



DAILY INFORMATION BULLETIN

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BEACONSFIELD HOUSE, HONG KONG. TEL.: 2842 8777

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Transcript of the Governor's media session

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Following is the transcript of the media session by the Governor, the Rt Hon Christopher Patten, after visiting Tai Po District this (Wednesday) afternoon:

Governor: I'm pleased to have been able to pay another visit to Tai Po, a district which I know pretty well. I walk here quite often and I come to church from time to time as well. But it was good to have another official visit to the District Board and to be able to discuss some of their problems and challenges with them.

Perhaps I should add one other thing about my programme today. I had a meeting this morning with the Philippines Foreign Minister Mr Siason in which we discussed a number of issues, including the position of Filipino domestic helpers in Hong Kong. I told him what a valuable contribution the almost 130,000 Filipino domestic helpers make to the life of our community. I said that I saw no reason why their position should change after 1997, but pointed out that that was entirely a matter for the SAR Government under article 166 of the Basic Law. I also noted that a number of senior Chinese officials had given exactly the same reassurance both to Filipino ministers and had given the same reassurances unofficially to us in Hong Kong as well. But he confirmed that they had had those reassurances from senior Chinese officials. So I think that was a useful point to come out of that meeting, a confirmation that policy regarding the Filipino domestic helpers is entirely a matter for the SAR Government. And I don't imagine that policy on that issue would be changed substantially from what it is today. People make a very big contribution today and I'm sure that that contribution will be wanted in the future.

Question: Mr Governor, there is a report saying that Jiang Zemin and Heseltine had compromised that the SAR Chief Executive should be accepted by the British Government. Is that true?

Governor: No. I think that Mr Heseltine and Mr Jiang Zemin had a very useful discussion about a number of issues including the selection of the Chief Executive. But the President's views on that were made clear I think either the same day or the following day by the Foreign Ministry press spokesman who was in Zhuhai with the President. But I can't add anything to that.

Question: Governor, much has been made on the last two weeks on expression of freedom ...

Governor: I don't understand why that is inevitable and I don't see how it can happen if the Joint Declaration and the Basic Law are adhered to. For example, the position on freedom of the press, the freedom of speech, is absolutely clear in the Joint Declaration. It's absolutely clear in article 27 of the Basic Law. Director Lu made some remarks in a television interview about a week ago which I hope will be clarified. He suggested that national laws might affect freedom of speech in Hong Kong, but article 18 of the Basic Law sets out exactly what those national laws should be and none of them have anything to do with freedom of speech at all.

I think there's also some confusion about the difference between reporting and advocacy, a point which Director Lu has referred to again in a press conference today. At present, we don't make any distinction here in Hong Kong. You can write a column advocating a particular position as a journalist as you know. You can also report things as a journalist. That's what free speech means. So what Director Lu appeared to be saying today I think suggested that the position would be different after 1997. Now, I've only got taped reports to go by and what I suggest is required is a great deal more clarification of one simple point -- that the freedom of the press which is enjoyed and enjoyed responsibly before 1997 will also exist after 1997. I welcome the fact that Director Lu is travelling around a number of countries saying in his own words that he is a salesman for Hong Kong. It's a tremendous success story and I'm delighted that he recognises that. But I think the reassurances that he's being pressed for require rather clearer answers. Yesterday there were press reports also I think in one of our papers the South China Morning Post of what Director Lu is said to have said to a group of Japanese parliamentarians about freedom of assembly after 1997. Again the position on freedom of assembly should be absolutely clear under the Joint Declaration and the Basic Law. I do not -- I want to make this absolutely plain -- I do not want to assume that Director Lu has said things when all I have seen is a press report of reported remarks and quotations from Japanese parliamentarians who are rather surprised or shocked by his remarks. But again it's something that requires clarification because otherwise it's inevitably, as your question suggests, it is going to worry people. Freedom of assembly, freedom of speech here in Hong Kong should be guaranteed by the Joint Declaration and the Basic Law. No ifs or buts, no qualifications, no phrases in brackets, no footnotes, absolute. And I think that needs to be clarified by the senior Chinese officials who have been I think causing a certain amount of concern.

Question: Are you suggesting that there will be a violation of the Basic Law by banning demonstrations ...?

Governor: Well, you look at what the Basic Law and the Joint Declaration say about these matters. They are absolutely plain, and I hope that we can have these points clarified. I hope you'll notice that once again it isn't the Hong Kong Government which is saying or doing things which are causing confusion or needing to be clarified. So let's have some clarifications which will reassure people very quickly.

Question: Mr Patten. With due respect, some Chinese officials have been saying it's actually ... you are requested ... you are actually required clarification. You have just said that as journalist we are always able to write reports and columns expressing ideas and opinions. According to the Chinese officials, that obviously seems to be out of the question as far as they are concerned. What sort of assurances can you give the press? What can we do ...?

Governor: You've just heard me describe to you precisely in terms what it is in the Joint Declaration and what is in the Basic Law. If there are Chinese officials who are saying well it is not really quite like that, we need to know fast what exactly they do think is like.

Question: Mr Patten, how if Mr Lu has really said what has been reported in the SCMP this morning, what can the Government do?

Governor: Well, if Director Lu ... I would like ... I think it's fair to Director Lu to say that the first thing that we require is some clarification of what he said. Director Lu must tell us what he said to those Japanese parliamentarians. If what he said is what he's reported to have said, then we'll want to take it up in the Joint Liaison Group and through other channels. I want to make that absolutely clear these are important matters, they touch on some of the fundamental aspects of life here in Hong Kong as we've seen in the last twenty-four hours.

Question: Will there be any discussion in the JLG, the plenary that is going on at the moment ...?

Governor: Yes.

Question: Governor, not mention after 1997, even recently there are people worry before 1997 there is some pressure from the Hong Kong Government when they organise assembly such as the June 4 candle light, next year there may be some pressure from the Hong Kong Government that there will be no place to organise this kind of ...?

Governor: Look, let me... I mean I don't know how often I have to say this things, but I said very clearly on the record, in reply to a LegCo member last week in the Legislative Council precisely what my position was on June 4 demonstrations this year and any other year. The position is absolutely plain. These are demonstrations which come within our laws, the sort of demonstrations which should be able to take place in a free and open and plural society. There is no question of us changing the position this year or next year. The only question which has arisen is whether or not the whole of Victoria Park will be available next year, because the Urban Council have to decide when their comprehensive re-development programme is going to begin and what exactly it's going to involve. I cannot believe that the plan will be so comprehensive as to make it impossible for Victoria Park to be used next year or for some other venue which is suitable to be used. So don't even think that this Government, that the Government for which I am responsible will do anything to prevent people going about their lawful business peacefully as so many thousands did last night. Is that, do I have to ever answer that question again?

Question: There is a saying that the Hong Kong Government has put forward some sort of legislation regarding subversion to the JLG for discussion, is that the case?

Governor: Yes. We've put forward proposals for our laws to localise questions like subversion and sedition as were applied to under the localisation of laws programme. The proposals that we've put forward through the JLG are entirely consistent with the Bill of Rights and the international covenants on civil and political rights and I hope that we'll get a response from Chinese officials as soon as possible. All these issues are brought to the top of the agenda, not by anything which the Government of Hong Kong is doing. Why you are asking questions about Basic Law Article 23 today, for the perfectly good reason, that things that have been said by Chinese officials in the last week have made that a concern in people's minds. So just let people remember sometimes who it is that ties the knots. Thank you.

End

Chief Secretary in New York

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The Chief Secretary, Mrs Anson Chan, on Tuesday (New York time) continued her programme in New York City as part of the Hong Kong/USA promotion.

Highlighting the day's events was a half-hour private meeting with New York City Mayor Rudolf Giuliani. During the meeting in the mayor's office at New York's City Hall, Mrs Chan and Mayor Giuliani discussed the extensive business and cultural links between New York City and Hong Kong.

Mayor Giuliani, who has taken progressive steps to create a more favourable climate for economic growth in New York, has expressed admiration for Hong Kong's entrepreneurial spirit.

In an official proclamation issued by the mayor to honour the promotion, Mayor Giuliani praised Hong Kong's economic success and cited the many ties between the two great port cities.

During her busy day, Mrs Chan briefed several think-tanks, including the trustees of the Asia Society, held a round-table discussion with the Council on Foreign Relations, and met with the trustees and senior members of the National Committee on US-China Relations.

She has also given a live interview with CNN "Business Asia" earlier in the morning.

Tomorrow (Wednesday), the focus of the promotional activities will be on the day-long business conference. Mrs Chan will deliver a keynote luncheon address. She will then officiate at the ceremony to mark the Hong Kong Wonder's Never Cease exhibition at New York's South Street Seaport.

Later in the day, Mrs Chan will travel to Dalla, Texas, for the next leg of the three-city promotion. The promotion concludes in Los Angeles on June 11.

End

Governor visits Tai Po

The Governor, the Rt Hon Christopher Patten, today (Wednesday) visited Tai Po to see for himself some of the latest developments and social services in the district.

He started the visit at the new Morning Post Centre of South China Morning Post Publishers Ltd located in the Tai Po Industrial Estate where he was briefed on the latest technology in publishing.

Afterwards, Mr Patten visited the Pinehill Village which houses a number of service units of the Hong Kong Association for the Mentally Handicapped. The association is the largest non-governmental organisation providing services to mentally handicapped in the territory.

At the Pinehill Village Advanced Training Centre, the Governor saw for himself the training being given to the mentally handicapped children. He complimented on the quality of the children's handicraft at the Pinehill Pottery.

The Governor then dropped in at the Tai Po Baptist Church Baptist Oi Kwan Social Service Au Cheung Sau Fong Social Centre for the Elderly in the Fu Heng Neighbourhood Community Centre. Opened in 1991, the centre serves about 340 elderly persons aged 60 and above.

Before concluding the visit, Mr Patten met with district board members and local personalities at a reception.

The Governor was accompanied by the Director of Home Affairs, Mrs Shelley Lau, and Tai Po District Officer, Mr Frankie Lui.

End

District Court Equal Opportunities Rules welcomed

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The Chairperson of the Equal Opportunities Commission, Dr Fanny Cheung Mui-ching, welcomes the District Court Equal Opportunities Rules and the Labour Tribunal (General) (Amendment) Rules 1996 tabled to the Legislative Council today (Wednesday).

Dr Cheung recognises that the court is an important channel of redress for the aggrieved under the Sex Discrimination Ordinance and the Disability Discrimination Ordinance, and it is therefore important for the rules to spell out the measures that will enhance the accessibility of the court before the ordinances are put into operation.

The new Equal Opportunities Register provided for under the rules should facilitate the expeditious handling of cases filed under the two ordinances by the court.

Furthermore, the rules allow non-legally qualified representatives to appear in and address the court. Victims under the two ordinances will not be deterred on account of legal fees from bringing proceedings.

In line with the spirit of the two ordinances, the Equal Opportunities Commission is preparing a sound complaints handling and conciliation mechanism to ensure that a full range of legal services will be made available to claimants when it starts full operation targeted for September this year.

End

Taxation agreement on airline income with Korea reached

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Hong Kong has reached an agreement with the Republic of Korea on the arrangements to provide double taxation relief for airline income.

"The arrangements are contained in the Air Services Agreement between Hong Kong and the Republic of Korea which was signed in March 1996," a government spokesman said.

"Under the arrangements, Hong Kong will tax the income generated from international traffic of Hong Kong airlines derived from the Republic of Korea and which has been granted full tax relief by the Republic of Korea.

"In return, Hong Kong will forgo the right to tax the income of Korean airlines derived from Hong Kong if such income is subject to tax in the Republic of Korea."

The Governor-in-Council has made an order under the Inland Revenue Ordinance to declare that the double taxation relief arrangement for airline income with the Republic of Korea should take effect. The order will be gazetted on Friday (June 7) and tabled in the Legislative Council on June 26.

"It is our policy to include provisions on double taxation relief for airline income into Air Services Agreement negotiated between Hong Kong and our bilateral aviation partners on a case by case basis," the spokesman said.

End

Central allocation of primary one places to be announced

* * * * *

The Education Department will this Saturday (June 8) announce the results of the Central Allocation of primary one places for school entry in September.

A total of 17,672 children participating in the scheme are allocated to schools of their first three choices. This represents 63.9 per cent of the 27,640 children taking part in the allocation.

Parents who have completed a choice of schools form for Central Allocation in March are advised to collect the primary one registration form from the Distribution/Collection Centre of their home school net on Saturday or Sunday (June 8 and 9) from 9.30 am to 12.30 pm or 1.30 pm to 4.30 pm.

They should bring along the parent's copy of the application form for admission to primary one or the choice of schools form for identification purpose.

The primary one registration form will show the name and address of the school to which their children are allocated, together with the dates for registration and some notes to parents.

Parents are requested to complete the registration formalities on June 11 or 12. Registration hours for AM schools are from 9 am to 12 noon whereas those for PM schools are from 2 pm to 5 pm.

For whole-day schools, the registration hours are 9 am to noon and 2 pm to 4 pm.

If parents cannot register their children with the allocated school on the specified dates for some important reasons, they must contact the school's responsible person direct beforehand for alternative arrangements.

Failing that, they would be deemed to have given up the place allocated.

Upon registration, the primary one registration form should be surrendered to the school.

Parents must note that all places allocated are final. Request for re-allocation without valid justification will not be entertained.

In case the parents have special difficulties, such as moving to another school net far from the school allocated, they are advised to contact the Primary One Admission Unit on the second floor, 269 Queen's Road East, Wan Chai, Hong Kong, in person to seek assistance.

They should bring along the original and copies of supporting documentary proof of the new address, such as rental receipts, title deed of the property, rates demand notes, water bills or electricity bills bearing the name of the parent or the guardian of the child.

Should parents find it necessary to transfer the child to another school after registration, they are advised to get some assurance of acceptance before they retrieve the primary one registration form from the original school.

Retrieval of the form means cancellation of the school place already allocated.

For children who have secured a discretionary place and have already registered with a school last December, there is no need to repeat the registration formalities.

Parents wishing to obtain general information on primary one admission procedures are welcome to use the Education Department's automatic telephone enquiry service at 2891 0088.

For further enquiries, they may contact the Primary One Admission Unit on 2832 7710 (for Hong Kong, Tai Po and North District), 2832 7720 (for Kowloon), 2832 7730 (for New Territories), and 2832 7700 (for general enquiries) during office hours.

Special arrangement has been made for the Unit's enquiry service to operate from 9 am to 12.30 pm and from 1.30 pm to 4.30 pm on both June 8 and June 9.

End

VMs from High Island Detention Centre to be transferred

* * * * *

The Government announced that a group of about 110 Vietnamese migrants will be transferred from the High Island Detention Centre today (Wednesday) in preparation for their return under the Orderly Repatriation Programme.

They will be moved to Victoria Prison for pre-flight documentation and medical checks prior to leaving Hong Kong in four flights on June 10, 13, 18 and 21.

The transfer will be observed by independent monitors.

End

Monitors' Report submitted to CS

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The monitors appointed to observe the transfer of Vietnamese migrants selected for the Orderly Repatriation Programme from High Island Detention Centre to Victoria Prison today (Wednesday) have submitted their report to the Chief Secretary.

The four monitors comprised two non-official justices of the peace, Mr Hui Wor-lam and Mr Timothy Ha Wing-ho; and representatives from two non-government organisations, Mr Christopher Stokes from Medecins Sans Frontieres and Ms Harriet Sewell from Christian Action.

End

Insider Dealing Tribunal hearing

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The main hearing on the insider dealing case relating to Yanion International Holdings Ltd. will start on Monday (June 10).

Mr Justice Burrell, Chairman of the Second Division of the Insider Dealing Tribunal, will receive evidence and testimonies from parties concerned.

He will be assisted by two lay members, Mr Felix Chow Fu-kee and Mr Michael Sze Tsai-ping.

The hearing scheduled for 9.15 am on Monday will take place at Court No. 16 of Supreme Court, 38 Queensway, Hong Kong.

End

Schools invited to upgrade teaching posts

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Aided primary schools are invited to apply for upgrading existing teaching posts to graduate posts in the 1996-97 school year as part of the Government's effort to improve the quality of teachers.

The Education Department today (Wednesday) issued a circular to all aided primary schools, including special schools and combined-level special schools, inviting applications for a quota to regrade eligible serving teachers in the Certificated Master/Mistress grade to the Primary School Master/Mistress grade in the coming school year.

The circular followed the one issued last week to invite applications for a quota to appoint pre-service graduates as teachers.

Senior Education Officer, Mr K M Lau, said that of the 282 graduate teaching posts provided by the Government to aided schools in the 1996-97 school year, 226 will be available for schools to regrade eligible serving teachers.

The remaining 56 posts, representing 20 per cent, have been reserved for schools to recruit pre-service graduates.

"When an aided primary school has acquired a quota, the supervisor of the school will appoint one eligible serving teacher with consistently good performance to fill the quota assigned," Mr Lau said.

"Guidelines on appointment to the Primary School Master/Mistress Grade have been sent to aided primary schools."

As recommended by the Working Group on Provision of Primary Graduate Teachers, serving teachers who possess a recognised Hong Kong first degree or equivalent are eligible for consideration for regrading.

"This means that the relevance requirement of teachers' qualification to primary education, special education or primary school curriculum has been waived," Mr Lau said.

He said in view of the limited number of primary graduate posts available, each school would not be provided with more than two posts in the 1996-97 school year, including those obtained in previous exercises.

"In allocating quotas to schools, priority will first be given to schools not yet provided with a graduate post, and then to schools already given one graduate post or one quota to appoint pre-service graduates," he said.

Supervisors of schools wishing to bid for a quota to regrade serving teachers should apply not later than June 19. Schools will be notified about the allocation of quota by early July to facilitate follow-up action on regrading of their teachers.

"If there are no eligible serving teachers, schools may also use this quota for recruiting pre-service local full-time graduates of Bachelor of Education in Primary Education," Mr Lau said.

End

Courses on drug education for secondary school teachers

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The Education Department is organising a series of three-day drug education courses which will last until mid-August in order to achieve the target of training one teacher for every secondary school on drug education by 1997.

These training courses are part of the effort to step up anti-drug education as advocated at the Governor's anti-drug summit. Since July 1994, more than 200 schools have sent their teachers to attend drug education courses.

A principal inspector of the department's Advisory Inspectorate, Mr Ho Chung-nin, said: "These courses aim at enhancing teachers' knowledge on drug, equipping them with skills to handle students with drug problem and briefing them on the ways of conducting preventive drug education in school.

"Priority will be given to schools sending their teachers for the first time."

Six drug education courses with a total enrolment of 210 will be run. Five of them are jointly organised by the Advisory Inspectorate and the Community Drug Advisory Council.

The other is a regular course jointly organised by the Inspectorate and the Narcotics Division.

Apart from running training courses for teachers, the department has launched a pilot scheme on school-based drug education courses in 21 schools and sponsored the Life Education Activity Programme.

In addition, the department has also developed model programmes for parents, staged a roving exhibition, set up a pilot home-school link enquiry service in three schools and opened a drug education resource centre.

Education programmes have also been introduced in 12 drug treatment and rehabilitation centres for drug abusers aged 18 or below, and research was initiated on the use of peer support and life skill counsellors to beat drugs.

End

Outstanding home economics students to be awarded

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Fifty-two secondary students, including two boys, will receive the 1996 Outstanding Home Economics Students awards in a ceremony on Saturday (June 8).

The Assistant Director of Education (Chief Inspector of Schools), Mr Ho Che-leung, will officiate at the ceremony.

The scheme, organised by the Home Economics Section, Advisory Inspectorate of the Education Department, aims at promoting secondary students' interests in home economics and developing their appreciation of the value of the subject in meeting their future personal and family needs.

Under the theme 'Home Economics in my school', the scheme is divided into the junior and senior sections, which open to S1 to S3 and S4 to S7 students respectively.

More than 20,000 students participated in the scheme.

Chau Kim-tung from Queen Elizabeth School, Fung Wai-ting from Assembly of God Hebron Secondary School and Wong Siu-king from Sheng Kung Hui Lam Woo Memorial Secondary School won the first, second and third prizes of the junior section respectively.

For the senior section, Fung Chui-shan from Ying Wa Girls' School, Cheung Lok-pui from Diocesan Girls' School and Lai Oi-shuen from Daughters of Mary Help of Christians Siu Ming Catholic Secondary School were the winners of the first three awards.

They will be each presented with cash prize and a trophy. Their teachers will also receive a souvenir in the ceremony.

In addition to the six winners, 45 outstanding students from 40 secondary schools have won the highly commended or nomination prizes.

The winning entries will be displayed in the ceremony.

End

Three lots of land to let

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The Lands Department is inviting tender for the short-term tenancy of three pieces of government land in Kwun Tong and Yuen Long.

The first lot located in Hip Wo Street, Kwun Tong, has an area of about 4,780 square metres. It is intended for use as a fee-paying public car park for the parking of private cars and light buses.

The tenancy is for one year, renewable quarterly.

The second and the third lots both situate at Ping Fuk Lane, Tong Yan San Tsuen, Yuen Long. With an area of about 550 square metres and 530 square metres respectively, they are intended to be used for repairing, lubricating or maintenance of motor vehicles.

The tenancies for both lots are for two years, renewable quarterly.

The closing date for submission of tenders is noon on June 21.

Tender forms, notices and conditions may be obtained from the Lands Department, 14th floor, Murray Building, Garden Road, and the respective District Lands Offices of Kowloon East and Yuen Long.

Tender plans can also be inspected at these offices.

End

Hong Kong Monetary Authority money market operations

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	1,890	0930	+70
Closing balance in the account	2,323	1000	+70
Change attributable to :		1100	+70
Money market activity	+33	1200	+68
LAF today	+400	1500	+68
		1600	+33

LAF rate 4.00% bid/6.00% offer TWI 124.4 *+0.2* 5.6.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.03	2 years	2805	6.30	100.09	6.34
1 month	5.05	3 years	3904	6.30	99.01	6.79
3 months	5.15	5 years	5103	6.75	97.72	7.45
6 months	5.29	7 years	7305	7.60	99.31	7.88
12 months	5.67	5 years	M502	7.30	99.05	7.70

Total turnover of EF bills and notes - \$24,254 million

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End



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SUPPLEMENT

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Public Bus Services Ordinance

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Following is the speech by the Secretary for Transport, Mr Haider Barma, in moving the resolution under the Public Bus Services Ordinance in the Legislative Council today (Wednesday):

Mr President,

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

Sections 26 to 32 of the Public Bus Services Ordinance provide for a profit control scheme and also stipulate certain provisions relating to the calculation of operating costs and the disclosure of operational and financial information. A significant feature is that the scheme does not guarantee any minimum level of profit but limits the maximum amount that can be earned by a franchised bus operator. Indeed, our current policy for processing fare increase applications is to take various factors into account, particularly operating costs, performance and public affordability rather than to provide for a profit level based on a percentage rate of return on average net fixed assets. Given this practice our conscious approach has been to exclude all references to a profit control scheme when negotiating new bus franchises.

Citybus is not subject to a profit control scheme under its existing franchise. Likewise, its new franchise, which will commence on 1 September 1996, will not be subject to any such scheme.

We therefore need to disapply sections 27, 28, 29 and 31 of the Public Bus Services Ordinance which govern the operation of the profit control scheme whilst retaining -

- (a) section 26 which defines the meaning of key terms;
- (b) section 26A which specifies that financial penalties levied against the bus company cannot be counted as operating expenses for the purposes of fare determination;
- (c) section 30 which enables the Government to specify depreciation rates in respect of franchise related fixed assets; and
- (d) section 32 which requires the company to produce accounts and other information needed for the effective monitoring of bus operations.

The Resolution before Honourable Members will give effect to the arrangements I have described. Thank you Mr President.

End

Matrimonial Causes (Fees) (Amendment) Rules

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Following is the speech by the Secretary for the Treasury, Mr K C Kwong, in moving the motion on the Matrimonial Causes (Fees) (Amendment) Rules 1996 in Legislative Council today (Wednesday):

Mr President,

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

In accordance with Section 54 of the Matrimonial Causes Ordinance, the Chief Justice has made the Matrimonial Causes (Fees) (Amendment) Rules 1996 to prescribe fees for divorce proceedings commenced by joint application. These require the approval by resolution of the Legislative Council.

At present, divorce proceedings can only be conducted on the basis of a petition. The Matrimonial Causes (Amendment) Ordinance enacted in May 1995 provides, among other things, for divorce by joint application. The Chief Justice has already made the Matrimonial Causes (Amendment) Rules 1996 to prescribe the legal procedures in connection with divorce by joint application. The main procedures involved are the filing of a joint application for divorce and the entering of the joint application in the special procedure list. The Matrimonial Causes (Amendment) Rules 1996 were tabled in this Council on 8 May 1996 and will come into operation on a day to be appointed by the Chief Justice in the Gazette.

The processing of joint applications for divorce is a new service to be provided by the Judiciary. It is therefore necessary to prescribe fees payable in order to implement the Matrimonial Causes (Amendment) Rules 1996. For divorce proceedings conducted on the basis of a petition, a fee of \$630 is now charged for both filing a petition for divorce and setting down an undefended cause for trial. As the work involved in handling the filing of a joint application for divorce, and its entry in the special procedure list is similar to that in handling the filing of a petition and setting down an undefended cause for trial respectively, we propose to charge a fee of \$630 for each of the two new procedures.

The proposed fees will bring in revenue estimated at \$650,000 per annum.

Mr President, I beg to move.

End

Banking (Amendment) Bill

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Following is the speech by the acting Secretary for Financial Services, Mrs Lessie Wei, in moving the second reading of the Banking (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the Banking (Amendment) Bill 1996 be read a second time.

The main objective of the Bill is to amend the Banking Ordinance to provide a legal framework for the regulation of the issue of multi-purpose stored value cards and of foreign exchange and deposit brokers operating in the wholesale market. We also take the opportunity to amend other provisions of the Ordinance to bring them up to date with current requirements and streamline the appeal and penalty provisions.

Multi-purpose Stored Value Cards

We need to regulate multi-purpose stored value cards because the issue of such cards is akin to the taking of deposits or to the issue of bank notes. A proliferation of these cards would also have significant implications for the payment system and may create new opportunities for money laundering.

Restricting the issue of multi-purpose stored value cards to authorised institutions is in line with the regulatory inclination of European countries and Singapore. While the market for stored value cards is still evolving and some countries have adopted a "wait and see" approach, we see the need for early action. The later we introduce the regulatory framework, the more difficult it would be to modify any features in the market which are later found to be inappropriate. The legal framework which we propose to put in place now, however, must contain adequate flexibility so as not to stifle technology innovations.

In deciding who may issue multi-purpose stored value cards, we seek to strike a balance between the broad public interest of product innovation and convenience and the need to maintain the stability of the payment system.

We therefore propose that:

- (a) licensed banks would be deemed to be approved to issue or facilitate the issues of general purpose multi-purpose stored value cards;

- (b) a company the principal business of which is or will be the issuing or facilitating the issue of multi-purpose stored value cards (i.e. what we call "a special purpose vehicle") may be approved as a restricted licence bank or a deposit-taking company; and
- (c) the Monetary Authority would be given a discretionary power to exempt a stored value card from the regulatory regime.

In applying these criteria, it is our intention that the issue of "general purpose" multi-purpose stored value cards should be confined to licensed banks (which are the only entities having access to the payment system). The cards to be issued by "special purpose vehicles" will be more limited in scope. The exact extent of the scope will be specified in the guidelines to be developed by the Monetary Authority in consultation with the various interested parties. The multi-purpose stored value cards to be exempted from the regulatory framework would be those which can only be used to pay for an even more restricted range of low value goods and services.

The Bill does not provide for the regulation of single purpose stored value cards as they are similar to prepayment for specific goods and services. This kind of stored value cards is currently not subject to any regulation. Some Honourable Members have suggested that such cards should also be subject to a limit on the maximum value that can be stored on the card as a means to protect cardholders. We shall further study this suggestion and consider whether an amendment should be made at the Committee Stage.

Money Brokers

An orderly and efficient interbank foreign exchange and money market is very important to Hong Kong. The Hong Kong Association of Banks and the Hong Kong Foreign Exchange and Deposit Brokers Association have found self-regulation difficult because of a lack of statutory protection for them in exercising disciplinary actions. We propose that the Monetary Authority should be the authorisation authority for foreign exchange and deposit brokers. A formal authorisation regime will help ensure that high standards of integrity and fair dealing are observed by the brokers. The proposed regulatory framework has the support of both associations.

End

Aviation Security Bill

* * * * *

Following is the speech by the Secretary for Security, Mr Peter Lai, in moving the second reading of the Aviation Security Bill in the Legislative Council today (Wednesday):

Mr President,

I move the Second Reading of the Aviation Security Bill.

The international civil aviation community has, over the years, developed a framework of measures to combat unlawful acts of interference against aircrafts, airports and passengers. These measures are embodied in several international conventions, including the Chicago, the Tokyo, The Hague and the Montreal Conventions. Together, they established internationally recognised aviation security standards. Both the United Kingdom and China are signatories to these international Conventions.

At present, we rely on UK aviation security related legislation extended to Hong Kong by a number of Orders-in-Council. These Orders, however, are piecemeal by nature, and do not extend all the relevant international requirements to Hong Kong. They will also cease to apply after 30 June 1997. Although the aviation industry has hitherto been very helpful in co-operating with the Government to maintain a high standard of aviation security in Hong Kong, it will be to the advantage of all of us to have a comprehensive statutory framework for implementing aviation security measures, now and beyond 1997. We have a common interest in ensuring the safety of our airport, the aircrafts flying into and out of it, and the passengers they carry.

The proposed Bill is divided into two main parts; the first part localises the UK legislative provisions currently applying to Hong Kong. These provisions specify offences relating to unlawful activities against the safety of an aircraft. Acts which would cause damage or destruction to an aircraft or which endanger the safety of the aircraft, hijacking, and other offences committed on board a Hong Kong registered aircraft will be offences under the Bill.

The second part of the Bill aims to give a statutory basis to the internationally recommended aviation security measures currently implemented through administrative means. A public officer, who shall be designated the Aviation Security Authority, will be responsible for developing and implementing an Aviation Security Programme. This Programme will provide the guidelines and standards for protecting and safeguarding aircrafts, passengers, crews and the general public against any acts of unlawful interference. The Authority will be empowered to issue directions to any company or agency requiring it to comply with specific requirements under the Aviation Security Programme. Non-compliance may lead to enforcement action and penalties.

The aviation industry has been extensively consulted on both the Aviation Security Bill and the Aviation Security Programme during the course of drafting. The Bill and the Programme thus reflect a broad consensus on the most practical way to implement our obligations under the various international Conventions. Our aim is to implement these aviation security requirements on an ongoing basis in co-operation and consultation with the industry. In broad terms, the action that the Authority will be able to take to ensure compliance with the Aviation Security Programme's requirements is progressive in nature. The process will begin with directions requiring compliance, before actual enforcement actions are taken. Penalties are only sought against persistent offenders and as a last resort. Although the penalties are severe, they are justified having regard to the potential consequences on the loss of life and property, and the damages to our economy of serious aviation security-related incidents.

The Bill does not propose any major change to the arrangements currently in place at the Kai Tak Airport. We have already started discussions with the Airport Authority and the major tenants as regards the proposed aviation security requirements for the new airport at Chek Lap Kok. We are satisfied that our requirements can be met without significant additional financial implications to the industry.

In addition to the informal consultations we have already undertaken with the industry, the Bill also provides for a formal channel for liaison and consultation with the Aviation Security Authority by establishing an advisory Aviation Security Committee. Members of the Committee will include a cross-section of concerned government departments and industry representatives. This Committee will provide advice and assistance to the Authority in his consideration of matters relating to aviation security.

It is important for us to demonstrate to the international community that Hong Kong is meeting, and will continue to meet internationally accepted aviation security standards and obligations. The Bill enables us to do just that and, in so doing, ensure that Hong Kong's airport remains among the safest in the world.

Thank you, Mr President.

End

New Territories Land Exchange Entitlements Bill

Following is the speech by the Secretary for Planning, Environment and Lands, Mr Bowen Leung, in moving the second reading of the New Territories Land Exchange Entitlements (Redemption) Bill in the Legislative Council today (Wednesday):

Mr President,

I move the second reading of the New Territories Land Exchange Entitlements (Redemption) Bill.

New Territories land exchange entitlements, commonly known as Letters A/B, were issued between 1960 and 1983 to landowners in the New Territories whose land was required for development. Letters A were issued if the land was surrendered to Government before notices of resumption were issued. Letters B were issued if the land was surrendered to Government after notices of resumption had been issued.

Letters A/B holders were entitled to exchange their entitlements, as an alternative to cash compensation, for building land. The land surrendered or resumed was credited with a face value assessed with reference to the level of land values at the time the land was surrendered or resumed.

The issue of Letters A/B was stopped in 1983 because of increasing difficulties in meeting the exchange commitment. Since 1 April 1984, Letter A/B holders have had the additional option of surrendering their documents for cash in accordance with a schedule of monetized values, which are gazetted and revised twice a year. These monetized values are determined having regard to the movements of property prices in the New Territories.

Over the years, about 95% of all the Letters A/B have been redeemed by the Government either through land tenders or cash payment. The Director of Lands estimates that a total of about 6.75 hectares of entitlements are outstanding at present. Out of this, 4.68 hectares of equivalent building land are held by four major property developers. The ownership of the remaining 2.07 hectares of building land is likely to be untraceable because the owners might have died intestate and the estates remain unclaimed or they may have emigrated.

It has been, and remains, the Government's intention to redeem all the outstanding Letters A/B as soon as possible. To this end, sufficient land has been made available in the 1996-97 Land Disposal Programme to cover all the outstanding commitments.

Despite the efforts made, it is unlikely that we will be able to clear all outstanding Letters A/B commitments. The wording of the Letters A/B is open-ended as regards the date of redemption. Moreover, we have no way of knowing when the untraceable Letters A/B may surface and their owners seek to redeem them. These untraceable Letters A/B may remain outstanding for a long period of time and Government would not be able to ascertain when it would be called upon to fulfil its commitments to provide land. It is not possible for Government to make land available in each year's Land Disposal Programme to await for such redemption. In any case, it is not feasible for Government to continue to provide land to redeem the residual untraceable commitments which are likely to be held in small packets. We consider that the best way to completely resolve the question is by way of legislation.

The purpose of the New Territories Land Exchange Entitlements (Redemption) Bill is to make the land exchange entitlements redeemable for cash only rather than land after an appointed date. We will make available in the current financial year sufficient land to redeem the known outstanding entitlements. The new legislation is therefore likely to apply only to those entitlements which are untraceable and likely to be held in such small packets as to make the provision of land for redemption impracticable.

Under the Bill, an owner of a land exchange entitlement may lodge his claim for redemption with the Director of Lands in a specified form. He is required to furnish the Director with any required particulars or evidence in support of his claim.

Redemption money shall be payable by the Director to the owners in proportion to their respective shares in the legal ownership of the land exchange entitlement, at the rates set out in the Schedule to the Bill. The scheduled rates are the most recent values published in the Gazette in respect of land exchange entitlements.

We propose that any redemption money payable shall bear interest from the commencement date of the proposed legislation until the date of payment. The rate of interest payable shall be at the lowest rate payable from time to time by note-issuing banks on deposit at 24 hours' call.

The Director may, as a condition of making payment of redemption money and interest to a claimant, require the latter to surrender all or some of the documents furnished to the Director in support of his claim. The Director may also require the claimant to execute an indemnity in favour of the Director in respect of any payment made and of all liabilities, losses, costs, charges and expenses incurred by the Director by reason of or in respect of the payment. This is to enable the Government to seek refund and to recover losses from the claimant in case of fraudulent claims.

A person who furnishes any false or misleading information in a material particular in connection with a claim commits an offence and is liable to a fine at level 5 and of imprisonment for three months.

We propose that, except as provided in the Bill, all rights against the Government under a land exchange entitlement shall be extinguished on redemption. The legislation shall come into operation on a day to be appointed by the Secretary for Planning, Environment and Lands.

Following the enactment of the Bill, we will seek in due course the approval of the Finance Committee of this Council for the creation of a new subhead under Head 701 - Land Acquisition of the Capital Works Reserve Fund for the payment of redemption money.

Mr President, the New Territories Land Exchange Entitlements (Redemption) Bill is aimed to achieve a practical and fair solution to deal with the outstanding Letters A/B. It crystallises Government's commitments in respect of the untraceable entitlements and helps persuade holders of the other remaining Letters A/B to exchange their entitlements for land as soon as possible. I commend it to Members for favourable consideration.

Thank you, Mr President.

End

Government Minute on Public Accounts Committee's report

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Following is the speech by the acting Chief Secretary, Mr Michael Suen, in presenting the Government Minute in the Legislative Council today (Wednesday) in response to Report No 25A of the Public Accounts Committee:

Mr President,

Laid on the table today is the Government Minute responding to the Public Accounts Committee Report No 25A on the subject of "the review of the housing benefits provided by the Hospital Authority to its employees".

Let me, first of all, express my appreciation of the hard work of the Committee in performing its role as a "watchdog" over public expenditure. As always, the Administration attaches great importance to the work of the PAC and has examined very carefully its conclusions and recommendations made in the Report.

The ExCo's Deliberations

On the PAC's concern that its scope of investigation is constrained by not being provided with the relevant Executive Council documents, we have already explained very clearly to this Council the Administration's position on this issue at the Motion Debate on 24 April this year. Suffice it for me to emphasise just this: it is essential to uphold the long standing principle that proceedings of the Executive Council should remain confidential to ensure that there is no inhibition of free exchange and presentation of views. However, the Administration will continue to provide to the PAC every full details of the relevant parts of Executive Council papers, as necessary, though not the papers themselves.

The Prevention Of Double Benefits Rules

The Committee has commented on the non-application of the double benefits rule to the cash allowance paid to Hospital Authority staff. We considered then, as we do now, that any attempt to renege on a clear undertaking which we had made to the staff would have had serious consequences on the successful formation of the Authority. That undertaking was that the prevention of double housing benefits rules would not apply in the case of the Flexible Spending Account which was subsequently replaced by a cash allowance. We must not forget the considerable pressure at the time to complete the package and set up the Authority as early as possible, and the then staff sensitivity over the Hospital Authority package.

We agree that it is opportune now to revisit this issue and we have drawn up a plan for the prevention of double housing benefits rules to be applied to the cash allowance of all Authority staff newly appointed after a future cut-off date. The same rules should also be applied to newly appointed clinical staff in the University Medical Schools. We are seeking the views of the Authority and the Universities and will bear their comments in mind in finalising the plan.

As regards serving staff, we have considered the legal and contractual situation and have concluded that the rules should not be extended to the cash allowance received by these staff.

Working Group's Review of the Hospital Authority Remuneration Package

On the principle of cost comparability, the Committee has recommended the Administration to clearly define and properly document the principle. We accept that the wording of the principle as quoted in the Audit Report, if taken out of context, might be open to interpretation. We have reviewed the principle of cost comparability which was agreed between Government and the Authority in the design of its package. We have concluded that the principle should continue to be applied in the funding of the Authority. The principle is that, in terms of total cost to Government as an employer, the cost of the Hospital Authority and the civil service remuneration packages should be comparable. The total cost refers to the aggregate of salary and oncost of staff in individual pay Bands using the prevailing cost of the civil service package as the basis of comparison. Since Government's concern is overall funding of the Authority, it follows that the principle should relate to "cost to Government as an employer" rather than "value to the employee".

The Working Group on the Review of the Hospital Authority Remuneration Package, chaired by the Secretary for Health and Welfare, has concluded that, in terms of total cost to Government as an employer, the respective packages in respect of the Hospital Authority and the civil service, excluding the disciplined services, are broadly comparable at present. It is of the view that, over time, the total cost of the Authority and the civil service packages will diverge, with the major contributing factor being the different housing oncost rates.

Government is discussing its plan with the Authority to introduce a revised arrangement to fund the Authority's staff appointed after a cut-off date to maintain cost comparability over time. Government, however, recognises the Authority's contractual obligations to its serving staff and therefore their staff costs will continue to be funded on the basis of the existing Hospital Authority package.

Here, I would like to stress again that Government is highly appreciative of the dedicated efforts of the Authority staff in ensuring the provision of quality hospital care to the community.

Information to ExCo and LegCo

Finally, I would like to assure this Council that the Administration will continue to make every effort to provide the Executive Council and the Finance Committee of this Council with full information where this would affect significantly the long-term cost of a policy option.

End

Maintenance works on hazardous slopes near schools

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

Question:

With the onset of the rainy season, maintenance works have to be carried out expeditiously on potentially hazardous slopes situated within or in the vicinity of school boundaries. In this connection, will the Government inform this Council:

- (a) of the number of schools which have such slopes within or in the vicinity of their boundaries, and the ownership of the land titles of such slopes;
- (b) whether the Government carries out periodic inspections to assess the safety of such slopes and informs the school management concerned of the inspection results;
- (c) of the procedure for the schools concerned to file applications for slope maintenance works where these need to be carried out; the average time taken between the filing of an application and the completion of the maintenance works, and the parties which will bear the maintenance costs; and
- (d) of the liabilities such schools have in the event of landslides occurring, and whether the Government will compensate the parties concerned for any property losses, injuries and deaths; if so, how the amount of compensation is determined?

Reply:

Mr President,

With regard to part (a) of the question, 14 schools have been served with Dangerous Hillside Orders (DHOs) in respect of slopes on private land. Ownership of a private slope is conferred by the conditions in the relevant lease documents. There are another 3 sub-standard public slopes affecting 5 schools being upgraded under the Landslip Preventive Measures Programme of the Geotechnical Engineering Office (GEO).

As regards part (b) of the question, for all public slopes within school boundaries, the Architectural Services Department and the Housing Department carry out routine maintenance inspections annually and engineering inspections every five years in respect of non-estate schools and estate schools respectively. Once a sub-standard public slope is included under the Landslip Preventive Measures Programme, the GEO will request the maintenance department to step up maintenance until the upgrading works by the GEO begin. The schools concerned are informed of the results of the slope inspections and any works or measures that are required. The private slopes within school boundaries in respect of which DHOs have been issued are expected to be regularly inspected by the Authorised Persons appointed by the schools and their consultants. A school issued with a DHO is required to appoint an Authorised Person registered under the Buildings Ordinance to study and carry out the repair works.

On part (c) of the question, as I said before, sub-standard public slopes within or in the vicinity of schools are covered under the Landslip Preventive Measures Programme. All government and aided schools can also apply for urgent slope repairs in emergency cases. Aided schools on private land issued with DHOs have to appoint an Authorised Person to study and carry out the repair works. All costs in respect of government or aided schools are borne by Government; those in respect of private schools are borne by the owners of the slopes.

In respect of public slopes within school boundaries which are not covered by the Landslip Preventive Measures Programme, emergency works are carried out immediately upon application. It may take nine to eighteen months to complete the slope repair works, depending on factors such as size of the slope and complexity of the works involved.

In relation to part (d) of the question, in the event a landslide causes property losses, injuries or deaths, the owner of the slope concerned could be held responsible under the Common Law. The extent of liability, if any, is a matter for the court to decide. In respect of compensation, aided schools are covered under the block insurance policy on public liabilities and employees' compensation. In addition, Government will restore damaged school premises including furniture and equipment. Private schools have been encouraged to purchase block insurance policy on public liabilities and employees' compensation.

End

Central compensation fund for employees

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

Question:

Will the Government inform this Council whether it has taken any follow-up action or conducted any feasibility study since the motion urging the Government to set up a central compensation fund for employees was carried in this Council on 3 November 1993 and, if so, what the details are?

Reply:

Mr President,

By way of background, let me first explain that the existing employees compensation system comprises two different systems - an individual liability system underpinned by the Employees Compensation Ordinance, and a collective liability system underpinned by the Pneumoconiosis Compensation Ordinance (PCO) and the Occupational Deafness Compensation Ordinance (ODCO). These two systems serve different purposes.

Under the individual liability system, all employers are required to insure their liabilities for a specified minimum amount with authorised insurers in the private sector. By contrast, under the collective liability system, compensation is paid to a particular group of eligible claimants, out of a statutory levy imposed on employers of the building, construction & quarrying industries under the PCO and on employees' compensation insurance premium under the ODCO.

Turning to the question, the proposal to set up a central employees' compensation fund (central EC fund) was fully debated in this Council in a Motion Debate on 3 November 1993. During the debate, the then Secretary for Education and Manpower explained in great detail why it would not be appropriate to make a fundamental change to the existing system. I do not wish to repeat all the arguments as they have already become a matter of public record. But I would like to reiterate that we did not then and do not now see any justification for replacing the existing privately-run employees compensation insurance market by what would, in effect, be a central bureaucratic monopoly.

Having said that, the Government has taken follow-up actions by addressing the key concern behind the motion calling for the establishment of a central EC system, which is the need "to give better protection to industrial accident victims". What I said earlier that to give better protection to industrial accident victims was part of the motion at that time. Let me now give a brief account of what we have done.

- * First, we have set up the Occupational Deafness Compensation Scheme - another collective liability system in addition to the Pneumoconiosis Compensation Scheme, to compensate employees who suffer from noise-induced deafness by reason of their employment.
- * Secondly, we have completed a comprehensive review of industrial safety and are now implementing the recommendations in stages. For example, we have introduced into this Council the Factories and Industrial Undertakings (Amendment) Bill which would empower the Commissioner for Labour to issue improvement and suspension notices on safety grounds.
- * Thirdly, we have taken up the recommendation of the review of industrial safety to engage the insurance industry in promoting safety consciousness among employers and penalising hazardous trades through insurance premium arrangements. In this respect, we have received confirmation from the industry that the insurers have put in place the practice of setting the insurance premia for employees compensation at different levels with due regard to the safety records of individual companies.
- * Fourthly, we have made substantial improvements to both the Employees Compensation Ordinance (ECO) and the PCO. For instance, we have revised the maximum levels of compensation under the ECO three times since 1993, and have expanded the scope of compensation to cover more occupational diseases and injuries suffered by an employee while travelling between Hong Kong and his place of work outside Hong Kong. Under the PCO, we have introduced the system of monthly payments in place of the previous lump-sum payments to eligible pneumoconiotics and made the compensation for pain, suffering, and loss of amenities a separate compensation item payable to all pneumoconiotics irrespective of their degree of incapacity.

- * Fifthly, we have streamlined the employees compensation procedures. This has resulted in a reduction in the waiting time for attendance at Assessment Boards (for assessing the degree of permanent incapacity of injured employees) and for Court hearings on employees' compensation cases. We have also simplified the system for determining the compensation amount for permanent incapacity by extending the Certificate System of the Labour Department to cover all injury cases involving permanent incapacity.

In line with our commitment to promoting the safety and health of our working population, we will continue to make improvements to strengthen the protection of workers against work-related injuries as and when appropriate.

End

Agreement on liberalisation of global telecom market

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Following is a question by the Hon Sin Chung-kai and a reply by the acting Secretary for Economic Services, Mr Leo Kwan, in the Legislative Council today (Wednesday):

Question:

Regarding the Government's participation in an international conference on the liberalisation of telecommunications markets convened by the World Trade Organisation (WTO) in April this year, will the Government inform this Council:

- (a) whether an agreement on the liberalisation of global telecommunications markets has been reached among member states of the WTO at the above conference; if so, what the details of the agreement are;
- (b) of the stance taken by the Government on the agreement reached and whether the Government had put forward any proposals at the conference; and

- (c) given that the exclusive right granted to Hong Kong Telecom (HKT) to operate international telecommunications services will not expire until the year 2006, whether the Government has given consideration to terminating the HKT's exclusive right earlier, in order to avoid contravening the WTO's commitment to liberalise the international telecommunications markets by January 1, 1998; if so, what the details are?

Reply:

Mr President,

The first two parts of this question concern the process and outcome of the extended track of negotiations on basic telecommunications conducted under the framework of the World Trade Organisation (WTO) General Agreement on Trade in Services. These negotiations concluded on April 30, 1996 in Geneva.

- (a) An agreement was reached on opening up markets for basic telecommunications services to foreign suppliers which will come into effect on January 1, 1998. There is no common liberalisation plan for all participants to follow. Instead each participant submits its own individual commitments; each is bound to the extent of these commitments.

Under the agreement reached, participants in the negotiations will have the flexibility to make final adjustments to their commitments between January 15 and February 15, 1997, following further consultations on a few outstanding issues which arose very late in the negotiations. Participants agreed that these issues needed to be studied more thoroughly. A special group will be formed to carry out such consultations which will commence within 90 days of May 1, 1996 and will complete by February 15, 1997.

- (b) We welcome the achievement - partial though it was - of the negotiations. In response to comparable offers made by the major negotiating parties, Hong Kong has offered to open up the market for the following:

* local basic telecommunications services - fixed telecommunications network, mobile phones, radio paging, radio mobile data and trunked radio services;

- * international telecommunications services - call-back, self-provision of external satellite circuits, virtual private networks and mobile satellite services. These international services have been determined as falling outside Hong Kong Telecom International's (HKTI) exclusive rights; and
 - * regulatory principles to promote competitive supply of telecommunications services.
- (c) The third part of the question relates to the negotiations and the exclusive right to operate certain international telecommunications services which has been granted to HKTI until September 30, 2006. Hong Kong's offer on basic telecommunications is not in conflict with HKTI's licence. Since we will only be bound to liberalise our basic telecommunications market to the extent of our offer, there will be no conflict with any rule of the WTO in maintaining HKTI's exclusivities to September 30, 2006. Our position regarding HKTI's licence is that we will honour it. We will continue to look out for opportunities to open up for competition those services which fall outside the exclusive right of the licence. We have no plans unilaterally to terminate the licence early.

End

Maintenance of law and order important

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

Question:

A series of violent incidents have occurred in the territory recently. Apart from the riot caused by Vietnamese migrants in the Whitehead Detention Centre, there was the brutal attack on a veteran journalist. In addition, threats were made to certain Members of this Council against the opening of their offices and the placards publicising the opening were criminally damaged. There were also reports that at a District Board meeting, a member openly threatened to beat up Government officials. In this connection, will the Government inform this Council whether measures have been adopted to halt the spread of such a phenomenon and to uphold the morale of law enforcement officers?

Reply:

Mr President,

We appreciate the concern of Honourable Member over the incidents mentioned in the question. However, they are separate and isolated incidents and do not represent a spread of violence in the territory. In fact, in the first three months of 1996, the overall crime rate and the violent crime rate both dropped by 8.4% and 10.2% respectively compared to the same period last year.

There is, however, no room for complacency because of these figures. We share the importance placed by the people of Hong Kong on the maintenance of law and order. In line with the community's and this Council's wishes, we have put additional resources in the last two years on increasing front-line Police manpower. In 1995/96, we created 400 posts of Police officers for front-line operational duties, of which 45 were assigned to anti-triad duties. In 1996/97, we have provided funds for creating over 350 posts for front-line operational duties, of which 227 would be devoted to anti-triad duties. As announced to this Council's Security Panel recently following the Whitehead incident, we will also be spending \$65 million in improving the security of VM Camps.

Hong Kong remains one of the safest metropolitan cities in the world. We do not tolerate violent acts. We are also determined to uphold law and order. We have over the years been updating our legislation to support the work of the law enforcement agencies. We have deployed more resources, and upgraded their equipments to enable them to do a better job. We will continue to do so. Our law enforcement officers are well-trained professionals, and are determined to face the challenges ahead. There is no question of their morale suffering as a result of some high profile recent incidents.

End

Detained children's rights to obtain legal assistance

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Following is a question by the Hon Miriam Lau Kin-yea and a reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):

Question:

Article 37 of the United Nations Convention on the Rights of the Child provides, inter alia, that States Parties shall ensure that every child deprived of his or her liberty shall have the right to prompt access to legal or other appropriate assistance. In this connection, will the Government inform this Council:

- (a) of the number of cases brought before the Juvenile Court for care and protection orders in the past three years and the number of children or juveniles in those cases who were given legal representation; and
- (b) in those cases in which no legal representation was given, how many involved the child or juvenile in question being placed in custody at an institution (e.g. Boys' or Girls' Homes) after appearing before a Magistrate in the Juvenile Court?

Reply:

Mr President,

Under the Protection of Children and Juveniles Ordinance, a child or juvenile is brought before the Juvenile Court for care or protection proceedings when he or she has been or is at risk of being subject to abuse, or has behavioural problems which are beyond parental ability to resolve. Before a care or protection order is made, the child or juvenile concerned can be taken to a place of refuge for his or her protection from further abuse or neglect, while a welfare plan is worked out.

Within 48 hours after a child or juvenile is taken to a place of refuge, an application for a care or protection order in relation to the child or juvenile shall be made to the Juvenile Court. The Juvenile Court has a duty to give due consideration to the interests and welfare of the child or juvenile in question and it has the power to request the Official Solicitor to act for the child or juvenile before a decision is made on his or her case. The Director of Legal Aid, who has been appointed as the first Official Solicitor, will normally provide legal representation for the child or juvenile in such proceedings. Other appropriate assistance such as counselling for the child or juvenile is also made available.

Care or protection proceedings are not criminal proceedings, parents often do not feel the need to seek legal representation for their children. In many cases, it is the parents who request that the child be taken into care because the child is out of their control. In the past three years from 1993-94 to 1995-96, out of a total of 5,613 care or protection cases brought before the Juvenile Court, 19 involved legal representation for the child or juvenile concerned. The great majority of care or protection cases were restored to home care.

In 1995-96, of the 1,855 cases where there was no legal representation about 17% or 322 cases involved the child or juvenile in question being placed in institutional care after appearing before the Juvenile Court. We do not have readily available statistics on the number of such cases in 1993-94 and 1994-95.

End

Measures to prevent illegal immigrants enter to commit crime

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

Question:

Regarding the incident which occurred in the early hours on 13 May this year, in which the police intercepted a group of people in possession of a large quantity of weapons and believed to have entered the territory illegally, will the Government inform this Council:

- (a) of the blackspots in the territory used by illegal immigrants landing, and the measures adopted by the police to intercept illegal immigrants landing from such blackspots;
- (b) whether vessels registered in China entering Hong Kong waters are required to obtain the prior approval of the relevant departments in the territory; and
- (c) of the number of stop-and-search operations in Hong Kong waters conducted by the police on Chinese vessels entering the territory in the past three years, and the number of such vessels found to be involved in illegal activities such as carrying illegal immigrants and smuggling?

Reply:

Mr President,

- (a) The landing blackspots for illegal immigrants (IIs) currently include the Western seafront, the Sai Kung Peninsula, Lau Fau Shan, Sha Tau Kok Peninsula and the Aberdeen Typhoon Shelter. To tackle the problems of IIs, especially those who come here to commit crimes, the Police do not simply intercept them at landing blackspots. The Police adopt a three-pronged approach to tackle the problem: prevention from entry, detection of those who evade border control and combating crime.
- (b) Chinese registered vessels entering Hong Kong waters are treated in the same way as other vessels in accordance with established international maritime law. Prior approval from the Government is not required for transit vessels. However, this does not inhibit the right of the Government to stop, search, seize or arrest vessels in the course of normal law enforcement activities. Vessels entering our waters with Hong Kong as destination are required to report to the Marine Department together with submission of the vessel document and cargo manifest upon arrival. They are required to undergo the necessary immigration and customs clearance procedures.
- (c) During the period 1993-1995, the Police stopped and searched 19,883, 19,863 and 19,279 Chinese vessels respectively; 400, 448 and 250 vessels, were found to be involved in illegal activities such as smuggling or carrying IIs in each of these three years.

End

Home Purchase Loan Scheme applications

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Following is a question by the Hon Frederick Fung Kin-kee, and a written reply by the Secretary for Housing, Mr Dominic Wong, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council of:

- (a) the ratio between white and green form applicants who have successfully purchased property under the Home Purchase Loan Scheme (HPLS), as well as the number of such applicants who were former Waiting List applicants and their proportion in the total number of successful applicants under the HPLS, in each of the past five years; and
- (b) the ratio between white and green form applicants who have successfully purchased property under the Home Ownership Scheme (HOS), as well as the number of such applicants who were former Waiting List applicants and their proportion in the total number of successful applicants under the HOS, in each of the past five years.

Answer:

Mr President,

The information in respect of successful applicants under the Home Purchase Loan Scheme is set out below:

<u>Year</u>	<u>Ratio of green form applicants to white form applicants</u>	<u>Number of applicants who were on General Waiting List</u>	<u>Proportion of applicants who were on General Waiting List to total</u>
1991-92	56:44	401	38.5%
1992-93	52:48	120	44.6%
1993-94	35:65	116	16.5%
1994-95	40:60	136	15.2%
1995-96	70:30	506	15.0%

The information in respect of successful applicants under the Home Ownership Scheme is set out below:

<u>Year</u>	<u>Ratio of green form applicants to white form applicants</u>	<u>Number of applicants who were on General Waiting List</u>	<u>Proportion of applicants who were on General Waiting List to total</u>
1991-92	67:33	4,183	22.2%
1992-93	66:34	4,017	18.7%
1993-94	55:45*	5,517	36.5%
1994-95	67:33	1,424	10.6%
1995-96	67:33	2,265	17.4%

* In that year, the ratio of green form applicants to white form applicants was 50:50 for two phases of sales and 67:33 for another phase.

End

Outsourcing of data processing operations by banks

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

Question:

It is learnt that some banks in the territory have commissioned the work of their computer departments to professional computer firms and, as a result, the personal data of the customers of these banks have been transferred to the computer firms concerned. As these computer firms are not part of the banking sector, the relevant legislation governing the banking sector cannot therefore apply to these firms. In view of this, will the Government inform this Council whether it will consider requiring these computer firms to obtain a special licence to undertake such work, so as to ensure that the personal data of the customers of the banks concerned are not released to outside organisations, thus safeguarding the interests of the customers?

Reply:

The outsourcing of data processing operations by banks is not unusual in other countries and, if it is done in a proper manner, can increase banking efficiency and reduce costs. The Administration does not consider that there is a need to require computer firms performing data processing operations for authorised institutions (AIs) under the Banking Ordinance to obtain a special licence. Upon the commencement of the Personal Data (Privacy) Ordinance 1995, a computer firm employed by an AI for processing the personal data of the AI's customers is prohibited from disclosing such information to a third party for any purpose other than the one for which the data were to be used at the time of the collection of the data by the computer company or a directly related purpose without the prescribed consent of the AI's customers.

The Monetary Authority (MA) also has adequate powers under the Banking Ordinance to regulate such outsourcing activities. Under clause 12 of the Seventh Schedule to the Banking Ordinance, AIs are required to conduct their business with integrity, competence and in a manner not detrimental to the interests of depositors and potential depositors. To comply with this authorisation criteria, AIs which intend to outsource their data processing operations are expected to discuss their plans with the MA in advance and to satisfy the MA with regard to the relevant systems and controls before they proceed with such plans. In considering such proposals, the MA will take into account the financial soundness and reputation of the proposed contractor and whether there are adequate safeguards to ensure that the outsourcing arrangement will not compromise the integrity and confidentiality of customer information. Typical safeguards include undertakings by the contractor that the company, and its staff, will abide by confidentiality rules; contractual rights of the AI to take action against the contractor in the event of a breach of confidentiality; segregation of the AI's data from that of the contractor and its other clients; and unrestricted access by the AI's internal and external auditors to review the operations of the contractor.

The MA has a power under section 55 of the Banking Ordinance to inspect the books, accounts and transactions of AIs. This power is not limited to inspection on an AI's premises. The MA can exercise this power despite the fact that the AI has outsourced its data processing operations. The AI is expected to give an undertaking that the MA will have unrestricted access to review the operations of its contractor.

If the MA considers that, as a result of outsourcing, the AI is carrying on its business in a manner detrimental to the interests of its depositors, potential depositors or creditors, the MA has powers under section 52 of the Banking Ordinance to require the AI to take such action in relation to its affairs and business as he may consider necessary. This could include a direction to the AI to terminate the outsourcing arrangement if the MA is not satisfied with the control measures.

The MA also has powers under section 59(2) of the Banking Ordinance to require AIs which have outsourced data processing to submit reports prepared by their auditors on the adequacy and the operation of the systems and controls for protecting the integrity and confidentiality of customer information. The MA expects external auditors to have unrestricted access to the outsourcing contractor for this purpose.

End

Disposal of toxic wastes

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

Question:

Will the Government inform this Council whether there were any cases involving foreign countries transporting toxic wastes to the territory for disposal in the past three years; if so, what safety measures were adopted by the departments concerned in the disposal of such wastes?

Answer:

Mr President,

The Environmental Protection Department has not received any application for the import of toxic waste into Hong Kong for disposal in the past three years. The import of such waste into Hong Kong for disposal is subject to control under the Waste Disposal Ordinance, which prohibits such imports unless a permit has been obtained in advance from the Environmental Protection Department. The Environmental Protection Department would not normally grant such a permit. Any disposal that was permitted would need to be carried out in an environmentally sound manner to the satisfaction of the Director of Environmental Protection.

End

Medical treatment for chronic patients

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Following is a question by the Hon Ambrose Lau Hon-chuen and a written reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):

Question:

It is learnt that at present, the majority of patients suffering from chronic illnesses have to wait for six to twelve months for a follow-up consultation at public clinics under the management of the Hospital Authority (HA) and the Department of Health (DH). In view of this, will the Government inform this Council:

- (a) of the total number of chronically-ill patients attending such clinics for medical consultation in each of the past three years, and the major types of their illnesses;
- (b) whether any guidelines have been issued by the HA and DH regarding the waiting time for chronically-ill patients seeking follow-up consultations; if so, whether the current waiting time for such consultations is in line with the standard stipulated in the guidelines; and
- (c) given that the territory's population is ageing and the number of chronically-ill patients may continue to rise, whether the Government will adopt any measures to reduce the waiting time for chronically-ill patients seeking follow-up consultations?

Reply:

Given the lack of a clear definition of "chronic illnesses", the term "chronic patients" has often been used in a general context to refer to those requiring regular medical care on a long-term basis. Some examples of the major illnesses involved are hypertension, diabetes mellitus, chronic lung disease, ischaemic heart disease and renal failure.

All patients, including those commonly referred to by people as "chronic patients", may obtain medical treatment and consultation at public clinics. Specialist clinics run by the Hospital Authority cover a full range of clinical specialties, while those operated by the Department of Health are only designed to cater for general cases.

Since we classify patients according to the nature rather than acuteness of their conditions, it is only possible to provide the total number of specialist consultation in the past three years. The relevant figures are 4,699,000 for 1993-94, 5,140,000 for 1994-95 and 5,539,000 for 1995-96 respectively.

Patients attending specialist clinics can be categorised into two main groups : new referrals and follow-up cases. All new referrals are screened by specialised nurses through a triage system to ensure that urgent cases can be treated without delay. For a majority of non-urgent patients, an appointment for medical consultation will be given to them within about 12 weeks.

Other cases requiring follow-up consultation will be given appointments at specified intervals based on individual patient's needs. Although some unstable patients would require more regular consultation to assess their response to treatment and progress of recovery, many patients can be seen at relatively longer intervals.

With the implementation of the computerised block appointment system and other measures to enhance productivity, we have been able to make significant reduction of the waiting time for specialist consultation despite an average increase in the attendance rate of over 10% per annum during the past three years. A number of refurbishment and redevelopment capital projects are also in the pipeline to improve the physical environment as well as the capacity of our specialist clinics to meet prevailing needs.

Government is still working towards achieving its target to reduce the average waiting time for first appointment at all specialist clinics to five weeks by the year 2000.

End

Computer courses in public secondary schools

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

Question:

Will the Government inform this Council:

- (a) of the amount of funds allocated for providing computer studies courses in the publicly-funded secondary schools in 1995-96, and the average number of computers provided for each secondary school for teaching purposes;
- (b) of the objectives in providing such courses, and whether the Education Department (ED) will review these objectives meet the practical needs of secondary school students in computer application in their daily life; and
- (c) of the length of time it normally takes for the ED to process an application by a school for the purchase of computer facilities; and how the ED will solve the problem of the approved computer facilities not catching up with the developments in computer technology by the time the schools concerned have obtained approval to purchase such facilities?

Reply:

Mr President,

- (a) 386 government, aided and caput schools have joined the Computer Studies Scheme introduced in 1982. Each participating school will receive 21 sets of computer equipment and relevant software packages for teaching Secondary 1 to 5 computer subjects.

In addition, 125 schools are participating in the Sixth Form Computer Subjects Project which started in 1992. Each participating school will receive 16 to 31 computers and software packages.

In 1995-96, a total of about \$8.7 million has been allocated for the purchase of computer equipment and softwares and for curriculum grants to purchase consumable items such as floppy disks, printer ribbons, printer forms and other teaching aids in publicly-funded secondary schools.

- (b) There are four computer subjects in secondary schools. They are Secondary 1 to 3 Computer Literacy, Secondary 4 to 5 Computer Studies, Secondary 6 to 7 AS-Level Computer Applications and A-Level Computer Studies. These subjects aim to enhance students' knowledge of computer concepts, programming and computer applications.

In October 1995, the relevant subject committees of the Curriculum Development Council and the Hong Kong Examinations Authority set up a joint working party to review the full range of computer education syllabuses from Secondary 1 to 7 in order to ensure that they keep up with the changing needs of the 21st century. The working party has proposed to include computer technology developments and applications such as Internet and multimedia technology in the syllabuses; and to encourage the use of information technology and the application of specific software to deal with the day-to-day problems. The target of the working party is to have the draft revised syllabuses ready for public consultation by early 1997.

- (c) The Education Department provides computer facilities to support the computer curriculum in secondary schools and processes the applications centrally. It usually takes about 1 to 2 months to complete a tender exercise. The process may be extended to 2 to 3 months for schools requiring room conversion to house the computer facilities. We are not aware of any problem of approved computer facilities not matching up with developments in computer technology by the time the schools have obtained approval to purchase such facilities, particularly as the lead time is relatively short.

End

Communication equipment for ambulance staff

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

Question:

It was reported that the ambulance staff of the Fire Services Department (FSD) who were endeavouring to rescue unconscious passengers in the MTR trains on 6 May 1996 were hamstrung by a lack of walkie-talkies and mobile phones. In view of this, will the Government inform this Council whether it will seek funds for the acquisition of such equipment and, if so, what the estimated total cost is and when such equipment will be available for use by the ambulance staff of the FSD?

Reply:

All Fire Services Department ambulances are equipped with radio telephones for communication with the Fire Services Communication Centre (FSCC). For incidents involving multiple casualties, a Mobile Casualty Treatment Centre (MCTC) with portable radio sets will be despatched to the scene. This equipment will be used by the attending ambulance officers. These radio sets are provided only to crew leaders to ensure effective emergency communications and to avoid excessive radio traffic.

In an emergency situation, it is essential that communications are simple, direct and co-ordinated through a single centre, in order to ensure that the emergency response can be well commanded. Mobile phones are not suitable for operational use in these situations because they can provide communications only between individual officers and the FSCC.

The FSD and the MTRC have well-established and practised procedures for conducting rescue operations for various types of emergencies in MTR stations. Ambulance crews should, in the first instance, make use of the telephones available on the platforms in station control rooms, or in the other telephone facilities available from the MTRC. If a situation is of such a scale that centrally-co-ordinated communications are necessary, ambulance crews will use the portable radios provided on MCTC, operating on repeaters for underground work.

We have no plan to acquire additional walkie-talkies and mobile phones. The Fire Services Department will, however, continue to conduct regular reviews on the effectiveness of its communication equipment to ensure that it meets the Department's operational requirements.

End

Ventilation inside markets in public housing estates

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Following is a question by the Hon Law Cheung Kwok and a written reply by the Secretary for Housing, Mr Dominic Wong, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council of:

- (a) the number of cases concerning poor ventilation inside markets in public housing estates which have been discussed by various District Boards in the past three years, and the major causes of poor ventilation in such cases; and
- (b) the measures that have been adopted to improve ventilation inside markets in public housing estates and the effects of such measures?

Answer:

Mr President,

Three cases concerning poor ventilation inside markets in public housing estates were discussed by District Boards in the past three years. These markets were designed to be naturally ventilated and the storage of cartons by operators on top of their stalls affected cross ventilation. The use of large refrigerators and air-conditioners by operators aggravated this problem.

The Housing Department took remedial measures, including the provision of electric fans, extraction fans and extraction ducts. Where technically feasible, and where the operators concerned were willing to pay the necessary expenses, central air conditioning was installed. These measures improved air circulation, removed offensive odours and lowered indoor temperatures.

The Housing Department has taken steps to improve ventilation in new markets. Privatised markets completed in recent years have been installed with central air-conditioning. From next year onwards, all newly completed markets (whether privatised or under HD management) will be provided with central air-conditioning.

End

Remuneration package of HKMA chief

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Following is a question by the Hon Emily Lau and a written reply by the acting Secretary for Financial Services, Mrs Lessie Wei, in the Legislative Council today (Wednesday):

Question:

It is learnt that the remuneration package of the Chief Executive of the Hong Kong Monetary Authority (the Chief Executive) in the past year was around \$6.5 million - \$7 million, which was much higher than that of the Financial Secretary. In this connection, will the Administration inform this Council:

- (a) of the basis and justifications for determining the remuneration package of the Chief Executive;
- (b) of the authority and mechanism for approving the remuneration package of the Chief Executive; and
- (c) how it ensures that the remuneration package of the Chief Executive is determined in an appropriate manner?

Reply:

It is not appropriate to draw comparisons between remuneration packages of Government employees on civil service terms with those on Hong Kong Monetary Authority's (HKMA) terms and conditions of employment as different approaches to remuneration are adopted. The HKMA adopts a total package approach for its remuneration. In other words, no housing benefit, pension, education allowances, passage allowances, etc are payable.

- (a) Our policy is that HKMA's remuneration packages should be in line with the market in which it competes for human resources and should be able to attract and retain staff with the appropriate calibre, experience and expertise capable of performing the functions of the HKMA in a manner that commands the confidence of the people of Hong Kong and the international financial community. This applies to the Chief Executive of the HKMA and his staff.

- (b) The HKMA's remuneration terms, irrespective of ranks, are determined by reference to the prevailing market rates. Pay level and pay trend surveys are conducted by an independent consultant every year to establish whether pay packages and their intended annual adjustments are in line with the market. On the basis of the results of these surveys, and having regard to performance, the Financial Secretary, on the advice of the Exchange Fund Advisory Committee (EFAC), determines the remuneration packages of individual senior officers including the Chief Executive. Under delegated authority, the Chief Executive in turn determines the remuneration packages of other officers, subject to the overall budget approved by the Financial Secretary on the advice of the EFAC.
- (c) The Administration considers that the mechanism for determining the remuneration packages for HKMA staff to be appropriate, having regard to the circumstances described above. Adequate control is exercised by the Financial Secretary on the advice of the EFAC, whose members are familiar with the market practice regarding pay package determination and adjustment.

End

Remuneration package of HKMA staff

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

Question:

According to the 1995 Annual Report of the Hong Kong Monetary Authority (HKMA), the expenses on staff costs increased from \$196 million in 1994 to \$250 million in 1995. In this connection, will the Government inform this Council of:

- (a) the comparisons between the remuneration package of staff at different levels of the directorate of the HKMA and that of their counterparts in the civil service, in each of the years from 1993 to 1995;

- (b) the mechanism adopted by the HKMA for determining the pay adjustment for its staff; and
- (c) the specific measures Government has put in place to monitor the staff costs of the HKMA?

Reply:

To put the staff costs of the Hong Kong Monetary Authority (HKMA) in perspective, the increase in 1995 was mainly attributable to the increase in staff members to undertake a number of new initiatives. Only 9.8% of the increase in 1995 was due to pay adjustment.

- (a) As there are no HKMA counterparts in the civil service, it is not appropriate to draw comparisons between the remuneration packages of HKMA staff with those of the civil service. Allowing HKMA to have its own terms and conditions of employment is to make sure that it can compete with the private sector for the necessary expertise in financial markets.
- (b) The Financial Secretary, on the advice of the Exchange Fund Advisory Committee (EFAC), determines the overall pay adjustment for the HKMA as a whole by reference to the result of a pay trend survey conducted by an independent consultant. Adjustments for individual officers are totally performance related.
- (c) The Financial Secretary, on the advice of the EFAC, scrutinises and approves the budget of the HKMA each year. Any spending exceeding the budget has to be approved separately by the Financial Secretary. Monthly reports on the budget are made to EFAC.

End

Marine accidents in Hong Kong

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Following is a question by the Hon Zachary Wong and a written reply by the acting Secretary for Economic Services, Mr Leo Kwan, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

- (a) whether cargo vessels and passenger liners entering Hong Kong waters are currently required to take out third party insurance to ensure that vessels which have caused accidents in Hong Kong waters resulting in casualties and property losses pay compensation to the victims concerned;
- (b) if the answer to part (a) is in the negative, which party would be held responsible for paying compensation in the event of the occurrence of such accidents; and if the vessels causing the accidents are not registered in Hong Kong, whether the Marine Department can prosecute the vessels where they have contravened certain regulations; and
- (c) of the number of accidents which have occurred in Hong Kong waters in the past three years involving locally-registered vessels being hit by vessels not registered in Hong Kong, the total amount of losses incurred by such accidents, and the actions which have been taken by the Marine Department concerning these accidents?

Reply:

- (a) The Marine Department requires ocean going vessels entering Hong Kong waters to comply with Conventions made under the auspices of the International Maritime Organisation (IMO), of which Hong Kong is an Associate Member. Currently the IMO Conventions require compulsory liability insurance on tankers carrying more than 2,000 tons of oil. There is no mandatory requirement for ships other than this to carry third party insurance. It is however a matter of sound business sense for shipowners to take out such insurance and a recent survey of ocean going vessels indicates that 95% of such vessels carry third party insurance.

- (b) If a vessel, foreign or local registered, is involved in a collision causing casualties and property losses to third parties, the owner of such vessel, if at fault, is liable to damages through civil litigation.

Marine Department investigates every collision case within Hong Kong waters. Where a breach of the laws of Hong Kong is suspected, the owner of the vessel, the master and any person otherwise responsible for the vessel is each liable for prosecution under Section 10 of the Shipping and Port Control Ordinance (Cap. 313).

- (c) The numbers of collisions involving locally licensed vessels and vessels not registered in Hong Kong over the past 3 years were:

1993 - 57

1994 - 48

1995 - 79

Most of these accidents were minor incidents. Among these accidents, only 1, 4 and 1 incidents have resulted in injuries or fatalities in 1993, 94 and 95 respectively. Each case is examined by the Marine Department's Casualty Investigation Unit to find out the causes and the lessons to be learned. Prosecution action will be taken if necessary. In 1995, 113 successful prosecutions were taken for breaches of navigation regulations such as exceeding speed limits, proceeding on the wrong side or obstructing shipping fairways. We however do not have the information relating to the total amount of losses incurred by such accidents as the cost of repairs and apportionment of damage claims between the owners of vessels involved in collisions is a matter of civil litigation.

End

Computer studies for primary students

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

Question:

Will the Government inform this Council whether computer studies is one of the subjects in the curriculum of primary schools in the territory; if so, whether it is a compulsory subject; if not, whether the Education Department will introduce computer studies into the curriculum of primary schools and make it a compulsory subject?

Reply:

Mr President,

Government is fully aware of the importance of promoting information technology in schools. Since the introduction of the Computer Studies Scheme in the secondary sector in 1982, a full range of computer subjects is being offered in secondary schools; and Government provides support in the form of computer equipment and software, in-service teacher training and curriculum grants to schools.

The subject of Computer Studies is not included in the current primary curriculum. This is because the study of the subject requires certain pre-requisites, such as a reasonable level of mathematical concepts and command of English. Hence, we consider the present arrangement of introducing computer studies at Secondary One level and above appropriate.

However, it should be noted that an increasing number of schools have included computer classes as part of their extra-curricular activities. Government welcomes this initiative as it can expose students to computer technology at an early stage and better prepare them for the study of the subject at secondary level.

End

Statistics of liquidated limited companies

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

Question:

Will the Government inform this Council:

- (a) of the number of limited companies registered in Hong Kong which went into liquidation in the past three years, (including cases of liquidation initiated by the shareholders and those ordered by the court), and the number of such companies of which the Official Receiver acted as their liquidator; and
- (b) according to the records of the Official Receiver's Office, of the longest period of time taken for a limited company to go through the entire liquidation process and the reasons for the time taken?

Reply:

Mr President,

The number of limited companies registered in Hong Kong which went into liquidation in 1993, 1994 and 1995 are shown below:

	<u>1993</u>	<u>1994</u>	<u>1995</u>
(1) Members' Voluntary winding-up	2,775	2,515	3,037
(2) Creditors' Voluntary winding-up	114	131	124
(3) Compulsory winding-up before Court	408	426	481
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Total:	3,297	3,072	3,642

The Official Receiver has acted as the Liquidator of 399 limited companies in compulsory liquidations in 1993, 420 in 1994 and 471 in 1995. The Official Receiver is not involved in voluntary liquidations.

According to the records of the Official Receiver's Office, the longest time taken to complete a compulsory liquidation is 24½ years. A winding up order against the company concerned was made in November 1971 and an order granting the Official Receiver's release from the liquidatorship was made in May 1996. The major exceptional reasons for the time taken for this particular case are as follows:

- (a) the case involved a complicated legal dispute, relating to the unsettled assignment of 47 flats, between the company concerned and the petitioning creditors, who were directors of the company's joint-venture partner;
- (b) the need to obtain funding to sue the joint-venture partner for specific performance in respect of the assignment of the properties and the lengthy litigation in the High Court, the Court of Appeal and the Privy Council before the appeal of the joint-venture partner was ultimately dismissed;
- (c) the deaths of the three directors of the joint-venture partner causing delays in the clarification of the joint-venture's accounts, the settlement of taxed costs of the Privy Council appeal and the disposal of the unsold flats of the joint venture; and
- (d) the need to wind up the joint-venture partner to clear the unsettled issues as set out in (c) above.

End

Housing benefits for civil servants and teaching staff

Following is a question by the Hon Emily Lau and a written reply by the Secretary for Civil Service, Mr W K Lam, in the Legislative Council today (Wednesday):

Question:

According to the results of the 1994/95 Household Expenditure Survey (HES) conducted jointly by the Census and Statistics Department and the Hang Seng Bank, the proportion of expenditure on housing had increased by four to five percentage points, as compared to the results of the HES conducted in 1989/90. In respect of the relatively low expenditure households, the proportion had increased from 21% to 25%; for the medium expenditure households, from 24% to 28%; and for the relatively high expenditure households, from 29% to 34%. By contrast, for many years senior civil servants and teaching staff of tertiary institutions who live in staff quarters provided by the Government and the tertiary institutions are only required to pay 7.5% of their monthly salary as rental payment. In this connection, will the Government inform this Council :

- (a) of the respective numbers of civil servants and teaching staff of tertiary institutions who pay 7.5% of their salary as rental payment, and the grades to which they belong;
- (b) the year in which the 7.5% rate was formulated and the basis for it;
- (c) why the above rate has remained unchanged despite the fact that the housing benefits for civil servants have been changed several times over the year; and
- (d) whether there is any plan to review the 7.5% rate mentioned above?

Reply:

Mr President,

- (a) 1,725 Civil servants residing in non-departmental quarters, and 740 officers receiving the Private Tenancy Allowance pay 7.5% of their salary as rent. All officers were employed before 1 October 1990. They are in grades with salary points above MPS point 34 or equivalent.

As for the tertiary institutions, there are 1,770 teaching staff residing in quarters and 2,004 receiving a Private Tenancy Allowance who pay this level of rent.

- (b) The payment of rent as a proportion of salary came into effect on 1 April 1971. Prior to that date rent paid by civil servants living in NDQs was set on the basis of salary "platforms" corresponding to different grades of quarters. This system emerged from the recommendations of the 1947 Salaries commission. In 1971, the Salaries Commission considered that in order to simplify administration of rent payments and to rectify anomalies inherent in such a "platform rent" system, rent should be assessed as a percentage of salary not exceeding the average of the percentage represented by the mid-point of each of the platforms. By reference to the then prevailing rent platforms (Appendix), the percentage recommended was 7.5% for quarters of G grade and above (and 5.0% for quarters below G grade). These arrangements were implemented with effect from 1 April 1971. The percentage of deduction has no direct relationship to average expenditure on housing incurred by the general public.
- (c) The provision of civil service housing benefits was reviewed in 1989. The result was the introduction of new forms of housing benefits. Civil servants joining the service on or after 1 October 1990 are only eligible for these new benefits, i.e., the Home Financing Scheme for staff on or above point 34 of the Master Pay Scale or equivalent, or the Home Purchase Scheme if they serve on a lower salary point. Staff appointed on overseas contract terms receive an Accommodation Allowance. Those who joined the service before the cut-off date were given the option to join the new Schemes.

The provision of NDQs and the PTA has ceased for staff employed after 1 October 1990, and is a declining benefit. For entitled staff who joined before that date, however, they remain a condition of service : the provision of non-departmental quarters with rent deduction of 7.5% of salary is stipulated in the Memoranda on Conditions of Service which cannot be varied unilaterally by the government.

- (d) There is no plan to review the present percentage of rent deduction for quarters.

Grading and Salary Platform of Quarters in 1971

Salary Range	Mid-Point	Grade of Quarter	Rent per month	Percentage of Salary		
				Lowest Point	Mid Point	Highest Point
Over 10,300	11,800	AA	668	6.5%	5.7%	5%
6,351-10,300	8,000	A	553	8.7%	6.9%	5.4%
5,223 - 6,350	5,661	B	472	9%	8.3%	7.6%
4,564 - 5,222	4,893	C	384	8.4%	7.9%	7.4%
3,904 - 4,563	4,233	CD	336	8.6%	7.9%	7.4%
3,019 - 3,903	3,461	D	260	8.6%	7.5%	6.7%
2,435 - 3,018	2,726	E	201	8.3%	7.4%	6.7%
2,088 - 2,434	2,261	F	172	8.2%	7.6%	7.1%
1,514 - 2,087	1,800	G	130	8.6%	7.2%	6.2%
1,232 - 1,513	1,372	H	83	6.7%	6.1%	5.5%
766 - 1,231	998	I	53	6.9%	5.3%	4.3%
576 - 765	670	IJ	42	7.3%	6.3%	5.5%
409 - 575	492	J	27	6.6%	5.5%	4.7%
395 - 408	401	K	20	5.1%	5%	4.9%
Under 395		L	15		3.8%	3.8%

End

Workmen compensation ordered by Labour Tribunal

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

Question:

It is learnt that recently many employers who were ordered by the Labour Tribunal to pay compensation to their employees have failed to pay the amounts of compensation to the employees concerned. In view of this, will the Government inform this Council :

- (a) of the total number of cases in the past three years involving employers defaulting on payment of compensation to their employees as ordered by the Labour Tribunal;
- (b) whether, in view of the execution fee amounting to some \$4,000 payable by an employee when applying to the District Court to sequester the office or factory of the defaulting employer, the Government will consider reducing such fee in order to lessen the burden on the employee concerned in recovering the arrears of compensation from his employer; and
- (c) whether it will consider formulating measures to enable employees to obtain arrears of compensation from their employers within a stipulated period of time?

Reply:

Mr President,

Under Section 38 of the Labour Tribunal Ordinance, a final award of the Labour Tribunal (which includes the award of compensation to the employee by the employer) may be registered in the District Court, and will become for all purposes a judgement of the District Court which may be enforced accordingly, notwithstanding that the amount of such award is beyond the jurisdiction of the District Court.

As regards part (a) of the question, the Government has no statistics specifically on the number of employees who fail to recover from their employers the amount awarded to them by the Labour Tribunal. The only statistics available are the total number of judgement creditors (comprising both employers and employees) who are issued with certificates of award to enable them to register their awards in the District Court with a view to enforcing them. The number of Certificates of Award issued in the past three years are as follows:

<u>Year</u>	<u>Certificates of Award issued</u>
1993	313
1994	447
1995	584

Although no breakdown is available, it is likely that most of these certificates are issued to the employees.

As regards part (b) of the question, the fees for the enforcement of an award against a judgement debtor are prescribed under the District Court Civil Procedure (Fees) Rules. To enforce an award, the claimant has to commence a Miscellaneous Proceeding in the District Court at a filing fee of \$630. If the claimant decides to apply for the execution of a writ *fi. fa.* to seize and sell the personal goods and chattels belonging to the employer, he has to pay a deposit for security guard fees (\$2,800 for urban area and \$3,200 for rural area) to cover the cost of watchman (\$330 per day) and the transportation expenses incurred. The deposit will be refunded if the watchman is eventually not required.

The existing fees are inadequate to cover the Government's cost of providing the above services. We therefore do not consider it appropriate to reduce the fees. Nonetheless, all the charges will eventually be borne by the defendant *i.e.* the employer or judgement debtor, unless the enforcement of the award is not successful.

As regards part (c) of the question, the Government has put in place a number of channels through which an employee who fails to receive an award made in his favour by the Labour Tribunal can seek to recover such payment.

If the employer concerned has become insolvent, the employee can approach the Labour Relations Service of the Labour Department for assistance. The Labour Department will refer the employee to the Legal Aid Department for assistance in initiating winding-up or bankruptcy proceedings against the employer and to apply for *ex-gratia* payment from the Protection of Wages on Insolvency Fund. An employee will normally receive payment from the Fund within one month after the filing of the winding-up or bankruptcy petition, or after the Legal Aid Department recommends payment without a petition.

If the employer concerned is not insolvent, the employee can approach the Legal Aid Department for assistance in registering the award in the District Court as a judgement and then seek to enforce this judgement through the various means under the existing legal system. These enforcement instruments include the execution of a 'writ fi. fa.' as mentioned above, a 'charging order' to recover the award from the proceeds of sale when the employer sells the property, a 'garnishee order' requiring the bankers or debtors of the employer to pay the bank deposits or debts to the employee, or filing a petition for bankruptcy or winding up of the employer at the High Court. The time taken under these procedures varies from two to five months.

As the circumstances surrounding the employer's default payment of compensation to the employee and the legal procedures involved differ from case to case, it is impracticable to stipulate an across-the-board time limit within which any award payment should be settled.

End