



# DAILY INFORMATION BULLETIN

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Shared interest in legal framework

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Hong Kong and China have a shared interest in trying to get the territory's legal framework in as good shape as possible by 1997, so there are not any doubts and any gaps, the Governor, the Rt Hon Christopher Patten, said today (Wednesday).

In reply to questions by reporters on the Preliminary Working Committee's (PWC) proposal to co-operate on the adaptation of laws after visiting Kowloon City District this afternoon, the Governor said: "I imagine that the Chinese side, if they have new ideas, will want to suggest those through the JLG (Joint Liaison Group)."

"But any proposal that is put forward to help us deal with the problem of adaptation of laws successfully before 1997 is one that we would welcome," he added.

Noting that pretty good progress had been made with the localisation of laws through the JLG, Mr Patten said the adaptation of laws hadn't been going as rapidly.

"I think you all know that we have briefed members of the PWC legal group informally in the past on adaptation of laws, as well as localisation of laws and other matters."

He also expressed hope in seeing more co-operation with the PWC right across the board.

"We've seen helpful developments in a number of areas," he said.

"We shouldn't under-estimate them, and I think that what officials are managing to do on infrastructure issues, on cross-border infrastructure matters, is important and very welcome.

"And we want to see that sort of co-operative approach in as many areas as possible."

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Transcript of Governor's media session

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The following is the transcript of the media session by the Governor, the Rt Hon Christopher Patten, after visiting Kowloon City District today (Wednesday).

Governor: I've enjoyed another official visit to Kowloon. The District Board here have a number of difficult problems to deal with, not least in relation to the environment, and of course in relation to the airport. The sooner we can get the new airport built, the better for the residents of Kowloon. As all of us know very well, I'm delighted to have finished my visit today with the AMS who do such a splendid job for Hong Kong. I'd like to commend all the voluntary effort that goes into this most professional organisation.

Question: Mr Patten, what's your reaction to the PWC legal sub-group's various proposals to co-operate with the Government on the adaptation of law?

Governor: I'd like to study any proposals that come forward from the Chinese side properly. Obviously, I imagine that the Chinese side who want, if they have new ideas, will want to suggest those through the JLG. But any proposal that is put forward to help us deal with the problem of adaptation of law successfully before 1997 is one that we would welcome. I think you all know that we've been making pretty good progress with the localisation of laws through the JLG. But the adaptation of laws which is a little trickier hasn't been going as rapidly. But I think that we have a shared interest in trying to get Hong Kong's legal framework in as good shape as possible by 1997, so there aren't any doubts, so there aren't any gaps. And if the PWC wanted to help with that process, we would much welcome it. I think you also know that we have briefed members of the PWC legal group informally in the past on adaptation of laws, as well as localisation of laws and other matters. There is one other issue on which I hope will see some movement soon from the Chinese side and that is over the Court of Final Appeal. We let them have our draft bill last May. We gave them some not very major technical amendments that have been agreed by the Executive Council in response to representations we received from the legal profession, just before the Chinese New Year. And obviously the sooner we can get on and put the Court of Final Appeal in place, the better for everyone. I hope we'll get a fairly rapid response from Chinese officials. I certainly hope they should have time to consider the entirely faithful way in which we put into legislation the agreement that was reached in the JLG in 1991.

Question: Is it just a flexible way as you suggested in your policy address to let the PWC members sit as experts in the JLG?

Governor: I don't think that that is entirely what they're proposing. But as I've said to you before, we are very happy to consider whether that could be a way of speeding up the work that in Hong Kong's interest needs to be done. But I do hope that we can see more co-operation right across the board. We've seen helpful developments in a number of areas. We shouldn't under-estimate them, and I think that what officials are managing to do on infrastructure issues, on cross border infrastructure matters, is important and very welcome. And we want to see that sort of co-operative approach in as many areas as possible. I think everybody in Hong Kong wants to see that, too.

Question: When Deng Xiaoping dies, one would expect quite a strong reaction from this community. What is the Hong Kong Government's contingency?

Governor: I don't think that it would be helpful to speculate about what the Government will do in the event of anyone's death. We all die eventually. I imagine that your newspapers have obituaries on file about the 28th Governor of Hong Kong. But you wouldn't actually debate it in public, at least I hope you wouldn't. So I don't think it's helpful to comment on that. All I would say is that Mr Deng Xiaoping's career is being one of historic significance. And I am sure that the community would wish that at some future moment to be marked in a dignified way.

Question: Don't you hope he had taken a different stance on in Hong Kong?

Governor: I don't want to comment on Mr Deng Xiaoping. I would very much like all Chinese officials to take a positive approach to Hong Kong and the challenge it faces. And I would very much hope that they would all be confident about Hong Kong, and at the same time help to boost Hong Kong's confidence by doing things that're reassuring and not just saying things.

Question: Do you think that the legal sub-group suggestion can help in the progress of adaptation of law?

Governor: Any help that the legal sub-group offers us, we'll be very happy to look at. But I don't say this in a critical way. I think we all know that there have been times in the past when things would emerge from PWC meetings which have then been contradicted or have turned out not to be the official Chinese position. So I don't think it's very helpful of me other than express a general concern for as much good co-operation as possible. I think it's very helpful of me to react ... official suggestion has been put forward because that may not prove to be the case.

Question: Now that the Director of the Planning Department has gone up to Beijing to join the PWC.....is there a change in Government stance to the PWC's integrity, to recognise them?

Governor: Well, it's not for me to recognise them or not recognise them, anymore than it's for me to recognise the door or other things. They exist. They are an advisory body to the NPC, but they have nothing to do with the agreed institutions which have been established between Britain, China and Hong Kong. Our position on the PWC hasn't changed. We are well known for being as helpful and open-handed as we could be. We have always been prepared to provide information and briefing to PWC members, but as you know, we haven't thought it appropriate to, as it were through our actions, appear to be substituting the PWC for the JLG. So we remain of the view that we should be as helpful as we can be and the Director of Planning has agreed to go and speak at a seminar which is being organised by the PWC to consider the impact of land reclamation on the harbour and our coastal waters as a subject which has been, of course, debated very extensively in Hong Kong for ten years or more, not least, when the community was discussing metric...

Question: Mr Patten, there was a public opinion poll promulgated yesterday and the result showing that the public confidence towards the ICAC anti-corruption work has been deteriorating, and I just want to know whether you really think that the ICAC has been doing its job worse than before, and also how do you restore the public confidence towards the ICAC?

Governor: I think the ICAC has been doing its job as competently as ever. I don't think that a recent case was particular helpful, but I think that overall the community recognises that the ICAC has a very important job to do, that it does it with competence and integrity and that it needs the community's support. The whole community knows that clean government, a vigorous attack on corruption and the rule of law are very important to our well-being, our prosperity and our stability. I'm particularly pleased that the ICAC have taken their campaign to the private sector and that so many private sector organisations and companies are now setting out their own code of conducts in relation to clean commercial practices. That is important for Hong Kong and it is a vital lead which the ICAC have given. The ICAC have recently co-operated very readily with the committee which has been reviewing the way they work and their terms of reference, will be implementing the recommendations of that committee which I hope will ensure that the ICAC are able to go on doing their job in a way which the community regards as appropriate for the 1990s and conceivably beyond though that won't be a matter for me. One more question, and then I can see you are looking at your watches.

Question: During the last two years, you have used more than 4 million dollars for your trip over Hong Kong. Some Legco members said that it's waste of Government money. What's your comment?

Governor: The Chief Secretary gave some very good replies this afternoon in the Legislative Council.

Question: Exco has rejected to set up the bus fare stabilisation fund. Why?

Governor: I think you'll have to wait and see the proposals that the Secretary for Transport, Haider Barma brings forward to the Legislative Council fairly soon.

Question: There's a lot of support now for the OOPS. What's the reason for not going back to OOPS with so much support, for example in the parties?

Governor: Well, I answered that quite extensively yesterday in reply to a question from your distinguished colleague, Jenny Lam. I think that the opinion polls suggest that there is still a lot of support for the OPS, but the truth of the matter is that when it was debated in the Legislative Council, there was only, I think, one Legislative Councillor who was wholly in support of it. Many of the representatives of business opposed it. I haven't had the impression that Chinese officials have been going out of their way to give their thumbs up. I'd like to know which newspapers have supported it. So since we are looking for a consensus in the community, we are now examining other proposals which would be fair and reasonable and which would give the elderly the financial support that they need. There are two aspects in our approach to the needs of the elderly. There are two aspects, first of all, there is the question of services for the elderly and we are implementing all the recommendations of the working party that reported under Libby Wong in August last year, and that is important in improving the health care and the other services which are provided for old people. Secondly, there is the question of financial support which is why we brought forward the Old Age Pension Scheme. If it now turns out to be the case that suddenly there is a majority support, I dare say that would manifest itself over the coming days and weeks. But I don't get that impression at the moment. There are some legislators who say : we really like it all along. I am delighted. I like it all along. I still think it's the best approach, but unfortunately my view doesn't seem to be shared by as many people in the community as I would like. And I want to be realistic. I want to get something done for the elderly. All your newspapers keep on telling us that we should get on with it and we should put in place the best possible scheme if that's in my view the second best, then so be it. But the elderly need our help and that what we are determined to provide for them on which...

Question: But why the Government miscalculated the opinions of ..

Governor: I don't think we miscalculated with respect the opinions of the public. There was an opinion poll even this week in one of your newspapers which showed that nearly 70 per cent of the public favour the Old Age Pension Scheme. But that's not been the case as I said earlier with the Legislative Council and we have to get any proposals through the Legislative Council, nor with the Chambers of Commerce, nor with your newspapers, nor as far as I know, with Chinese officials, so you know, we are in the business of trying to get things done with the maximum community support, on which note I am going to depart and I'm going to let you meet your news deadline. Thank you very much.

Question: (on unemployment of disabled)

Governor: I told her that had hold a summit with representatives of the disabled and employers last year...come forward with a number of practical proposals that the government can give a lead. We will be holding...a summit this year to examine the progress that has been made. I also told her that Hong Kong needs the talents and abilities of all its people whether they're suffering from disability or not and that we couldn't afford to discard the talents of people like, she has to offer.

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Stricter restrictions on selling, distribution of indecent articles

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The Control of Obscene and Indecent Articles (Amendment) Bill which seeks to tighten the control over the selling and distribution of indecent articles to minors and to facilitate enforcement actions will be introduced into the Legislative Council next Wednesday (February 22).

Under the proposed bill, all indecent articles must display a warning notice occupying at least 20 per cent of the cover on both sides and be sealed in completely opaque wrapper. The wrapper should be in black, dark blue or dark grey colour.

Nothing shall be printed on it except the warning notice; the name, address and telephone number of the publisher; the date of publication; its serial number; and the price.

"We consider it justifiable that the fulfilment of this requirement should fall primarily on the shoulder of publishers," a spokesman for the Recreation and Culture Branch said today (Wednesday).

"With the opaque wrapper and easily noticeable warning notice, news vendors should find it much easier to exercise due care of not selling indecent articles to young people.

"It should also help parents and teachers more effectively play their respective roles in keeping their children or students away from indecent articles," he added.

To enhance enforcement actions, the bill provides a new provision under which it will be an offence to possess indecent articles for the purpose of publication.

At present, no offence is committed even if such indecent articles are found in public places or stored in warehouses.

The new provision also empowers the Police to seize indecent articles in public places if these articles can be used as evidence for prosecution.

"Police officers will no longer need to wait for the actual 'publication' of an indecent article which violates legal requirements such as the lack of opaque wrapper and warning notice.

"Actions can be initiated at once as long as more than two copies of an indecent article in breach of any legal requirements are found in the circumstances which should give rise to reasonable suspicion that they are for the purpose of publication.

"The new power of seizure will further enable Police officers to seize the indecent article on the spot as evidence for prosecution," the spokesman said.

The bill also proposes to increase the maximum fine for violating any legal requirements imposed on the publication of indecent articles from \$200,000 to \$400,000 on first conviction, and \$800,000 on subsequent convictions, and an imprisonment of 12 months.

The spokesman believed that raising the maximum fine should act as a more effective deterrent.

"The Government is mindful that these restrictive measures must be the minimum necessary to be consistent with the Bill of Rights Ordinance," he said.

"We are confident that all these measures are in line with the Bill of Rights Ordinance. We are also confident that these well-balanced proposals will effectively contain the problem of indecent articles, especially the nuisance caused by their public display and young people's accessibility to them," the spokesman added.

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HK delegation to attend Border Liaison Review Meeting

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At the invitation of the Director of the Foreign Affairs Office of the Guangdong Provincial Government, Mr Chao Zhenwei, a Hong Kong Government delegation will visit Guangdong from February 16 to 18 (Thursday to Saturday) for the 15th Annual Border Liaison Review Meeting.

Led by the Political Adviser, Mr Robert Peirce, members of the delegation will include Mr Laurence Leung, Director of Immigration; Mr John Telford, Deputy Secretary for Transport; Mr Stephen Lam, Deputy Secretary for Constitutional Affairs; Mr Stanley Wong, Acting Deputy Secretary for Planning, Environment and Lands; and Mr Dick Lee, Assistant Commissioner of Police (Operations).

Other members are Mr Vincent Poon, Mr Henry Siu and Mr Ronald Fok, Border Liaison Officers respectively for the Customs, Immigration and the Police; Miss Jenny Yip, Assistant Secretary for Security; Miss Shirley Yung, Assistant Political Adviser; and Mr Sung Chi-cheung, interpreter.

The meeting will be held tomorrow in Guangzhou to review border liaison arrangements over the past year and discuss matters of mutual concern. It will be followed by a visit to Jiangmen.

The delegation will return to Hong Kong on Saturday.

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Fees revised for inspecting registers of insurers and retirement schemes

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Certain fees and charges payable under the Insurance Companies Ordinance and the Occupational Retirement Schemes Ordinance will be revised from March 23 this year.

The new fees and charges are specified in the Insurance Companies (Authorisation and Annual Fees) (Amendment) Regulation 1995, the Insurance Companies (Register of Insurers) (Prescribed Fees) (Amendment) Regulation 1995 and the Occupational Retirement Schemes (Fees) (Amendment) Rules 1995 which will be gazetted on Friday (February 17).

They prescribe the fees payable by authorised insurers upon authorisation and annually thereafter and fees payable by the public for inspection of the registers of authorised insurers and occupational retirement schemes, and for the issue of a copy or certified copy of any entry in the registers.

A Government spokesman said today (Wednesday) that on commencement of the Insurance Companies (Authorisation and Annual Fees) (Amendment) Regulation 1995, the authorisation or annual fee payable by an insurer carrying on either long-term insurance business or general insurance business is \$135,000.

The authorisation or annual fee payable by an insurer carrying on both long-term insurance business and general insurance business is \$270,000.

The spokesman explained that the increase was in line with Government policy to revise the level of fees to recover the costs of supervision carried out by the Office of the Commissioner of Insurance.

The Insurance Companies (Register of Insurers) (Prescribed Fees) (Amendment) Regulation 1995 and the Occupational Retirement Schemes (Fees) (Amendment) Rules 1995 revise the fees for inspection of the registers of authorised insurers and occupational retirement schemes, and for the issue of a copy or certified copy of any entry in the registers payable by the public.

The spokesman said the fees for inspection of the register of authorised insurers were last reviewed in 1988 and an increase was necessary to reflect the increase in cost since the last review.

"The fees for inspection of the register of occupational retirement schemes are similarly revised to bring them on par with those for inspection of the register of authorised insurers," he added.

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Contract awarded for new airport

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The Secretary for the Treasury, on the advice of the Central Tender Board, has approved the award of an Airport Core Programme (ACP) contract for the supply and installation of an Aeronautical Information Database System for the new airport at Chek Lap Kok.

The contract, valued at \$36.1 million, has been awarded by the Civil Aviation Department to SYSECA S. A. of France.

The company will be responsible for the supply and installation of a database system for the new airport to automate the processing, storage and presentation of aeronautical information.

Works will start later this month for completion in July 1996.

The award of this contract brings the total number of ACP major contracts awarded so far to 108, with a total value of \$79 billion.

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AG decides against seeking review of sentences  
imposed on convict in HK Bank fire

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The Attorney General, Mr Jeremy Mathews, after the most anxious and thorough consideration of all relevant factors, has decided not to seek a review of the sentences imposed upon Chu Po-kwong, who was sentenced to 20 years' imprisonment for 12 counts of manslaughter in the fire at the Shek Kip Mei Branch of Hong Kong and Shanghai Banking Corporation.

A spokesman for the Legal Department said Mr Mathews, after studying all the case papers, considered that the sentences were neither manifestly inadequate nor wrong in principle.

In a letter to the families of the fire victims, who had written to the Attorney General seeking a heavier sentence, Mr Mathews said he had carefully considered whether it was appropriate for him to invoke his powers to seek a review of the sentences.

He said it had been necessary for him to keep in mind that the defendant was acquitted by the jury of the 12 counts of murder he faced, and was found guilty instead of offences of manslaughter.

"After an examination of all relevant factors, I have reached the conclusion that this is not a case in which I should invite the Court of Appeal to review the sentences passed," Mr Mathews said.

In the meantime, Chu Po-kwong, the defendant, had lodged an appeal against his sentence of 20 years.

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#### Governor tours Kowloon City

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The Governor, the Rt Hon Christopher Patten, toured Kowloon City this (Wednesday) afternoon to get a better understanding of the conditions in the district.

Mr Patten first visited the Mary Rose School in Kowloon Tong where he was briefed on the services provided for mentally handicapped children.

This was followed by a visit to a high-tech garment factory in To Kwa Wan and a walkabout in the Oi Man Commercial Complex.

The Governor then went to the Auxiliary Medical Services Headquarters to see its new facilities as well as demonstrations by the volunteers before meeting district board members and community leaders at a reception at the officers' mess.

The Governor was accompanied by Mrs Patten, the Acting Director of Home Affairs, Mr Philip Chok; the Kowloon City District Officer, Mr William Yap and the District Board chairman, Mr Tang Po-hong.

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### Speed urged for container terminal development

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The Port Development Board warned today (Wednesday) that failure to develop the Lantau Port Container terminal facilities as soon as practical would have serious adverse effects, both socially and economically on Hong Kong.

Speaking after a routine meeting of the board's Container Handling Committee, Mr Gerry Forsgate, chairman of the committee, said the port and its related industries already provided employment for one in eight of the workforce.

As manufacturing jobs continue to relocate to China, the service industry sector, of which the port is probably the most significant generator, needs to expand to provide replacement job opportunities.

Additional port facilities must be provided both in Hong Kong and nearby to cater for the increasing flow of goods into and out of the Pearl River Delta area.

If no new facilities are built in Hong Kong, cargoes would be diverted to alternative ports. Once that happens it would not be long before the service industries also moved out.

"We are talking about real people here - up to a million people directly dependent on the port and its industries. They all stand to lose if government does not get on with Lantau Port as quickly as possible," he said.

"In more esoteric terms, in 1994, container handling added some \$214 billion to the local economy. Forecasts show that this will rise to \$384 billion in 2001 and \$633 billion in 2011," he added.

Mr Forsgate said these benefits to the economy would come about only if the port expanded to meet the demand.

He pointed out that though China was developing container ports, they alone would not be able to handle the huge growth in throughput forecast for the next few years.

"We are not talking about unlimited port growth in Hong Kong," he added. "We should concentrate on providing facilities to handle the demand for the next decade. Perhaps by then China's ports will be sufficiently developed to cope with some of the ever-expanding demand."

Answering critics who advocate shelving port expansion and developing other service industries, he said: "Most of the service industries are here purely because of the success of the port. If the port business goes elsewhere then, so will the service industries."

"I know that there are environmental concerns over port expansion, but these have already been addressed by the Environmental Impact Assessment Committee of the Advisory Council on the Environment. The committee has endorsed the building of Terminals 10 and 11."

"People are also worried that expanding the port will mean more container lorries on the road. It is true that the Government is planning new road networks to serve Lantau Port, but, there are also plans for rail links and there is a growing trend to ship containers by river.

"This is why a River Trade Terminal is being planned close to Tuen Mun and facilities to accommodate feeder vessels and barges at the new terminals are incorporated in the design."

Mr Forsgate explained that the established practice in container shipping is for large, deep-sea vessels, which are becoming increasingly larger, to call at hub ports from where containers are distributed to smaller ports by feeder vessels. "We see Hong Kong's role as the hub port for this region," he said.

"People must realise that Hong Kong has been, and remains, a port-based economy. That will continue to be true well into the next century. The simple fact is, if the port does not expand then neither will the economy," he said.

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Two of the world's largest container ships call at HK

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Two of the world's largest container ships made their maiden voyages to Hong Kong on the same day, completed their cargo work and set sail in less than 20 hours.

At a ceremony to welcome the arrival of one of the vessels this (Wednesday) morning, the Deputy Director of Marine, Mr Ian Dale, presented a memento to Captain Masakazu Ichikawa on board the M/V NYK Altair before she left at 11 am today.

At a separate ceremony on board the M/V Maas, the Assistant Director of Marine (Planning and Local Services), Mr S Y Tsui, welcomed the ship and her master, Mr Katsuzo Yamano.

Speaking at the ceremony, Mr Dale said having two of the world's largest container ships arriving at the Hong Kong port on the same day and leaving on the same day might well be a record.

The M/V NYK Altair, with a capacity of 4,730 TEUs (20-foot equivalent units), arrived at Modern Terminals Limited new container terminal 8 in Kwai Chung around 8 pm yesterday.

The M/V Maas, capable of carrying 4,743 TEUs docked at berth 2 of Modern Terminals in Kwai Chung, around 5 pm yesterday.

The M/V NYK Altair, owned by NYK and with a gross tonnage at 60,117, will call at Taiwan and Japan before starting her journey to Europe.

Operated by Mitsui OSK Lines, the 60,133-gross registered ton M/V Maas left at 1 pm for Singapore before going on to Europe.

Mr Dale noted that in the third quarter of 1994, 9,584 ocean-going vessels with a total capacity of 42.1 million net registered tons arrived at Hong Kong, representing an increase of 13 per cent in number of vessels and seven per cent in capacity over the same quarter of 1993.

"The increases reflect the port's efficiency and underline its hub port status," Mr Dale said, adding that these were two of the elements that made Hong Kong the busiest port in the world.

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Study of shopping habits

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The Director of Planning, Dr Peter Pun, has signed a consultancy contract commissioning a firm to carry out a "Study of Shopping Habits and Revision of Chapter 6 of the Hong Kong Planning Standards and Guidelines".

"The main objective of the study is to formulate planning standards and guidelines to facilitate the development of retail facilities to meet the economic and social needs of the community," a spokesman for the Planning Department said.

"Based upon the findings of the study, Chapter 6 of the Hong Kong Planning Standards and Guidelines on 'Retail Facilities' will be reviewed and revised," he said.

The study will identify the trends and distribution of retail facilities in the territory. A survey will be carried out to examine the shopping habits and aspirations of households, tourists, office and industrial workers.

"The findings of these tasks will provide inputs for the development of a retail model to assess the demand for retail facilities," the spokesman said.

The study began on February 13 and will be completed by December this year.

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Revised fees for AFD services

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Fees for a number of the Agriculture and Fisheries Department services, including the issue of permits and licences, under six pieces of legislation will be revised from March 30 this year.

The first legislation affected by the revision is the Pesticides Ordinance. Under the ordinance, fees are payable for the application, issue, renewal or extension of licences or permits in respect of pesticides and in relation to the application for the registration of a pesticide.

Fees payable under the Country Parks Ordinance are for permits for the use of country parks or special areas or in connection with the use of amenities or facilities there.

For the Animals and Plants (Protection of Endangered Species) Ordinance, fees are chargeable for licences to import, export or possess scheduled endangered species or controlled medicine.

Another AFD-administered legislation, the Pounds Ordinance, requires owners of stray animals to pay fees to claim back their impounded animals.

Under the Plant (Importation and Pest Control) Ordinance, fees are payable for the issue of phytosanitary certificates, and for the maintenance and treatment of plants and soil under quarantine.

The last legislation affected by the revision is the Public Health (Animals and Birds) Ordinance. Under this ordinance, permits or licences to operate as animal traders and run pets-boarding or horse-riding establishments are required.

A spokesman for the department said it was Government policy, in general, to set fees at levels sufficient to recover full or nominal costs of providing the services.

Fees for the services were last reviewed ranging from more than one year to several years back.

The amendments to the ordinances and regulations, related to details of the new fees, will be published in the Government Gazette on Friday (February 17).

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Three lots of land in Kwai Chung and Chai Wan to let

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The Lands Department is inviting tenders for short-term tenancies of three lots of Government land on Hong Kong Island and in the New Territories.

The first lot in Kwai Chung has an area of 8,050 square metres for use as a fee-paying public car park for container tractors and trailers only.

The tenancy is for one year, renewable quarterly.

Covering an area of 2,760 square metres, the second lot at Lo Shue Pai, Chai Wan, is to be used for open storage of the tenant's goods, excluding containers, container vehicles and container tractors and trailers.

The tenancy is for 18 months, renewable quarterly.

With an area of 3,130 square metres, the third lot at Siu Sai Wan reclamation, Chai Wan, is designated for use as a fee-paying car park for lorries and coaches only.

The tenancy is also for 18 months, renewable quarterly.

Closing date for submission of tenders for the three lots is noon on March 3.

Tender forms, tender notice and conditions may be obtained from District Lands Office, Hong Kong East, 19th floor, Southorn Centre, 130 Hennessy Road; the District Lands Office, Kwai Tsing, 10th and 11th floors, Tsuen Wan Station Multi-storey Carpark Building, 174-208 Castle Peak Road, Tsuen Wan; the District Lands Offices Kowloon, 10th floor, Yau Ma Tei Car Park Building, 250 Shanghai Street, Kowloon and the Lands Department, 14th floor, Murray Building, Garden Road.

Tender plan can also be inspected at the offices.

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#### Subvention for adult education courses

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The Education Department is inviting registered non-profit-making voluntary organisations to apply for government subvention to run courses for the 1995-96 school year.

A spokesman for the department said today the courses could complement and supplement the Government activities in the field of adult education.

"Areas eligible for subvention include prevocational training, pre-retirement or retirement education, job-oriented courses, labour education, special education for the physically or mentally handicapped adults, social and moral education, careers education, courses designed to improve basic literacy in Chinese.

"Other eligible courses for subvention are re-orientation and Cantonese language courses for newcomers to Hong Kong from other parts of Asia, adult education courses conducted on an experimental basis, courses in geographical areas not covered by the Education Department's services, and general education for particular groups such as factory workers and fisherfolk," he said.

The subvention will cover mainly cost of staffing, basic teaching and office equipment, utilities charges and rent.

Application forms are now obtainable at the Education Department's Adult Education Section, Room 1106, Wu Chung House, 213 Queen's Road East, Wan Chai.

Completed application forms should be returned to the Adult Education Section on or before April 29.

Applicants will be informed of the results in writing in August.

For further information, please contact the Adult Education Section on 2892 6671 or 2892 6674.

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#### Flushing water cut in Sha Tin

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Flushing water supply to some premises in Sha Tin will be suspended from 8 am to 8 pm on Friday (February 17) to facilitate checking of the supply system.

The affected areas will include Lucky Plaza, Sha Tin Centre, Sha Tin Plaza, New Town Plaza, Sha Tin Town Hall, Sha Tin Magistracy, Royal Park Hotel, Wai Wah Centre, Hilton Plaza, Sha Tin Central Park, Man Lam Road, Man Lai Road and Man Lai Court.

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Hong Kong Monetary Authority money market operations

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	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	1,404	0930	+911
Closing balance in the account	1,270	1000	+918
Change attributable to :		1100	+996
Money market activity	+1,046	1200	+996
LAF today	-1,180	1500	+1,046
		1600	+1,046

LAF rate 4.25% bid/6.25% offer TWI 121.0 \*-0.1\* 15.2.95

Hong Kong Monetary Authority

EF bills		EF notes/Hong Kong Government bonds				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	6.02	15 months	2605	6.35	99.11	7.22
1 month	6.22	21 months	2611	6.90	99.31	7.45
3 months	6.50	29 months	3707	6.95	98.61	7.72
6 months	6.78	35 months	3801	8.00	100.54	7.94
12 months	7.10	58 months	5912	8.15	99.69	8.39

Total turnover of bills and bonds - \$14,864 million

Closed February 15, 1995

End/Wednesday, February 15, 1995



# DAILY INFORMATION BULLETIN

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## SUPPLEMENT

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Motion debate on bus franchise and fare increase

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Following is the speech by the Secretary for Transport Mr Haider Barma in the motion debate on KMB fare increase and CMB franchise in the Legislative Council tonight (Wednesday):

Mr President,

One of the pillars of our well established transport policy is to provide an efficient transport system in Hong Kong which meets the economic, social and recreational needs of our community. We achieve this goal by continuing to improve the availability and quality of public transport. In this respect, franchised buses play a vital role - they now carry 3.5 million passengers a day or account for 34% of commuter trips.

Our public transport system in Hong Kong ranks amongst the best in the world. We should not be shy to acknowledge this but, at the same time, we cannot afford to be complacent. I am sure Honourable Members will agree that our franchised operators should be encouraged to do their best to provide yet a better service. They have a public responsibility and, on the Administration's part, we must vigilantly exercise our monitoring and regulatory role.

Another basic tenet of our transport policy is that transport services are not subsidised. This policy has served us well. Our bus services are run by private companies, under franchise. They have, over the years, made sizeable investments and, as business ventures, they expect to be allowed to make a fair and reasonable return on their investments.

Inflation inevitably means that operating costs increase and, as a result, bus companies do submit applications for a fare increase. It is much better and less painful to have smaller adjustments annually than to have to face hefty increases over longer periods of time.

Because bus companies provide a public service, it is essential that they are accountable and indeed procedures are regularly reviewed and, when necessary, legislation amended to provide for the necessary checks, balances and safeguards.

In the motion debate in this Council in January last year, on the subject of fare increases, I explained the criteria that the Administration adopts in considering and processing such applications. Let me briefly reiterate what these criteria are. We take into account -

- (a) the increase in operating costs since last year's adjustment;
- (b) efforts made to reduce costs and increase revenue;
- (c) the quantity and quality of service provided having regard to passenger demand and feedback;
- (d) future development plans and service improvement programmes;
- (e) forecast of future costs, revenue and return; and
- (f) public affordability and acceptability including the impact on livelihood.

Honourable Members will recall that last year KMB submitted an application for a fare increase of 19.6%. The Administration scrutinised this application very carefully taking into account the factors I have just described. As a result the percentage increase sought was slashed and we found we could only recommend an increase of 12.9% which was ultimately approved.

KMB has been far more modest in its submissions this year. We have yet to process this application and I am not able to say to date what percentage increase the administration will recommend. We have well established procedures to deal with applications for fare increases. The Transport Panel of this Council is briefed by the company concerned - (and indeed KMB has already done this regarding its application this year); the Administration vets the application meticulously and decides on the rate of increase to be recommended. The Transport Advisory Committee is then consulted; and thereafter the recommendations are put to the Executive Council for approval.

To look at bus fare increases in percentage terms often results in an exaggeration of the real impact. The additional expenditure which passengers actually have to pay in monetary terms, and in perspective what KMB has now sought, works out at an average increase of only 30 cents per trip. And in this respect it should not be forgotten that almost all wage earners get annual adjustments in their pay.

The impact of public transport fare increases on inflation also needs to be seen in proper perspective. The 8.3% now sought by KMB is expected to result in only a 0.1% increase in the Consumer Price Index. Some members have argued that because KMB shareholders pocketed \$1.7 billion from last year's land sale, the company should not ask for a fare increase this year. It must be emphasised that the sites sold were bought years ago with their shareholders' funds in the open market. The sites sold became obsolete and were no longer required for bus operations. The proceeds from land sales is therefore not part of bus operating receipts and under existing law, such proceeds cannot be taken into account in the determination of bus fares. Therefore it would be improper for the Administration to regard land sale proceeds obtained by bus companies as one of the factors to be considered in the determination of a fare increase application.

Mr President, at this point I would like to inform this Council of the outcome of the Administration's study into the feasibility of setting up a "fare stabilisation fund". Following KMB's sale of their depot sites last year, and in connection with their application for a fare increase in 1994, the Governor in Council directed that, in processing future applications for bus fare increases the Administration should consider taking into account land sale proceeds of franchised bus companies. Indeed this is what I announced and of course this is what the Administration has done. Obviously the setting up of any fund must be subject to their being no insurmountable problems. At the very outset we recognised that there were complex legal and technical aspects that had to be addressed. Moreover wider philosophical and policy considerations have also had to be taken into account. We have now completed this exercise. The Governor in Council has advised that this proposal to set up a fund by pumping in proceeds from the sale of sites owned by bus companies should not be pursued. The reasons for this decision are as follows :

- (a) The proposal is tantamount to expropriation of private property without compensation. This would be against the rule of law.
- (b) A site bought in the open market using shareholders' funds can only be disposed of during a franchise period if the Commissioner for Transport agrees and accepts that the site is no longer required for bus operations. Once such agreement is given, the site then falls outside the ambit of franchise and as such, if it is sold, the proceeds have nothing to do with bus operations.
- (c) Past permitted returns on land and buildings are legitimate profits for bus companies under the terms of their franchise and the existing legislation.

- (d) Other bus companies without any land would not be able to compete on a level-playing field with those from subsidies from land sales.
- (e) The proposal would be discriminatory against bus companies as other utility companies will not be subject to the same requirement.
- (f) And the whole concept of ploughing back land sale profits is a major departure from Hong Kong's free market principles.

The only way that this particular proposal could have been implemented would have been if the bus companies concerned had signified their agreement. Over the past three months the Administration has consulted the franchised bus operators. They have vehemently opposed such a move. In short therefore, given the legal, philosophical and policy considerations this proposal must be a non-starter. Mr President, I realise that this decision will disappoint some members of this council but I am sure that all members will agree that on such an important issue, any decision must be beyond reproach. To arbitrarily require bus companies to set aside part of the proceeds from land sales would be fundamentally wrong and difficult to justify either on legal or moral grounds. To do so forcibly would not only destroy the Administration's credibility but also have other far-reaching consequences. So to sum up, given the legal implications and the wider policy implications it is not in the overall interest of Hong Kong to pursue such a proposal. To do so will seriously undermine investors' confidence and question the Government's commitment to the rule of law.

Mr President, the Administration's fundamental concern is to ensure that public transport services are maintained. Insofar as operations of bus companies are concerned depot sites are essential and there is no question of the Administration agreeing to the release of any such site unless it is fully satisfied that the depot in question is no longer required for bus services. Certainly the Administration has no intention whatsoever of providing bus companies with alternative sites to facilitate the disposal of other depot sites which that particular bus companies may own. In the KMB case, a short-term tenancy site in Tseung Kwan O was granted because of the need to cater for an expanded fleet to serve the new town. In any case the cost of keeping these sites is much lower than having a company continuing to use depots which are no longer required and are obsolete. The Honourable Steven Poon criticised the Administration's proposal to take temporary possession of bus companies' assets. Under existing legislation, the Government already has a power to take temporary possession of bus companies' assets in the event of an emergency or revocation of a franchise. Such powers can also be exercised by the Government in the event that the franchise is not renewed. These provisions are necessary to enable the Government to protect the public interest in a situation where a bus company ceases to operate and severe disruption of bus services is likely to occur. We need a realistic period of time so that we can find a replacement operator and thus avoid unnecessary disruption.

Let me now turn to the other aspect of this motion debate, namely, the renewal of CMB's franchise. CMB's current franchise will expire on 31 August 1995. CMB is a major bus operator on Hong Kong Island which operates some 130 Island and cross-harbour routes. It carries 540,000 passengers a day. It employs over 2,500 staff and has some 15,000 square metres of depot space. Admittedly there have been many complaints about CMB and their service. However, we have seen some improvement since the cutting of some 26 routes from its network in 1993. For example in Southern District, CMB has provided extra buses to compete with the new Citybus Company.

In his motion the Honourable Zachary Wong has asked that the Administration should not grant CMB a new franchise on the expiry of the current one. This would be a very drastic move which could result in severe disruption of bus services especially on Hong Kong Island. If one is to look at the service provided by CMB in a dispassionate manner the conclusion must be that whilst there are shortcomings and there is great scope for improvement, CMB at least obtains an overall pass mark. That is why we are considering the offer of a new franchise to CMB and in the current negotiation with the company, the Administration will do its best to ensure that the network of routes offered to CMB is one which they can effectively fulfil and which will enable them to provide a better service.

As regards CMB's proposal to dispose of its Wong Chuk Hang site the Administration's position has been spelt out. Notwithstanding the pre-sale deal they have entered into, the Commissioner for Transport has made it crystal-clear that he is not prepared to release this site since it is required for bus operations during the current franchise. The Commissioner has also stressed that it is not appropriate for CMB to assume that the Wong Chuk Hang depot will not be required after the expiry of the current franchise. We will certainly not provide CMB with a replacement depot site to enable the company to dispose of its Wong Chuk Hang site.

Mr President, the Administration cannot support the motion proposed by the Honourable Zachary Wong. It would be totally wrong to impose a freeze on KMB's application for a fare increase without first evaluating its submission. As I have explained, this is in hand. As regards CMB, we are now in the midst of negotiations on the renewal of their franchise. Their current standard of performance does not justify not renewing the franchise. That apart, the logistics of commissioning new operators require a long lead time.

The amendment to the motion proposed by the Honourable Miriam Lau reflects how she thinks KMB's application should be processed. She is absolutely right, KMB's application for a fare increase needs to be considered very carefully and indeed the procedures now adopted by the Administration covered the factors mentioned.

As regards CMB's franchise, the approach advocated by the Honourable Miriam Lau is in fact also what the Administration is now pursuing. An example of this is when 26 of CMB's routes were curtailed in September 1993. These were then put to tender. Mr President, the Administration supports the motion proposed by the Hon Miriam Lau and the Official Members will vote in favour of this amendment.

Thank you, Mr President.

End/Wednesday, February 15, 1995

#### Motion debate on traffic congestion

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Following is the speech by the Secretary for Transport Mr Haider Barma in the motion debate on traffic congestion in the Legislative Council today (Wednesday):

Mr President,

I welcome this motion debate. Traffic congestion affects everyone. Traffic speeds are declining. There are signs of gridlock at several major black spots and in other busy districts delays are becoming more frequent. The Administration is convinced that action needs to be taken now if we are to prevent total traffic chaos in the years ahead. It is therefore imperative that we debate the problem and identify solutions. We have chosen to consult. That is why we released the Report of the Working Party on Measures to Address Traffic Congestion.

I have been very encouraged by the reaction from Honourable Members; the views expressed by the political parties and district boards; the submissions by many organisations, including the Motor Traders' Association and the Hong Kong Automobile Association; the many letters from individuals and last, but not least, the extensive coverage given by the media. I am grateful. Indeed, the response has been overwhelming and vocal.

On a subject such as this, where there are widely different sectoral interests, it would be totally unrealistic to expect a complete unanimity of views on the measures to be taken. But a consensus has emerged on several key points: that the congestion problem is real, that it will get much worse if nothing is done and that we must therefore take action now if we are to avoid slipping into traffic gridlock. This has been illustrated by what the Chairman of the Chartered Institute of Transport in Hong Kong has said and I quote: "congestion, which is rapidly becoming part of our daily lives, is wasting physical, human and financial resources; as well as putting the future prosperity and well-being of Hong Kong at risk". And even the Motor Traders Association, in their publicity blitz, commend the Government for raising this issue and acknowledge that "in a busy, lively city like Hong Kong traffic must move freely".

The package of proposals put forward by the Administration in the Working Party's Report focuses on the more immediate aspects of traffic congestion. Quite consciously, we have concentrated on the micro aspects of how to tackle this. The Liberal Party, The Honourable Christine Loh, Edward Chen, Samuel Wong, the Chartered Institute of Transport and other commentators have, not unexpectedly, touched on macro policy and planning issues. And quite rightly so. Let me assure this Council that the Administration has not lost sight of this. The Territorial Development Study is reviewing broad planning parameters to ensure that infrastructural development is properly co-ordinated. In addition, we will soon be commissioning the Third Comprehensive Transport Study to deal with broader strategic issues which will include long-term projected traffic growth, environmental concerns and other global aspects. Some members have said that the Government wrongly estimated the projected growth in private vehicle numbers. This is not the case. The CTS2 update gave a target for vehicle growth levels that would allow a free flow of traffic. The fact that this figure has been exceeded is why we are now proposing restrictions on growth. Obviously I cannot respond to all the points raised by members this afternoon, but I wish to assure Honourable Members that I would study and consider the many valid points that have been raised. We are not at the stage of evaluating the outcome of the public consultation and we would take careful note of all the contributions received, including the views expressed in this debate before deciding on the way forward.

### Electronic Road Pricing

Let me now turn to some of the specific proposals and highlight the administration's thinking. Our ultimate aim is to manage the use of road space, rather than deny people the opportunity to own a car, hence the proposal to implement electronic road pricing or ERP. The Administration welcomes the widespread public support for the scheme. Initially, such a scheme need not apply to private cars only but, if necessary, other types of vehicles can be covered, for example as a means of encouraging goods vehicles to make deliveries in off peak hours. Contrary to what some respondents have suggested, it is not a prerequisite for ERP to have alternative routes available to motorists. However we will need to continue to improve public transport services to provide a transport mode for those who choose not to drive their cars following the introduction of ERP.

It is clear from the results of the consultation exercise that earlier public fears that ERP might intrude into their privacy have now been overcome as a result of the advanced technology now available. There is a broad measure of community support for technical studies for ERP and the introduction of pilot schemes. ERP has not so far been introduced anywhere else in the world and there is no reason why Hong Kong should not take the lead. But it will take 2 or 3 years to develop and implement a full system. This will be given the highest priority. We propose to initiate a technical consultancy on ERP in the next few months at a cost of \$15 million. This will result in the introduction of pilot schemes prior to a full ERP system. The Democratic and Liberal Parties, as well as others, have pointed out that operational aspects of any ERP scheme have to be carefully drawn up. This will certainly be examined in the consultancy study. But to do nothing in the interim while we await ERP would be wholly irresponsible and would affect every member of the community, especially the 90% of the public who rely on public transport for daily travel. If we simply wait for ERP, we can all expect more delays and slower journeys.

### Tunnel Tolls

Tunnel tolls are a form of road pricing and I therefore find it difficult to understand why, with such widespread support for the user-pays principle, there is disagreement over the proposal to increase tunnel tolls. I know what the Honourable Miriam Lau has said that this may be because there is no alternative choice. But I do not necessarily agree with this. Others have argued that a \$10 increase in tunnel tolls would be ineffective. And indeed there has been support from some quarters that even stiffer increases should be levied. An increase in tunnel tolls may well encourage car pooling or a switch to public transport. We must therefore evaluate this option very carefully. In this respect one view expressed is that the additional revenue from tunnel tolls should also go into the proposed transport fund. The Administration is prepared to consider this.

### Annual Licence Fees and First Registration Taxes

Tax increases are never popular, and they may be considered a particularly foolhardy proposal in an election year! I am grateful and thankful that at least the Honourable Jimmy McGregor has noted this point. And certainly I am not surprised at all that all the political parties have strong reservations and have objected to these proposals. But increases in ALF and FRT are necessary, not to boost the Government coffers as some have said, but simply to slow down the growth rate in private car numbers that is leading us relentlessly and inevitably towards traffic gridlock. Let me make one thing clear. The Government is not mounting an attack on the private motorist. We are not attempting to drive cars off the road. Our aim is to contain the rate of growth in the private car fleet at about 2 or 3% a year, a level that our ever expanding road system can accommodate. The extra funds arising from the increase in the First Registration Tax will be used to finance further improvements in the public transport system. The Government is as I have said prepared to set up a special fund for this purpose. I hope that this reassures those members who still remain concerned that FRT increases but seek to raise revenue.

The Motor Traders' Association, as is to be expected, have come out very strongly against increases in taxes. This is not surprising. After all, their main interest is in selling cars. Although we may have to agree to disagree on solutions, I nonetheless welcome their campaign since they have highlighted the congestion problem.

The Administration remains fully convinced that fiscal measures would have an immediate impact. As for increases in the First Registration Tax there has been some criticism that the proposed increases for smaller cars is more than that for luxury cars. In percentage terms 'yes' but not so in dollar terms since the rise in new car prices would be about \$25,000 at the lower end of the market and about \$55,000 at the upper end. But I am prepared to balance this by maintaining the existing differential in the sliding scale, if that is deemed to be more acceptable, by proposing to raise the tax from 60% to 90% for luxury cars. Annual Licence Fees have not been increased for 4 years and all we are attempting to do is to update these fees to 1995 prices. As for increases in the First Registration Tax, our firm intention remains that extra revenue would be channelled into a special transport fund. And of course the concept of such a fund has been generally welcomed.

As regards motorcycles I shall carefully consider whether the tax on them need be increased so substantially, if at all.

At this juncture, may I acknowledge the "action plans" which have been suggested not only by the MTA but also by other organisations. But I hasten to add that many of the ideas put forward in fact reflect and endorse the action which the Administration has already begun to take or intends to take. It will be totally misleading to think that the Administration has not had the common sense or the initiative to pursue such measures as more effective road management schemes, the introduction of bus lanes and other priority schemes for public transport or, as the Honourable Emily Lau worries, recognised the need to tackle road openings more effectively. We will be stepping up our efforts in these directions.

Other ideas such as week end licensing, car pooling, park and ride, increasing down-payments for new cars, have been put forward by Members as alternatives to tax increases and these will certainly be considered. In particular, I shall follow up the Honourable Simon Ip's comments that on tackling dangerous driving and accidents which indeed do result in traffic delays. However I have to emphasise to Members that this community must bite the bullet eventually. The reality is that increasing wealth means more cars and we cannot possibly accommodate unrestrained growth in car numbers in such a small place as Hong Kong. This conclusion is inescapable. If we close our eyes to this, then all we can expect is traffic gridlock and worsening air pollution. No road building programme, no matter how ambitious, and no traffic management initiative can alter this conclusion.

### Vehicle Quota System

One alternative to using tax increases as a means of constraining private vehicle numbers would be to introduce a vehicle quota system to limit the number of new vehicles registered. The recent submission to the LegCo Transport Panel was in response to a request by Members for more details on how such a quota system might be implemented. However, as the Transport Panel has noted, such a system would not be without its problems since it would inevitably lead to speculation and, like tax increases, would almost certainly raise considerably the cost of owning a private car. To put this particular proposal on the quota system in perspective, I can perhaps best describe this as being on the backburner.

### Road Building

Many people have said that we should continue to build more roads. The Liberal Party has argued that the Administration has been far too conservative in its investment in new transport infrastructure. We do have plans for major highways in the New Territories, for example, Route 3 (Country Park Section) is a key project, and of course I am delighted that we now have the go ahead for this in principle. But the opportunities for new roads in the urban areas is strictly limited. There is simply no space for flyovers - where would we put the approach roads? And what is more the environmental impact would be totally unacceptable. A recent editorial in the Sunday Morning Post was I think spot on in warning against socially unacceptable solutions put forward by the motoring lobby which could result in Hong Kong being turned into a network of flyovers and underpasses with parking underneath.

On this point may I acknowledge the input from Friends of the Earth, the Conservancy Association and the Community Action on Air Quality and Health group for pinpointing, particularly, the need to recognise the impact on the environment and take this into account. I have noted with interest the Honourable Peter Wong's suggestions.

### Traffic Management

As regards traffic management, our proposals are to implement many new bus priority schemes. We have plans for 30 in the coming year and this is to give precedence to public transport in the use of road. This is one measure that has attracted widespread support from Members and indeed also the public during the consultation period, and we will certainly try our best to implement many more such schemes. In this respect I take note of the Honourable Lee Wing-tat's suggestions which I fully agree with. For example a trial bus only lane will be introduced along Tuen Mun Road early next month. But the public must not be misled into believing that bus priority schemes are a wholly painless solution to the problem. They will mean less road space for other essential commercial traffic and will also impose severe physical constraints on private motorists. Those lanes which remain open to private and commercial vehicles will become more congested than they are today. But again we do need to give priority to public transport.

And indeed there has also been widespread public support for tougher enforcement action against those who cause traffic congestion for example by parking illegally or loading and unloading goods vehicles in non designated places. This has the administration's wholehearted support. The Police are stepping up their efforts to tackle such problems and we will be reviewing penalties for these offences. We recognise the need for better traffic management, just as we agree that much more must be done to reduce the number of road openings and their duration.

Some critics have argued that people buy cars because of the inadequacies of our public transport system. This is not the case. No public transport system can be perfect, but ours does extend to virtually all parts of the territory and it is used by 90% of our population. One of the principal problems faced by public transport is road congestion. Unless we address the congestion problem, our efforts to improve bus services will be ineffective. The fact is that many people in Hong Kong, as elsewhere in the world, aspire to private car ownership not because of a lack of alternatives, but because of the greater comfort and convenience of private motoring. Some have said that not enough is being done to upgrade and expand our transport services. Again this is not so. Perhaps we do not give sufficient publicity to the remarkable improvements now taking place in our public transport system. The franchised bus companies will spend \$500 million on new buses in the next 12 months, the railway corporations are making huge investments in improving their stations and in substantially raising the capacities of their systems by upgrading signalling equipment. And there will be major new investments in ferry services shortly. And as I have announced recently the Railway Development Strategy will provide a tremendous expansion of the territory's rail systems.

With specific reference to the New Territories, while the population of that area has increased by some 63% over the last 10 years, the carrying capacity of the KCR has increased by 129% and that of the KMB by 104% in the same period. The number of KMB bus routes has grown by 92%. This does not mean we should be complacent, and indeed we will not be so. But I think we should be well pleased with the way in which our public transport system is expanding and continuing to adapt to meet new demands.

Many of the ideas put forward by Honourable Members today deserve and will be given full consideration. For example, we are re-examining the 'park and ride' concept, by which more car parks would be provided in the vicinity of railway stations. A major study on car parking provision is also nearing completion. And we will consider the idea of different categories of licensing as well as cheaper weekend car licences, although this could result in enforcement problems. But it should be recognised that such licensing schemes will not reduce the number of cars on roads during peak hours. Requiring cars to carry a minimum number of passengers when using the cross harbour tunnels will also be looked at, although the difficulties are obvious, especially since an increasing proportion of cross harbour traffic now uses the autotoll lanes. We have tried in the past to encourage the introduction of staggered working hours, but with only modest success despite, for example the concessionary off peak fares offered by the MTRC.

Mr President, as I said earlier we are now considering the outcome of the public consultation exercise before we decide on the way forward, but one thing is clear. We cannot tackle the traffic congestion problems without the full support of this Council. Any measures we propose will need either legislation or funding. From what has been said today, I sense that Members will be willing to support ERP as well as various traffic management initiatives, but that is not sufficient. If we do nothing to constrain the growth in the vehicle fleet while awaiting the introduction of ERP traffic conditions will deteriorate. The longer hard choices are deferred, the worse the situation will become. The obvious fact is that sooner or later we must control the growth in vehicle numbers. We must face the facts. The one third increase in numbers of private cars experienced in the last 3 years simply cannot be sustained without very serious consequences. That must be apparent to all of us. Inaction now will affect the economy, raise air pollution to levels where public health is placed in even greater jeopardy, and slow public buses to a crawl at a time when most Members of this Council are seeking improved public transport services. We must not allow this to happen. But the choice ultimately rests with the Members of this Council. Should you decide not to support the measures to constrain growth in private car fleet in the short term, then the consequences must be accepted by the community.

Mr President, may I conclude by thanking the Liberal Party for their report, the Democratic party for their views, the DAB for their survey, as well as the District Boards, the Motor Traders Association, and all other organisations and individuals who have taken the trouble either to discuss their proposals with Government or to make written submissions. From our analysis so far, it appears that we have sufficient public support to embark on a technical studies on ERP, to reduce or eliminate tax benefits for company cars and to improve traffic management, including the introduction of more bus priority schemes and better management of road openings. We also have support for continuing to upgrade and improve public transport and for investment in the transport infrastructure. In addition, I note the acceptance of the need for stricter enforcement of the law on traffic offences and higher penalties. The three major political parties and indeed the public however seem to have tremendous difficulty with our proposals for raising the levels of first registration tax and annual licence fees, and passage tax at cross harbour tunnels. Here I cannot resist commenting that as the Honourable Emily Lau has also done so, that what the Honourable Miriam Lau has said that the choice is between cyanide or other types of poisons is rather a matter dramatic. While it is hardly surprising that these measures are not popular, they are essential in the interim if we are to keep our traffic moving. The Honourable Miriam Lau has urged the administration to fully consider the views expressed by the public. As I said at the outset, that is precisely our intention and why the administration has published its package for comment.

The motion placed before this council will of course be supported by the Government Members. But I urge Members to face the challenge and provide the support the Administration needs to introduce measures which although they might not be popular, are ultimately necessary if we are to keep Hong Kong traffic moving.

End/Wednesday, February 15, 1995

Builders' Lifts and Tower Working Platforms (Safety) Bill

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Following is the speech by the Secretary for Works, Mr James Blake, in moving the second reading of the Builders' Lifts and Tower Working Platforms (Safety) Bill in the Legislative Council today (Wednesday):

Mr President,

I move the Second Reading of the Builders' Lifts and Tower Working Platforms (Safety) Bill and Builders' Lifts and Tower Working Platforms (Safety)(Fees) Regulations. The Bill provides for the introduction of the statutory regulation of the design, construction, installation, examination, operation and maintenance of builders' lifts and tower working platforms.

The tragic deaths of 12 workers in June 1993 made it clear that existing legislation does not adequately control the use of these installations. Subsequent inspections of builders' lifts revealed a disturbingly low level of maintenance and that there was an urgent need for vigorous action to control all aspects of their use.

The operation, maintenance and examination of builders' lifts (passenger hoists) are now subject to the control of the Construction Sites (Safety) Regulations made under the Factories and Industries Undertakings Ordinance (Cap 59) and are under the jurisdiction of the Commissioner for Labour. The current legislation requires the building contractor to employ a competent examiner to examine the builders' lift after erection and at regular intervals of 6 months. The contractor is also required to employ a competent person to regularly inspect the builders' lift.

To adequately control the use of these installations it was decided to introduce a completely new ordinance. This Bill makes provision not only for approval of the design of builders' lifts and tower working platforms but includes for the registration of contractors who supply, install, maintain and remove them and for the registration of those who examine and certify fitness for use.

The Bill also sets out the safety requirements to be followed by the owner of the equipment and that of the registered contractor and registered examiner.

The requirements of the Bill will be controlled by the Director of Electrical and Mechanical Services who will examine certificates, test reports and maintenance log books and be in a position to stop the use of any unsafe installation.

The Bill requires the setting up of a disciplinary tribunal to regulate registered contractors and registered examiners, with an appeal procedure against any decision given by the Director of Electrical and Mechanical Services or the tribunal. The Builders' Lifts and Tower Working Platforms (Safety)(Fees) Regulation will be produced in due course and made by the Financial Secretary upon enactment of the Bill.

Mr President, this Bill aims to provide a regulatory framework for the control of Builders' Lifts and Tower Working Platforms and is supported in principle by the construction industry. I commend it to Members for favourable consideration.

Thank you, Mr President.

End/Wednesday, February 15, 1995

Insurance Companies (Amendment) Bill 1995

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Following is the speech by the Secretary for Financial Services, Mr Michael Cartland, in moving the second reading of the Insurance Companies (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move the second reading of the Insurance Companies (Amendment) Bill 1995. This Bill seeks to amend the principal ordinance in a number of areas with a view to promoting efficiency in the Insurance Authority's administration of the insurance industry and the proposed changes also aim to enhance protection of policy holders' interests.

One of the main purposes of the Bill is to define clearly the functions of the Insurance Authority. The main function of the Insurance Authority is to regulate and supervise the insurance industry for the promotion of its general stability and for the protection of existing and potential policy holders. He is responsible for, amongst other things, supervising an insurer's compliance with the provisions of the Ordinance; promoting prudent business practices amongst insurers; encouraging proper standards of conduct among insurance intermediaries; reviewing the regulatory system and issuing guidelines to assist in better compliance with the Ordinance. However, the Ordinance does not contain a general description of the Authority's functions. This is unsatisfactory as insurers have occasionally challenged the nature and extent of the Authority's express statutory duties. The proposed amendments describing the Authority's functions and duties, which are no different from those presently exercised by the Authority, will lead insurers to a better understanding of his regulatory role.

The second major proposal in the Bill seeks to allow the beneficial exchange of information between the Insurance Authority and other financial regulators. In view of the international nature of insurance business and the development of financial conglomerates which offer a variety of financial services, financial regulators should be permitted to exchange information, within prescribed limits, so as to foster co-operation and enhance the effectiveness of their supervision of the relevant markets. The Bill therefore proposes that the Insurance Authority be allowed to disclose information to other financial regulators, local or overseas, provided that such disclosure will assist the recipient to exercise his statutory functions and is not contrary to the interests of policy holders or the public interest. Similar disclosure is already permissible under the Banking Ordinance and the Securities and Futures Commission Ordinance.

Thirdly the Bill seeks to allow the Insurance Authority to approve a transfer of general business. Transfer of general business from one insurer to another becomes necessary when an insurer is about to cease business, for example, by reason of its insolvency or intended withdrawal from Hong Kong. Under common law, such a transfer requires the consent of each and every policy holder and is therefore extremely time-consuming and costly, particularly if a large number of policies is involved. It is therefore proposed that the Ordinance be amended to introduce a statutory mechanism for transfer of general business with the approval of the Insurance Authority. This amendment will not only save time and costs for insurers but also ensure that policy holders are properly protected under policies issued by another authorized insurer who continues to carry on business in Hong Kong.

In addition, the Bill proposes to make a number of other amendments to the Ordinance to enable the Insurance Authority to perform certain functions for the effective supervision of insurers and to reflect clearly the intention of certain provisions in the Ordinance. The amendments comprise -

- Firstly, clarifying section 5(1)(b) of the Ordinance, which requires the Authority to enter in the register of authorised insurers authorisation conditions relating to restrictions only on the classes of business. Although it was never the intention that precautionary authorisation conditions such as conditions on premium limit be included in the register, the wording of the section is such that any authorisation conditions would have to be included. As inclusion of such conditions may be misinterpreted as signifying that the insurer is in trouble, it is necessary to amend the section to reflect clearly the original intention.
- Secondly, enabling the Authority to relax requirements of the Valuation Regulation that is being drafted pursuant to section 59(a) of the Ordinance. This section empowers the Governor in Council to make regulations to determine the value of an insurer's general business assets and liabilities. Under certain circumstances it will prove necessary to modify some requirements of the Regulation, for example, in relation to authorised insurers incorporated outside Hong Kong who are already subject to satisfactory valuation regulations in their home countries. Such modification will however only be approved on a case by case basis and provided that it is not contrary to the interests of policy holders.
- Thirdly, limiting to businesses carried on in or from Hong Kong the requirement under section 22(1)(a) for separation of the assets and liabilities attributable to class G or H of long term business, that is retirement schemes business with or without a guarantee. The intention of such separation is to safeguard retirement schemes business carried on in Hong Kong and not elsewhere. However, the section applies inadvertently to overseas insurers, some of whom are not required to separate assets and liabilities attributable to such classes of business in their home countries. The proposed amendment would relieve them of these difficulties.

- Fourthly, empowering the Authority to author an insurer to combine his Hong Kong long term business other than classes G and H with his other overseas long term business including any additional business not defined in the Ordinance. This amendment is necessary as long term business in overseas jurisdictions may be classified differently from the classifications set forth in the Ordinance. An overseas insurer may have difficulty in fully complying with the separation requirement under section 22(1) of the Ordinance and be required to establish a separate fund purely for his Hong Kong business. As such business may be much smaller, he would not be able to take advantage of broader, risk limiting, investment opportunities, which in turn would not be in the best interests of Hong Kong policy holders.
- Fifthly, a proposal to give retrospective effect to the Regulation made by the Governor in Council in July 1994 to exclude trustee operated retirement schemes, which were unintentionally brought within the ambit of the Insurance Companies (Amendment) Ordinance 1993, which introduced classes G and H retirement schemes business. To avoid rendering retirement schemes operated by trustees illegal during the period between commencement of the Amendment Ordinance and the making of the Regulation, the Regulation shall, I propose, be deemed to take effect from commencement of the Amendment Ordinance.
- Lastly, a proposal to exempt immediate annuity contracts which provide benefits to retirement scheme beneficiaries from the prohibition to combine a class G or H retirement scheme business with any other long term business and to give retrospective effect to the exemption from the date of commencement of the prohibition. This would prevent such contracts from being rendered illegal between that date and the enactment of this Bill.

Mr President, I commend the Insurance Companies (Amendment) Bill 1995 to this Council.

Mr President, as I said at the outset these proposals are put forward to promote efficiency in the Insurance Authority's administration of the insurance industry and to enhance protection of policy holders' interest. As such I commend them to members.

End/Wednesday, February 15, 1995

Two bills introduced into LegCo

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Following is the speech by the Secretary for Economic Services, Mr Gordon Siu, in moving the second reading of the Merchant Shipping (Liner Conferences) Bill and Nuclear Material (Liability for Carriage) Bill in the Legislative Council today (Wednesday):

Mr President,

With your permission I shall move the second reading of both the Merchant Shipping (Liner Conferences) Bill and the Nuclear Material (Liability for Carriage) Bill.

First the Merchant Shipping (Liner Conferences) Bill. The purpose of the Bill is to implement in Hong Kong legislation the Convention on the Code of Conduct for Liner Conferences which was drawn up in Geneva in 1974 under the auspices of the United Nations. A liner conference is a group of carriers providing international services for the carriage of cargo on particular routes with an agreement whereby its members operate under uniform or common freight rates and any other agreed conditions. The Code of Conduct establishes rules designed to ensure a balance of interests between suppliers and users of liner shipping services; to avoid discrimination against shipowners and shippers of the foreign trade of any country; and to ensure transparency of information to interested parties.

This Code already applies to Hong Kong, and is implemented here by the United Kingdom legislation extended to Hong Kong. It is necessary to enact local legislation, namely, the Merchant Shipping (Liner Conferences) Bill, to replace the United Kingdom enactments so that their legal effect will continue after 30 June 1997. This systematic localisation of United Kingdom merchant shipping legislation has been underway for some years and has involved the enactment of primary and subsidiary legislation addressing such issues as marine pollution, shipping safety and the establishment of the Hong Kong shipping register.

The continued application to Hong Kong of the Convention will ensure that liner conferences which are based in Hong Kong are governed by uniform rules in accordance with international practices. As merchant shipping activities make a significant contribution to Hong Kong's economy, it is important that we continue to apply internationally recognised rules to our shipping industry and international trade. The Merchant Shipping (Liner Conferences) Bill will help to achieve this aim.

I now move the second reading of the Nuclear Material (Liability for Carriage) Bill.

The purpose of the Bill is to replace, through the enactment of local legislation, the relevant provisions of the United Kingdom Nuclear Installation Act 1965, as applied to Hong Kong by three Orders in Council made between 1972 and 1986. The three Orders in Council would cease to have effect in Hong Kong after 30 June 1997.

The Bill provides that operators of certain nuclear installations and other persons responsible for the carriage of nuclear material in Hong Kong have a duty to ensure that no occurrence involving the nuclear material causes injury to any person or damage to any property arising out of the hazardous properties of the material.

The Bill also makes provision in regard to compensation payable for such injury or damage and provides for a ten year limit on the time for bringing claims.

Mr President, I do not expect any consignment of nuclear material to pass through Hong Kong on its way to or from a nuclear installation in the foreseeable future. I consider however that it would be prudent to retain provision in the laws of Hong Kong concerning liability for the safe carriage of any such consignment. I therefore commend the Bill to this Council.

End/Wednesday, February 15, 1995

Bill making solicitors eligible for appointment to Supreme Court introduced

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A bill seeking to expand the current eligibility criteria for direct appointment to the Supreme Court to include solicitors who have practised in Hong Kong for at least 10 years was introduced into the Legislative Council today (Wednesday).

Moving the second reading of the Supreme Court (Amendment) Bill 1995, the Attorney General, the Hon Jeremy Mathews, said the bill would provide a simple and objective test of eligibility, and ensure that no experienced legal practitioner in Hong Kong would be automatically excluded from applying for appointment to the Supreme Court.

This would substantially enlarge the pool of eligible candidates, he added.

Mr Mathews said although some people had expressed concern that it might be difficult to assess the suitability of a solicitor who had not appeared as an advocate or did not have the right of audience before the Supreme Court, this should not pose any insurmountable problem.

He said: "Apart from Mauritius, Hong Kong appears to be the only common-law jurisdiction which no longer provides any avenue by which a solicitor may be directly appointed to the High Court.

"Other jurisdictions which have introduced these avenues have been able to devise means of assessing the suitability of solicitors for appointment to the Bench. I am sure that Hong Kong can do so too," he added. Mr Mathews said the proposed amendment was concluded after the Administration had a series of discussions with the Bar Association and the Law Society.

Debate on the bill was adjourned.

End/Wednesday, February 15, 1995

Supreme Court (Amendment) Bill introduced to LegCo

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Following is the speech by the Attorney General, the Hon Jeremy Mathews, in moving the second reading of the Supreme Court (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move that the Supreme Court (Amendment) Bill 1995 be read the second time. The Bill puts forward an amendment to the Supreme Court Ordinance to expand the current eligibility criteria for direct appointment to the Supreme Court to include solicitors who have practised as such in Hong Kong for at least 10 years.

Members will recall that this Council passed, on 6 July last year, the Supreme Court (Amendment) Ordinance 1994 which established a formal system of appointing experienced barristers as recorders of the High Court, who would sit as temporary judges for specific periods. The qualifications for appointment as a recorder are the same as those in respect of permanent appointment to the Supreme Court, as set out in section 9(1) of the Supreme Court Ordinance. A legal practitioner in private practice is eligible for either appointment if he or she is a qualified barrister and has practised for at least 10 years as a barrister or solicitor.

Mr President, before that Ordinance was passed, the question of making solicitors also eligible for appointment as recorders of the High Court was raised by the Bills Committee. Following discussions with the Administration, the Bar Association and the Law Society, the Bills Committee agreed that the qualifications for appointment as recorders should be dealt with separately. It asked the Administration to discuss this issue with the Bar Association and the Law Society in the succeeding few months and then report its conclusion to the Panel on Administration of Justice and Legal Services.

After holding a series of discussions with the Bar Association and the Law Society, the Administration reaffirmed its view that the qualifications for appointment as recorders of the High Court should be the same as those for permanent appointments to the Supreme Court. The Administration also reached a preliminary conclusion that solicitors, who have practised as such in Hong Kong for 10 years or more, should be eligible for appointment as both recorders of the High Court and as permanent judges of the Supreme Court. The views of the Bar Association and the Law Society on this preliminary conclusion were sought last November. At the same time, the Administration briefed the Panel on the Administration of Justice and Legal Services. We also took part in the Panel's subsequent discussions with the Bar Association and the Law Society in December.

Mr President, after carefully considering the different views expressed by the Bar Association and the Law Society, the Executive Council agreed on 17 January that solicitors who have practised in Hong Kong for 10 years or more should be made eligible for direct appointment to the Supreme Court and that this Bill should be introduced into this Council to make an appropriate amendment to the current eligibility criteria in section 9(1) of the Supreme Court Ordinance.

The amendment proposed in this Bill will provide a simple and objective test of eligibility, and will ensure that no experienced legal practitioner in Hong Kong will be automatically excluded from applying for appointment to the Supreme Court. This will substantially enlarge the pool of eligible candidates.

Some people, including some Members of this Council, expressed concern that it may be difficult to assess the suitability of a solicitor who has not appeared as an advocate or does not have the right of audience before the Supreme Court. I do not think that this should pose any insurmountable problem. Apart from Mauritius, Hong Kong appears to be the only common-law jurisdiction which no longer provides any avenue by which a solicitor may be directly appointed to the High Court. Other jurisdictions which have introduced these avenues have been able to devise means of assessing the suitability of solicitors for appointment to the Bench. I am sure that Hong Kong can do so too.

End/Wednesday, February 15, 1995

Code of practice on organised crime law

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Following is the speech by the Secretary for Security, Mr Peter Lai, in moving a motion on Organised and Serious Crimes Ordinance in the Legislative Council today (Wednesday):

Mr President,

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

Under section 3(19) of the Organised and Serious Crimes Ordinance, I am required to prepare for approval by this Council a Code of Practice in connection with the exercise of powers and discharge of duties under section 3 of the Ordinance.

The main provisions of the Code of Practice are to set out:

- (a) First of all, the questioning procedures for the interviews of persons subject to an order under section 3 of the Ordinance;
- (b) secondly, the guidelines for the production of material under section 3 of the Ordinance; and
- (c) thirdly, the complaint procedures for persons subject to an order under section 3 of the Ordinance.

Mr President, the draft Code of Practice has been examined carefully by the Legislative Council Ad Hoc Group studying the Organised and Serious Crimes Bill and has its support, for which I am grateful.

The motion seeks this Council's approval of the Code of Practice. This is an essential step in enabling the Administration to implement the special investigative powers under section 3 of the Ordinance.

Mr President, I beg to move.

End/Wednesday, February 15, 1995

Mutual Aid Committee subsidy under review

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Following is a question by the Hon Szeto Wah and a reply by the Acting Secretary for Home Affairs, Mr Joseph Wong, in the Legislative Council today (Wednesday):

Question:

In regard to the financial assistance granted to Mutual Aid Committees (MACs), will the Government inform this Council:

- (a) of the amount of financial assistance currently granted to MACs each month;
- (b) when the amount was last revised; and
- (c) whether there are any plans to increase the amount; if so, when it will be increased?

Reply:

Mr President,

Financial assistance is given by Government to MACs to help meet the costs of running the MAC offices. It covers such expenditure items as telephone rental, electricity charges, office furniture and equipment and stationery. The current level of subsidy, up to a maximum of \$700 per quarter, was set in 1988. It has been kept under regular review.

We have recently initiated a review on the level of subsidy and aim to complete the exercise as soon as possible.

End/Wednesday, February 15, 1995

Illegal rooftop structures

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

Question:

With regard to rooftop structures, will the Government inform this council of:

- (a) the number of such structures in the territory at present; of these, how many are legal;
- (b) the number of illegal rooftop structures assigned through solicitors and registered with the Land Registry in the past five years; and what is the legal justification for the Government permitting such transactions and registration of the assignments;
- (c) the number of illegal rooftop structures on which rates are levied; what is the legal justification for levying rates on such structures; and
- (d) the rehousing policy for residents of illegal rooftop structures; and whether such policy will be reviewed; if not, why not?

Answer

Mr President,

The answers to the nine or ten parts of this question are as follows:

- (a) The Administration has neither counted the numbers of rooftop structures in the territory, nor determined how many are legal or illegal.
- (b) Again, the numbers of rooftop structures, whether legal or illegal, assigned through solicitors and registered with the Land Registry in the past five years have not been counted.

The Land Registration Ordinance obliges the Land Registry to register any document which affect or appears to affect land. Where a transaction affects a piece of land or an undivided share in the land therefore, this is registered, whether or not a structure, legal or illegal, is involved. Registration of a land transaction does not make an illegal structure legal.

- (c) Similarly, the Commissioner of Rating & Valuation does not count the number of illegal rooftop structures which have been assessed to rates. Rates are a tax on the occupation of tenements. Under the Rating Ordinance, a property which can be separately occupied is liable for assessment to rates and its occupants are required to contribute their share of the rates. Whether a structure is legal under the Buildings Ordinance is not relevant; and payment of rates does not bestow legality on it.
  
- (d) Rehousing assistance is offered to the occupants prior to the demolition of unauthorised rooftop structures. The policy is that no one will be rendered homeless as a result of such action. To qualify for public rental housing or for the Home Ownership Scheme, the occupants are required to prove that:
  - (i) they were living in the rooftop structures on or before 1 June 1982;
  - (ii) the majority of their family members have been living in Hong Kong for seven years or more; and
  - (iii) they have not owned any domestic property, not including the concerned rooftop structures, in the last 24 months.

Rooftop occupants who do not meet these criteria are offered rehousing in temporary housing areas. Those who do not satisfy the length of residence requirement but are otherwise eligible may be rehoused in refurbished flats in older estates.

Subject to a recommendation being made by the Social Welfare Department, compassionate rehousing in either public housing or local temporary housing may also be offered on the basis of need.

The existing policy is fair and reasonable and the Government does not see any need for a review. Any change in policy in respect of one group, such as those affected by the demolition of rooftop structures, would be unfair and to the disadvantage of others, such as those in the queue for public housing units. Even the suggestion of a possibility of a policy change would encourage more illegal structures to be built and thereby increase the number of people living in risky conditions. We need to avoid giving encouragement to any action which would make the situation worse.

End/Wednesday, February 15, 1995

PRC traveller transit arrangement works well

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Following is a question by the Hon Howard Young and a reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

Regarding the policy of permitting residents of mainland China to stay in the territory visa-free for a period not exceeding seven days on their way to and from a third country, will the Administration inform this Council:

- (a) how many residents of mainland China on transit stay in the territory have been found overstaying since the introduction of this policy;
- (b) whether the Administration has reviewed this policy; if so, what is the outcome of the review; and
- (c) whether, in the light of operational experience, the Administration will consider ways of relaxing the policy, such as increasing the number of days for transit visits?

Reply:

Mr President,

- (a) Since the introduction of the visa-free seven-day transit arrangement for PRC passport holders on 1 August 1993, the average number of PRC travellers overstaying the seven-day transit period has been 69 per month, or about 1,240 in total.
- (b) We have regularly reviewed the policy since its introduction. The most recent reviews were conducted in June and in December 1994. We concluded that the arrangement was generally working well, but there had also been problems. In addition to the issue of overstaying, to which the Honourable Member refers, a fair number of PRC transitees have abused the system by, for example, failing to proceed to onward destinations, or engaging in unauthorised work, or using forged travel documents. Consequently the Immigration Department has stepped up screening efforts at the control points, and will continue to liaise closely with the Chinese side, through the Border Liaison Channel, to clamp down on such abuses.
- (c) The introduction of this visa-free arrangement has improved convenience for PRC passport-holders travelling through Hong Kong. It has also reduced the workload on the Immigration Department. But in view of the existence of such abuses, I do not believe that the time is right to relax our policy any further at this stage. Nevertheless, we will keep the matter under review from time to time.

End/Wednesday, February 15, 1995

Tuen Mun Road traffic

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Following is a question by the Hon Alfred Tso Shiu-wai and a reply by the Secretary for Transport, Mr Haider Barma, in the Legislative Council today (Wednesday):

Question:

The findings of a survey indicate that during rush hours along the Tuen Mun Highway, buses account for 11% of the total traffic volume while private cars make up 47%. Also, according to my own on-site observation, over 70% of the private cars carry only one to two passengers, which is not in accordance with the principle of efficient use of roads. Under the bus-only lane pilot scheme which the Transport Department plans to implement during rush hours along the Tuen Mun Highway from 11th March this year, one-third of the road space will be reserved for the exclusive use of buses and the remaining two-thirds for other vehicles. This is also likely to result in serious traffic congestion. In the light of this, will the Government inform this council whether:

- (a) it has any specific plan to encourage private car owners living in New Territories West to use their cars more efficiently when they drive to urban districts, such as mounting a publicity campaign to encourage private car owners to 'give a lift' to their friends and neighbours;
- (b) it will take positive steps to develop 'point-to-point' express air-conditioned bus and green minibus services running from various housing/HOS estates in Tuen Mun and Yuen Long to MTR stations in urban districts, as well as to revise existing policies so as to allow public light buses (PLBs) to use the Tuen Mun Highway and bus-only lanes in order to encourage private car owners to travel by PLBs; and
- (c) it will provide more funds for the establishment of a permanent traffic management team responsible for the day-to-day management of traffic along the Tuen Mun Highway?

Reply:

Mr President,

(a) The introduction of more bus priority schemes has been widely supported by the community and the Members of this Council in the context of the Administration's proposals for addressing the traffic congestion problem. In this respect, a trial scheme to provide a bus only lane along Tuen Mun Road is scheduled for implementation on 11 March this year. Details of the scheme are now being finalised and will be publicised. As part of this exercise, the Administration will mount a campaign to persuade commuters to use public transport services rather than to drive cars. I am grateful to the Hon Alfred Tso for his suggestion that those who continue to drive, should be encouraged to give lifts to their friends and neighbours so as to make better use of road space. We will follow this up. But, of course, we must ensure that no private car driver solicits paying passengers as this would be illegal.

(b) Sixteen air conditioned KMB bus routes have already been introduced with services from housing estates and major transport interchanges in the Yuen Long/Tuen Mun area to Tsim Sha Tsui as well as to various MTR stations. On the introduction of the bus only lane, KMB will provide 2 additional bus services from Sham Tseng and Siu Lam to the Tsuen Wan MTR Station. Also 11 existing services from Tuen Mun and Yuen Long will be strengthened by the provision of 11 extra buses. In addition, there are 39 resident coach services connecting particular housing developments with the urban area. The Transport Department will continue to encourage the provision of such services.

Our objective must remain to maximize the use of available road space by encouraging more people to use mass carriers, that is franchised buses and residential coaches which will have access to the dedicated bus only lane. At present, green minibuses can only use the Tuen Mun Road between midnight and 6 a.m. There are no plans to relax this restriction or allow red public light buses to use Tuen Mun Road.

- (c) Over the last year, the Police have doubled the deployment of officers to patrol strategic roads in the New Territories, including Tuen Mun Highway. Additionally, extra Transport Department staff have also been provided to implement a Traffic Surveillance and Information System for Tuen Mun Road, the first phase of which will be completed in May this year. This will comprise closed circuit television cameras and variable display signboards so as to advise motorists of road conditions ahead, all of which will help to improve the management of traffic along Tuen Mun Road.

End/Wednesday, February 15, 1995

Overseas visits made by Governor

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Following is a question by the Hon Tam Yiu-chung and a reply by the Chief Secretary, the Hon Mrs Anson Chan, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council of :

- (a) the number of overseas visits (including duty trips to the UK) made by the Governor since he assumed office in 1992 and the total amount of public funds involved;
- (b) the number of such visits scheduled for 1995 and the anticipated amount of public funds involved; and
- (c) the criteria adopted by the Governor in determining whether to accept invitations for overseas visits; and how the Governor evaluates the effectiveness of his previous visits abroad so as to assess whether these visits are cost-effective?

Reply:

Mr President,

- (a) The Governor has made 19 overseas visits - including 12 to the United Kingdom - since he assumed office in 1992. This was one fewer visit than Lord Wilson in his last two and a half years as Governor. The total cost of public funds of these visits was \$4,660,328.
- (b) As currently planned, in remainder of 1995, the Governor has accepted an invitation to visit Singapore in March, the costs of which will be borne by his hosts. He will also visit London in October. The cost of that visit is estimated at about \$180,000. The Governor has also received invitations to visit other countries, including Vietnam, in this and future years and he is considering these invitations.
- (c) The Governor has one criterion for deciding whether to accept invitations for overseas visits; and that is, will the visit help Hong Kong? Different visits have different purposes. Some aim to promote our trade relations with important trading partners. Other visits have a narrower focus, such as the Governor's visit to Washington in May 1993 to lobby President Clinton and senior US officials for MFN renewal. All his visits serve to focus attention on Hong Kong abroad and to increase understanding of our affairs amongst our international friends in the crucial run-up to 1997.

Visits to London have a particular purpose. The Prime Minister, the Foreign Secretary and other senior Ministers expect to be kept closely in touch with the events in Hong Kong, increasingly so as 1997 approaches. When the Cabinet Committee on Hong Kong meets, the Governor is invited to attend. The Governor also uses his visits in London to keep the opposition parties at Westminster briefed on Hong Kong affairs, and to promote Hong Kong amongst the business community in Britain.

Visits made by the Governor are assessed against the specific purpose they were aimed to achieve, whether it be MFN renewal, promotion of our trade relations or promotion of greater understanding of our affairs. But the obvious yardsticks include the calls made by the Governor, the effectiveness with which the target audience was reached and specific Hong Kong concerns conveyed.

End/Wednesday, February 15, 1995

Hong Kong is not over-regulated

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Following is a question by the Hon Martin Barrow and a reply by the Secretary for Financial Services, Mr Michael Cartland, in the Legislative Council today (Wednesday):

Question:

It has recently been estimated that in the United Kingdom the direct cost of compliance with various forms of regulation to the private sector amounts to 43b pounds sterling (HK\$520 billion), or twice the size of its defence budget. Will the Government inform this Council whether -

- (a) it has attempted to calculate the equivalent figure for the territory; if not, why not;
- (b) it is concerned that the cost of such compliance to the private sector in the territory may now be at an excessive level; if not, why not;
- (c) it will undertake a review of the cost and benefits of the amount and extent of regulation; if not, why not; and
- (d) it will take steps to reduce the cost of such compliance and, through deregulation, return the territory to the traditions of positive non-interventionism, which brought so much benefit to the economy of the territory and its people?

Answer :

Mr President,

The Administration has no reason to believe that Hong Kong is over-regulated or that the cost to the private sector of compliance with regulation is excessive. It has not, therefore, attempted to calculate the cost of compliance to the private sector. Nor does it plan to conduct an overall review of the cost and benefits of the amount and extent of regulation. Indeed such an exercise would itself be likely to prove costly, complex and hard to justify.

It is noted that the estimate relating to the United Kingdom was produced, not by the Government, but by the Institute of Directors. It is also relevant to note that the level and extent of regulation in Hong Kong is much lower and more limited than that in the United Kingdom. Indeed, Hong Kong has been recently ranked by Fortune Magazine as the world's best city in which to do business and by the Heritage Foundation as the freest economy in the world.

It is also relevant to point out that before any new piece of legislation is introduced, the Administration will have to assess its economic impact and that inevitably will involve a general assessment of the cost and benefits involved.

The Administration firmly believes in the philosophy of positive non-interventionism and its policies and regulatory schemes are a reflection of that philosophy. However, it must be accepted that regulation is sometimes necessary and indeed it can sometimes bring net economic and social benefits. Hong Kong, as a prosperous community and a world class financial and trade centre, cannot ignore the need for protecting the public and safeguarding its reputation and standing as an international financial and trade centre. The important point is that the Administration is fully aware of the need to ensure that overall, the impact of any regulation is beneficial to Hong Kong.

End/Wednesday, February 15, 1995

#### Measures in place to control hawker activities

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Following is a question by the Hon Roger Luk Koon-hoo and a written reply by the Acting Secretary for Home Affairs, Mr Joseph Wong, in the Legislative Council today (Wednesday):

#### Question:

Will the Government inform this Council whether it is aware that the substantial increase in the number of hawkers in urban districts (including Central and Tsim Sha Tsui) has caused serious obstruction and nuisance to pedestrians; if so, whether any positive measures have been taken to address the problem?

Reply :

Records of the Urban Services Department indicate that there has been a decline in both the licensed and unlicensed hawker population in the urban area over the past few years. The number of licensed hawkers has reduced from 12,300 in 1992 to less than 11,000 at the end of 1994, primarily as a result of Urban Council policies designed to reduce the licensed hawker population in the urban area. Informal headcounts of unlicensed hawkers in the urban area also indicate a reduction of approximately 1,000 over the same period

In order to control hawker activity more effectively, the Urban Council and the Urban Services Department have recently put in hand a number of measures. These include the phasing out of the whole category of itinerant hawker licence by 1 April 1996 which will further reduce the licensed hawking population. In addition, a new grade of Hawker Control Officer in the Urban Services Department has been introduced in the middle of 1994 to better manage the urban hawking population. Regional Task Forces of Hawker Control Officers have also been established recently to enhance the capacity of the Department to conduct surprise raids on hawker black spots and to reinforce district-based hawker control teams. Plans are in hand to expand the two Task Forces later this year.

End/Wednesday, February 15, 1995

Methadone clinics accessible to drug abusers

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Following is a question by the Hon Mrs Peggy Lam and a written reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question :

As methadone treatment centres are located in residential areas, they not only pose threats to the environment but also have become crime black spots. In view of this, will the Government inform this Council whether :

- (a) crime rates are on an upward trend over the past two years in areas where methadone treatment centres are located; and

- (b) the Government has considered relocating such centres into neighbouring medical institutions so that they are away from residential areas; if so, what the progress is, if not, what the reasons are?

Reply :

Mr President,

- (a) There is no evidence to suggest that there has been an upward trend in the crime rates in the areas surrounding methadone clinics. Overall the crime rates in such areas have remained stable; occasionally slight increases have been detected at individual clinics at different times. Generally there are slight increases in the crime rates when there is a shortage of supply of heroin on the street.
- (b) The prime objective of the methadone treatment programme is to provide a readily accessible, legal, medically safe and effective alternative to illicit administration of opiate drugs by drug abusers. The success of the programme depends to a large extent on its accessibility to drug abusers. Methadone clinics are thus located in areas which are convenient of access to facilitate attendance by patients. Requests for relocation of methadone clinics are considered having regard to the availability of a suitable site which should be accessible and acceptable to the District Board concerned. The main difficulty in relocating methadone clinics lies in the identification of a suitable relocation site.

End/Wednesday, February 15, 1995

Drug abusers told to properly dispose of used syringes

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

Question:

As used syringes discarded by drug addicts have posed a serious health problem to residents in public housing estates, will the Government inform this council of the immediate strategy and long-term practical measures it will take to improve the situation?

Reply:

Mr President,

The government is concerned about the potential health hazard posed by improperly disposed used syringes to residents in public housing estates. Measures are being taken by various departments to tackle the problem.

The Housing Department requires its cleansing contractors to remove immediately any discarded syringes found in the estates and to report to the estate office. Patrol guards and estate staff are instructed to keep a vigilant watch on the situation during their patrols. Estate staff also maintain close liaison with the Police to combat the problem and intensify patrol of black spots. On the other hand, notices are put up in estates to draw tenants' attention to the problem. They are encouraged, through regular estate newsletters, to report to the Police or estate office any discarded syringes found in the estate.

For the long term, education and training on the proper disposal and collection of used syringes will continue to be the main strategy in tackling the problem. The proper disposal of used syringes is incorporated as part of the health education messages targeted towards drug abusers. The message is disseminated to drug abusers through various channels - leaflets and handouts are distributed, reminders are posted in methadone clinics, workshops for recovering drug abusers and counselling services provided for methadone patients also emphasize drug abusers' social responsibility in proper disposal of used syringes.

The Working Group on Drug Abuse and AIDS under the Committee on Education and Publicity on AIDS, in collaboration with the Pui Hong Self-Help Association, conducted a "Cleaning-up of Abandoned Syringes Pilot Project" in 1994. One of the objectives is to promote the proper disposal of used syringes. To this end, efforts are made to remove abandoned syringes from "black spots", and to distribute education leaflets to drug abusers in the vicinity.

End/Wednesday, February 15, 1995

Tertiary student enrolment figures

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Following is a question by Dr the Hon Samuel Wong Ping-wai and a written reply by the Acting Secretary for Education and Manpower, Miss Jacqueline Willis, in the Legislative Council today (Wednesday):

Question :

Regarding the intake of students by tertiary institutions funded by the University Grants Committee in 1994-95, will the Government inform this Council :

- (a) how does the actual intake of students by various tertiary institutions compare with the planned enrolment capacity; and
- (b) what are the minimum matriculation grades required for enrolment by each department of these institutions; and whether the entry requirements have been lowered in order to enrol a sufficient number of students?

Reply :

Mr President,

- (a) The Administration's student number target for the enrolment of first-year first-degree (FYFD) students in the seven institutions funded by the University Grants Committee (UGC) in the academic year 1994-95 is 14,500 students in full-time equivalent terms (fte). As at 31 December 1994, the provisional enrolment figures for FYFD students at the seven UGC-funded institutions were 14,146 students, meaning an overall under-enrolment of 2.4%. The under-enrolments in some of the institutions such as the City University of Hong Kong and the Hong Kong Baptist University were deliberate following advice from the UGC to redress the balance after over-enrolments at FYFD level in previous years so that the total undergraduate student numbers of these institutions would adhere to Government's approved overall student number targets at this level. A breakdown of the approved student targets and the provisional enrolment figures in the seven institutions is at Annex A. The final enrolment figures will not be available until mid-March 1995.

- (b) Each institution has its own institution-wide minimum admission requirements, as summarised at Annex B. Some institutions have also maintained slightly different minimum admission requirements for their different departments or faculties, mainly in the results attained in the Use of English of the Hong Kong Advanced Supplementary (AS) Level Examination. The institutions have not lowered their entry requirements in order to enrol adequate numbers of students although some institutions have allowed their departments flexibility in considering whether applicants have met the specified language requirements for admission to some courses. For example, the Chinese University of Hong Kong has accepted a few students who have obtained Grade F in AS-Level Use of English but managed to pass the Supplementary English Examination as having fulfilled the English requirement for admission to some of the University's courses. The Hong Kong University of Science and Technology has lowered the admission requirement of Grade D in the AS-Level Use of English to Grade E for some students. These students are nevertheless required to take and pass a non-credit-bearing language enhancement course, failing which they will not be allowed to continue their studies. Furthermore, the City University of Hong Kong has waived the Chinese Language requirement for applicants to its four full-time bachelor's degree courses offered by the Faculty of Science and Technology.

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Annex A

Enrolment of First-year First-degree (FYFD) Students  
(as at 31 December 1994)

	<u>Target</u> (fte)	<u>Enrolment#</u> (fte)	<u>Excess(+)/</u> <u>Shortfall (-)</u> (fte)
CityU	2,359	2,163	-196
HKBU	1,345	1,294	-51
LC	690	705	+15
CUHK	2,913	2,797*	-116
PolyU	2,496	2,511	+15
HKUST	1,920	1,896	-24
HKU	2,777	2,790*	+13
Total	14,500 =====	14,156 =====	-344 =====

Note: # These are provisional enrolment figures as the institutions' databases of FYFD numbers have not all yet closed for 31 December 1994. Final enrolment figures will only be available by mid March 1995.

\* The figures exclude the 140 fte students enrolled on BEd (Primary) programmes offered by the two Universities which are funded separately, and not counted within the Government's approved student number targets.

Annex B

Minimum Entry Requirements for  
Admission to UGC-funded Institutions

- CityU - 1. Grade E in 2 A-level subjects or Grade E in 1 A-Level subject and 2 AS-level subjects; and
2. Grade E in Use of English at AS-level (except for the Faculty of Law which requires Grade D in Use of English at AS-level); and
3. Grade E in Chinese Language & Culture at AS level or Grade E in Chinese Literature or Chinese Language & Literature at A-level.
- HKBU - 1. Grade E in 1 A-level subject; and
2. Grade E in two of the following three AS-level subjects :
- (i) Use of English;
- (ii) Chinese Language & Culture; and
- (iii) Liberal Studies.
- and
3. Grade E in one additional AS-level or A-level subject.
- LC - 1. Grade E in 2 A-level subjects or Grade E in 1 A-level subject plus 1 AS-level subject (other than Use of English and Chinese Language & Culture); and
2. Grade E in AS-level Use of English; and
3. Grade E in AS-level Chinese Language & Culture.
- CUHK - 1. Grade E in 3 A-level or AS-level subjects (other than Use of English and Chinese Language & Culture), at least one of which is at A-level for the Faculty of Arts, Business Administration, Education, Medicine, and Anthropology and Journalism & Communication programmes of the Faculty of Social Science, and 2 of which are at A-level for the Faculty of Engineering, other programme of the Social Science Faculty; and

2. Grade E in AS-level Use of English; and
3. Grade E in AS-level Chinese Language & Culture.

- PolyU -
1. Grade E in 2 A-level subjects or 1 A-level and 2 AS-level subjects other than Use of English and Chinese Language & Culture (except for the Faculty of Communication which requires Grade D in 1 A-level subject); and
  2. Grade E in AS-level Use of English; and
  3. AS-level in Chinese Language & Culture or A-level in Chinese Literature.

- HKUST -
1. Grade E in either 1 A-level subject and either AS-level Chinese Language & Culture or AS-level Liberal Studies, and two AS-level subjects; or
  2. Grade E in 2 A-Level subjects plus either AS-Level Chinese Language and Culture, or AS-level Liberal Studies; and
  3. Grade D in AS-level Use of English.

- HKU -
1. Grade E in 2 A-level subjects or Grade E in 1 A-level subject plus 2 AS-Level subjects (other than Use of English and Chinese Language and Culture); and
  2. Grade D in AS-level Use of English; and
  3. Grade E in AS-level Chinese Language & Culture.

- [Note: 1. A-level means Hong Kong Advanced Level Examination  
2. AS-level means Advanced Supplementary Level Examination ]

End/Wednesday, February 15, 1995

Vehicle speed detectors

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Following is a question by Dr the Hon Lam Kui-chun and a written reply by the Secretary for Transport, Mr Haider Barma, in the Legislative Council today (Wednesday):

Question:

Regarding the effectiveness of using speed detectors in improving traffic safety, will the Administration inform this Council of:

- (a) the number of traffic accident "black spots" in the territory; and
- (b) the number of locations regularly used for speed detection; and how many of these locations are traffic accident black spots?

Reply:

Mr President,

Sites are designated as traffic accident black spots if, within a 12 month period, these have been the locations of several accidents involving injury to passengers or pedestrians.

There are 174 traffic accident black spots designated in the territory: 26 on Hong Kong Island, 122 in Kowloon and 26 in the New Territories.

Speed checks on vehicles are carried out for road safety purposes. Speed detectors are mounted at different spots and different times. In all there are 248 locations used for this purpose including 165 of the traffic black spots. Speed checks are not mounted at the remaining 9 black spot sites because of difficulty in setting up the detection equipment at those locations.

End/Wednesday, February 15, 1995

Government supports participation in international AIDS conferences

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

Question:

With regard to Hong Kong's participation in international conferences on AIDS, will the Government inform this Council :

- (a) of the number of participants from the territory at the international Conference on AIDS organised by the World Health Organisation (WHO) in Japan in August 1994, together with the total amount of expenditure incurred by the Government on this occasion and the benefits gained from the conference;
- (b) whether delegates from the territory were sent to attend the first AIDS Summit held on 1 December 1994 in Paris; if not, why not; and
- (c) of the Government's policy on participation in international conferences/work on AIDS?

Reply :

- (a) As far as we know, a total of 37 persons from Hong Kong participated in the International Conference on AIDS organised by the World Health Organisation in Japan in August 1994. Of these, eight were representatives of the government (from Health and Welfare Branch, the Department of Health and the Social Welfare Department). The total expenditure incurred by the Government on this occasion was HK\$341,800.00, which includes the cost of setting up an exhibition booth at the conference.

The strong contingent attending the Yokohama Conference was a clear demonstration of Hong Kong's commitment to the fight against AIDS. In addition to the exhibition booth, which was very favourably received, Hong Kong participants made a total of 15 abstract presentations. The Secretary for Health and Welfare addressed a well-attended session of the conference.

The conference also provided an excellent opportunity for participants to make official contacts with international organisations (including the World Health Organisation, the World Bank and the United Nations Development Program) and delegates from other countries, thus facilitating networking and co-ordination of efforts in confronting the AIDS problem. It enabled Hong Kong to keep abreast with current developments in AIDS programmes on the international scene.

The Conference also enabled us to share experience with other countries. Reference has been made to the information collected during the conference in the design of AIDS education and care programmes in Hong Kong.

- (b) The AIDS Summit was conceived by the French Government and held on 1 December 1994 in Paris. Its goal was to heighten political commitment in HIV affected countries with the expectation that this would lead to greater efforts to curb the spread of HIV and assist those affected. Heads of Government from about 42 countries were invited ; Hong Kong was not invited to participate in the event.
- (c) The government in general supports participation in international AIDS conferences as it is important to keep Hong Kong in the forefront of advances in this fast-moving field. The choice of conference and the selection of participants, however, are made after careful consideration of the benefits that could be derived from such an attendance.

Effective AIDS control calls for co-ordinated international efforts and Hong Kong actively participates in such work. Over the past few years, Hong Kong has taken part in meetings that have brought together officials and representatives from different countries to discuss and exchange views on matters of common concern. The type of collaborative work generated has included scientific research, public health programmes and policy development. In fact, Hong Kong has just participated in the International Consultation for Policy-makers on Women & AIDS in Geneva in preparation for the Beijing Conference later this year.

End/Wednesday, February 15, 1995

Exemption from business registration fee

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

Question :

In his Budget Speech for the current financial year presented in March 1994, the Financial Secretary proposed to increase substantially the exemption levels for the business registration fee paid by businesses with a small turnover, so that a business with average monthly sales not exceeding \$15,000 or a business rendering services with average monthly receipts not exceeding \$4,000, would be exempt from the fee. The Business Registration Ordinance was amended on April 1 in the same year to implement this policy. However, it is learnt that some eligible businesses are unaware of this exemption policy and have paid the business registration fee. In this connection, will the Government inform this Council:

- (a) what steps the Government has taken to publicise the new policy among small businesses;
- (b) whether there are any channels for those small businesses eligible for exemption, who are unaware of the new policy and have paid the business registration fee, to apply for refund of the fee paid; and
- (c) whether the staff of the Business Registration Office have a responsibility for advising small businesses of the new policy?

Answer :

In reply to the three questions raised by the Honourable Member -

- (a) details of the increase in exemption levels (proposed in the 1994 Budget) have been included in publications issued by the Inland Revenue Department, namely:

\* How to Apply for Business Registration

\* Synopsis of Taxes Administered by the Inland Revenue Department.

These publications are available in both English and Chinese at all offices of the Inland Revenue Department and at District Offices. In addition, copies of the publication, "How to Apply for Business Registration" and a specimen application form (Form 3), "Claim for exemption from payment of fee and levy under section 9 of the Business Registration Ordinance" are displayed on notice boards in the public hall of the Business Registration Office, which is situated at the Department's main offices in Revenue Tower.

The department operates an Enquiry Service Centre for general enquiries and the Business Registration enquiry counter for specific enquiries. Members of the public can obtain information on the current exemption levels from staff stationed at either of these enquiry counters located in the department's main offices in Revenue Tower. The department also operates a 24-hour public telephone enquiry system and this service includes details of the current exemption levels.

(b) an unincorporated business may apply for exemption and where granted after payment of the prescribed business registration fee, the fee paid will be refunded. Applications for exemption (using Form 3) must be submitted no later than one month before the date of expiry of a current business registration certificate, or in the case of a new business, one month after application for the registration of the business. However, the Commissioner of Inland Revenue will normally accept late applications if reasonable grounds are shown.

(c) staff of the Business Registration Office and the General Enquiry Service Centre bring to the attention of members of the public, where necessary, details of the current exemption levels for business registration.

End/Wednesday, February 15, 1995

1,052 Viet migrants given jail term in 93 and 94

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

Question :

With regard to the Vietnamese Boat People (VBP) who have been convicted of criminal offences and given prison sentences, will the Government inform this Council :

- (a) of the total number of VBP convicted and given prison sentences in the past two years, together with the longest and average prison terms;
- (b) whether any VBP are serving prison terms that straddle 30 June 1997; if so, the total number of such VBP and whether they will be repatriated as soon as they have served out their prison terms; and
- (c) whether, in regard to those VBP whose prison terms stretch beyond 30 June 1997, the Government has conducted any negotiations with the Vietnamese Government for such VBP to be repatriated after that date so that they can continue to serve the remainder of their prison terms in their own country?

Reply:

Mr President,

- (a) In 1993 and 1994, 1,052 Vietnamese migrants were convicted and sentenced to imprisonment. The longest prison term was life imprisonment, and the average was eight months.
- (b) Vietnamese migrants are now serving sentences which will straddle 30 June 1997. The intention is that they should be deported to Vietnam after they have served their sentences.
- (c) The Administration has not conducted any negotiations with the Vietnamese Government on the possibility of Vietnamese migrants who are serving prison sentences in Hong Kong being repatriated to serve the remainder of their sentences in Vietnam.

End/Wednesday, February 15, 1995

Government to set green example

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

Question:

In his 1993 policy address, the Governor stated that the Government would invite the private sector to appoint a "Green Manager" in each of their companies to arouse environmental awareness and conduct environmental audits. In a recent study on this issue prepared by a green group, it is reported that only a fraction of companies have appointed green managers for environmental matters. This indicates that the response from the private sector to the Government's appeal has not been keen. In view of this, will the Government inform this Council:

- (a) of the present situation regarding the carrying out of environmental audits in the private sector; and
- (b) whether the target set by the Government has been achieved; if not, what further action will be taken to improve the present situation, so as to help local industry to carry out environmental audits and adopt measures to reduce the consumption of energy, paper and other resources?

Reply :

Mr President,

- (a) Although precise figures are not available, we understand that some 40 commercial and industrial companies have carried out environmental audits or are in the process of doing so. Some companies have also produced or sponsored the production of environmental audit manuals which are available to other organisations.
- (b) We have not set a specific target for environmental audits to be carried out by companies in the private sector. The approach we have adopted is to set a good green example for the private sector to follow and to work in partnership with the private sector to promote a reduction in resource consumption.

To set a good green example, all government departments and branches have appointed Green Managers since January 1994. Two government departments also completed pilot environmental audits in December 1994 and we are now working towards extending the concept of environmental audit and management to other departments and branches.

To provide guidance and advice, the Environmental Protection Department provides technical advice to local companies on the approach to environmental audits and will establish by April 1995 a directory of consultants with appropriate expertise in the field of environmental audit and management. Specifically on reduction of energy consumption, the Energy Efficiency Advisory Committee has produced advisory notes for the commercial sector and building management companies of residential buildings. It will also make available a guide on energy audit for distribution to companies in the commercial and industrial sector in mid-1995. Furthermore, the Industry Department is co-ordinating a number of initiatives on increasing manufacturers' awareness of the benefits of good environmental practice. Members may wish to refer to the reply provided by the Secretary for Trade and Industry on 25 January 1995.

To work in partnership with the private sector, we liaise with non-government organisations, such as the Hong Kong Productivity Council and the Centre of Environmental Technology, as well as major industrial and commercial associations. We will continue to work closely with these organisations to promote environmental audit and to encourage companies to identify opportunities for reducing resource consumption.

End/Wednesday, February 15, 1995

#### Alleged bigamy cases

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Following is a question by the Hon Eric Li Ka-cheung and a written reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council :

- (a) whether, in handling alleged bigamy cases, there are insurmountable difficulties in law enforcement and evidence adduction if the ceremony of the second marriage was conducted outside the territory; if so, what the difficulties are; and
- (b) what was the number of alleged bigamy cases in each of the past three years and how many of such cases resulted in conviction; of the convicted cases, how many involved the penalty of imprisonment and how many involved the penalty of fines; and how many of the alleged bigamy cases involved marriages which took place outside the territory?

Reply :

Mr President,

- (a) Under Section 45 of the Offences Against the Persons Ordinance (Cap. 212), any individual who, being married, marries another person during the life of the former husband or wife, is liable to imprisonment for a maximum period of 7 years. Evidence of the second marriage is essential to prove the offence of bigamy. In order to prosecute for this offence, there must be proof that the individual has been married before he/she registered for marriage in Hong Kong. There is, however, no jurisdiction for the Hong Kong Courts to prosecute an individual, who being married here, registers himself or herself again for marriage outside the territory.

Collection of evidence could be complex where the first marriage is registered outside the territory; the Hong Kong Courts have to rely on the foreign jurisdiction to provide the original records or duly certified copies of such records as evidence. An authorised official from that jurisdiction must testify in the Hong Kong courts in the event that the records of marriage are contested. Despite these difficulties, it is possible to adduce evidence for the prosecution of bigamy in Hong Kong courts provided that documentary evidence of registration is available.

- (b) The number of alleged bigamy cases in each of the past three years is as follows :-

	<u>1992</u>	<u>1993</u>	<u>1994</u>
total number of cases	51(48)	36(34)	41(36)
total number of convictions	23	15	10

Footnote :

number in brackets represent the number of cases involving marriages which took place outside Hong Kong

Details of the types of sentences are provided as follows:-

<u>Type of sentence</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
imprisonment	-	1	-
suspended sentence	-	2	2
fine	21	9	6
fine and suspended sentence	2	3	2
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	23	15	10
	==	==	==

End/Wednesday, February 15, 1995

**Free trade means complete absence of barriers**

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Following is a question by Dr the Hon David Li Kwok-po and a written reply by the Secretary for Trade and Industry, Mr T H Chau, in the Legislative Council today (Wednesday):

Question:

At the last meeting of the Asia-Pacific Economic Co-operation (APEC) on November 15, 1994, all members agreed to implement an official timetable to remove all trade and non-trade barriers and to promote "free trade" within the Asian region. However, the definition of "free trade" differs among the APEC members, with some considering that trade liberalisation should be on non-discriminatory grounds. Will the Government inform this Council of its own definition of "free trade"?

Reply :

The APEC Economic Leaders' Meeting held on November 15, 1994 in Bogor, Indonesia, issued a Declaration of Common Resolve which, among other things, set a goal of free trade in the Asia-Pacific region, to be achieved by 2010 for industrialised economies and by 2020 for developing economies. Detailed proposals to implement this goal, including the definition of free trade, will be considered by officials of APEC member economies this year and then submitted to the APEC Economic Leaders for their decision at their next meeting, to be held in Osaka, Japan, in November 1995.

The Hong Kong Government believes that "free trade", as reflected in the free trade policy practised by Hong Kong, means the complete absence of barriers, whether in the form of customs tariff, quotas or other restrictions, to the free flow of goods and services across borders.

End/Wednesday, February 15, 1995

#### Supply of student hostels

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Following is a question by the Hon Timothy Ha Wing-ho and a written reply by the Acting Secretary for Education and Manpower, Miss Jacqueline Willis, in the Legislative Council today (Wednesday):

Question :

Owing to a sharp increase in university places in recent years, the supply of student hostels has fallen short of the demand. In view of this, will the Government inform this Council :-

- (a) of the respective expected numbers of hostel places to be provided by each of the University Grants Committee funded tertiary institutions for its students on bachelor's, master's and doctoral degrees and other courses in the current academic year, together with a breakdown of the actual provision of hostel places in each of these institutions;

- (b) whether there is any difference in the proportion of actual provision to expected provision of hostel places among these institutions; if so, what the reasons are; and
- (c) whether the Government has formulated any plan to ease the shortage of student hostels; if so, what the details are; if not, why not ?

Reply:

Mr President,

- (a) The levels of provision of student hostels at the institutions funded by the University Grants Committee (UGC) are different largely because of historical and locational reasons. The Government does not specify the percentage of hostel places to be provided for students studying at different levels. It is up to the institutions to allocate the hostel places.

Publicly-funded student hostels are not provided for three of the UGC-funded institutions i.e. the Hong Kong Polytechnic University (PolyU), the City University of Hong Kong (CityU) and the Baptist University (HKBU). The existing planning standards for the provision of publicly-funded hostels places at the other four institutions, the University of Hong Kong (HKU), the Chinese University of Hong Kong (CUHK), the Hong Kong University of Science and Technology (HKUST) and the Lingnan College (LC) are -

HKU	-	up to 25% of the full-time student population
CUHK	-	up to 50% of the full-time student population
HKUST	-	up to 30% of the full-time student population
LC	-	up to 50% of the full-time student population.

The current practice is that these institutions are required to meet at least 25% of the total construction costs of the "approved hostel places" from private donations. At Annex A is a breakdown of the actual number of hostel places provided at the relevant institutions in the current academic year i.e. 1994-95.

- (b) As shown in Annex A, the proportion of actual provision to expected provision of hostel places among the institutions varies. In the case of HKU and CUHK, the numbers of publicly-funded hostel places are lower than the planned maximum levels. However, the two institutions have secured private funds to provide hostel places so that the total numbers of hostel places are about 24% and 37% of their students respectively. As regards HKUST, it has currently hostel places for about 42% of its existing students, which is beyond the level stipulated by the Government. However, when the University's student population reaches the designed capacity, the publicly funded hostel places will accommodate about 30% of the student population. And for Lingnan College, since it has been successful in securing private donations for additional hostel accommodation, 72% of its student population will be provided with hostel places upon its moving to the new campus in Tuen Mun in September 1995.
- (c) The Government will continue to encourage the UGC-funded institutions to seek private funds to provide more hostel places. Subject to the availability of suitable sites, the Government is prepared to consider granting land at nominal premium to facilitate the construction of student hostels by these institutions. Also, the UGC is now conducting a review of the space and accommodation provided to UGC-funded institutions. The requirement for student hostels is an important element of the review which is expected to be completed by late 1995/early 1996. The Government will consider whether the existing policy on the provision of student hostels needs to be adjusted in the light of the results of the review.

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Number of Student Hostel Places provided  
in the UGC-Funded Institutions in 1994-95

	<u>Government funded hostel places</u>	<u>Privately funded hostel places</u>	<u>Total</u>	<u>Planning Standards#</u>
HKU	2,066 (19%)	516 (5%)	2,582 (24%)	25%
CUHK	2,183 (20%)	1,799 (17%)	3,982 (37%)	50%
HKUST	2,078 (42%)	-	2,078 (42%)	30%

Note

( ) denotes the number of hostel places as a percentage to the student number (fte) population \*

\* The actual enrolment figures of full-time students for 1994-95 will not be available until mid-March 1995 and therefore the approved student number targets are used in calculating the number of hostel places as a percentage of the student number population

# Number of publicly-funded hostel places as a percentage to the student number (fte) population

Standing Committee on Pressure Groups disbanded in 1982

\* \* \* \* \*

Following is a question by the Hon Anna Wu Hung-yuk and a written reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

Regarding the establishment and subsequent activities of the Standing Committee on Pressure Groups (SCOPG) during the 1970's and early 1980's, will the Government inform this Council:

- (a) of the date when the SCOPG was established, what its terms of reference were, how many times it was convened, and what its membership was;
- (b) which parties SCOPG had singled out for monitoring, and how these parties were selected for surveillance; and
- (c) whether there were any reports on the activities of the parties under surveillance by the SCOPG; if so, where such reports were kept; and whether the parties concerned will be granted access to such reports?

Reply:

Mr President,

- (a) The Standing Committee on Pressure Groups (SCOPG) was established in 1977 under the chairmanship of the then Home Affairs and Information Services Branch to report to and advise the Government on social and political trends and developments in Hong Kong. It was disbanded in 1982. During its establishment the committee met twice yearly. Its membership comprised representatives from Home Affairs and Information Services Branch, Home Affairs Department, Government Information Services and the Police.
- (b) The committee had no executive or operational functions; its role was advisory. It would have made assessments on groups which had a bearing on social and political trends and developments in Hong Kong. I am not aware that it 'singled out' any particular group for surveillance.
- (c) All SCOPG files containing assessments and reports have been destroyed.

End/Wednesday, February 15, 1995

Home ownership blocks will be built to satisfactory standard

\* \* \* \* \*

Following is a question by the Hon Fred Li Wah-ming and a written reply the Secretary for Housing, Mr Dominic S W Wong, in the Legislative Council today (Wednesday):

Question:

There have been complaints recently from residents of home ownership scheme flats that the standards of quality of their flats were not in conformity with the descriptions in the sales brochures. For example, in the sales brochure of Phase 15A flats at Tsz On Court and Ko Chun Court, it was stated that mosaic tiles and acrylic paint would be used for the external walls of the buildings. However, acrylic paint was used for most of the external walls of Ko Chun Court while mosaic tiles were used for Tsz On Court. It was unfair to the residents that the authority concerned neither informed them nor made any public announcement about the change. In this connection, will the Government inform this Council whether the Housing Department has switched to the use of acrylic paint on the external walls of Ko Chun Court; and what appropriate remedial measures will be taken?

Answer

Mr President,

Owing to the shortage of skilled labour for laying mosaic tiles and technological improvements in the quality of acrylic paint, the Housing Department's current practice is to use fewer mosaic tiles and more acrylic paint on the external walls of domestic blocks.

Both Ko Chun Court and Tsz On Court have a combination of acrylic paint and mosaic tiles on the external walls of their domestic blocks. There is no contradiction with the descriptions in the sales brochures of these blocks.

The Housing Department places emphasis on the quality of its construction work. Members of this Council may rest assured that the domestic blocks in Ko Chun Court, which will be completed later this year, will be built to a satisfactory standard before the flats are handed over to the purchasers.

End/Wednesday, February 15, 1995

Motions on traffic congestion and bus services passed

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The Legislative Council today (Wednesday) passed a motion put forward by the Hon Mrs Miriam Lau urging the Government to fully consider the public views expressed on the "Report of the Working Party on Measures to Address Traffic Congestion" and to adopt such measures that are both fair and effective to solve the traffic congestion problem in Hong Kong.

The Council also debated a motion tabled by the Hon Wong Wai-yin urging the Government to freeze the bus fares of the Kowloon Motor Bus Company at the present level; and to revoke the China Motor Bus Company's franchise upon its expiry in August this year and open all bus routes on Hong Kong Island for open tender.

The motion was passed with amendments by Mrs Miriam Lau to the effect that the Government was being urged to keep the KMB fare increase at a reasonable level and to open some of the CMB routes for open tender.

The Council passed a motion moved by the Secretary for Security, Mr Peter Lai, to approve the Code of Practice for the questioning of persons and the production of material under the Organised and Serious Crimes Ordinance.

Five bills were introduced into the Council for first and second readings. They were the Supreme Court (Amendment) Bill 1995, Builders' Lifts and Tower Working Platforms (Safety) Bill, the Merchant Shipping (Liner Conferences) Bill, the Nuclear Material (Liability for Carriage) Bill and Insurance Companies (Amendment) Bill 1995. Debates on them were adjourned.

Debates were resumed on the Exchange Fund (Amendment) Bill 1994, the Administration of Justice (Miscellaneous Provisions) Bill 1994, the Waste Disposal (Amendment) Bill 1994 and the Shipping and Port Control (Amendment) Bill 1994. All four bills passed the Committee Stage and were given a third reading. Among them, the Administration of Justice (Miscellaneous Provisions) Bill 1994 was passed with amendments.

The Acting Secretary for Home Affairs, Mr Joseph Wong, presented to the Council the Regional Council estimates of revenue and expenditure for the year ending March 31, 1996.

The Hon Peter Wong addressed the Council on the report of the Public Accounts Committee on the report of the Director of Audit on the accounts of the Hong Kong Government for the year ended March 31, 1994 and the results of value for money audits (January 1995 - PAC report No.23).

Members asked 20 questions, six of which called for oral answers from the Administration.

End/Wednesday, February 15, 1995