \$50 billion - \$56 billion (at 1994 prices).

The Strategy also recommends that construction of three new rail lines on Hong Kong Island should be considered in the future. They are the South Island Line from Ap Lei Chau to Tamar, the West Island Line from Sheung Wan to Green Island and the North Island Line from Tin Hau to Central via the Central and Wanchai Reclamation.

The Strategy lists, as long-term options, the proposals to build an outer Western Corridor from Tuen Mun to Green Island via Yam O on Lantau and a second Port Rail Line from Yuen Long to Lantau.

The timing for implementing these longer-term projects will be dependent on future land reclamation and development plans.

With regard to the three high priority projects, Mr Barma said: "The next step will be for the Government to invite proposals from the KCRC and the MTRC to build the Western Corridor Railway and the MTR Tseung Kwan O extension respectively."

Further investigation will be needed for the East Kowloon Route proposal.

Mr Barma said: "Since most of the expenditure for these projects will occur after 1997, the Chinese side of the Joint Liaison Group has been briefed on the Strategy.

"They will be fully consulted at a later stage when we have details of the proposed timing, scope and financing of each project before decisions are taken on their implementation.

"Cross border issues arising from the proposed Western Corridor Railway may be discussed by the newly established Sino-British Co-ordinating Committee on Major Cross-Border Infrastructure between Hong Kong and the Mainland," Mr Barma said.

End/Wednesday, December 14, 1994

Government response to withdrawal of Employment (Amendment) Bill

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The Government regretted that it was necessary to withdraw the Employment (Amendment) Bill from the Legislative Council, a Government spokesman said today (Wednesday).

The spokesman said that a very important point of principle was at stake.

"The Bill provides for substantial improvements in the provision of severance and long service payments for employees. The package of improvements was based on the conscious decision of the Labour Advisory Board (LAB)," the spokesman said. LAB is the Government's main advisory body on labour issues. It is a body where employees and employers elect their own representatives to deliberate on issues concerning labour policy and legislative proposals.

"The LAB has an excellent record and has made significant improvements to labour welfare at a pace acceptable to both employees and employers. Every set of LAB's proposals represents the outcome of patient, understanding and careful deliberations. We must not seek to overturn lightly or abruptly LAB's proposals without consultation.

"To do so would put our labour relations at risk and would risk damaging the LAB's credibility as a successful forum where employee and employer representatives can deliberate their concerns in an understanding and constructive manner," the spokesman said.

"We will reflect the views of the Legislative Council to the LAB and we intend to consult the LAB on the way forward as soon as possible," the spokesman said.

"The Administration acted in accordance with the Standing Orders of the Legislative Council, which provide that the member moving a Bill may withdraw the Bill at any time before the commencement of each stage in the proceeding," the spokesman explained.

End/Wednesday, December 14, 1994

Lot sold for \$170 million

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A lot of Government land was sold at the opening price of \$170 million at a public auction held by the Lands Department this (Wednesday) afternoon.

Located in Area 26, Kwai Chung, the lot was bought by Gay Sierra Company Limited. It has an area of 6,242 square metres for use as godown and public car park.

The developer has to complete a gross floor area of not less than 35,580 square metres on or before December 31, 1997.

Another lot, covering an area of 8,431 square metres for residential use in Town Park Road North, Yuen Long, was withdrawn because no bidding was made for the opening price of \$380 million.

Held in the Concert Hall of the City Hall, the auction was conducted by the Government Land Agent, Mr Francis H K NG.

End/Wednesday, December 14, 1994

Extra Field Audit Team set up to fight tax evasion

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The Inland Revenue Department will further step up its fight against tax evasion by setting up an extra Field Audit Team in 1995-96, the Commissioner of Inland Revenue, Mr Anthony Au- Yeung, said today (Wednesday).

In a briefing to the Legco Panel on Financial Affairs, Mr Au-Yeung said this would bring to eight the total number of Field Audit Teams combating tax evasion.

"This extra team is expected to handle an additional 120 cases a year and recover \$72 million in back taxes and penalties.

"In total, I expect to process some 1,400 investigation and field audit cases in 1994-95 and to collect \$1,100 million in back taxes and penalties," he said.

Mr Au-Yeung said this represented a 17 per cent increase in the amount of actual back taxes and penalties assessed last year.

"However, there is no place for complacency. I expect to achieve a further 18 per cent increase in 1995-96, that is \$1,300 million," he said.

Mr Au-Yeung told Legco members that combating tax evasion was still an important item on the Inland Revenue Department's agenda.

"Given our low tax regime, there is no excuse for tax evasion. Taxpayers must pay their fair share of tax," he said.

On tax avoidance, Mr Au-Yeung said the Administration had carried out consultations on the proposal to introduce measures to tackle tax avoidance using service companies.

He said as a result of the consultations, it has been decided to tackle the "disguised employment" cases through specific legislation.

"The relevant legislation is now being prepared for submission to the Executive Council and Legislative Council in early 1995," he said.

"Separately, I will issue a Practice Note to cover cases involving the payment of inflated management fees to service companies using the existing provisions in the Inland Revenue Ordinance," he added.

Mr Au-Yeung said one major development in 1994-95 was the introduction of a composite tax return system on April 1, 1994.

"Individuals now report in a single return all their incomes from certain chargeable sources, namely incomes from employment, properties and unincorporated businesses.

"This has not only streamlined the work of the department by reducing the number of returns filed by taxpayers but has also simplified matters for taxpayers who have more than one source of income," he said.

"The introduction of the new system represented another move towards simplification of our tax system. Its adoption led to the deletion of 254 posts and an annual savings of some \$52.8 million," he added.

On the department's performance as a whole, Mr Au-Yeung said his staff would continue to regard the provision of high quality service to taxpayers as a matter of importance.

"I am glad that the department is able to deliver the majority of its performance pledges on target. My in-house service standards team will continue to work with the Users' Committee, which is an independent body with a broadly based membership, to review our performance targets and to recommend the introduction of new pledges," Mr Au-Yeung elaborated.

End/Wednesday, December 14, 1994

Tuition fees for Hong Kong Institute of Education

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The Government announced today (Wednesday) that a two-stage approach would be adopted to achieve the target of 18 per cent cost recovery on recurrent costs for fees for courses offered in the Hong Kong Institute of Education (HKIEd) by 2000/01.

Under the new two-stage approach, the tuition fees for pre-service courses will increase by 20 per cent in each of the academic years 1995/96 and 1996/97 before the completion of the new permanent campus for the HKIEd in 1997, and then by about 30 per cent in each of the subsequent four academic years.

The adoption of the two-stage approach is to make the fees more affordable to school leavers so as to encourage them to join the teaching profession.

The new fee for pre-service courses in the HKIEd will be \$10,440 for the academic year 1995/96 and the indicative fees for the subsequent three years will be \$12,530, \$16,260 and \$21,090 respectively.

The increase in fees should not cause hardship to needy students of the HKIEd who are undertaking full-time pre-service courses as they will be eligible for financial assistance under the Local Student Finance Scheme (LSFS) which is non-cash-limited and hence a more generous scheme than the Student Finance Assistance Scheme they used to be entitled to.

The grant element of the LSFS covers the tuition fees and academic expenses and will be adjusted automatically to take account of the increase in tuition fees.

"It remains Government policy that no student should be denied access to higher education because of a lack of means," a Government spokesman stressed.

The HKIEd is established to reaffirm Government's commitment to improving teacher education and hence the quality of school education. Its new permanent campus will be completed in 1997/98 and will provide upgraded facilities for students.

The spokesman said the 18 per cent target cost recovery for fees for courses in the HKIED was in line with the established policy of 18 per cent cost recovery for fees for courses in institutions funded by the University and Polytechnic Grants Committee.

"The objective is to strike a reasonable balance between students and the community in sharing the costs of tertiary and teacher education.

"Despite our seeking a larger contribution from those who can afford to pay, education always remains our largest expenditure item and we are still providing heavy Government subsidy to tertiary and teacher education," he said.

It is estimated that the new fee for 1995/96 represents 7.1 per cent cost recovery rate.

End/Wednesday, December 14, 1994

Operation against unlicensed guesthouses

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The Home Affairs Department, in a joint operation with the Police, yesterday (Tuesday) inspected seven suspected unlicensed guesthouses in a bid to crack down on illegal premises in Tsim Sha Tsui.

A man and a woman were arrested and will be served with summonses alleging that they operated unlicensed guesthouses contrary to section 5 of the Hotel and Guesthouse Accommodation Ordinance.

The two were released on police bail.

Assistant Director of Home Affairs Mr Tim Stephenson believed that the result of the operation would send a clear message to the trade that guesthouses operating unlawfully would not be tolerated.

He said efforts would continue to eliminate the illegal establishments and to ensure that guesthouses operating in the territory met the required safety standards.

"Enforcement action against illegal operators will be taken regularly in any district where the problem is believed to exist," he added.

At present, there are 340 licensed tourist guesthouses.

A total of 191 have been closed down since the department started full-scale inspections throughout the territory in September last year.

Mr Stephenson also called on the public to report unlicensed guesthouses to the Office of the Licensing Authority by telephoning 881 7034.

End/Wednesday, December 14, 1994

New membership of Governor's Business Council

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The Government announced today (Wednesday) the new membership of the Governor's Business Council.

The Governor has reappointed all of the current members of the council for another term of two years upon expiry of their current term on December 31 this year, and appointed four new members for a term of two years from January 1 next year.

The Governor's Business Council was established in October 1992 to expand the range of advice available to the Governor on how to maintain Hong Kong's business-friendly environment and on the impact of government policies on the conduct of business in Hong Kong.

"In the past two years, the Governor's Business Council has discussed a wide range of issues which have an impact on the economy and the conduct of business in Hong Kong, including inflation, competition, labour shortage, retirement protection, the renewal of China's Most Favoured Nation status in the United States, the economic implications of the outcome of the Uruguay Round of multilateral trade negotiations, corruption and business ethics and land supply, planning and redevelopment procedures," a Government spokesman said.

"The candid views offered by members of the council have been very helpful in enabling the Governor and senior officials represented on the council to appreciate the business sector's perspectives on all these issues," he said.

"Specific issues that the council's input has been sought and taken into account include the Government's decision, in respect of competition policy, to ask the Consumer Council to undertake a series of studies on specific sectors of the economy; the strengthening of the Consumer Council so that it can take on a more vigorous role in promoting competition and consumer welfare; the institution of 24-hour border road crossing arrangements at Lok Ma Chau and the development of codes of ethics for the business community," he added.

The reappointed members are Mr Christopher Cheng Wai-chee, Mr Paul Cheng Ming-fun, Mr Michael J Clancy, Dr Victor Fung Kwok-king, Mr John M Gray, Mr Walter Kwok Ping-sheung, Mr Charles Lee Yeh-kwong, Sir Quo Wei Lee, Mr Victor Li Tzar-kuoi, Mr Vincent Lo Hong-sui, Mr Peter D A Sutch, Mr Allan Wong Chi-yun, Mr David Wong Shou-yeu, Mr Peter Woo Kwong-ching, Mr Gordon Wu Ying-sheng and Mr Larry Yung Chi-kin.

The four newly appointed members are Dr Edgar Cheng Wai-kin, Mr Linus Cheung Wing-lam, Mr Alasdair G Morrison and Mr Louis Wong Kar-chit.

The Chief Secretary, Financial Secretary and Secretary for Trade and Industry are official members of the council.

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New Director of Education

The Deputy Secretary for Education and Manpower, Mr Lam Woon-kwong, will officially take up the post of Director of Education tomorrow (Thursday), replacing Mr Dominic S W Wong, who has been made Secretary for Housing.

Following are brief biographical notes on the new Director of Education:

Mr Lam Woon-kwong, JP

Aged 43. Mr Lam joined the Administrative Service in 1974 and rose to his present rank of Administrative Officer Staff Grade B1 in 1993. During the early years of his career, he served in a variety of posts in the then New Territories Administration and later the City and New Territories Administration, Finance Branch, the then Environment Branch and the then Umelco Office. On return from a training course at Harvard University in 1987, he was Administrative Assistant to the Chief Secretary and then Deputy Director, Regional Services Department. He was Deputy Secretary for the Civil Service from 1991 to 1993, when he took up his appointment as Deputy Secretary for Education and Manpower.

Attention News Editors:

The new Director of Education, Mr Lam Woon-kwong, will meet the media at 5 pm tomorrow (Thursday) at Room 1419, Wu Chung House, 213 Queen's Road East, Wan Chai. Media representatives are invited to attend.

Meanwhile, an official portrait of Mr Lam will be available for collection from GIS Press Boxes later today.

End/Wednesday, December 14, 1994

ASD scoops gold medal for architectural excellence

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The restoration project of Kun Ting Study Hall in Ping Shan by the Architectural Services Department was awarded the Gold Medal under the "Category D-1 Conservative Project" by the Architects Regional Council ASIA (ARCASIA) today (Wednesday).

ARCASIA is an organisation of 15 National Institutes of Architects from the Asian region extending from Pakistan in the west, the Philippines in the east, China in the north to Indonesia in the south.

The objectives of ARCASIA include fostering and maintaining professional contacts, material co-operation and assistance among member Institutes, promoting the recognition of the architects role in society, architectural profession in their service to society, research and technical advancement in the field of the built environment.

The aim of the ARCASIA Award, which is given in four categories at two years intervals, is to acknowledge exemplary architectural work and in doing so encourage the sustenance of the Asian spirit, the development and improvement of the Asian built environment and enhancement of the awareness of the role of architecture and architects in the socio-economic and cultural life of Asian countries.

With this Award, the intention is also to demonstrate that good architecture is a major component of the positive influence on the human environment, and that physical development in Asia need not be in disharmony with the cultural values, national identity or the natural environment of developing countries in Asia.

Situated in Hang Mei Tsuen, Ping Shan, the Kun Ting Study Hall was built in 1870 by Tang Heung Chuen, the 22nd generation ancestor of the Tang clan, to commemorate his father Tang Kun Ting. The Study Hall provided facilities for both ancestral worship and education.

At the time the Kun Ting Study Hall was constructed, the prosperity of the Tang clan was at its peak. A number of study halls were built in the Ping Shan area to prepare youngsters of the clan for the Imperial Civil Service Examination to qualify as officials in the Qing Government which was a way to enhance the prominent social status of the Tang clan.

Despite the abolition of the Imperial Civil Service Examination in 1904, the Study Hall continued to provide education facilities for youngsters in the clan until after the Second World War.

Kun Ting Study Hall is a two-hall building with an enclosed courtyard. The green-brick building is supported by finely carved granite columns with a granite block-base along the facade. The distinguished design of the ancestral altar brackets, screen panels, wall paintings, ridge decorations eaves boards and plaster mouldings inside the Study Hall reflect the work of skilful craftsmen of the period.

The Study Hall was restored by the Architectural Services Department to its original splendour in 1991 with donation from the Royal Hong Kong Jockey Club.

End/Wednesday, December 14, 1994

Closure of Tai Kok Tsui illegal structure sought

The Building Authority is seeking to close an unauthorised structure in Tai Kok Tsui so that it can be demolished without endangering the occupants and the public.

The unauthorised building structure used for dwelling is located on the 10th floor of a building in 22 Tong Mi Road.

A notice applying for a Closure Order from the District Court under the Buildings Ordinance on January 13 next year has been posted on the premises.

Demolition work is expected to start as soon as the Closure Order is issued.

End/Wednesday, December 14, 1994

Revision of fee for appeal to Pharmacy and Poisons Appeal Tribunal

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The Government is to increase the fee for each appeal to the Pharmacy and Poisons Appeal Tribunal from \$500 to \$835.

A Government spokesman said a study by the Department of Health showed that the existing fee level was below cost.

The new fee, which will be set out in the Government Gazette on Friday (December 16), will come into effect on December 28.

End/Wednesday, December 14, 1994

Carnival to publicise anti-drug and fight-crime messages

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A carnival to arouse public awareness of the drug problem and to publicise fight-crime measures will be held in Sham Shui Po on January 8 next year (Sunday).

The carnival, one of the activities of the Sham Shui Po District Festival, will take place in Sham Shui Po Sports Ground.

It is jointly organised by the Sham Shui Po District Office, the Sham Shui Po District Fight Crime Committee, the Urban Council, the Hong Kong Action Committee Against Narcotics, the Sham Shui Po Sports Association and the Eastern Winter Swimming Association.

The activity is also sponsored by the Sham Shui Po District Board and the Sham Shui Po District Festival Co-ordinating Committee.

The carnival will feature dragon and lion dances, Police pipe band show, anti-narcotic and fight crime exhibition, stall games and lucky draw.

Admission and games tickets will be available at the following venues starting tomorrow (Thursday):

* Sham Shui Po District Office, sixth floor West Coast International Building, 290- 296 Un Chau Street, Kowloon.

* Sham Shui Po District Office (Recreation, Amenities and Sports) of the Urban Services Department, S7 - S9 Lai Lan House, Lai Kok Estate, Sham Shui Po.

* Sham Shui Po Sports Association, S12 - S13, Lai Fu House, Lai Kok Estate, Sham Shui Po.

* Tung Shing Sewing Machine Company Ltd, 61 - 65 Nam Cheong Street, ground floor, Tung Shing Building, Sham Shui Po.

End/Wednesday, December 14, 1994

Water cuts in Sha Tin and Yuen Long

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Fresh water supply to some premises in Sha Tin will be temporarily suspended from 11 pm on Friday (December 16) to 6 am the following day to facilitate water mains leakage detection.

The suspension will affect all the premises in Tung Lo Wan Tsuen, On Ting Terrace, Tin Liu as well as those at On Lok Road, To Fung Shan Road and Tung Lo Wan Hill Road.

Meanwhile, in order to connect water mains, fresh and flushing water supply to some areas in Yuen Long will also be cut off from 11 pm on Saturday (December 17) to 11 pm the next day.

The affected areas include Fung Chi Tsuen, Chun Hing San Tsuen, Chung Hau Tsuen, Tung Tau Wai San Tsuen, Kwan Lok San Tsuen, Tung Tau Industrial Area, Yeung Uk Tsuen, Yeung Uk San Tsuen, Tai Tseng Wai, Tai Tseng Ng Uk Tsuen, Fuk Hing Tsuen, Shing Uk Tsuen, Lam Uk Tsuen and Sai Tau Wai.

Water supply to Long Ping Estate will also be weakened at the same time.

End/Wednesday, December 14, 1994

Closure of Ma Tau Wai illegal structure sought

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The Building Authority is seeking to close an unauthorised structure in Ma Tau Wai so that it can be demolished without endangering the occupants and the public.

The single-storey structure used for dwelling is on the first floor of a building in 64-66 Pak Tai Street.

A notice applying for a Closure Order from the District Court under the Buildings Ordinance on April 19 next year was posted on the premises today (Wednesday).

Demolition work is expected to start as soon as the Closure Order is issued.

End/Wednesday, December 14, 1994

Hong Kong Monetary Authority money market operations

	\$ million -----	Time (hours) -----	Cumulative change (\$million) -----
Opening balance in the account	1,147	0930	+172
Closing balance in the account	1,389	1000	+172
Change attributable to :	1100		+162
Money market activity	+159	1200	+162
LAF today	+83	1500	+162
		1600	+159

LAF rate 3.75% bid/5.75% offer TWI 121.8 *+0.0* 14.12.94

Hong Kong Monetary Authority

EF bills

EF notes/Hong Kong Government bonds

Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.79	17 months	2605	6.35	98.81	7.37
1 month	5.19	23 months	2611	6.90	98.84	7.70
3 months	5.69	28 months	3704	6.15	96.57	7.91
6 months	6.16	34 months	3710	7.25	98.39	8.04
12 months	6.86	57 months	5909	7.45	96.97	8.39

Total turnover of bills and bonds - 18,483 million

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SUPPLEMENT

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Statement on Railway Development Strategy

Following is the statement by the Secretary for Transport, Mr Haider Barma, on the Railway Development Strategy in the Legislative Council today (Wednesday):

Mr President,

Over the past several months considerable interest has been expressed both within and outside this Council regarding the proposed railway in the Northwest New Territories and other rail projects. I am pleased to announce the publication of the Railway Development Strategy today. Copies of the Strategy document have already been distributed to Honourable Members.

The Strategy provides a blue print for the future development of the railway system in Hong Kong. In essence, it identifies three priorities:-

- (a) first, the Western Corridor Railway. This will be a new rail corridor through the northwestern part of the territory. It will accommodate three services largely sharing the same tracks, namely a freight line from Lo Wu to the Kwai Chung container port; a cross border passenger service from Lo Wu, and possibly Lok Ma Chau, to a new terminus on the West Kowloon Reclamation; and a domestic passenger service from Tuen Mun North via Tin Shui Wai and Yuen Long to the same terminus in West Kowloon.
- (b) second, an extension of the MTR system from Lam Tin to Tseung Kwan O to meet the population build-up of 250,000 by the end of the decade. Its construction will help stimulate land development within the new town and will greatly improve transport services for residents.
- (c) third, a new rail link from Ma On Shan to Tai Wai to join the existing KCR system and with an extension of the KCR line underground from Hung Hom to Tsim Sha Tsui. This is, comparatively, a new proposal and, as such, will require further in-depth investigations and a decision on which agency should be invited to construct this line.

The Administration will invite the KCRC and the MTRC to submit proposals to build the Western Corridor Railway and the MTR Tseung Kwan O extension respectively. New railway systems inevitably require a long lead time for implementation. In-depth engineering and financial studies have to be undertaken and the actual alignments firmed up before construction can start. The target completion date for all three of these priority projects is 2001.

At this juncture may I make some observations :

- (a) the Administration has very carefully considered the suggestion that the proposed North-western line be extended to Tuen Mun Town Centre. This, in our view, is not feasible at the present time because of the substantial additional costs (estimated at \$3 - 4 bn. at 1994 prices) and also because of the current land and environmental constraints;
- (b) in recent weeks there has been considerable press speculation that our Western Corridor Railway proposals do not match railway plans on the Chinese side of the border. Such comment is misplaced. Our proposals envisage that Lo Wu will remain the main crossing point for both passengers and freight. The proposed loop to Lok Ma Chau would simply lead to an alternative terminal for passengers only. But clearly discussion with the Chinese side is essential to reach mutual understanding and agreement on crossing points. This is precisely the kind of detail that will need to be discussed, and views exchanged, at the newly-established Infrastructure Co-ordinating Committee;

The Strategy also identifies a number of other railways in the longer term, the timing for which will be dependent on future land reclamation and development plans. For example, on Hong Kong Island, the strategy encompasses a number of schemes including an east-west rail link on the future Central and Wanchai Reclamation (from Central to Tin Hau) and an MTR extension from Sheung Wan to Green Island. And, finally, the strategy also envisages much longer term options such as an "Outer" Western Corridor linking Green Island, Lantau and Tuen Mun, and a freight rail link to the Lantau container port.

The implementation of the three priority railway systems identified in the Strategy will straddle 1997, and most of the expenditure will be incurred thereafter. We have therefore briefed the Chinese side of the JLG.

Mr President, it is my belief that our Railway Development Strategy will contribute greatly towards improving our overall transportation network, relieving road congestion, supporting further development of land in the New Territories, and assisting in Hong Kong's further economic growth.

Thank you Mr President.

End/Wednesday, December 14, 1994

Comprehensive Social Security Assistance Scheme: SHW

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Following is the speech by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council motion debate on the Comprehensive Social Security Assistance Scheme today (Wednesday):

Madam Deputy President,

The overall objective of social security in Hong Kong is to provide for the basic and special needs of people in our community who are in need of financial or material assistance. This is enshrined in the White Paper on Social Welfare into the 1990s and Beyond, which received widespread public support.

Comprehensive Social Security Assistance Scheme

The Comprehensive Social Security Assistance (CSSA) Scheme is a key component of our social security system for those individuals or families suffering from financial hardship for various reasons, such as old age, disability, illness, unemployment and low earnings. It aims to bring the income of those in need up to a level where basic and special needs can be met. The Scheme is means-tested, non-contributory and is related to an individual's or a family's means and needs.

The cash assistance provided under the CSSA Scheme, however, should not be seen in isolation. It is but an integral part of the "safety net" we have put in place for those who are financially vulnerable. This "safety net" covers a comprehensive range of social services for CSSA clients including cash assistance, free medical care, compassionate rehousing and other free programmes organised by the government and non-governmental organisations.

CSSA Payment

There is a common misconception that the standard rate is all that a CSSA client can get. The fact is that CSSA payment comprises not only the standard rate to meet basic needs such as food and clothing, but also special grants to meet special needs as well as long term supplement and disregarded earnings according to their individual circumstances.

In addition to the standard rate, we now pay out broadly 24 types of special grants covering, in the case of elderly clients their expenses on rent; their expenses on travelling and special aids for people with disabilities; other expenses including special surgical appliances, medical expenses, special diets, and telephone charges etc.

For clients who have received CSSA for not less than 12 months, they will receive an annual long term supplement to help them replace household goods and durable goods. For those CSSA clients who are working, their earnings from employment are disregarded up to \$835 a month. From April next year, this amount will be raised to \$1,115 a month.

Over the years, the CSSA Scheme has been improved to ensure that payments are better tailored to meet the needs of our clients. The rates are adjusted each year in accordance with increases in the cost of living. Real increases have also been made to enable CSSA clients to share in Hong Kong's growing wealth. Over the last two decades, the CSSA rates have increased by about 15 times while the rate of inflation measured by CPI(A) has gone up by only six times.

The average CSSA payment now ranges from \$2,440 for a single person, \$3,840 for a 2-person household, \$5,280 for a 3-person household and \$6,880 for a 4-person household. These payments represent 35% - 98% of the average manufacturing worker's wage or 30% - 83% of the median wage.

The CSSA payment for an elderly client now amounts to an average of \$2,400 a month. As our Scheme is tailored to the individual client's circumstances based on his needs, the more needs there are, the more our clients will get. So, for example, this average payment is \$2,690 a month for those who are disabled and \$4,220 a month for those who are in need of care and attendance.

Adequacy of CSSA

The adequacy of CSSA benefits is a lively issue and so it should be as we are a community that cares for those who are vulnerable. Dr MacPherson's academic research on the adequacy of CSSA rates makes a useful contribution to the on-going debate. Dr MacPherson, however, has used a "budget standard approach" in determining a perceived "minimum acceptable standard of living" based on the concept of "relative poverty". The approach represents a radical departure from the philosophy and established policy of the CSSA Scheme. The recommendations of the research also have very serious financial and economic implications. Whilst we respect Dr MacPherson's work, we cannot therefore use the research or accept its recommendations as a basis for changing our policy on social security.

Improvement to CSSA

We are nevertheless alive to people's concern and the need to ensure that the benefits meet the needs of those who, unfortunately, have to rely upon them. CSSA benefits are therefore reviewed regularly. In these reviews, our aim is -

- firstly, to target improvement to CSSA to those in need;
- secondly, to encourage CSSA recipients to gain a measure of financial independence through work; and
- thirdly, to make the CSSA Scheme more accessible and user-friendly to our clients.

Our CSSA Scheme has developed over more than two decades. It has evolved from providing for basic subsistence to a scheme which meets not only the needs of the average client but also the special circumstances of individuals as well. We recognise that a scheme which provides special grants to individuals is, by its very nature, often difficult for both the recipients and the general public to understand. Many problems faced by CSSA clients arise from the lack of knowledge about their entitlements. We have therefore stepped up publicity on the CSSA Scheme to help recipients understand their entitlements. A handbook on the scheme has been produced by the Social Welfare Department. It sets out in detail the entitlement of a CSSA recipient, including the different types and levels of grants under the Scheme, the complaint/appeal procedures and other pertinent information. The handbook was published in June 1994 and was made available to CSSA recipients, non-governmental organisations, various concern groups, District Boards and the media. In addition, an audio tape and a video tape are being played interchangeably at the reception areas of social security field units to publicise the assistance available.

Review of CSSA Scheme

As Members are aware, the Governor has announced in his recent Policy Address that a special exercise will be conducted to assess how well our social security arrangements are meeting the needs of their clients. Together with the Social Welfare Advisory Committee, we have started the exercise by, first of all, reviewing the administration of special grants to better serve the needs of CSSA clients. We will look into the eligibility criteria for CSSA to target improvements to those in need. We will review our staff training and customer service with a view to improving our services to CSSA clients. We will also review the CSSA payment rates when more statistical information on the spending patterns of different types of households including those on CSSA are made available by the 1994/95 Household Expenditure Survey.

In conclusion, Mr President, I would like to assure Members that improvement to the CSSA Scheme is high on our agenda. And it is an on-going programme which will continue.

Thank you.

End/Wednesday, December 14, 1994

Employment (Amendment) Bill withdrawn

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Following is the speech by the Secretary for Education and Manpower, Mr Michael Leung, to withdraw the Employment (Amendment) Bill 1994 in the Legislative Council today (Wednesday):

Mr President,

A very important principle is at stake here. Mr LAU Chin-shek's amendment ignored a conscious decision by the Labour Advisory Board (LAB) to keep the \$180,000 ceiling as part of an agreed package to improve long service payment and severance payment. LAB is the Government's main advisory body on labour issues. It is a body where employers and employees elect their own representatives to deliberate on issues concerning labour policy and legislative proposals. The LAB has an excellent record and has made significant improvements over the years to labour welfare at a pace and at a manner acceptable to both employers and employees. Every set of LAB's proposal represents the outcome of patient, understanding and careful deliberations. We must not seek therefore to overturn these proposals lightly and abruptly. To do so would put our labour relations at risk and would damage the LAB's credibility as a successful mechanism for striking a reasonable balance between employers and employees interests, a system which has served Hong Kong so well over the years.

Mr Chairman, because of this fundamental principle, I withdraw the Bill.

End/Wednesday, December 14, 1994

Committee stage of Employment (Amendment) Bill

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Following is the speech by the Secretary for Education and Manpower, Mr Michael Leung, at the committee stage of the Employment (Amendment) Bill 1994 in the Legislative Council today (Wednesday):

I shall explain here why the Administration feels unable to support the Committee Stage amendments moved by Mr Lau. Firstly, Members should recall that this is the second time that the present bill is debated in this Council following its defeat in July this year. Members should also be aware that this bill is already a substantial improvement over the previous bill, in that we now propose to recognise one half of an employee's service over and above 24 years accrued before the amendment bill comes into operation in the calculation of severance and long service payments, as compared with the reckoning of one half of an employee's service beyond 18 years in our previous proposal.

The possible financial impacts on the employers as a result of this improvement in retrospective reckoning of an employee's service, and that caused by the removal of 12 months' wage ceiling for severance and long service payment have been taken into account in formulating our proposals in the present Bill. It is out of this consideration that we now decide to maintain the existing ceiling of severance and long service payments at \$180,000 at this stage.

Secondly, for the majority of workers who are receiving a median monthly wage at \$8,000, the existing ceiling of \$180,000 for severance and long service payments is in fact sufficient to cover up to 43.5 years of reckonable service. Moreover, we will review this ceiling regularly to make sure that it is in keeping with inflation and wage level. We therefore consider it not necessary to increase it further at this point in time.

Thirdly, all of our proposals in the present Bill have been fully considered and have the full support of the Labour Advisory Board which, as members know, comprises a balanced representation from both the employers and employees. The proposal to increase the ceiling to \$230,000 has not been discussed in the Labour Advisory Board, nor has the public been given the chance to express their views on it. So as not to delay the passage of this Bill, we should therefore proceed with our proposals which have the broad consensus of LAB members, rather than holding it up, pending another new round of discussion and consultation on Mr Lau's amendment.

For these reasons, Mr Chairman, the Administration is unable to support the proposed amendments by Mr Lau. Regrettably, we will have no choice but to withdraw this Bill if the amendment were carried.

End/Wednesday, December 14, 1994

Second reading debate on Sewage Services Bill

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Following is the speech by the Secretary for Planning, Environment and Lands, Mr Tony Eason, at the resumed second reading debate on Sewage Services Bill in the Legislative Council today (Wednesday):

Mr President,

I am most grateful to the Honourable Ronald Arculli, the Chairman of the Bills Committee to study the Sewage Services Bill, and to members of the Bills Committee for their very careful consideration of this important Bill, and for their general support for the proposals in it. The constructive suggestions made by the Bills Committee are reflected in the few amendments which I will propose at the Committee Stage.

Mr President, I will begin by reminding members of the important debate on sewage charges in this Chamber just one year ago. Yes, it does take a long time. In that debate I began by saying :

"Today should be a landmark day in Hong Kong's environmental history. It should be the day Members seize the opportunity to show their unequivocal support for the Polluter Pays Principle, reinforcing the general support indicated in the Adjournment Debate two years ago. This is not just a matter of community leadership but it would also be a message to the world that we are taking our responsibilities seriously."

In the debate a year ago this Council endorsed the Polluter Pays Principle, a principle now enshrined in the Sewage Services Bill, which will introduce sewage charges, and which is now ready for Members' final approval.

Before I turn to the conclusions of the Bills Committee, let us refresh our memories on the Polluter Pays Principle and the state of water pollution in Hong Kong. First, and obviously, water pollution in Hong Kong is at a critical state. This is evident to the eyes and nose and from the occurrence of cholera this summer, and in the rising trend of criticism, both here and abroad, that a territory of our first world resources tolerates such third world pollution. And tolerates it right at the heart of our community, in our harbour, the focus of so much attention internationally.

Second, to tackle this problem, we propose a cost-effective sewerage programme for the territory including an \$8 billion High Priority Programme to provide urgent relief to the serious pollution in the harbour. We are committed to abate that pollution and no responsible Administration would, I suggest, do anything less. We are therefore committed to building the High Priority Programme, the entire capital costs of which will be met by the Government.

Third, we have been saying for some time that it is only right for the community to contribute to the costs of these essential services, as residents in many cities elsewhere do. But we have also promised that such contributions would be modest, that they would be fair, and that they would be affordable. And so it transpires. In line with the Polluter Pays Principle, the charging scheme this Bill introduces establishes a direct link between the extent to which sewage services are used and the amount of charges which will be paid. Moreover, by funding in full the capital costs, and by allowing a nil return on capital investments and a nil depreciation on existing sewerage assets, sewage charges are significantly reduced. The Government has therefore fulfilled its commitment to keep charges modest.

The Bills Committee has, however, made several suggestions to improve the charging scheme and I am happy to report that these proposals have been accepted by the Administration. We have, for example, agreed with the Bills Committee to do away with fixed charges and to base sewage charges for all consumers on a uniform volumetric charge only. This is a welcome simplification to the charging scheme. We have agreed to model the exemption arrangement for households on the existing water tariff. We have agreed with the Bills Committee to further refine the charging arrangements for trade and industry. We have accepted the Bills Committee's suggestion that, to protect the privacy of households, the Drainage Authority would first need to obtain the consent of the occupier before entering into domestic premises for purposes under the Bill. Mr President, the Administration is grateful for these suggestions and I will therefore move amendments to the Sewage Services Bill at the Committee Stage to effect them.

Finally, I should refer to two other issues which concerned the Bills Committee. First, some Members were concerned that sewage charges may impose financial hardship on some households - in fact given the arrangements we propose I cannot honestly envisage this. Nevertheless, to clear away any residual concern, I can assure Members that upon the introduction of the sewage charging scheme, the rates of water allowance under the Comprehensive Social Security Assistance Scheme will be reviewed accordingly to ensure that the modest sewage charges will not cause any additional financial burden to be placed on the families who are recipients of public assistance. Second, the Bills Committee took the view that the introduction of sewage charges should be contingent upon the timely implementation of the High Priority Programme. Although the charging scheme and the construction programme are not directly related, as the capital costs of the priority sewerage programme will be funded by the Government and not by charges, I confirm, yet again, that the High Priority Programme will be completed in early 1997. Indeed, as I have explained, we have a responsibility to build this urgently required programme and to abate without delay the harbour pollution we have tolerated for too long.

What are the results of the charging arrangements we now propose? In short, they will mean that 17% of households will be exempt from sewage charges, that 50% of households will pay less than \$8 a month, that 85% of households will pay less than \$18 a month. This is, Mr President, a very modest charging scheme by any measure. It is, we believe, acceptable to a large majority of the community, an acceptance reflected in a recent public opinion survey. This survey found that a majority of the 500 respondents supported the Polluter Pays Principle and expressed a willingness to pay sewage charges of up to \$30 a month. This is substantially more than we now propose for 85% of households. I therefore believe, and I invite this Council to accept, that the time has come for the community to meet its responsibility under the Polluter Pays Principle, and the sewage charges now proposed, particularly as these charges are fair, modest and affordable. It cannot, I suggest, be reasonable to claim otherwise.

In concluding my remarks on the deliberations of the Bills Committee, I would like to report, Mr President, that a number of issues not directly related to the provisions of the Bill were also considered by the Committee. These included a recommendation that we embark on a publicity programme on the charging scheme, and that we consider long term measures to encourage conservation of water. These matters will be taken up further with the Legislative Council Panel on Environmental Affairs.

With these remarks, Mr President, I commend the Sewage Services Bill to Members. Thank you.

End/Wednesday, December 14, 1994

Amendment to Sewage Services Bill

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Following is the speech by the Secretary for Planning, Environment and Lands, Mr Tony Eason, on amendments to the Sewage Services Bill in the Legislative Council today (Wednesday):

Mr Chairman,

Notwithstanding the public support for the Polluter Pays Principle, the Hon. Rev. Fung Chi-wood proposes to exempt from sewage charges the average water consumption by households. By definition, therefore, 50% of households, or some 800,000 domestic users would not pay for the sewage services they use. What does this actually mean and what are the consequences?

First, such wide exemptions clearly breach the Polluter Pays Principle which found favour with this Council during the Motion Debate on Sewage Charges last year. Second, it ignores the fact that households as a whole contribute to over 60% of the organic pollution in Hong Kong, and that as they too contribute to pollution, they too should contribute to its solution, albeit in a very modest way. Third, the consequence of exempting so many households would be that the non-exempt service users, mainly trade and industry, would be required to make up for the revenue forgone. Fourth, it ignores the fact that the public have by and large accepted that they should help pay for sewage services. Fifth, by altering the charging structure to calculate exemptions on the basis of the average water consumption by households, the charging scheme would become unnecessarily complex, as each time the average consumption level was adjusted, or each time a household fluctuated between payment and exemption - and this would occur frequently - the Trading Fund and the householder would be uncertain as to cash flow and charges respectively.

Nor would such an exemption arrangement encourage water conservation as has been suggested. It would, however, cause confusion among the public and significant administrative problems to the charging authority, merely to avoid an \$8 per month payment, say the cost of a cup of coffee in a fast food shop. If these issues were the only reasons against Rev Fung's proposal, I'm sure that Members would reject it. But, there are further difficulties.

There are, for example, unacceptable implications for the Trading Fund Ordinance. Members will recall that in March this year, and with a view to enabling sewage services to be funded by charges, they approved the establishment of the Sewage Services Trading Fund under the Trading Fund Ordinance. This Ordinance requires the Trading Fund to fund itself through charges, a requirement accepted by Members. However, to make up for the revenue forgone from the large number of households that it seeks to exempt from our modest charging proposal, Rev Fung proposes that recurrent subsidies be credited to the Trading Fund by tax-payers. Such subsidies are outside the framework of the Sewage Services Trading Fund and would clearly conflict with the provisions of the Trading Fund Ordinance. To meet the objectives of the Trading Fund Ordinance it would therefore be necessary to recover the charges forgone from the exempt accounts by increasing the charges on the other service users. This is not equitable, could not be justified to those who would pay, and would, furthermore, deviate so much from the Polluter Pays Principle as to negate it.

Rev Fung's alternative charging scheme therefore deviates so significantly from the Polluter Pays Principle, is so discriminatory between different groups of service users and is so unnecessarily complex that it breaches the objective of a fair but easy to administer charging scheme, that I am confident his proposals will not find favour with this Council.

I can therefore only commend to Members the Committee Stage Amendments which arise from the thorough discussions in six sessions of the Bills Committee and which I will be moving later on. The charging scheme we propose is in line with the Polluter Pays Principle, simple to administer and very modest by any measure - 17% of households would be exempt from sewage charges, 50% would pay less than \$8 a month and 85% less than \$18 a month. These levels are, I am sure, acceptable to this Council and to the community as a whole.

Thank you, Mr Chairman.

End/Wednesday, December 14, 1994

Internationally Protected Persons and Taking of Hostages Bill

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Following is a speech by the Secretary for Security, Mr Alistair Asprey, in moving the second reading of the Internationally Protected Persons and Taking of Hostages Bill in the Legislative Council today (Wednesday):

Mr President,

I move that the Internationally Protected Persons and Taking of Hostages Bill be read a second time. This Bill seeks to localise two UK Orders in Council which now apply to Hong Kong, and which implement provisions of the Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents and the International Convention Against the Taking of Hostages. The enactment of this Bill will enable Hong Kong to continue to implement after 30 June 1997 these important measures against terrorism. The continued application of the Conventions after the transfer of sovereignty, and the introduction of this legislation, have been agreed in the Joint Liaison Group.

End/Wednesday, December 14, 1994

Industrial Training (Clothing Industry) (Amendment) (No. 2) Bill 1994

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Following is a speech by the Acting Secretary for Trade and Industry, Mrs Regina Ip, in moving the second reading of the Industrial Training (Clothing Industry) (Amendment) (No. 2) Bill 1994 in the Legislative Council today (Wednesday):

Mr President,

I move that the Industrial Training (Clothing Industry) (Amendment) (No.2) Bill be read the second time.

The purpose of this Bill is to enable Hong Kong to seek accession in its own right to the Convention on Temporary Admission agreed at Istanbul in 1990, which is commonly known as "the Istanbul Convention".

The Istanbul Convention is a customs convention adopted by the Customs Co-operation Council. It aims to facilitate the temporary admission of goods by exempting them from import taxes and duties. It also provides for the use of international customs papers called carnets as substitutes for official customs papers issued by individual contracting parties to the Convention.

The Istanbul Convention seeks to consolidate a number of pre-existing customs conventions on the temporary admission of goods, some of which are currently applicable to Hong Kong. It is important for Hong Kong to seek accession to the Istanbul Convention in order to enable Hong Kong to continue to participate actively in the deliberations of the Customs Co-operation Council in harmonising and developing customs procedures and fostering co-operation among customs territories.

The Bill contains only two clauses.

The first clause provides that the Bill should come into operation on a day to be appointed by the Secretary for Trade and Industry. The commencement date will be synchronised with Hong Kong's accession to the Convention.

The second clause seeks to exempt clothing items exported with a carnet issued under the Istanbul Convention from the payment of training levy required under the Industrial Training (Clothing Industry) Ordinance. At present, clothing items exported with carnets issued under the Customs Convention on the ATA Carnet for the Temporary Admission of Goods are already exempted from such training levies. Since this Convention is one of the customs conventions currently applicable to Hong Kong and which the Istanbul Convention seeks to consolidate, it is important to ensure that equal treatment be given to goods for temporary admission under either Convention.

Thank you Mr President.

End/Wednesday, December 14, 1994

Radiation Regulation

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Following is the speech by the Secretary for Health and Welfare, Mrs Katherine Fok, in moving the Radiation (Control of Radioactive Substances) (Amendment) Regulation 1994 and the Radiation (Control of Irradiating Apparatus)(Amendment) Regulation 1994 in the Legislative Council today (Wednesday):

Mr President,

I move that the Radiation (Control of Radioactive Substances) (Amendment) Regulation 1994 and the Radiation (Control of Irradiating Apparatus) (Amendment) Regulation 1994 as set out under my name in the paper circulated to Members be approved.

Various fees for licences and certificates are prescribed in regulations made under the Radiation Ordinance.

It is government policy that fees should in general be set at levels sufficient to recover the full costs of providing the services. The fees described above were last set in 1989. To take into account the increase in costs and inflation since then, the fees should now be increased.

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As regards the second point which relates to the Maximum Scale of Election Expenses (Rural Committees) Order 1994, we have no objection to Honourable Members' views that the ceiling should be raised to \$30,000. The Heung Yee Kuk has been consulted on the revised ceiling and has given its support. Therefore, the revised ceiling of \$30,000 will be proposed when the Election Expenses Order is referred back to the Executive Council.

Mr President, 25 Rural Committees will be conducting their elections early next year. With the passage of the Bill today, I am pleased to say that all these elections, the first of which will be held in early January 1995, will be covered by the Corrupt and Illegal Practices Ordinance. This is a move welcomed by both the rural sector and the community at large.

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

End/Wednesday, December 14, 1994

SFS on Commodities Trading Ordinance

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Following is the speech by the Acting Secretary for Financial Services, Mrs Lessie Wei, in the Legislative Council motion debate on Commodities Trading Ordinance (Amendment of Schedule 1) Order 1994 today (Wednesday):

Mr President,

I am grateful to members of the Sub-Committee under the chairmanship of the Honourable Steven Poon for their efforts in examining the Commodities Trading Ordinance (Amendment of Schedule 1) Order 1994. Since the committee was set up in late November, it has met three times within a short span of time. The Administration, together with the Securities and Futures Commission, have tried to address members' concern about the plan of the Hong Kong Futures Exchange to introduce the trading of stock futures contracts. I regret that we have not been able to persuade all honourable members to accept our arguments.

The Honourable Steven Poon has just raised four points: first, he has emphasised the need for consultation; he has questioned the secretive manner in which this product has been introduced; he has questioned whether there is a need to introduce the product urgently and he has also made reference to heavy losses incurred by some professional investors to highlight the fact that this product is a highly risky product. For the first three points, the Administration had already fully addressed them both in the sub-committee as well as during the motion debate in this Council two weeks ago and I do not intend to go over all the arguments. Responding to the last point made by the Honourable Steven Poon, I must say that this does not contradict with the Administration bill that derivative products are highly specialised product and basically these products are for sophisticated investors. They are not intended for small investors. We have noted, we have taken note of the sub-committee's suggestion that small investors, in particular, should be issued with warning. Indeed, it is already the responsibility of brokers to draw the attention of investors to this question in the form of a risk disclosure statement and we have also conveyed the suggestion to the Futures Exchange on whether the disclosure statement for stock futures could be more strongly worded to advise small investors away from the product.

I have taken note that the Honourable Chim Pui-chung's suggestion that there are political motives behind the product. I must say this is any unfounded allegation.

Let me turn to two important suggestions by the Sub-committee. Some Honourable Members have repeatedly asked for an undertaking from the Administration that other sectors of our financial markets will not be required to bail out the Futures Exchange should the introduction of stock futures lead to a crash similar to the one in 1987. Our view remains that we do not believe the 1987 experience will repeat itself in future, whether as a result of the trading of stock futures or otherwise. The risk management system of the Futures Exchange has been completely overhauled since 1987. The system in place nowadays is effective and regarded as one of the most conservative risk management arrangements in the world. It can withstand even the impact of very taxing circumstances, with the settlement of transactions guaranteed by a substantial reserve fund. This, in a way, is already a guarantee by itself, that the Futures Exchange will be able to absorb financial losses to the market at times of highly exceptional volatility.

Should there be circumstances under which even such a conservative risk management system failed to function properly, the case would be so disastrous that it would affect other sectors of our financial system or even the economy generally. No responsible Government can give any blanket assurance on how to tackle such a situation. Furthermore, any rescue operation in such cases would most likely need the backing of law and the Administration has no intention to usurp the authority of this Council in giving any undertaking now on how best to handle any unforeseen crises which may happen in future.

That said, we agree fully with the suggestion of some honourable members that the 1987 rescue package should not be used as a precedent for imposing similar levy on investors in the stock market in future. Indeed, each case has to be assessed on its own merits in the interests of the public and in accordance with the circumstances prevailing at the time.

Some honourable members have also requested that a review on the impact of stock futures on the cash market should be undertaken after the new product has been launched for some time. The Securities and Futures Commission has agreed to conduct such a review six to nine months after the commencement of the trading of the product. I should nevertheless reiterate that the Futures Exchange and the regulator will keep a close watch of the situation. Should any problem be detected at any point in time, it is their duty to take prompt action to address the situation rather than to wait for the review.

As honourable members who have spoken indicated that the Order is made for a genuine and simple purpose of better protecting our investors. It represents the regulator's view on the desirable level of regulation attached to the trading of stock futures. I cannot see any grounds for Members to reject this objective.

Mr President, against this background I urge honourable members not to repeal the Order and to join the official members to vote against the motion.

End/Wednesday, December 14, 1994

Amendments to schedule of Carriage of Goods by Sea Bill

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Following is the speech by the Secretary for Economic Services, Mr Gordon Siu, in moving the committee stage amendment to a schedule of the Carriage of Goods by Sea Bill in the Legislative Council today (Wednesday):

Mr Chairman,

I move that the Schedule be amended as set out in the paper circulated to Members.

The proposed amendments to paragraph (d) in Article I, paragraphs 3(a), 6 and 7 in Article III and paragraph 4 in Article IV of the Schedule are stylistic changes to the Chinese text.

Paragraph 8 of Article III serves to nullify any provision in a contract of carriage which relieves the carrier or the ship from certain liability or reduce their liability. The proposed amendment removes any possible divergence in meaning between the English text and the Chinese text.

The proposed amendment to the Chinese translation of the term "servant" in Article IV is to adapt the latest drafting style.

Mr Chairman, I beg to move.

End/Wednesday, December 14, 1994

Amendments to clause of Carriage of Goods by Sea Bill

Following is the speech by the Secretary for Economic Services, Mr Gordon Siu, in moving the committee stage amendments to a clause of Carriage of Goods by Sea Bill in the Legislative Council today (Wednesday):

Mr Chairman,

I move that clause 2 be amended as set out in my name in the paper circulated to members.

Members may recall that the purpose of the Bill is to implement in Hong Kong by domestic law an international convention and 2 Protocols which are currently implemented in Hong Kong by United Kingdom enactments.

The liability in respect of the carriage of goods by sea provided for by the Bill covers all aspects of shipping activities. The term "trading" in clause 2 relates more generally to travelling between ports. The proposed amendment to the Chinese text will reflect more accurately this intention.

Mr Chairman, I beg to move.

End/Wednesday, December 14, 1994

Maximum Scale of Election Expenses (Municipal Council) Order 1994

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Following is the speech by the Acting Secretary for Constitutional Affairs, Mr Peter Lai, in the Legislative Council motion debate on Maximum Scale of Election Expenses (Municipal Councils) Order 1994 today (Wednesday):

Mr President,

The basic principle of determining the maximum scale of election expenses has been accepted over the years. It is to strike a balance; it should not be so low as to hamper candidates from conducting effective campaigns, nor so high as to deter those who are financially less well-off from contesting the elections.

In accordance with this basic principle, the Administration has determined that the maximum scale of election expenses, last determined at \$70,000 for the 1991 Municipal Council elections, should be revised to \$100,000 for 1995. This takes into account the common range of items of election expenses such as the printing of publicity material, and the production of banners, placards and posters. It has regard to the fact that inflation in these items has gone up by about 40% over the years, as well as the increasing sophistication of campaigning, and the size of the Municipal Council constituencies in 1995. It is a reasonable figure.

But this time round, we have proposed a new element, i.e. on top of the normal level of election expenses, we consider that an additional limit of \$20,000 should be permitted for expenditure on replacing damaged or stolen publicity material such as banners, placards and posters. This takes into account comments by candidates at the last round of DB elections. Hitherto, the cost of replacing these material had to be included as part of the normal limit on election expenses. It has been argued that this is unfair, since it is usually not the candidates' fault that their publicity material are damaged. Indeed, it may sometimes be due to inclement weather. We believe that there is force in their arguments; hence our proposal.

In order to deter abuse of the additional expenditure limit of \$20,000, the independent Boundary and Election Commission has suggested that any candidate who wishes to make use of it must first make a report of damage or theft, as the case may be, to the Police. It is a suggestion, not, I repeat, not a decision. I know that some members of this Council consider that this is cumbersome; if they have other better ideas I am sure the Boundary and Election Commission would be happy to consider them. But we do not believe that this question of implementation is insoluble; it certainly does not obviate the case for the additional expenditure limit itself. So both the Hon Steven Poon's motion, as well as a subsequent motion by the Hon Dr Yeung Sum on the same subject, do seem to us rather like throwing the baby out with the bath-water. Except they do so in different directions.

Mr President, ex-officio Members of this Council will vote against both the Hon Steven Poon's motion, as well as against the Hon Dr Yeung Sum's subsequent motion.

End/Wednesday, December 14, 1994

Sports and entertainment programmes tickets

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Following is a question by the Hon Henry Tang Ying-yen and a reply by the Secretary for Recreation and Culture, Mr James So, in the Legislative Council today (Wednesday):

Question :

It is reported that the World Heavy Weight Boxing Championship Event originally scheduled to be held in the Hong Kong Stadium was called off as the organiser failed to pay the boxers, and that there are still some ticket holders who have not yet received refunds. According to the statement made by the Chairman of the Urban Council, organisers who rent Urban Council venues for hosting such events are not required to sell tickets through the URBTIX, make a bank deposit as a reserve fund or pay a certain amount of money as security so as to allow them to achieve cost-effectiveness and maximum cash flow. In view of this, will the Government inform this Council whether there are any measures to safeguard the interests of consumers so that they will not suffer any loss from the cancellation of scheduled programmes while at the same time protecting the interests of the organisers?

Mr President,

All public spectator sports and entertainment venues including the Hong Kong Stadium, in the urban area are managed by the Urban Council under the Urban Council Ordinance. The Urban Council has full autonomy in all matters relating to the management and hiring of these venues.

Under the Urban Council's existing arrangements, hirers of all UC venues are required to use the URBTIX system to sell tickets for events held, with the exception of the Hong Kong Stadium. There, hirers are encouraged to use the URBTIX facility but are not required to do so. The reasons for this are twofold. First, the Hong Kong Stadium is managed separately and independently by Wembley International (HK) Ltd under the supervision of the UC Board of Governors. Second, greater ticketing flexibility needs to be given to hirers of the Hong Kong Stadium in view of its size, the multi-purpose usage it is intended for and the fact that in most cases the bulk of tickets sold are done at the door immediately prior to admission.

Under the present management arrangements, there are no specific measures to safeguard consumers' interest against loss from the cancellation of events held in the Hong Kong Stadium if the hirer does not act responsibly, as the onus of making ticket refunds rests entirely with the hirer.

As regards the case in question, the hirer however did take steps to ask its ticketing agents to make refunds and the majority of ticket holders were granted appropriate refunds. However, in a small number of cases, because of a dispute arising between the hirer and one ticketing agent over commission charged, refund has been held up for the time being.

Since the occurrence of the case in question, the Chairman of the Urban Council has assured me that his Council attaches great importance to the need to provide adequate protection to ticket holders in the case of an event being cancelled in the Hong Kong Stadium. The Urban Council Board of Governors have now taken this matter up with the stadium manager, Wembley International (HK) Ltd, to consider what safeguards may be introduced to protect the interests of all parties concerned.

End/Wednesday, December 14, 1994

Measures to improve standard of English and Chinese

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Following is a question by the Hon Peter Wong Hong-yuen and a reply by the Secretary for Education and Manpower, Mr Michael Leung, in the Legislative Council today (Wednesday):

Question :

Will the Government inform this Council :

- (a) What specific measures the Government will take in the immediate future to improve the standard of English and Chinese among students at all levels of the school system; and
- (b) how much of the \$300 million Language Fund will be spent on proposals which aim to obtain short term results as opposed to long term research and projects?

Reply :

Mr President,

- (a) The Government is taking a pro-active approach in improving the standard of English and Chinese among school students. Apart from the various measures already implemented to upgrade the teaching and learning of Chinese and English under existing policies over the years, e.g. curriculum renewal, teacher education, bridging courses and the medium of instruction policy, the following measures are being or will be introduced -
 - (1) starting in September 1995, the introduction in Primary One classes of the Target Oriented Curriculum which sets clearer learning targets for three core subjects including Chinese and English.

- (2) the gradual extension of the English Extensive Reading Scheme, which fosters good reading habits among secondary school pupils, to 200 secondary schools in 1997-98. A new scheme for primary schools will be introduced in September 1995.
- (3) a Chinese Extensive Reading Scheme for primary school is now being considered.
- (4) with the support of the Language Fund, 35 projects have just been approved for implementation. Practically all these projects will have a direct or indirect beneficial effect on the teaching and learning of languages in our schools as indicated later in part (b) of my answer. Additional projects under the Fund will continue to be considered for approval and implementation over the next few years.
- (5) the revamped Chinese Textbooks Committee is reviewing the availability and adequacy of good quality Chinese textbooks and reference materials for our schools.
- (6) since September 1994, the Hong Kong Institute of Education has taken over teacher education courses from the former Colleges of Education and the Institute of Language in Education with the mission to upgrade our teacher education. The Institute has already made an encouraging start in this direction by separating the courses for secondary and primary school teachers and strengthening the course curriculum including the teaching of languages.
- (7) the Advisory Committee on Teacher Education and Qualification is looking into ways and means to upgrade the skills of language and other subject teachers.
- (8) And finally, the Education Commission has concluded its public consultation on its Working Group Report on Language Proficiency and will submit its final recommendations to the Government early next year.

- (b) It is not possible to forecast how much of the \$300M in the Language Fund will be spent on projects aimed to produce short-term as opposed to longer-term benefits. This is because the Language Fund Advisory Committee (of which Mr Wong is a member) does not operate by way of a pre-set quotas or amounts for the various projects. Rather, it wishes to apply the maximum flexibility in assessing and recommending projects on the basis of merits, having full regard to the need to improve equally the proficiency in both Chinese (including Putonghua) and English. The application of this approach has produced a good mix of projects in the first round of allocations from the Fund announced in early December this year. Of the 35 projects approved, seven are on language surveys or research with the remainder on teacher training, curriculum, teaching and learning resource materials and student activity projects. Many of these projects may produce both short and longer term benefits.

End/Wednesday, December 14, 1994

Measures to reduce Lo Wu travellers' waiting time

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Following is a question by the Hon Edward Ho Sing-tin and a reply by the Secretary for Security, Mr Alistair Asprey, in the Legislative Council today (Wednesday):

Question : In view of the long waiting time for travellers to clear immigration and customs formalities through the Lo Wu border, will the Government inform this Council whether :

- (a) any measures have been put in place to improve the present situation; and
- (b) consideration will be given to opening additional border crossing points for travellers crossing on foot?

Reply :

Mr President,

- (a) Customs formalities rarely cause delays, because Customs officers do not check every traveller. Most of our efforts, therefore, have been directed at improving immigration facilities.

The Administration has adopted the following measures to reduce the waiting time for travellers using the Lo Wu border crossing :

- (i) resources have been allocated during the current financial year to enable an additional 51 immigration staff to be recruited at the Lo Wu Control Point;
 - (ii) optical character recognition readers are being installed at all control points, including Lo Wu. By September 1995, both Hong Kong identity card holders and machine-readable passport holders will be cleared by these readers. We estimate that the average processing time for a Hong Kong identity card holder will be reduced by 4 seconds and that for a machine-readable passport holder by 20 seconds;
 - (iii) an extension to the present immigration hall at Lo Wu is being built and will come into operation in early 1995. The extension will provide, for the Immigration Department, 48 additional arrival counters and 24 additional departure counters. Resources for an additional 60 staff will be provided. There will also be 30 additional customs counters and 67 additional customs staff.
 - (iv) an Immigration Task Force of 46 staff was formed in April in this year to undertake investigation duties and mount special operations. At peak travel periods members of the Task Force are deployed to reinforce Control Points, including Lo Wu. Resources for a further 46 staff will be allocated to the Task Force in the 1995/96 financial year.
- (b) We have no plans at present to open additional border crossing points for travellers on foot. But we are planning to introduce a shuttle bus service between the Lok Ma Chau and Huanggang check points in the middle of next year.

End/Wednesday, December 14, 1994

Checks on travel agents

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Following is a question by the Hon Howard Young and a reply by the Acting Secretary for Trade and Industry, Mrs Regina Ip, in the Legislative Council today (Wednesday):

Question : Regarding travel agencies operating without licences, will the Government inform this Council :

- (a) what action does the responsible department take to check those agencies;
- (b) how many travel agencies operating without licences were prosecuted in the past four years; and
- (c) whether current legislation prohibits organisations or societies from organising package group tours without paying the Travel Industry Council (TIC) levy or issuing stamped receipts to people who join such tours?

Reply :

Mr President,

In reply to part (a) of the Honourable Member's question, the Registrar of Travel Agents, who is the licensing authority for travel agents, and the Travel Industry Council, which is the self-regulatory organisation of the outbound travel industry, work together closely in monitoring the activities of unlicensed travel agents.

A private company has been engaged by the Travel Industry Council to conduct covert checks on travel agents. It reports cases of suspected unlicensed travel agents to the Travel Industry Council which then passes the information to the Registrar. Licensed travel agents are also encouraged to report cases of suspected unlicensed travel agents to the Registrar of Travel Agents, who will refer suspected cases to the Police for investigation.

As regards part (b) of the Honourable Member's question, during the period from November 1990 to November 1994, the Registrar referred a total of 123 reports about suspected unlicensed travel agents to the police. 63 of these cases were found to be unsubstantiated. The police brought action against the remaining cases which resulted in 43 successful convictions. There are 17 cases outstanding.

Regarding part (c) of the Honourable Member's question, the Travel Agents Ordinance does not prohibit organisations or societies from organising package group tours without paying the Council levy or issuing stamped receipts to participants in such tours. However, if an organisation or a society carries on business as a travel agent and obtains for another person carriage on a journey or accommodation at a place outside Hong Kong, it has to apply for a licence from the Registrar. Licensed travel agents are liable to pay the Fund and Council levies in accordance with the provisions of the Travel Agents Ordinance. Failure to pay the levies will be an offence punishable by fines and may lead to the suspension or revocation of licence.

End/Wednesday, December 14, 1994

Light Rail Transit services

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

Question : As the population of the western part of New Territories has increased drastically to 700,000 following the successive completion of various public and private housing estates in Tin Shui Wai, the services provided by the Light Rail Transit (LRT) in the district are no longer able to cope with the demand. In view of this, will the Government inform this Council :

- (a) what measures are in place to resolve the problem of inadequate LRT services (especially during rush hours);
- (b) whether the Government will ask the Kowloon- Canton Railway Corporation to purchase additional LRT trains immediately to improve the services; if so, when the purchase will be effected; if not, what the reasons are; and

- (c) whether the Government will consider abolishing all LRT precincts and allowing other modes of public transport to operate in these areas, so as to help to resolve the problem of inadequate LRT services?

Reply:

Mr President,

Over the past two years, the number of passengers travelling on the Light Rail Transit (LRT) system has increased from about 267,000 to 347,000 a day or by about 30%. During the same period, the number of Light Rail Vehicles (LRVs) in service has correspondingly increased from 70 to 100, or, in terms of daily minimum carrying capacity by 32%, from 378,000 to 500,000. This demonstrates that the LRT system is overall able to cope with passenger demand. Perhaps, the Hon Zachary Wong's concern relates more to peak hour demand. Like all other public transport operators, the LRT faces demand surges during rush hours, especially during the morning rush. At this time some passengers may have to wait, but for no more than 10 minutes, to board an LRV. This particular problem seems to be most acute at Tin Shui Wai.

To cope with the population build-up at Tin Shui Wai, the number of LRVs deployed has been increased from nine vehicles in March 1993 to 26 at present. In addition, there are firm plans to augment these services by two additional LRVs in March next year. As an interim measure, the KCRC has commissioned two special bus services to Tuen Mun Ferry Pier, one from Tin Shui Wai and the other from Long Ping, to supplement the LRT services.

The KCRC is currently reviewing overall LRT service requirements, particularly the need to purchase new LRVs to meet increasing passenger demand. We expect the Corporation to make a decision in early 1995.

Since June 1, 1993, franchised bus restrictions within LRT precincts, or more accurately the Transit Service Area (TSA), have been lifted. In effect, the LRT has to compete with other modes of public transport such as franchised bus services, public light buses and taxis. We will continue to monitor public transport services closely and, where necessary, arrange for additional bus services, green minibus services and residential coaches in the TSA.

End/Wednesday, December 14, 1994

Operation of the Advisory Council on AIDS

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

Question :

In connection with the operation of the Advisory Council on AIDS (ACA), will the Government inform this Council of :

- (a) the difficulties encountered by the ACA on its operation;
- (b) the number of Government representatives on the ACA and their respective ranks;
- (c) the source of the ACA's resources;
- (d) the size of the ACA secretariat; and
- (e) the target of the work of the ACA in the next five years?

Reply :

- (a) The Advisory Council on AIDS (ACA) advises the Government on effective programmes for prevention of AIDS, support services for HIV infected persons and the development of a comprehensive strategy on AIDS. Committees, sub-committees and working groups have been set up under the Council for the execution of such programmes and activities. So far, no major problems have been experienced in the implementation of these programmes which, in general, have been well received. However, the ACA is still concerned about the relative indifference of the community towards AIDS.

- (b) There are three Government representatives and one public officer on the ACA. Their respective ranks are as follow :

Director of Health (Chairman)

Consultant (Special Preventive Programme), Department of Health

one representative of Health and Welfare Branch
(currently a Deputy Secretary)

one representative of Hospital Authority
(currently a Deputy Director)

- (c) The Department of Health is responsible for the staffing of the ACA secretariat as well as funding various AIDS programmes. In addition, other Government departments like the Education Department and the Information Services Department also provide resources for various activities co-ordinated or undertaken by the committees and working groups of the ACA. For certain events, sponsorship is sought from other organisations, such as the AIDS Trust Fund, as well as manpower support from non-government organisations.
- (d) The ACA secretariat consists of one senior executive officer, one clerical officer II, and a typist. In addition, secretarial support for the committees, subcommittees and working groups will also be provided by other Government departments and non-governmental organisations as necessary.
- (e) The ACA has mapped out the future direction for AIDS programmes in Hong Kong in a strategy document entitled "Strategies for AIDS prevention, care and control in Hong Kong". Through its various committees and subcommittees, the ACA will continue to keep under review trends and developments relating to AIDS, and to co-ordinate, develop, monitor and evaluate the various AIDS programmes.

End/Wednesday, December 14, 1994

Noise Nuisance on Route Five

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

Question :

The residents of Cheung Shan Estate Tsuen Wan have complained about the serious traffic noise nuisance on Route Five which can reach a high level of 80 decibels according to the Environmental Protection Department's measurement. However, there is at present no statutory control of traffic noise, and the residents have no way to lodge their complaints. In view of this, will the government inform this Council:

- (a) whether consideration will be given to introducing legislation to regulate traffic noise on roads in the vicinity of residential areas so as to lessen the nuisance caused to residents; and
- (b) what measures are now in place to reduce traffic noise on Route Five?

Reply :

The President,

- (a) Having regard to the large number of vehicles on roads near to residential areas and other noise sensitive users, it is not practical to introduce statutory limits for overall road traffic noise. The Government is, however, preparing legislation to control the mechanical noise generated by individual vehicles. Noise emission standards will be set and vehicles registered after a certain date will have to comply with these standards. This will help mitigate traffic noise.
- (b) To reduce traffic noise on Route Five, quiet road surfacing has been applied to the section of Cheung Pei Shan Road in front of Cheung Shan Estate, and to the sections of the Shing Mun Tunnel Road on both ends of the tunnel.

End/Wednesday, December 14, 1994

Manpower for hotel industry

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Following is a question by Dr the Hon David Li Kwok-po and a written reply by the Secretary for Education and Manpower, Mr Michael Leung, in the Legislative Council today (Wednesday):

Question :

The Federation of Hong Kong Hotel Owners has indicated that the hotel industry is suffering from a significant labour shortage and that the root of the problem is that the industry is being allowed quotas of imported workers well below stated requirements. In view of this, will the Government inform this Council:

- (a) whether a review on the importation of labour scheme has been conducted to determine its effectiveness in easing the labour shortage in the territory; if so, what the findings are; and
- (b) what remedies the Government will make to relieve the labour shortage in the hotel industry in view of its contribution to foreign exchange earnings?

Reply :

Mr President,

Under the General Labour Importation Scheme, the importation of workers at the technician, supervisor, craftsman and experienced operative levels is allowed up to a quota of 25,000 at any one time. This quota is allocated amongst various industry groups on the basis of four criteria, namely, number of vacancies, wage rate, labour utilisation and contribution to the economy. Allocation is made in accordance with an open formula which is applied consistently across all industry groups. In 1994, out of 11,000 quotas that have been reallocated, 152 places have been allocated to the hotel industry, which is equivalent to 1.4 per cent of the total quota allocated. A further allocation of 115 places has recently been approved, in response to requests from certain applicants for a reconsideration of their cases. The hotel industry has therefore been allocated a fair share of the available quotas.

My reply to the two questions is as follows -

- (a) The effectiveness of the scheme has been under regular review. Since its inception in 1989, the ceiling for importation has been raised gradually from the initial 3,000 to 25,000 in January 1992. Although the amount of labour imported is less than one per cent of our labour force, it has helped to relieve some of the bottlenecks in the local employment market. Our policy aim has therefore on the whole been achieved. We shall continue to allocate these quotas to industry groups on the basis of relative demand and their ability to make the best use of these quotas in terms of contribution to the economy. We have also undertaken to review the method of quota allocation early next year with a view to ensuring that it will continue to be effective and efficient.
- (b) The importation of labour is not meant to be a means to cater for the hotel industry's long-term manpower needs. Such needs should be catered for through more effective manpower planning policies including recruitment, retention and training. On Government's part, our emphasis is on the funding of academic, vocational training and retraining courses to provide the trained manpower for the hotel industry. A total of about 3,800 full-time and part-time places are currently available at the Hong Kong Polytechnic University and the Vocational Training Council at the degree, sub-degree and skilled operative levels. The Employees Retraining Board has, since its inception in 1992, offered 40 retraining courses, and some 600 retrainees have graduated. Some 50 hotels have also participated in the Board's On-the-Job Training Scheme, producing 240 trainee placements in the hotel industry. Our training institutions are in close touch with the hotel industry and are ready to provide more of these courses should the need arise.

End/Wednesday, December 14, 1994

Legislative programme

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Following is a question by the Hon Martin Barrow and a written reply by the Chief Secretary, the Hon Mrs Anson Chan, in the Legislative Council today (Wednesday):

Question : Would the Government inform this Council:

- a) how many items of legislation it plans to bring forward during 1994/95, in addition to the summary of the principal legislative proposals announced in the 1994 Policy Address;
- b) whether it will supply a list of the planned legislation;
- c) what further legislation is in the pipeline for 1995/96 and 1996/97;
- d) how many pieces of proposed legislation put forward to the Committee on Legislative Priorities have been rejected or deferred by the Committee; and
- e) how it plans to fit all this new legislation into the legislative timetable, in the light of the need to amend existing legislation to bring it in line with the SAR's Basic Law?

Reply :

Mr President,

- a) & b) introduce another 39 items of legislation during the 1994/95 session. 17 of these have already been introduced into the Council. Details of these are at Annex A, and of the other 22 items at Annex B. It is important to note that the list at Annex B is subject to amendment in the light of changing circumstances.
- b) The legislative programme for the 1995/96 and the 1996/97 sessions has yet to be worked out. In order that a realistic programme can be drawn up, Secretariat Branches are invited to make bids for legislative slots about one year in advance. Bids for slots in the first half of the 1995/96 session are currently being invited from Secretariat Branches, and the provisional programme for this period will be finalised in April 1995. Bids for slots in the second half of the 1995/96 session will be invited in June 1995 and the provisional programme will be finalised in October 1995.

- c) 48 items of proposed legislation were considered by the Committee on Legislative Priorities, but not included in the 1994/95 legislative programme.
- d) Bills relating to the localisation and adaptation of laws are always given priority in the legislative programme. These bills are introduced into LegCo as and when we have been able to reach agreement with the Chinese side on them.

Annex A

**Items of legislation introduced into LegCo
during the 1994/95 Session
up to 14 December but not included in the
Legislative Programme released on 6 October 1994**

<u>Items/Titles</u>	<u>Purpose of the legislation</u>	<u>Responsible Officer</u>
Pensions Ordinances (Miscellaneous Amendments) Bill	To make tidying-up amendments in the light of operational experience after the enactment of the Pensions Modification Ordinance and to make other miscellaneous technical amendments for better administration of pension matters.	Secretary for the Civil Service
Animals and Plants (Protection of Endangered Species) (Amendment) Bill	To increase the current penalties especially for unlicensed import, export and possession of endangered species for commercial purposes or involving highly endangered species so as to deter would-be offenders.	Secretary for Economic Services

Merchant Shipping (Seafarers) Bill	To amend the law relating to the registration and employment of seafarers and to introduce new provisions to provide for the health, safety and welfare of seafarers in view of the UK Merchant Shipping Act 1970.	Secretary for Economic Services
Shipping (Miscellaneous Powers) Bill	To transfer minor administrative or operational powers currently vested in the Governor to either Secretary for Economic Services or Director of Marine.	Secretary for Economic Services
Employees Compensation (Amendment) (No. 2) Bill	To make miscellaneous improvements including provision of employees compensation for injuries while working outside Hong Kong	Secretary for Education and Manpower
Hong Kong Polytechnic (Amendment) Bill, City Polytechnic of Hong Kong (Amendment) Bill and Hong Kong Baptist College (Amendment) Bill	To change the titles and internal governance structure of the three institutions. The amendments provide the legal basis for the adoption of the new university titles and revised governance structure for the three tertiary institutions.	Secretary for Education and Manpower
Polytechnics (Consequential Amendments) Bill	To make amendments to a number of Ordinances consequent upon the enactment of three Ordinances to rename and restructure three tertiary institutions as the Hong Kong Polytechnic University, Hong Kong Baptist University and City University of Hong Kong	Secretary for Education and Manpower

Public Health and Municipal Services (Amendment) (No. 3) Bill	To amend the definition of "stall" to include all vehicles for better enforcement of the Ordinance in connection with unlicensed hawking. The Bill seeks to facilitate more effective control of illegal hawking.	Secretary for Home Affairs
Medical and Related Professional (Registration) (Miscellaneous Amendments) Bill	To amend the legislation relating to the registration and practice of medical, dental, nursing and certain paramedical professionals.	Secretary for Health and Welfare
Buildings (Amendment) (No.2) Bill	To empower the Building Authority to refuse to approve plans showing the use of hand-dug caisson and to include land situated on the route of proposed sewage tunnels as a Scheduled Area. The Bill seeks to safeguard the safety of construction workers and to protect sewage tunnel areas from ground investigation works.	Secretary for Planning, Environment and Lands
Land Titles Bill	To convert the present land registration system to a title registration system. Under the proposed system, registration of a person as owner will confer full and absolute title to the property concerned. The new system therefore provides a higher degree of protection for purchasers of properties and simplifies the establishment of legal title to land.	Secretary for Planning, Environment and Lands
Dumping at Sea Bill	To set up the control of dumping waste materials at sea for Hong Kong in a local ordinance.	Secretary for Planning, Environment and Lands

Timber Stores Bill	To establish a new scheme for licensing timber stores in substitution for the existing provisions contained in the Miscellaneous Licenses Ordinance	Secretary for Security
Internationally Protected Persons and Taking of Hostages Bill	To provide for the continued implementation of both the Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons and the International Convention Against the Taking of Hostages by localising the UK enactments which presently apply to Hong Kong but which cease to apply on 30 June 1997. The Bill seeks to put in place a package of international agreements to ensure the safety of individuals at risk from being taken as hostages.	Secretary for Security
Prisoners' Education Trust Fund Bill	To enact legislation for the establishment of a Prisoners' Education Trust Fund. The Bill seeks to set up a trust fund to provide financial assistance to adult prisoners for educational pursuits, a part of the rehabilitative process for prisoners, so that they can re-establish themselves upon release from prison.	Secretary for Security

Industrial Training
(Clothing Industry)
(Amendment) (No. 2)
Bill

To enable Hong Kong to meet certain obligations under the 1990 Istanbul Convention on Temporary Admission by extending the present definition of 'A.T.A. Carnet' to cover an A.T.A. Carnet issued in accordance with the Convention, so that clothing items exported under such a Carnet will also be exempted from the Industrial Training (Clothing Industry) Ordinance.

Secretary for Trade and Industry

Rating (Amendment)
Bill

To discontinue the grant of half refunds of rates for vacant non-domestic premises and to make miscellaneous amendments relating to the assessment and collection of rates.

Secretary for Treasury

Annex B

Additional items of legislation for the 1994/95 Session

<u>Title</u>	<u>Purpose of the legislation</u>	<u>Responsible officer</u>
Legal Practitioners (Amendment) Bill	To streamline provisions regarding the appointment system for Notaries Public practising in Hong Kong.	Director of Administration
Costs in Criminal Cases Bill	To consolidate and reform the law relating to the granting of costs in criminal cases. The Bill seeks to ensure that there is a comprehensive system for the award of legal costs in criminal cases.	Attorney General
Administration of Justice (Miscellaneous Amendments) Bill	To effect miscellaneous amendments in a number of areas. The Bill seeks to improve the administration of justice and keep the legal system operating effectively.	Attorney General
Pensions (Special Provisions) (Hong Kong Institute of Education) Bill	To provide for pension safeguard for civil servants transferring to the Hong Kong Institute of Education. The Bill seeks to apply the existing pension legislation to the transferred officers.	Secretary for the Civil Service
Cessation of Office of Elected LegCo Members	To transfer certain statutory functions relating to the cessation of office of elected LegCo Members from the Governor to the President of the Legislative Council (LegCo) and the Secretary-General of the LegCo Secretariat. The Bill is needed following the transfer of the Presidency of the LegCo from the Governor.	Secretary for Constitutional Affairs

Shipping and Port Control (Amendment) Bill	To empower the Director of Marine to give general directions to ships navigating within Hong Kong waters. The Bill seeks to improve harbour management by allowing the Director to direct a large number of ships at one time.	Secretary for Economic Services
Hong Kong Airport (Regulation) (Amendment) Bill	To revise outdated sections of the Ordinance and eliminate ambiguities governing the control of the Kai Tak Airport. The Bill seeks to improve the order and operational efficiency of the Kai Tak Airport by reviewing, as appropriate, the powers of the Director of Civil Aviation.	Secretary for Economic Services
Non-local Higher and Professional Education (Regulation) Bill	To establish a registration system to monitor the provision of courses provided in Hong Kong leading to the award of sub-degrees, degrees, post-graduate and related professional qualifications awarded by non-local institutions of higher education and professional bodies. The Bill seeks to ensure better consumer protection to the public.	Secretary for Education and Manpower
Education (Amendment) Bill	To clarify the definition of school and to increase the powers of school inspectors. The Bill seeks to increase the effectiveness of school inspections and raise the quality of education in schools.	Secretary for Education and Manpower
Employees' Compensation (Amendment) Bill and Motor Vehicles Insurance (Third Party Risks) (Amendment) Bill	To make it a mandatory requirement for policy holders to take out a specified minimum cover. The Bill seeks to address the problem arising from the reinsurers' decision to withdraw unlimited reinsurance cover in respect of motor third party liability and employees compensation insurance.	Secretary for Financial Services

Urban Council (Amendment) Bill	To replace the armorial bearing of the Urban Council with a new shield. The Bill seeks to ensure that the new shield of the Urban Council will be given proper statutory protection and not be misused.	Secretary for Home Affairs
Law Amendment and Reform (Consolidation) (Amendment) Bill	To empower the court, in cases other than murder, to modify the effect of the rule that precludes a person who has unlawfully killed another from acquiring a benefit in consequence of the killing (the forfeiture rule) where the justice of the case so requires.	Secretary for Home Affairs
Transfer of Powers (Miscellaneous Amendments) Bill	To transfer minor regulation-making powers from the Executive Council to other authorities in order to streamline the work of ExCo.	Secretary for Health and Welfare
Wong Wai Tsak Tong Bill	To regulate the relationship between the Wong Wai Tsak Tong and its sub-lessees in Cheung Chau. The Bill covers the renewal of sub-leases, payment of Government rent and redevelopment by sub-lessees. The Bill seeks to minimise the disputes that are likely to arise while preserving the other aspects of the present relationship between the Tong and its sub-lessees as far as possible.	Secretary for Planning, Environment and Lands
Road Traffic (Amendment) Bill	To empower the Commissioner for Transport to refuse the first registration of vehicles which do not comply with the specified noise standards. This Bill seeks to reduce noise pollution due to vehicles.	Secretary for Planning, Environment and Lands

Lands Tribunal (Amendment) Bill	To empower the Lands Tribunal to have jurisdiction over "notices of termination" issued by landowners in accordance with the provisions in the Landlord and Tenant (Consolidation) Ordinance. The Bill seeks to ensure that the Lands Tribunal would have proper jurisdiction coverage over matters relating to tenancy agreements.	Secretary for Planning, Environment and Lands
Rehabilitation of Offenders (Amendment) Bill	To expand the scope of the rehabilitation scheme so that more people can benefit from the Scheme. With the improved scheme, more people can return to the society and turn a new leaf.	Secretary for Security
Mentally Abnormal Offenders - Insanity and Unfitness to Plead	To enable the courts, in dealing with defendants who are found unfit to plead, to have the discretion in addition to indefinite detention, to dispose of the accused, either under a hospital order, a guardianship order, a supervision and treatment order or an order for absolute discharge. The Bill seeks to safeguard the right of those defendants who are found mentally unfit to plead.	Secretary for Security
Travel Agents (Amendment) Bill	To transfer the various regulation making powers relating to the licensing of travel agents from the Governor in Council to the Secretary for Trade and Industry. The Bill seeks to streamline some existing routine legislative procedures.	Secretary for Trade and Industry
Road Traffic (Amendment) Bill	To strengthen legislative provisions relating to drink driving, and to make a number of minor amendments to the Ordinance on matters such as the auctioning of vehicle registration numbers and the powers of traffic wardens.	Secretary for Transport

Kowloon-Canton Railway Corporation (Amendment) Bill	To provide for additional land to be vested in the KCRC, where this is necessary for the efficient and safe operation of the KCR and the LRT and to delegate powers to make regulations from the Governor in Council to the Secretary for Transport..	Secretary for Transport
Public Bus Services (Amendment) Bill	To make legislative provision to ensure that public bus services are maintained in the event that a franchised bus operator ceases to provide services.	Secretary for Transport

End/Wednesday, December 14, 1994

Law to resolve dispute between Wong Wai Tsak Tong and sub-lessees

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Following is a question by the Hon Timothy Ha Wing-ho and a written reply by the Secretary for Planning, Environment and Lands, Mr Tony Eason, in the Legislative Council today (Wednesday):

Question : In view of the dispute over land titles between Wong Wai Tsak Tong and a number of Cheung Chau residents, will the Government inform this Council whether it has drawn up any plan to resolve the problem; if so, what the details are; if not, what the reasons are?

Answer

Mr President,

The Administration has come to the view that the dispute between Wong Wai Tsak Tong and its sub-lessees can only be resolved by legislation. We therefore propose to introduce legislation to regulate the relationship between the Tong and its sub-lessees by dealing specifically with the issues in dispute. The main proposals are -

(a) Renewal and extension of sub-leases

All sub-leases, except those already extended beyond 8 November 1994 by mutual agreement registered in the Land Registry at any time prior to the date of the coming into effect of the legislation, should be renewed from the date they would otherwise have expired until 27 June 2047, ie., 3 days before the expiry of the Block Crown Lease on 30 June 2047.

(b) Payment of Government rent

The Government rent will be payable directly by the sub-lessees to the Government. The Tong will only be entitled to collect from the sub-lessees the amount of rent specified in the sub-lease and no other charges and fees. Starting from 1 July 1997, the amount of Government rent payable by the sub-lessees to the Government will be an amount equivalent to 3% of rateable value of the land.

(c) Consents to modifications and exchanges of sub-leased land

The Tong should be deemed to have agreed to be a party and shall be obliged to execute the necessary documentation for modifications or exchanges unless it can satisfy the Government that it has reasonable grounds for objecting to the modifications or exchanges.

The Tong should be allowed to charge sub-lessees no more than an amount equivalent to 10% of the premium charged by the Government for such modifications and exchanges in recognition of the Tong being the lessee under the Block Crown Lease and the fact that, but for the legislation, the Tong would not have been obliged to agree to enter into any modifications or exchanges of land sub-leased.

The aim will be to achieve through the legislation a fair and objective solution which recognizes as far as possible the legitimate interests of both the Tong and its sub-lessees. We hope to introduce the legislation into the Council in April 1995.

End/Wednesday, December 14, 1994

Immigration Department's functions

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

Question : Will the Government inform this Council :

- (a) whether it has any plans to phase out or transfer certain functions which are now the responsibility of the Immigration Department to the Central Government after 1997; and
- (b) if the answer to (a) is in the affirmative, whether it has considered the staff implications arising from such a change; if so, what is the outcome?

Reply:

Mr President,

We do not envisage that any functions of the Immigration Department will be transferred to the Chinese Government after 1997.

End/Wednesday, December 14, 1994

"Franchise" mode of business not regulated

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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 : In view of the growing trend of conducting business by way of a "franchise", will the Government inform this Council whether consideration will be given to enacting legislation to step up control on such a mode of business operation; and if not, what plans does the Government have to safeguard the interests of investors?

Answer :

The word "franchise", in the context of modern commerce, has no legal definition and can apply to a variable range of business arrangements. Nevertheless, the term generally refers to all of those types of arrangement whereby a person who has the exclusive right to conduct a certain type of business authorises another person to conduct that business within certain limitation. Normally, this involves the payment of a premium by the latter to the former.

Without referring to particulars of the structure of franchise arrangements, which can vary greatly, it is noted that franchises generally involve the kind of arm's length negotiation between two parties that the Government has traditionally not interfered with. In the absence of fraud, the relationship between franchisers and franchisees would be subject to the rights and remedies which exist under contract law. The Administration sees no evidence that franchisees require legal protection in addition to that afforded generally to other contractors. Where fraud is involved in relation to a particular type of franchise, attention could be given to those types of franchises in the light of existing criminal or regulatory laws.

In the light of the foregoing, the Administration has no plan to introduce specific legislation to govern or regulate the "franchise" mode of doing business.

End/Wednesday, December 14, 1994

Operation of Jockey Club

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

Question : Regarding the Royal Hong Kong Jockey Club (RHKJC)'s privilege to operate gambling business in the territory, will the Government inform this Council whether:

- (a) it is aware of (i) the RHKJC's organisational structure, (ii) the electoral arrangements for its Board of Stewards, (iii) the distribution of its financial income, and (iv) the allocation of its revenue for public and charity purposes; if so, what the details are in respect of (iii) and (iv) for the past three years; an

- (b) the Government will consider monitoring the RHKJC's election arrangements for its Board of Stewards as well as its policy on revenue allocation, so as to ensure that its decisions are in keeping with the interest and expectation of the public?

Answer

Mr President,

The Royal Hong Kong Jockey Club (RHKJC) is a limited company incorporated under the Companies Ordinance. Its Memorandum and Articles of Association prescribes (i) its organisational structure and (ii) the electoral arrangements for its Boards of Stewards. The RHKJC publishes annual reports and accounts which reveal (iii) the distribution of its financial income and (iv) the allocation of its revenue for public and charity purposes. In the light of the above, my reply to (a) is yes. Regarding the details in respect of (iii) and (iv) for the past three years, Honourable Members may refer to the annual reports and accounts published by the RHKJC.

Regarding (b), as mentioned in (a) above, the RHKJC is a limited company incorporated under the Companies Ordinance. The Government will not consider monitoring the RHKJC's election arrangements for its Board of Stewards. As regards its policy on revenue allocation, there have been and will continue to be consultations between the RHKJC and the Government on the former's allocation of funds for charitable and community projects to ensure that its decisions are in keeping with the interest and expectation of the public.

End/Wednesday, December 14, 1994

Government services for Hospital Authority

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Following is a question by the Hon Lam Kui-chun and a written reply by the Secretary for the Treasury, Mr Donald Tsang, in the Legislative Council today (Wednesday):

Question :

It is reported that the Electrical and Mechanical Services Department (EMSD) will start charging the Hospital Authority (HA) for maintenance work undertaken on ex-government hospitals. Will the Government inform this Council :

- (a) whether contractors in the private sector will be allowed to submit bids for such maintenance work in competition with EMSD; if not, how the Government can justify to the public that the EMSD's services are the most cost-effective;
- (b) whether the costs of all non-medical services of the HA, including the maintenance of buildings, will eventually be charged to the HA;
- (c) if the answer to (b) is in the negative, what are the non-medical services the cost of which will be charged to the HA and what are the reasons for such an arrangement; and
- (d) what is the estimated annual expenditure on maintenance work in respect of non-medical services referred to in (c) above, and how will such expenditure be met by the HA?

Answer :

In principle, the Government will charge for all the services it provides to the Hospital Authority (HA). This will give a more accurate picture of the full costs of the services provided by the HA. However, for practical reasons, we introduce the charges by stages. We are already charging the HA, for example, for laboratory services provided by the Government Laboratory, financial audit services provided by the Audit Department and vehicle maintenance services provided by the Electrical and Mechanical Services Department. We intend to introduce charges for printing services and building management services next year. We shall continue to introduce charges in stages for the other services, including maintenance of buildings and electrical and mechanical systems and equipment. We have however yet to draw up specific plans for these items.

Where we decide to charge for a service, we shall include in the annual grant to the HA adequate additional provision to cover the charge. It will be for the HA to consider whether to continue to buy that service from the Government, to run the service with its in-house staff or to buy the service from the private sector taking into account the cost- effectiveness and reliability of the alternatives. The HA has agreed that if it decides to terminate a service provided by the Government, it will give at least two years' advance notice so that the government department concerned can make necessary arrangements including redeployment of the staff involved to other duties.

End/Wednesday, December 14, 1994

Office rentals

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Following is a question by the Hon Howard Young and a written reply by the Secretary for Planning, Environment and Lands, Mr Tony Eason, in the Legislative Council today (Wednesday):

Question : With regard to the escalating rental levels of office premises, will the Government inform this Council whether it plans to take measures similar to those for residential premises to dampen office prices and thereby rentals?

Answer

Mr President,

According to Government statistics, between the second quarter of 1991 and the second quarter of 1994, office rentals increased by an average of 12.8% per annum.

The present outlook for the office rental market appears healthy. While supply may be tight in the short term, there will be steady additional supply in the medium term to meet increasing demand. The forecast additional supply in 1994, 1995 and 1996 is 420,400, 537,800 and 570,000 square metres respectively. Most of this will be in Sheung Wan, Tsim Sha Tsui, Causeway Bay and Quarry Bay. Supply will increase significantly after 1996, mainly from development along the Airport Railway and on the Central and Wan Chai Reclamations. Development of I/O buildings will also help increase overall supply of office accommodation and provide flexibility in the response to market demand in terms of type and location.

Since offices, and high quality offices in particular, are predominantly offered for rent the scope for speculation is limited. Furthermore, it is difficult to distinguish clearly between investors and speculators in the office market, since buyers are generally looking for an investment return either through resale or leasing.

We do not therefore see the need for any administrative measures, either to improve supply or to dampen speculation, at this time.

End/Wednesday, December 14, 1994

Passenger capacity of public light buses

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

Question : In order to increase the passenger volume of public transport facilities, will the Government inform this Council :

- (a) of the percentage of the passenger volume of public light buses (i.e. red minibuses and green minibuses) of the overall road public transport passenger volume in each of the past five years;
- (b) whether it will review the existing restrictions prohibiting red minibuses from running in public housing estates and on new highways; and
- (c) whether it will consider increasing the passenger capacity of public light buses from 16 seats to 18 seats?

Mr President,

The statistics sought by the Hon. Lee Wing-tat on the number of passengers carried by public light buses (PLBs) are annexed.

The Government's policy towards PLBs is one of containment. The policy is to limit their numbers as well as their areas of operation. Red Minibuses (RMBs) are allowed to continue to operate in areas where their services have long been established. However, they are excluded from new housing estates and new expressways. As a complementary measure, it is Government's policy to convert RMBs into Green Minibuses (GMBs) so as to channel RMBs away from busy traffic corridors into feeder routes and rural and suburban areas which are more suitable for their operation.

The seating capacity of PLBs was increased from 14 to 16 in 1988. The primary objective then was to encourage replacement of vehicles. PLBs play a supplementary role to franchised bus operations. Having recently reviewed the position and, taking into account various views that have been expressed including feedback and diverse comments from public light bus operators, we consider that, overall, the present arrangements work well in meeting public transport requirements. At this point in time, the Administration has no plans to increase the seating capacity of PLBs.

Annex

Average Daily
Passenger Volume
(in millions)

<u>Year</u>	<u>GMBs</u>	<u>RMBs</u>	<u>(GMBs + RMBs)</u>	<u>All PLBs</u> <u>(GMBs + RMBs)</u>	<u>All Public</u> <u>Transport Modes</u>	<u>Percentage</u>
1990	0.68	+ 1.06	=	1.74	9.80	17.7%
1991	0.68	+ 1.04	=	1.72	9.87	17.5%
1992	0.71	+ 1.02	=	1.73	10.00	17.3%
1993	0.73	+ 1.01	=	1.74	10.13	17.1%
1994*	0.75	+ 0.99	=	1.74	10.34	16.9%

* Projected Figures

End/Wednesday, December 14, 1994

Labour disputes involving foreign domestic helpers

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Following is a question by the Hon Tam Yiu-chung and a written reply by the Secretary for Education and Manpower, Mr Michael Leung, in the Legislative Council today (Wednesday):

Question :

Regarding labour disputes between Philippine domestic helpers and their employers, will the Government inform this Council :

- (a) of the total number of such disputes in the past three years;
- (b) how many of these disputes have been dealt with by the Labour Tribunal; and
- (c) whether there have been cases in which Philippine domestic helpers have to draw public assistance payment while awaiting the adjudication of the Labour Tribunal; if so, what is the total number of such cases and what is the total amount involved?

Reply :

Mr President,

- (a) From January 1991 to October 1994, the Labour Department recorded a total of 6,744 cases of labour disputes between foreign domestic helpers and their employers. These involved foreign domestic helpers from the Philippines, Thailand, Indonesia and other countries. There is no statistical breakdown on the nationality of the individuals involved.
- (b) Of the 6,744 cases of dispute recorded by the Labour Department, 2,153 cases were referred to the Labour Tribunal for adjudication at the request of the parties concerned, while the number of cases which had actually been dealt with by the Labour Tribunal amounted to 2,850. The difference between the two figures represents cases which were filed direct with the Labour Tribunal by the parties concerned.
- (c) According to the Director of Social Welfare, there has so far not been a case involving domestic helpers from the Philippines drawing comprehensive social security assistance (formerly known as public assistance) while awaiting adjudication of the Labour Tribunal.

End/Wednesday, December 14, 1994

Youth drug abuse

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Following is a question by the Hon Fung Chi-wood and a written reply by the Secretary for Security, Mr Alistair Asprey, in the Legislative Council today (Wednesday):

Question :

It is reported that thinner sniffing among teenagers has become a serious problem in recent years. In this connection, will the Government inform this Council:

- (a) whether the problem of thinner sniffing among teenagers in Tai Po has deteriorated; if so, what are the causes leading to such a situation;
- (b) what measures will be taken by various government departments, including the Police, the Education Department and the Social Welfare Department, to tackle the situation; and
- (c) whether the Government will consider deploying one additional outreaching social work team to serve in the Tai Po district to help resolve this difficult problem?

Reply:

Mr President,

- (a) No cases related to thinner sniffing among teenagers have been reported to the Police in Tai Po Police. We are aware that some social workers in Tai Po have come across individual cases of thinner sniffing, but information on the extent and trend of the problem in Tai Po is limited. Reports to the Central Registry of Drug Abuse indicate that the number of young people involved in solvent abuse remains small in Hong Kong. In 1992 there were 27 reports throughout Hong Kong involving people under 21; in 1993 there were 20, and in the first half of 1994 there were 15. As for the causes of drug abuse by young persons, surveys have shown that curiosity and peer pressure are the two major factors.
- (b) The principal measure to reduce solvent abuse is publicity and preventive education directed against substance abuse in general. Solvents are covered in the regular talks given by Narcotics Division to secondary school students and featured in their educational booklet, leaflet and poster.

The Police pay close attention to the involvement of young people in substance abuse, and encourage information and reports on the problem from residents in Tai Po. The Police are available to the community to discuss juvenile drug abuse; last November, the Police addressed the Tai Po District Fight Crime Committee and 27 local headmasters on the problem of juvenile drug abuse in Tai Po and the territory as a whole.

The Education Department issued "Guidelines on the Handling of Drug Abuse in Secondary Schools" to all secondary schools in June this year. The guidelines cover signs which indicate drug addiction, preventive measures and ways to deal with the problem on school premises, and resources/support to which schools could turn for expert advice. Schools are advised to implement drug education for their students through the teaching of various school subjects such as Social Studies, Economic and Public Affairs, Religious Studies, Human Biology, Chemistry and Liberal Studies at the secondary level and Health Education at the primary level. Relevant topics will also be included in the syllabus of General Studies, a subject to be implemented in primary schools by 1996. The Department has organised training courses for secondary school teachers and discipline teachers to equip them with the knowledge, teaching skills and strategies essential for the implementation of drug education at school. Pamphlets are also produced for parents of all school-aged children to promote good parenting and communication between parents and their children.

The Social Welfare Department undertakes a number of measures to address the problem : to arouse parents' attention and seek their support in the prevention of drug abuse among young people by widening the circulation of the parent's guide and other promotional leaflets and producing a video film on "Parental support in handling drug problems"; to strengthen contacts at the local level between the District Fight Crime Committee, schools, children and youth centres, and outreaching social work teams to combat the problem; and to organise in-depth training programmes for frontline social workers.

- (c) An outreaching social work team was set up in the Tai Po District in June 1993. The target provision of a total of 30 outreaching social work teams as set out in the Social Welfare White Paper 1991 has been achieved. The need for further expansion of the service is being examined by a Steering Group.

Motion on Preliminary Working Committee withdrawn

A motion proposed by the Hon Szeto Wah criticising the establishment of the Preliminary Working Committee and its Political Sub-group's proposal to set up a provisional legislature was withdrawn by Mr Szeto himself at the Legislative Council sitting today (Wednesday) in protest against the Administration's withdrawal of the Employment (Amendment) Bill 1994 after it had passed Committee Stage with amendments by the Hon Lau Chin-shek.

A motion moved by Dr the Hon LAM Kui-chun to urge the Government to increase the monthly standard rate of payment for single elderly persons under the Comprehensive Social Assistance Scheme to \$2,300 per month and to increase correspondingly the standard rates for other categories of elderly people under the Scheme was passed.

The Hon Fred Li had withdrawn his amendment to Dr Lam's motion, again in protest against the Administration's withdrawal of the Employment (Amendment) Bill 1994.

The Secretary for Health and Welfare, Mrs Katherine Fok, spoke on the motion on behalf of the Administration.

A total of five motions were moved by Members to amend the Interpretation and General Clauses Ordinance in respect of the Boundary and Election Commission (Registration of Electors) (Functional Constituencies and Election Committee Constituency) Regulation, the Boundary and Election Commission (Registration of Electors) (Geographical Constituencies) (Amendment) (No.2) Regulation 1994, the Commodities Trading Ordinance (Amendment of Schedule 1) Order 1994 and the Maximum Scale of Election Expenses (Municipal Councils) Order 1994.

The motion concerning the Commodities Trading Ordinance (Amendment of Schedule 1) Order and one of the two motions concerning the Maximum Scale of Election Expenses (Municipal Councils) Order were voted down, while the remaining three motions were passed.

A motion moved by the Secretary for Health and Welfare on the Radiation Ordinance was also passed.

Three bills were introduced for first and second readings. They were the Internationally Protected Persons and Taking of Hostages Bill, the Industrial Training (Clothing Industry) (Amendment) (No.2) Bill 1994 and the Kadoorie Farm and Botanic Corporation Bill, which was a Private Member's bill proposed by Dr the Hon Peter Wong. Debates on them were adjourned.

Debates on five bills were resumed. Of them, the Employment (Amendment) Bill 1994 passed through Committee Stage with amendments but was withdrawn by the Administration; the Employees Retraining (Amendment) Bill 1994 and the Corrupt and Illegal Practices (Amendment) (No.2) Bill 1994 passed the third reading without amendments; while the Sewage Services Bill and the Carriage of Goods by Sea Bill were passed with amendments.

The Administration tabled 10 Sessional Papers to the Council during the sitting.

Members asked a total of 18 questions, six of which required oral answers.

End/Wednesday, December 14, 1994