



## DAILY INFORMATION BULLETIN

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

Wednesday, May 24, 1995

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Governor's transcript

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The following is a transcript of the media session by the Governor, the Rt Hon Christopher Patten, after visiting the Regional Services Department today (Wednesday):

Governor: I very much enjoy my visit to the Regional Services Department. I'm gradually visiting all the different branches of the civil service as well as continuing my visits to district boards and I was pleased today to have a briefing from the Regional Services Department and see for myself some of the services which they provide, particularly this leisure facilities and the covered market there. I was very pleased to have such a cheerful reception at the covered market, to get so many flowers. You have got some flowers for me?

Question: Can you answer some questions?

Governor: As ever, the Governor of Hong Kong always answers questions in Hong Kong, in Macau, everywhere.

Question: Can you confirm that there is a Government source said that the possibility to table the legislation of Court of Final Appeal to the Legislative Council in the next session is not excluded. Is it true?

Governor: I don't think you expect me to comment on what you say an unnamed Government source may have said. Our position is absolutely clear. You know the timetable for setting up the court. That hasn't changed at all. You also know that Chinese officials have had a copy of our Bill, faithfully implementing the 1991 agreement, for over a year. You know that as a gesture of our sincerity and our commitment to establishing the court, we responded very positively to the PWC suggestions the other day, at least to all those that were in line with the Joint Declaration and the Basic Law and I hope that will mean that the next round of expert talks go smoothly and produce agreement. That's what we all want to see. We haven't been looking for an argument. We've trying to implement an agreement. It's obviously best if we can go ahead on the basis of a continuing consensus within the community and with the officials from Chinese.

Question: When is the next meeting?

Governor: I hope there will be a meeting before the end of May and that is our hope. We keep on hearing from Chinese officials that they want to see progress made on the court, they want to see it set up before 1997. But, we are definitely in a position in Hong Kong where we want to see action and not just hear words.

Question: But if there is still no meeting in May, then how about the Government, will the Government put the Bill...

Governor: If there isn't any meeting in May, you'll have to ask Chinese officials why.

Question: PWC members said that their recommendations are ... not equal to Chinese official position. Therefore it is inappropriate for the Government to amend the Bill according to PWC members.

Governor: They seemed to be rather confusing. Some of the time they scold us for not responding to what they say. Now we've responded very sincerely. They're saying, 'Oh, perhaps this isn't really our policy.' I think you better ask them to explain themselves. I have a difficult enough time without having to explain the minutiae of the PWC's operations.

Question: How could you resolve the differences between the PWC and the Chinese Government about the appointment of judges?

Governor: If there are differences between the PWC and the Chinese Government, those are for the PWC and the Chinese Government to resolve. They are not for me.

Question: I'm sorry, it's for the PWC and the UK side on the appointment of judges.

Governor: I think that we've responded extremely positively as I said earlier. There are two points which aren't in line with the Joint Declaration and the Basic Law. So we haven't been able to respond on those. But anyway, they both affect the position after 1997. And, as you know I am only responsible for the position before 1997. Though like United Kingdom Government, I would continue to take an interest in the implementation of the Joint Declaration.

Question: But Mr Zhou Nan said that if the Government accepts all the proposals, the eight proposals, then the problems can be solved.

Governor: If the what?

Question: If the British side accepts all the proposals by the PWC and everything will be okay.

Question: But now still two ... of the proposals not accepted by the ...

Governor: I'd like you to go back and say to him: 'really?'.

Question: Are you inflexible on those two points?

Governor: Those two points both contradict the Joint Declaration and the Basic Law. Since they wouldn't be operative until after 1997, I don't think that they can be points which we can take on board. But I would be interested if Mr Zhou Nan was saying those are the only two points which come between the two sides. You might ask him to confirm that.

Question: Mr Patten, yesterday, Mr Zhang Junsheng, he also warned that if the British side take the one side action, there will be no talk anymore between...

Governor: I don't want to comment on everything he says.

Question: A report saying that the Hong Kong Government had agreed to let the Chinese Government to, not intervene but give their position or join the work in drafting the 1996-97 budget. Can you confirm that report?

Governor: No. Our position is absolutely clear. We totally recognise and it's a proposal I put forward on behalf of the Hong Kong Government that we should involve Chinese officials in the preparation of the 1997 budget. We also believe that in order for them to discharge that responsibility effectively they will need to be walked through the budget process for this year. But they will be shown how we draw up the budget. They won't be taking part in decisions about that budget. That is absolutely clear. It's absolutely firm. It's a point that I have made. It's a point that Mrs Chan has made. It's a point that Douglas Hurd made to Qian Qichen and there is no doubt about it in our minds. I am sure there isn't any doubt about it in Chinese minds either. We are being extremely positive and constructive and I hope that Chinese officials will be too.

Question: Mr Patten back to the CFA, I mean the Hong Kong Government always state that they do not recognise the PWC. Then, why the JLG accepts some proposals made by the PWC?

Governor: Well, we haven't said that we would block all contact with the PWC, far from it, we've been very good about discussing matters informally with the PWC, giving them briefings and so on. That's always been our position and Mrs Chan set out the guidelines which we followed and which we've faithfully implemented a few months ago. But we were trying to be constructive. The PWC had put forward some proposals which I assume have the blessing of the Chinese side. It will be very surprising if the PWC were putting forward proposals which the Chinese side didn't agree with. We try because we want to speed things up, we want to be as rapid as possible. We thought that it was sensible to react positively to those proposals. So we've done everything we conceivably could, to get the Court of Final Appeal set up rapidly, as rapidly as was promised, in line with the agreement in 1991. So that Hong Kong can continue to enjoy the rule of law and so the local and international business community can continue to have confidence in Hong Kong as a place to do business and a place to invest. You know that I don't make it up when I say that very many people regard the issue of the establishment of a Court of Final Appeal in line with the 1991 agreement, taking over exactly the powers at present and carried through by the judicial committee of the Privy Council. You know that a lot of people regard that as a litmus test of the commitment of ourselves and of the Chinese side to the continuation of the rule of law in Hong Kong. That's why the situation, that's why this issue is important and that's why we've made every conceivable effort to speed up agreement. Chinese officials keep on giving us reassurances that of course, they want to see the court set up before 1997. What we need is action and not just words.

Question: So if you want to speed up the things, you have to incorporate the ideas from the Chinese side or PWC, they are in the upper-hand in the matters.

Governor: Well, if you choose to interpret the Hong Kong Government being cooperative in that way, then so be it. I think we've demonstrated to borrow a word which is much used, we've demonstrated our sincerity, it's time for other people to show theirs. All the points on which we responded were technical. None of them involved fundamental issues of principle. I was wholly comfortable with all of them as were all the members of my Executive Council, where we discussed the issue on Tuesday. Last question.

Question: How about the interpretation of the 'Act of State'? Is that a major obstacle for .....

Governor: No one who understands the Common Law has any difficulty in interpreting the meaning of 'Acts of State'. It's been clear in the Common Law for decades if not centuries. If there're problems that people have in reconciling the Common Law and the Basic Law, then those are problems for them to resolve. But Hong Kong has been promised a continuation of the Common Law which is the system which has helped to make Hong Kong so prosperous and so stable. Thank you very much.

End/Wednesday, May 24, 1995

## Governor visits the Regional Services Department

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The Governor, the Rt Hon Christopher Patten, today (Wednesday) had a first-hand look at the plans and activities of the Regional Services Department to provide a fuller life and a healthier living environment to almost three million residents of the Regional Council area.

He was met by the acting Director of Regional Services, Mr Albert Lai, on arrival at the Regional Council Building in Pai Tau Street, Sha Tin.

The Regional Services Department is the executive arm of the Regional Council - the statutory authority overseeing the municipal needs of the nine districts of the New Territories.

Mr Patten was briefed on the performance pledge of the department this year and the standard of service which the public can expect to receive and the department's plans to further improve the services provided last year.

Accompanied by Mr Lai, Mr Patten then visited the renovated Sha Tin Market in Sha Tin Centre Street. The two-storey market houses a total of 179 stalls and has an occupation rate of over 98 per cent.

Improvement works to the market include the installation of new extraction ventilating systems, renovation of toilets, improvement to the drainage system and lighting facilities.

The Governor saw the operations of the static refuse compactor inside the Sha Tin Market which eliminates the unsightliness and stench nuisance associated with on-street refuse loading.

A feasibility study on the installation of an air-conditioning system in the market is being undertaken.

Mr Patten later visited the \$71-million Hin Tin Public Swimming Pool Complex in Che Kung Miu Road, Tai Wai.

Commissioned in 1992, the pool complex has a free form leisure pool with water slides, a fountain jet, a jacuzzi pool, other water play creatures and a sun bathing area.

Mr Patten also had a discussion with staff representatives of Departmental Consultative Committee during his visit.

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Electoral Provisions Bill to be gazetted

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A Bill seeking to amend the qualifying residential requirement for election candidates and to transfer to other bodies certain powers and functions of the Governor consequential to his stepping down from the Legislative Council Presidency will be gazetted on Friday (May 26), a Government spokesman said today (Wednesday).

The Electoral Provisions (Miscellaneous Amendments) Bill 1995 will amend six ordinances: namely the Legislative Council (Electoral Provisions) Ordinance, the Electoral Provisions Ordinance, the Oaths and Declarations Ordinance, the Regional Council Ordinance, the District Boards Ordinance, and the Independent Commission Against Corruption Ordinance.

The spokesman said the Bill proposed to reduce the period of residential requirement of a candidate from 10 years immediately preceding the date of nomination to three years immediately preceding that date.

"The rationale for imposing some form of residential requirement was to ensure that candidates would have sufficient knowledge of the local conditions.

"We believe that the revised qualifying period is sufficiently short to meet the Bill of Rights requirement, but sufficiently long to ensure that candidates have adequate first-hand knowledge of local conditions," he said.

The Bill also covers a number of amendments arising from the Governor stepping down from the Legislative Council Presidency. The amendments seek to transfer to other authorities certain residual powers and functions originally vested in the Governor.

The spokesman said the Bill proposed that the Clerk to the Legislative Council (the Clerk) should replace the Governor in receiving and publishing notice of non-acceptance of office by a Member elected to the Legislative Council.

"The Clerk should also administer oaths to all Members at the first sitting of a Legislative Council term and before the election of the President of the Council," he said.

On the authority to receive notice of resignation from an elected Legislative Council Member, the spokesman said the Bill proposed that the Legislative Council President (the President) or the Clerk should be the recipients of these notices.

"Also, either of the two, instead of the Governor, should be responsible to declare, by notice published in the Gazette, that a vacancy exists in the Council within 21 days after the vacancy has come to his knowledge," he said.

The spokesman said under existing legislation, an elected Legislative Council Member who had failed for three consecutive months in the same Legislative Council session to attend any sitting of the Council would be disqualified, unless the absence was excused by the Governor.

"The Bill proposes to transfer the power to excuse non-attendance to the President.

"In the event that it is the President who is absent for three consecutive months, the Bill proposes vesting the power to excuse his non-attendance in the Legislative Council," he said.

The Bill is expected to be introduced into the Legislative Council on June 7.

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#### Election expenses limits set

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The Government has determined the election expenses limits for the Legislative Council elections on September 17, a Government spokesman announced today (Wednesday).

Requirements for the number of subscribers and the amount of election deposits for nomination have also been set, he said.

The Order and the Regulations stipulating these limits and requirements will be gazetted on Friday (May 26), the spokesman added.

They are the Maximum Scale of Election Expenses (Legislative Council) Order 1995, the Legislative Council (Electoral Provisions) (Procedure) (Functional Constituencies and Election Committee Constituency) Regulation and the Electoral Provisions (Procedure) (Geographical Constituencies) (Amendment) Regulation 1995.

The spokesman said in the forthcoming Legislative Council elections, three types of elections would be held on the same day, namely, the geographical, functional and Election Committee constituencies elections.

He said in setting the election expenses limits, the basic principle had always been that the limits must not be so low as to hamper candidates from mounting effective campaigns, nor so high as to deter those who were financially less well-off from running in elections.

"The current election expenses limits for the geographical constituencies and functional constituencies elections were set in 1990. The limits were based on various basic expenditure items that were commonly employed by candidates in their electioneering activities, such as banners, placards and posters.

"In setting the election expenses limits for this year's Legislative Council elections, both the inflationary effects over the past five years and the increase in the variety of expenditure items have been taken into account," he said.

On the number of subscribers required for nomination in the September elections, the spokesman said the number of subscribers required for the geographical constituencies elections would be increased from 10 to 50 in order to discourage frivolous candidates.

"The same number will also be applicable for the nine new functional constituencies due to their relatively large electorate size."

The spokesman said the number of subscribers required for the 20 old functional constituencies would remain the same as in the 1991 elections, namely five for the two smallest functional constituencies - the Urban Council and the Regional Council Constituencies, and 10 for the other old functional constituencies.

"As for the newly introduced Election Committee Constituency, which comprises all the District Board members to elect 10 Legislative Council Members, five subscribers will be required.

"The relatively small number of subscribers required for the old functional constituencies and the Election Committee Constituency is determined having regard to the small electorate size of these constituencies," he explained.

The spokesman said the amount of election deposits for all the geographical constituencies and old functional constituencies elections would be increased from \$10,000 to \$20,000. The same requirement will also apply to the new functional constituencies and Election Committee Constituency elections.

"Such increases are to reflect the status and importance of a seat in the legislature, and has taken into account the inflation over the years," he said.

The spokesman said the threshold for forfeiture of the election deposit would remain unchanged at five per cent for the geographical constituencies and the old functional constituencies.

"If an unsuccessful candidate obtains less than five per cent of the total number of valid votes cast in the constituency concerned, his election deposit will be forfeited," he said.

"The threshold for the new functional constituencies will also be five per cent. As regards the Election Committee Constituency, the threshold will be 2.5 per cent for a general election, and five per cent for a by-election," the spokesman added.

"These requirements were set by the Administration after taking into account the views and comments of the Legislative Council Constitutional Affairs Panel," he explained.

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Table A

Legislative Council Elections  
Election Expenses Limits

Constituencies	Existing Ceilings	Revised proposals	
Geographical constituencies	\$200,000	\$200,000	
Existing functional constituencies (except Urban Council, Regional Council, and Rural constituencies)	\$50,000	- Not more than 5,000 registered electors	\$80,000
		- Over 5,000 but not more than 15,000 registered electors	\$90,000
		- Over 15,000 registered electors	\$100,000
New functional constituencies	N/A	- Not more than 150,000 registered electors	\$240,000
		- For every additional 100,000 (or part thereof) registered electors in excess of the first 150,000	An additional \$55,000
Urban Council, Regional Council, and Rural functional constituencies	\$50,000	\$50,000	
Election Committee constituency	N/A	\$50,000	

Table B

Legislative Council Election  
Number of Subscribers

	<u>Existing number of subscribers</u>	<u>Proposed number of subscribers</u>
GCs	10	50
UC and RC FCs	5	5
Other Old FCs	10	10
Nine new FCs	N/A	50
ECC	N/A	5

P4217(11)

**Table C**

**Legislative Council Elections  
Election Deposits**

	<u>Existing amount of election deposit</u>	<u>Proposed amount of election deposit</u>	<u>Existing threshold for forfeiture of election deposit</u>	<u>Proposed threshold for forfeiture of election deposit</u>
GCs which use the "first past the post" voting system	\$10,000	\$20,000	5% of total number of valid votes cast	5% of total number of valid votes cast
UC, RC and Rural FCs which use the Preferential Elimination Voting system	\$10,000	\$20,000	5% of the total number of valid first-preference votes cast, or 5% of the aggregate of the preference votes cast, as the case may be	5% of the total number of valid first-preference votes cast (to simplify the calculation and make it more easily understood, only first-preference votes would be counted)
Other Old FCs which use the "first past the post" voting system (previously they used the Preferential Elimination Voting system)	\$10,000	\$20,000	5% of the total number of valid first-preference votes cast, or 5% of the aggregate of the preference votes, as the case may be	5% of total number of valid votes cast
New FCs which use the "first past the post" voting system	N/A	\$20,000	N/A	5% of total number of valid votes cast
ECC which uses the Single Transferable Vote ("STV") system	N/A	\$20,000	N/A	(i) for general elections - 2.5% of the total number of valid first-preference votes (ii) for by-elections - 5% of the total number of valid first-preference votes cast

P4217(11)

Fees revised under Buildings Ordinance

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The Government is to increase a number of fees and charges under the Buildings Ordinance to offset higher operational costs.

A Government spokesman said the proposed increases of about 10 per cent would bring the fees, which were last revised in June last year, up to the current price levels.

The new fees, to be published under the Building (Oil Storage Installations) Regulations and Building (Administration) Regulations in the gazette on Friday (May 26), will come into effect on June 30.

Details of the fee increase are as follows:

<u>Item</u>	<u>Current Fee (\$)</u>	<u>Proposed Fee (\$)</u>
Fee payable for an oil storage installation licence under Building (Oil Storage Installation) Regulation 6(3)	41,145	44,900
Fee payable for renewal of an oil storage installation licence under Building (Oil Storage Installation) Regulation 7(2)	41,145	44,900
Fee payable for an examination under Building (Administration) Regulation 4(1)(c)	5,230	5,710
Fee payable for an additional inspection upon completion of building works or street works under Building (Administration) Regulation 39	1,940	2,120
Fee payable for a retest of drain under Building (Standards of Sanitary Fitments, Plumbing, Drainage Works and Latrines) Regulation 73(5)	740	810

Fee payable for a certified copy, print or extract, issued under section 36 of the Buildings Ordinance, of or from any document (other than a plan) or any microfilm or other record of any document (other than a plan)	175	190
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Fee payable for a certified copy, print or extract, issued under section 36 of the Buildings Ordinance, of or from any plan or any microfilm or other record of any plan	295	320
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Casualty figures at VM detention centres

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Up till 8 am this (Wednesday) morning, another 46 Vietnamese Migrants (VMs) sought medical treatment in connection with the Whitehead Camp transfer Operation on May 20, making the total number of VM injury to 73. All the cases were attended to by the Medical officers on duty.

Among the additional 46, 16 were from Whitehead Detention Centre (WHDC), two of whom did not have any injury marks on them; and 30 were from High Island Detention Centre, 12 of whom did not have any injury marks on them.

Some injured VMs in WHDC were injured by the stones threw at the police and Correctional Services Department officers during the course of the operation.

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### Antiquities excavation licence fee to be increased

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The fee payable for the grant or renewal of a licence to excavate and search for antiquities under the Antiquities (Excavation and Search) (Amendment) Regulation 1995 will be increased from \$50 to \$320 with effect from June 29 this year.

A spokesman for the Recreation and Culture Branch said today (Wednesday) the licence fee had remained at \$50 since it was introduced in 1976.

"We therefore propose to increase the fee to \$320 to reflect the Government Consumption Expenditure Deflator movement from 1976-77 to 1995-96," he said.

The Antiquities Advisory Board has been consulted and has agreed to the proposed fee increase.

The amendment regulation will be published in the Gazette on Friday.

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### More training on computerised school administration system

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Thousands of school teachers using the Education Department's computerised school administration system will be trained under a \$1.5 million pilot project to set up a regional computer training centre with the assistance of the Hong Kong Baptist University.

A contract was signed today (Wednesday) between the Director of Education, Mr W K Lam, and the President and Vice-Chancellor of Hong Kong Baptist University, Dr Daniel Tse, to expand training facilities for teachers on the School Administration and Management System (SAMS) by setting up a new computer training centre.

Speaking at the contract-signing ceremony, Mr Lam paid tribute to the Hong Kong Baptist University for helping to train up teachers of SAMS schools.

"I look forward to fruitful co-operation with the university and wish our joint venture success," he said.

In his speech, Dr Tse praised the SAMS project, citing the necessity of providing the latest information in the shortest possible time for school teachers who concurrently shoulder administrative and management duties.

"If teachers can be aided by a computerised system which will speed up administrative procedures and simplify paper-work, they will then be able to concentrate more on their academic work, and spend more time toward the establishment of a good teacher-student relationship," Dr Tse said, adding that the Hong Kong Baptist University is honoured to participate in such a meaningful venture.

The SAMS training centre at the Hong Kong Baptist University accommodates 40 teachers per class. University trainers will provide a total of 4,400 training days over a nine-month period at a cost of about \$500,000. Another \$1 million is spent on hardware and trunking for the training centre.

The Director of the SAMS Training and Research Unit, Dr Alex Fung, said the Unit would come into operation in July this year to provide basic information technology (IT) courses and SAMS training to principals, teachers, and staff of primary and secondary schools in Hong Kong.

The Unit will also carry out research and development work in the use of IT in education, with an initial focus specially on the territory-wide implementation of SAMS.

The SAMS project, which was launched in the 1994-95 school year, is aimed at relieving clerical work for teachers and boosting efficiency in general administration in school.

While helping schools manage information and data about students, teachers and school finances through 12 major and three supporting applications, the system also provides computer link-up between schools and the Education Department.

Installation work is now in progress in about 300 schools. The system will be extended to some 1,400 primary and secondary schools in the public sector by 1996-97.

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### Non-Graduate Teacher Qualifications Assessment results

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The Education Department announced today (Wednesday) that 87 out of 151 candidates passed in the third cycle of the Non-Graduate Teacher Qualifications Assessment (NGTQA) examination held between February and April this year.

A spokesman for the Education Department said letters of notification had been sent to both successful and unsuccessful candidates.

The spokesman said out of 87 successful candidates, 16 were qualified to use Chinese and English as their medium of instruction while 71 to use Chinese only.

A total of 10 candidates passed all three parts of the examination and 77 passed parts I and II.

Part I of the examination is to test the candidates on general education, part II on the medium of instruction and part III on professional training.

The spokesman said the NGTQA scheme was introduced in accordance with recommendations of the Education Commission Report No.5 to identify a wider pool of potential non-graduate teachers with qualifications and training obtained outside Hong Kong.

He said a candidate failing in only one subject in a sitting might apply to resit the examination twice on that subject in the subsequent two assessment examinations.

However, the spokesman said, a candidate failing in two or more subjects in one sitting or failing in the same subject repeatedly in the subsequent two assessment examinations would be required to take the whole examination again.

On the employment situation of successful NGTQA candidates, 130 successful candidates have so far reported having obtained teaching appointments.

In addition, recent statistics also showed that 17 successful candidates have been employed by the Education Department as teachers in government primary schools and another 14 will soon be offered appointment.

The spokesman said among the successful candidates who passed all three parts of the NGTQA examinations in previous cycles, 15 were undergoing supervised practical teaching.

He said they would be given qualified teacher status on successful completion of the supervised teaching period.

The spokesman said on the whole, the teaching performance of teachers qualified through the NGTQA scheme was satisfactory.

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### Campaign to prevent air-conditioner nuisances

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Don't let your air-conditioner become a nuisance to your neighbour as this will cause you a fine of \$10,000.

This is the message of a publicity campaign launched by the Health Education Unit of the Department of Health.

The campaign is organised under the sponsorship of the Urban and Regional Councils.

As part of the campaign, a 24-hour hotline - 2723 0013 - carrying a pre-recorded message on methods of preventing nuisances caused by air-conditioners will be available to advise members of the public.

"The aim is to remind the general public to effect due repair and maintenance to their air-conditioning systems with the approach of the summer season," a spokesman for the department said today (Wednesday).

"After listening to the taped message, a caller may leave his questions with the hotline. Staff from the Health Education Unit will call back," the spokesman said.

"Unwanted drippings, hot air and excessive noise were the common nuisances emitted from defective air-conditioners," he said.

He pointed out that if a fresh water cooling tower was improperly maintained, it might cause Legionnaires' disease and affected health.

"Owners of fresh water cooling towers are advised to drain the towers regularly, and the towers should be cleansed and sterilised every six months to prevent the growth and spread of Legionella bacteria.

"Air-conditioners should be installed as far away as possible from the neighbouring unit to avoid causing noise nuisance to neighbours.

"Window-type air-conditioners should also have proper drainage to avoid dripping," the spokesman added.

He stressed that proper maintenance and regular inspection were important to ensure that the machine functioned properly.

Under the Public Health and Municipal Services Ordinance, it is an offence to let an air-conditioning unit drip or emit hot air in such a manner as to be a nuisance.

"Offenders may be fined up to \$10,000," the spokesman said.

Publicity materials like advisory letters, posters and leaflets will be widely distributed to estate management companies of established private housing estates, shopping arcades, commercial and industrial buildings, Owners Incorporations, Mutual Aid Committees, suppliers and distributors of air-conditioners.

Television and radio announcements will be broadcast to arouse public concern on the issue.

Members of the public may also seek advice or assistance from their respective district environmental hygiene offices of the Urban Services or Regional Services Departments.

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#### Flushing water cuts in Tai Wai and Sha Tin

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Flushing water supply to some premises in Tai Wai and Sha Tin will be suspended from 8 am to 11 pm on Friday (May 26) to facilitate checking of the supply system.

In Tai Wai, the suspension will affect Mei Lam Estate, May Shing Court, Glamour Garden, Grandway Garden, Grandeur Garden, Holford Garden, Tai Wai San Tsuen and Tai Wai Industrial Area.

The affected areas in Sha Tin will include Hin Keng Estate, Lung Hang Estate, Sun Chui Estate, Sun Tin Wai Estate, Chun Shek Estate, Carado Garden, Golden Lion Garden Phases I and II, Green View Garden, Julimount Garden, Happy Dragon Recreation Park, Tin Sum Tsuen, Kak Tin Tsuen, San Tin Tsuen and Lei Uk Tsuen.

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### Hong Kong Monetary Authority money market operations

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	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	2,019	0930	+489
Closing balance in the account	1,394	1000	+489
Change attributable to :		1100	+495
Money market activity	+500	1200	+500
LAF today	-1125	1500	+500
		1600	+500

LAF rate 4.25% bid/6.25% offer TWI 119.5 \*+0.1\* 24.5.95

### Hong Kong Monetary Authority

#### EF bills

#### EF notes

Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.58	2 years	2705	6.40	100.33	6.32
1 month	5.65	3 years	3804	6.90	100.85	6.68
3 months	5.73	5 years	5003	7.75	102.67	7.21
6 months	5.83	5 years	M501	7.90	100.71	7.87
12 months	5.94					

Total turnover of EF bills and notes - \$18,360 million

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## Urban redevelopment ideas outlined

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The Secretary for Planning, Environment and Lands, Mr Bowen Leung, today (Wednesday) outlined some of the main ideas and concepts that the Administration have been developing to facilitate urban redevelopment.

Speaking at the motion debate in the Legislative Council on the review of the urban renewal policy, Mr Leung said the review was substantially completed.

He said one of the ideas put to the Administration was that developers who had worthwhile projects should be able to approach the Land Development Corporation to implement those projects on a joint venture basis.

"If this idea is found to be agreeable, the Administration may wish to consider setting some criteria, in conjunction with the LDC Board, on the type of scheme which would be suitable.

"These criteria would include the level of housing production and community benefits arising from the scheme. All the rules which apply to the LDC's other schemes can continue to be applied to such joint ventures and the developer would be expected to fund the LDC's acquisition efforts and relocation package," he said.

He also noted that the Administration could consider ways to speed up LDC projects by, for example, setting up a special team to undertake resumption work in support of its schemes.

He stressed that there would continue to be checks and controls to protect the rights of the affected owners.

"Indeed we are looking at tightening these up by making greater use of an existing provision under the LDC Ordinance to employ independent valuers to verify that LDC's offers in purchasing properties are fair and reasonable," he said.

On relocation and rehousing of tenants, Mr Leung said while land had been made available to the LDC for such purpose in the past, more would be needed in the urban area in future.

"An alternative would be for the LDC to co-operate with the Housing Society which also has experience in redevelopment projects and expertise in the provision of affordable housing and management."

Mr Leung said the Government recognised the desire of many residents to remain close to their old homes.

But, rehousing in the same district was simply not possible for all cases because urban renewal required the lowering of development densities in the main urban areas.

"Infrastructure provisions such as transport, sewers, water supply and all other essentials of urban life cannot support the every increasing number of people in the same amount of space.

"The urban environment can only become further degraded and most of the planning gains lost if we go down that route," he said.

Mr Leung said he would take the views expressed in the debate into account and put the ideas he outlined into a consultation document to invite public views and comments.

"Based on the views to be collated, we shall work out our final proposals and an implementation strategy by autumn this year.

"Thereafter, we intend to select a number of pilot projects to test out the measures to be adopted," he said.

End/Wednesday, May 24, 1995

#### Urban renewal policy

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Following is the draft speech by the Secretary for Planning, Environment and Lands, Mr Bowen Leung, in the Legislative Council motion debate on urban renewal policy today (Wednesday):

Mr President,

The Administration share Members' desire for an open discussion on the urban redevelopment policy and their view that there is a need to review the present position and work out strategies to facilitate and expedite urban renewal.

Nevertheless urban renewal is a complex issue both technically and emotively as it affects groups in the community whose interests do not always coincide and yet must somehow be reconciled. First, the community as a whole clearly has an interest in improving the urban environment and in ensuring that obsolete buildings are redeveloped to make the best use of land to supply the housing, open space, recreational and community facilities, shops and workplaces we need. Second are the property developers who have a commercial interest in redevelopment and without whose financial resources and expertise many urban redevelopment projects would not happen at all. Finally, and perhaps most important, are the many people whose homes and workplaces are to be affected by redevelopment. No urban renewal policy which is to have any chance of winning acceptance in the community can ignore their interests.

The complexity of the issues involved has caused the review to take more time than we would have wished. But I must reject the allegation in the Motion that the Administration have employed delaying tactics. It would not serve the Administration's interest in delaying this important matter. It is simply that the complex and difficult issues take time to address and require us to proceed carefully. The Administration have indeed have to devote a considerable portion of staff resources to examine the issues in detail. I am nevertheless pleased to say today that our review is now substantially complete after a long series of consultation within the Administration and with the agents involved in urban renewal. We shall soon be ready to consult outside the Administration, including Members of this Council and the many groups with an interest in the subject.

Although we would still need to finalise a number of details, I would like today to describe some of the main ideas and concepts which the Administration have been developing and which we think would offer a way forward on urban redevelopment in future. I must stress that these are not yet policy proposals but rather suggestions which we believe will set the direction of policy on this issue.

I would like to begin by drawing Members' attention to the scope of the problem. This can be broken down into four fundamental aspects which any urban renewal strategy has to address:

First, site assembly. Developed land is almost always occupied by existing buildings in multiple and fragmented ownership. Before redevelopment can happen, all the separate property interests - often literally hundreds - must be acquired;

Second, relocation of residents and businesses in the affected area. This is perhaps the most difficult problem of all and the one with the greatest human consequences;

Third, financial viability. We have to balance the interest of property owners on one hand, and the revenues needed on the part of developers to pay for the land, construction and other costs on the other.

Fourth, social gain. We would need to consider whether and how the mechanism of urban redevelopment can be best employed to bring about improvement to the redeveloped area in terms of reduced living density and improved community facilities. We will also need to balance this with the social cost brought about by redevelopment.

Urban redevelopment in Hong Kong has traditionally been undertaken by either private developers or agents such as the Land Development Corporation and Housing Society. The difficulties I have just described make redevelopment more risky than green field sites to a private developer. But private developers have done much in the past and it would be useful to see them continuing in this area. Nevertheless there are cases where redevelopment is only marginally viable or not viable at all. In addition, as more and more old low-rise properties have already been redeveloped, private sector redevelopment is becoming less attractive and harder to implement. In recognition of this problem, the Land Development Corporation was set up in 1988 to undertake projects which are too difficult and too risky for private developers acting alone. The early years of the LDC have not been without problems - and many valuable lessons have been learned - but overall the LDC has achieved some important successes. There are a number of valuable urban renewal projects now being constructed, which would not have gone ahead without the LDC. We now want to build on that foundation as the LDC reaches maturity and moves on to its second phase of projects.

Mr President, I would now wish to describe the solutions which the Administration have been developing.

First site assembly. In many instances resumption is the only realistic way to bring together the separate property interests needed for urban renewal projects, which is often the greatest obstacle to urban redevelopment. We therefore envisage continued use of the LDC mechanism. We have considered very carefully whether the use of resumption powers should be extended to projects proposed directly by private developers. On balance, our conclusion is that this would be going too far. The resumption of private property by Government using statutory powers is a very serious step and not to be undertaken lightly. Private developers are, after all, commercial interests and we believe it would be wrong to use Government's powers to support a private development scheme directly, even though there may be significant community benefits in doing so.

Nevertheless, it has also been put to the Administration that in cases where developers have worthwhile projects, they should be able to approach the LDC to implement them on a joint venture basis. If this idea is found to be agreeable, the Administration may wish to consider setting some criteria, in conjunction with the LDC Board, on the type of scheme which would be suitable. These criteria would include the level of housing production and community benefits arising from the scheme. All the rules which apply to the LDC's other schemes can continue to be applied to such joint ventures and the developer would be expected to fund the LDC's acquisition efforts and relocation package.

The Administration can also consider ways to speed up LDC projects by, for example, setting up a special team to undertake resumption work in support of its schemes. Of course, there will continue to be checks and controls to protect the rights of the affected owners. Indeed we are looking at tightening these up by making greater use of an existing provision under the LDC Ordinance to employ independent valuers to verify that the LDC's offers in purchasing properties are fair and reasonable.

Participation by property owners in individual redevelopment projects is another possible solution to the site assembly problem. The LDC has already experimented with this approach but it has proved much harder to implement in practice than it sounds in theory. It is extremely difficult to persuade a large number of individual property owners to redevelop and to get them to agree on the terms on which this should be done, especially regarding the financial arrangements. Also, we should not lose sight of the fact that redevelopment projects face certain financial risks and smaller property owners might not wish to invest the value of their homes and businesses in such projects. Nevertheless, we believe owner participation has a role to play particularly where there are larger owners with properties which are capable of separate redevelopment. Inviting such owners to participate in projects will reduce the need for resumption, and simplify the acquisition process.

The next problem is the relocation and rehousing of tenants as opposed to owners. Experience has shown that it would be necessary to cater for both domestic and commercial tenants.

Looking at domestic tenants first, the experience of the LDC is that some tenants are willing to accept cash compensation for the disruption involved in relocating to other private rental property. There are therefore merits in continuing with the option of cash compensation. But we also recognise that the ability to rehouse tenants is a major factor in the success or otherwise of urban renewal projects. Indeed, the supply of rehousing flats is a major constraint on the LDC's operations.

Clearly, land will be necessary for building rehousing flats. Land has been made available to the LDC for such purpose in the past. More would be needed in the urban area in future. An alternative would be for the LDC to cooperate with the Housing Society which also has experience in redevelopment projects and expertise in the provision of affordable housing and management. There is therefore an opportunity for synergy between the two bodies. The LDC could become the land assembly and redevelopment agent and contribute funds to enable the Housing Society to be the rehousing agent in redevelopment schemes.

We would also wish to examine one of the original concepts behind the establishment of the LDC, which is urban decanting. The approach involves the granting of a site to the LDC to kick off rehousing arrangements for a particular scheme. When that area is subsequently redeveloped, flats in that new development are used for decanting residents from the next scheme. This means a renewed emphasis on housing in LDC projects rather than commercial development, although we still wish to see the LDC providing new commercial space to service the redeveloped properties and ensure balanced development. Additional land may have to be injected into the system from time to time.

Mr President, I must pause here to sound a note of caution. We recognise the desire of many residents to remain close to their old homes and the difficulties they face if compelled to move away to other districts. But rehousing in the same district is simply not possible for all cases. Urban renewal requires the lowering of development densities in the main urban areas and that means that some of the original residents have to move away. Simply building ever higher blocks of flats is not the solution. Infrastructure provisions such as transport, sewers, water supply and all the other essentials of urban life cannot support ever increasing numbers of people in the same amount of space. The urban environment can only become further degraded and most of the planning gains lost if we go down that route.

Turning to commercial tenants, the Administration is aware of the need to provide options for those affected by redevelopment. Some will continue to be content to accept cash compensation and wind up their businesses. Others will however want to remain in businesses. It may therefore be useful if interest-free loans could be devised to enable such operators to fit out new premises to relocate and possibly upgrade their businesses. It may also be possible to offer commercial units in rehousing blocks or in the redevelopment projects themselves to affected tenants.

Another problem encountered in redevelopment cases are informal businesses operating without proper tenancies and often occupying very small spaces underneath staircases. They are eligible only for ex-gratia allowances under the current policy. The level of these allowances may have to be reviewed to moderate the effect of redevelopment on them.

As regards financial viability, the opportunity for private developers to enter into joint ventures with the LDC will help reduce the risk of projects and mobilise private capital. A linked site approach could also be tried out. This could take the form of granting a site to the LDC or the Housing Society for the construction of rehousing flats to be linked specifically to a particular project. Alternatively, a site on new land, possibly on reclaimed land or in the New Territories, could be granted to a developer to be developed for profit in the normal way, on condition that he also took on the development of an urban renewal site which was not, in itself, commercially viable. The developer would pay a premium based on the value of both sites and would be expected to use profits from the viable site to subsidise the non-viable one. This is a new idea and requires careful consultation with the industry and with the Sino-British Land Commission. Initially we envisage limiting this approach to LDC projects.

Mr President, I have given a brief overview of the ideas on which the Administration wishes to exchange views with Members of this Council, the general community and professionals in the development industry in the near future. I do not pretend that they represent a panacea. There is no quick and easy solution to the problems of urban renewal as experience in cities throughout the world shows us. What we have to do is identify long-term strategies to at least reduce and moderate the individual problems inherent in urban renewal, for some of them admit of no complete solution.

Mr President it behoves me to say something about timing. I have heard much from Members tonight in this debate; much of it thoughtful and constructive; and some critical. I shall take all these views into account and put the ideas I outlined into a consultation document; short but going into rather more detail than I have been able to tonight. That document will be sent to the Planning, Land and Works and Housing Panels of this Council, District Boards and to other organisations and groups with an interest in this issue for their views and comments. I hope to do so before summer this year. Based on the views to be collated, we shall work out our final proposals and an implementation strategy by autumn this year. Thereafter, we intend to select a number of pilot projects to test out the measures to be adopted.

Mr President, I am afraid that the rhetoric of "extreme regret" and reproval in the wording of the Motion forces me to oppose it on behalf of the Administration. Nevertheless, I hope that Members will agree that what I have said tonight demonstrates our commitment to getting to grips with this vitally important issue. I also hope that I can look to Members for their support and assistance in formulating workable policies which will lay the foundation of a better urban environment for Hong Kong in the decades to come.

End/Wednesday, May 24, 1995

### Development of the fishing industry

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Following is the speech of the Secretary for Economic Services, Mr Gordon Siu, in the Legislative Council motion debate on the development of the fishing industry today (Wednesday):

Mr President,

May I say from the outset that the Administration support the motion. We do so because we have a policy on the fishing industry. We believe we wished the industry to survive and develop. What we are faced with, is an issue related to a portion of our fleet. A portion of our fleet which is facing a temporary difficulties. And we do hope that by working together we would be able to find some ways to get this portion of the fleet out of the current troubles.

Let me start off by responding on the policy for the development of the fishing industry.

The industry makes an important contribution to Hing Kong's economic. In 1994, a fishing fleet yielded an estimated 211,000 tonnes of fisheries produce valued at over \$2 billion. Of this total, some 71 per cent of the fresh marine products were landed in Hong Kong and consumed in Hong Kong. About 10 per cent of the total catch is derived from within Hong Kong waters.

The Administration's policy towards the industry is to promote the development of the industry and the sustainable use of fisheries resources, with a view to maintaining a steady supply of fresh fish for local consumers.

This policy implemented in a number of ways. We provide assistance on technical matters such as fishing vessel design, advice on location of fisheries resources, loans and vocational training for fishermen to improve productivity and wholesale markets run by the Fish Marketing Organisation. We also participate in regional fora on management of fisheries resources in the South China Sea and other nearby waters. These forms of support for the fishing industry will continue and they will be supplemented in future by fisheries conservation initiatives that will contribute to the long term sustainable development of the industry. I say more about these later.

There can be no doubt that Hong Kong's port and airport development have had a major impact on the viability of Hong Kong's inshore fishing industry. The Government fully recognises this. We estimate that some 27,000 hectares of inshore fishing grounds, or about 17% of the total area of Hong Kong waters, are, or will be affected by dredging, reclamation and mud dumping works associated with the airport core programme and other major development projects. As a result, the livelihood of some 1,500 owners/operators of small fishing vessels in inshore waters are affected.

Having said this, we must keep the extent of the problem in perspective. Some 90% of the Hong Kong fishing fleet's catch is captured outside Hong Kong waters and total fisheries production has remained steady at over 210,000 tonnes per annum since the works began in earnest in 1991.

Does that mean we ignore the interests of inshore fishermen, or turning a blind eye to the problems they are facing? Definitely not.

We have taken a number of measures. We have made a careful assessment of the size of the problem and of the extent of inshore waters affected by development works.

We have taken, as a matter of policy, to provide ex-gratia assistance to all those who have been deriving some or all of their income from fishing in local waters. Recognising the scale and nature of the disturbance to the livelihood of the fishermen and the possible need for them to relocate their operations or move into other types of work, we proposed to Finance Committee in 1993 a change in the bases for calculating ex-gratia assistance from the notional value of one year's fish catch in the affected areas to that of three years' notional value. This was approved. At the same time, Finance Committee also approved the broadening of the scope of compensation by accepting that ex-gratia allowances should be paid also to the owners of fishing vessels exceeding 15 metres in length.

Turning now to the data used in the survey which back up the submission the Finance Committee. I take note what Members have said as regards the details. Personally I see no reason why we cannot discuss, for example, if the Chairman of the Panel of the Economic Services agreed.

We can actually discuss the details of how that survey was carried out. One of my concerns was the actual names and fishing vessel number. That's all. I see absolutely no reason why together we should not go back to the bases on which we prepared that first survey which produced the data for calculating the submission to the Finance Committee in 1993. Let's go through that.

We have also in addition advised affected fishermen of opportunities available to them for retraining if they wish to peruse fishing in more distant waters or a livelihood outside the fishing industry. Such training can be arranged by the Agriculture and Fisheries Department and the Labour Department.

Mr President, we have taken these steps because we believe it is vitally important to continue to support and secure for the future the contribution of our inshore fishing industry to the economy and food supply of Hong Kong. During the debate, I have listened to a number of concerns of Members about the effectiveness of these measures and I would now like to deal with a few points raised.

First, some Members have suggested that disturbance to fishing operations from dredging and dumping ground occurs beyond the boundary of the gazetted works area and that the calculation of ex-gratia allowances should take this into account. As Members are aware, environmental impact assessments are a standard requirement for major development projects; these take into account the need for mitigation of effects outside the project boundary and contractors must adhere to the stipulated requirements. To address Members' concern, the Director of Agriculture and Fisheries will arrange for a more scientific study of the disturbance to fishing grounds adjacent to gazetted works areas.

A number of Members have said that the 1989 to 1991 fishing port survey is no longer an appropriate basis for calculating the ex-gratia allowances. Let me just talk a little bit about that survey.

The survey of the fishing operations in local waters was a thorough and provided a benchmark against which to measure the impact on port and airport development works on inshore fisheries.

The question that is before me is whether during that survey of asking individual vessel operators, and we asked some 3,000 fishing vessels. The question is whether the data provided them at that time for whatever reason was inaccurate or suppressed. Now that survey was suppose to establish the pattern of operations and the value of fish catches in different areas. We used that data given to us by the fishermen to form a detail database from which to assess claims. As I have said. I now begin to ask the question as to whether in fact some of the data supplied at the time was for whatever reason, either inaccurate or suppressed.

While the survey was completed in 1991, the notional values of three years' catch from the areas in question have been reflected in actual payments by updating them in line with current fish prices. In other words, actual payments are suppose to be kept up-to-date and they were not pegged, and they are not pegged to 1991 prices.

As to how much we have paid, Mr President, it is worth noting that the allowances paid totalling some \$101 million have already been paid to affected fishermen since 1992 and we expect that a further \$80 million will be paid in the current financial year. For the most part, payments in individual cases have ranged from \$6,000 to \$300,000, according to the claimant's dependence on the affected area for his fishing income, the type and length of his vessel and the total notional value of the fish catch in that area. Most claimants have been able to claim more than once as they depended upon more than one affected area. The average payment is in the order of about \$30,000 per claim.

Members have referred to the low payments of \$400. There are four such cases out of a total of 2,856 eligible claims. The claimants in question declared that they rarely fished in the affected areas. These isolated cases may have given Members the impression that payments are too small to be of any real value to the affected fishermen. However, our assessment is that, generally speaking, fishermen are satisfied with the payments made. Those who have complained are mainly owners of some small fishing boats whose allowances have been at the lower end of the range. But this outcome simply reflects the claimant's declared financial dependence on the affected area. We can't say that it is actually a fault of the survey or the basis for calculating the allowance. As I said, my concern now is whether in fact in some of these affected areas at the time the wrong data was given.

An important point of course is that claimants can in fact have a right of appeal to a Board composed of members of the government departments represented in the working group responsible for considering claims. Today Members have criticised the appeal system as lacking in transparency and some have suggested that non-government members should be appointed to serve on the Board. My colleague the Secretary for Planning, Environment and Lands is prepared to consider this suggestion favourably and I think this will help at least increase transparency if not fairness and accuracy.

In short, Mr President, our policy for providing ex-gratia assistance to fishermen affected by port and airport related works has been implemented on at least as sound, as rational, as scientific and as fair basis as we could have devised on the bases of the data given to us during 1989 to 91.

Nevertheless, I agree with Members that it is now time to conduct a new survey of fishing operations at least to provide current data on the pattern of fishing operations and fish catches in Hong Kong waters.

The new survey will produce, hopefully more comprehensive data on fishing operations and analysis of catches by location, species, weight and value and this will enable the Director of Agriculture and Fisheries to review the basis for payment of ex-gratia allowances and make recommendation for changes.

I have carefully considered whether any interim changes are possible. I have to say that my conclusion is that changes will not be possible before the data, at least from the fishery operation survey are available. We had a basis. It is now claim to be incorrect. But until we have a new basis, it will be difficult to find what to base new payments on.

As regard those who aggrieved at the outcome of the cases, I would advised they make full use of the appeal channel. And as I have said earlier, this channel will now contain non-civil servants. They will get, I'm sure, the fairest and the most sympathetic hearing.

Some Members have asked when ex-gratia allowances related to claims from owners of fishing vessels exceeding 15 metres will be paid. These will be paid in August and a special claims assessment section has been set up in the Lands Department to expedite assessment and payment of the claims.

Mr President, I would finally like to turn to fisheries conservation initiatives contributing to the long term sustainable development of the industry.

The first of these initiatives will be the commissioning of a study on fisheries resources, subject to the approval of funds by Finance Committee. The study will provide data for planning conservation, development and sustainable use of these resources. Sites of special ecological importance to fisheries, particularly spawning and nursery grounds, will be identified for protection. Fisheries resources in Hong Kong waters and the rate at which their use is sustainable will be quantified. Guidelines will be drawn up for minimising the impact of development projects on these resources. This survey would be conducted in parallel with the survey I described earlier on the fishing operations on our waters. Finance Committee will be invited next month to approve funding for this study and for the new survey as an integrated package.

Secondly, subject to enactment of the Marine Parks Bill, which is currently before this Council, we intend to designate two marine parks at Hoi Ha Wan and Yan Chau Tong and a marine reserve at Cape D'Aguiar. These will provide safe havens for many forms of marine life and contribute to fisheries conservation objectives.

Thirdly, again subject to availability of funds, we intend to deploy artificial reefs to promote the breeding of fish. Such structures have proved their worth elsewhere in the world. We intend to commence deployment in marine parks and extend this to other suitable sites when they become identified.

Finally, we believe that we have to work in the longer term with our neighbours in the South China Sea, with China, the Philippines, Vietnam and so on, to find ways of preserving the general environment in the waters around Hong Kong and may be beyond whereby fish stock will be allowed to regenerate.

Such measures are already been adopted in countries such as Canada and the United States of America. Certain areas are specifically prohibited for the purpose of fishing for a period of time to allow new fish stock to grow.

These efforts can only work with the help and assistance of neighbouring countries. We shall pursue that.

Mr President, with these remarks, the Administration support the motion.

End/Wednesday, May 24, 1995

#### Airport Authority Bill

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Following is the speech by the Secretary for Economic Services, Mr Gordon Siu, in moving the second reading of the Airport Authority Bill in the Legislative Council today (Wednesday):

Mr President,

I move that the Airport Authority Bill be read a second time.

The purpose of the Bill is to reconstitute the Provisional Airport Authority (PAA) as the Airport Authority (AA) to enable it to provide, operate, develop and maintain our new airport at Chek Lap Kok. The Bill defines the functions of the Authority and makes provision for the safe, secure and efficient operation of the airport.

In January 1994, we published the Airport Corporation Bill in the form of a White Bill for public consultation. Members of this Council formed a Sub-Committee to study the White Bill. We are most grateful for the comments and suggestions put forward by members of the Sub-Committee. In addition, we would like to thank the Hon Peter Wong who sent us a separate written submission and the Hon Albert Chan, the Hon Fung Kin-kee, the Hon Li Wah-ming, and the Hon Steven Poon and the Hon Tam Yiu-chung who put forward comments on behalf of the organisations they represent. We would also like to thank members of the Airport Consultative Committee, as well as other organizations and members of the public for taking time to study and comment on the White Bill.

In the course of the public consultation exercise, we received 19 written submissions. We held 14 meetings with the Sub-Committee of this Council, the Ad Hoc Study Group of the Airport Consultative Committee and a number of organisations. The comments and suggestions put to us focussed mainly on the name, structure, powers and functions of the Authority, employment of staff, the extent of governmental control, monitoring and auditing, payment of compensation and charges. We have studied each and every comment received. In line with the "Memorandum of Understanding Concerning The Construction Of The New Airport In Hong Kong And Related Questions" (MOU), we have also consulted the Chinese side of the Airport Committee of the Joint Liaison Group.

The objectives and structure of the Airport Authority Bill are the same as those in the 1994 White Bill. In drafting the Bill, we have aimed to address as many of the comments and suggestions received as possible. We have also taken into account fully the agreements reached with the Chinese side.

#### Name

Under the Bill, the Provisional Airport Authority will be re-named the "Airport Authority" (AA) in English and "機場管理局" in Chinese.

#### Structure

During the public consultation process, we have received suggestions that in order to provide a wide range of checks and balances on the Authority and its Management, the Authority should have a Board. It has also been suggested that the Authority's Chairman and Chief Executive Officer should be separate persons. Accordingly, Clause 4 of the Bill now provides that the affairs of the Authority shall be under the care and management of a Board. Clause 3(3)(a) of the Bill also makes it clear that the Chairman and the Chief Executive Officer will be different persons with different roles and responsibilities.

### Localisation

Some commentators suggested that given the importance of the Authority, it should adopt a localisation policy for employment of staff and that the Chairman and, if possible, the Chief Executive Officer should be "locals". Others specifically suggested that the Chairman should be a Hong Kong permanent resident. Clause 3(3)(a) of the Bill now provides that the Chairman shall be a Hong Kong permanent resident as defined in the Immigration Ordinance. As regards employment of staff, the Authority's plan is to fill all senior posts, including that for the Chief Executive Officer, with Hong Kong permanent residents and the Authority will recruit from sources outside Hong Kong only in the absence of suitable local candidates.

### Powers and functions

On the powers and functions of the Authority, comments we have received focussed mainly on the scope of activities and powers of the Authority relating to charging of land and property, borrowing and delegation of functions. Some felt that the powers of the Authority in the White Bill were too wide. Others were concerned that in the unlikely event that the Authority fails to repay its debt or exercises its power to charge or to delegate in a wrong manner, it may inadvertently lose control of the airport.

As regards the activities of the Authority, in addition to providing, developing, operating and maintaining the airport, Clauses 5(2) and (3) and 7(2)(f) of the Bill now provide that the Authority may only engage in "airport-related" activities. By this term, we mean that the Authority should only undertake activities which are essential or conducive to the efficient operation of the airport or which are related to the development and running of an airport e.g. the development of hotels, freight forwarding facilities, offices, or other commercial and retail premises. We do not envisage that the Authority will undertake activities which are not normally undertaken by airports in other territories.

Turning now to the charging and disposal of land and buildings by the Authority, the Land Grant referred to Clause 16 of the Bill will specifically prohibit the Authority from disposing of land and buildings required for the operation of the airport or charging them in such a way which would jeopardize the operation of the airport. Clause 16(1) of the Bill further provides that the restrictions over charging and disposal of land and buildings in the Land Grant cannot be changed except with the prior approval of the Financial Secretary.

As regards the Authority's power to borrow, Clause 28(4) of the Bill provides that the Governor may direct the Authority not to borrow above a particular level without the prior written consent of the Financial Secretary.

As regards delegation and sub-delegation of the Authority's functions, the White Bill already provided that some powers of the Authority could not be delegated. These include the power to delegate, the power to form or acquire a subsidiary, the power to acquire or dispose of shares in a subsidiary and the power to make bylaws. The White Bill also provided that the Financial Secretary would be given powers to revoke any delegation made and irrevocable delegations have to be approved by him in advance. In the Bill we have put before Members today we have included one additional residual safeguard. Clause 9(3) of the Bill provides that the Financial Secretary may direct the Authority not to delegate functions except with his prior consent. This would ensure that in effect, Government could at any time forbid the delegation of any function of the Authority.

#### Auditing

On auditing of the affairs of the Authority, we have received divided views. There was strong support for strengthening the auditing functions of the Authority. Some have said that since a considerable proportion of the Authority's funds comes from the public purse, the Director of Audit should be given the power in the Airport Authority Ordinance to initiate value for money audits on the Authority. Some felt that the Director of Audit should also audit the annual accounts of the Authority. On the other hand, others were content to leave the regular annual auditing functions in the hands of private sector professional auditors. Some also felt that, as long as the Director of Audit could carry out value for money audits on the Authority, Clause 29(6) of the White Bill already provided adequate powers.

It is clearly most important that the activities of the Authority are subject to rigorous and effective audit procedures. With this object in mind we have decided to strengthen the mechanism for audit within the Authority by providing in the Bill that the Authority must establish an Audit Committee. Clause 31 of the Bill provides that the functions of the Audit Committee are to consider matters relating to the financial affairs or audit of the Authority as it considers necessary or desirable and any other matters referred to it. It further provides that neither the Chief Executive Officer nor any other employees of the Authority could be a member of the Audit Committee and that its chairman shall be a member of the Authority. The Committee is expected to play a pro-active role and may instigate value-for-money studies in any area where it considers the Management approach may be made more cost-effective and efficient.

As regards the role of the Director of Audit, Section 15 of the Audit Ordinance provides that and I quote "Notwithstanding that he is not empowered by any Ordinance to audit, examine or inquire into the accounts of a person, body corporate or other body, the Director may audit, examine or inquire into the records and accounts of any person, body corporate or other body if he is authorized in writing to do so by the Governor in the public interest .....". Clause 32(7) of the Airport Authority Bill makes it clear that this section of the Audit Ordinance applies to the Airport Authority. So the Governor could, if necessary, authorize the Director of Audit to audit, examine or inquire into the records and accounts of the Airport Authority.

Used in combination, Section 15 of the Audit Ordinance and Clause 31 of the Airport Authority Bill provide strong powers and I believe them to be sufficient. Like the Mass Transit Railway Corporation and the Kowloon-Canton Railway Corporation, the Airport Authority will be required to operate on prudent commercial principles. Like the two railway corporations it will be expected to raise considerable sums of money in international capital markets and it is important that it develops the same strong reputation amongst lenders and international credit rating agencies. This can only be achieved if a proper balance is struck between the need for prudent oversight of the Authority's activities and the need for it to be allowed to operate effectively as a commercially independent entity, and be seen to be so.

### Compensation

Turning now to the payment of compensation, we have received suggestions that the Authority, which is wholly owned by Government, should be obliged to act in the public interest and should not be paid any compensation for losses incurred as a result of being directed by the Governor in Council to take certain courses of action. There is, however, another angle to this issue. Lenders to the Authority will want to be assured that the Authority will be able to generate the necessary revenues to service and repay its debt and that its ability to do so will not be adversely affected by a direction given by the Government. Balancing the two considerations, we decided that the circumstances under which compensation will be payable should be qualified. Clause 20(2) of the Bill now provides that compensation will only be payable where compliance with a direction given by the Governor in Council in the public interest results in the Authority's being unable to conduct its business according to prudent commercial principles and to pay a debt or otherwise being unable to discharge any of its legal obligations. In addition, Clause 20(3) of the Bill provides that an application for compensation shall be made by, and only by, the Board of the Authority.

### Quorum for meetings

A number of commentators expressed concern that the quorum requirement for meetings of the Authority in the White Bill was too low as compared to that for other statutory bodies. Clause 11(8) of the Bill now specifies that the quorum for all meetings of the Board shall be at least half of the members of the Authority including the Chairman and the Chief Executive Officer. The minimum number of public officers in the quorum is now two.

### Airport charges

We have received suggestions that the Government or the Legislative Council should be given wider powers to vet and approve airport charges. These stemmed from a concern that the Authority might try to levy high fees in order to maximize profits. Others have noted however that doing so might significantly undermine the Authority's ability to conduct its business according to prudent commercial principles. Clause 34 of the Bill now provides that the Authority may make a scheme or schemes for determining airport charges and before making such a scheme, it shall submit to the Governor in Council for approval a draft of the proposed scheme together with a statement specifying the date on which the charges are intended to operate and the reasons for the proposed scheme. Separately, we have taken the opportunity to refine the definition of "airport charges" in the Bill. At the time the White Bill was drafted, it was thought that aircraft passenger charges would be subject to international obligations applying to Hong Kong. Accordingly these charges were included under the definition of "airport charges" in the White Bill. It now transpires that, as a result of the conclusion of negotiations between the United Kingdom and the United States of America on air services, aircraft passenger charges would not be subject to international obligations applying to Hong Kong. The definition of "airport charges" in the Airport Authority Bill has therefore been amended accordingly.

### Conclusion

Mr President, in drafting the Airport Authority Bill we have attempted to take into account all views and suggestions put to us. We have strengthened Government controls over the Authority. We have defined more clearly the Authority's powers and functions, structure and procedures. We have sought to strike that delicate balance between controlling the Authority but at the same time not restricting its activities in such a way as to render it impossible to conduct its business in accordance with prudent commercial principles. Mr President, I commend the Bill to this Council and I look forward to further discussion with Members.

End/Wednesday, May 24, 1995

Official Languages (Amendment) Bill 1995

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Following is the speech by the acting Chief Secretary, the Hon Michael Leung, in moving the second reading of the Official Languages (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move that the Official Languages (Amendment) Bill 1995 be read the second time. The Bill seeks to remove the present restriction on the use of Chinese in the higher courts and certain tribunals.

Section 5(1) of the Official Languages Ordinance provides that proceedings in the courts specified in the Schedule to the Ordinance may be conducted in either English or Chinese as the court thinks fit. These scheduled courts include the Magistrates' Courts, Coroner's Court, Juvenile Court, Labour Tribunal, Small Claims Tribunal, Immigration Tribunal, Municipal Services Appeals Board, Administrative Appeals Board and Minor Employment Claims Adjudication Board. However, section 5(2) requires that proceedings in the Court of Appeal, the High Court, the District Court and any other courts not specified in the Schedule shall only be conducted in the English language. This means that all hearings in these courts are conducted in English only, although section 5(3) specifically allows the parties and witnesses attending before any court to use either of the languages or such other language as the court may permit, with interpretation provided by a Court Interpreter as required. Chinese documents which are to be produced in court must be translated into English and certified by official translators.

In August 1992, the Chief Justice appointed a working party chaired by Mr Justice Patrick Chan to "consider the ways in which the Chinese language can be used in the District Court within existing resources and with the addition of reasonable resources". In September 1993, he appointed another working party chaired by Mr Justice Litton to "consider the means by which the use of the Chinese language may be further promoted in court proceedings at all level where appropriate, and generally the greater use of Chinese in the law." Both Working Parties recommended that the present restriction on the use of Chinese in the higher courts should be removed. Having accepted this recommendation in principle, the Chief Justice appointed, in September 1994, a Steering Committee, under the chairmanship of Mr Justice Patrick Chan, to advise on how this should be implemented. The Steering Committee has now completed its task and put forward its recommendations on both the necessary legislative amendments and the actual implementation strategy.

The Executive Council has endorsed the recommendation made by the Steering Committee that the Official Languages Ordinance should be amended to remove the present restriction on the use of Chinese proceedings in the higher courts and certain tribunals. The Official Languages (Amendment) Bill 1995 contains one key clause, that is, Clause 3. This clause enables a judge presiding over a court hearing to use either or both of the official languages, but his choice of the language will not dictate what language a party, a legal representative, or a witness is to use. Lawyers representing parties may use either or both of the official languages; and parties and witnesses may even use other languages. Interpretation will be provided as required. It is also proposed that, as a matter of practice, court documents may be submitted in either English or Chinese, and will be translated, if necessary, into the language which the Judge decides to use at the hearing; and the written transcription of proceedings will be prepared in either English or Chinese as the court thinks fit.

This reform will lead to the increased use of the Chinese language in Hong Kong courts, as it will give an option to those people who feel that justice is best served by the use of Chinese, rather than English, in their cases. But it is a complex exercise and it needs to be implemented in phases. The Executive Council has endorsed the 8-phase implementation strategy recommended by the Chief Justice's Steering Committee, which aims to put in place a framework which will allow the use of Chinese, along with English, in all judicial proceedings by 1 July 1997. The pace of the phased implementation will be left to the Chief Justice to decide, having regard to the experience gained from a series of trial schemes which are due to start in August this year. Clause 3 of the Bill provides the Chief Justice with the necessary power for this.

Mr Simon Ip and some other Members of this Council have suggested that simultaneous interpretation should be used as a more immediate means of putting in place a bilingual court system. The Steering Committee has studied the feasibility of this, and has concluded that simultaneous interpretation would not be suitable for evidence-taking because oral delivery is always made impromptu. Without a full translation of the exchange, material mistakes could be made through simultaneous interpretation and, if uncorrected, could result in a miscarriage of justice. Furthermore, unlike consecutive interpretation, inaccuracies in simultaneous translation cannot easily be detected. However, the Steering Committee has an open mind on the feasibility of providing simultaneous interpretation for other stages of a trial. The Judiciary will launch a pilot scheme this October on the use of simultaneous interpretation on appeal cases heard in the High Court which do not involve the giving of evidence.

The Chief Justice's Steering Committee has consulted the Bar Association and the Law Society and has taken their views into account when finalising the Bill and the 8-phase implementation strategy. I understand that the Legislative Council's Panel on Administration of Justice and Legal Services has also been consulted on the implementation strategy and has expressed its support.

## Tai Lam Tunnel and Yuen Long Approach Road Bill

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Following is the speech by the Secretary for Transport, Mr Haider Barma, in the resumption of the debate for the Tai Lam Tunnel and Yuen Long Approach Road Bill in the Legislative Council today (Wednesday):

Mr President,

### Acknowledgement

May I first express the Administration's sincere thanks to the Hon Miriam Lau and all other Honourable Members who served on the Bills Committee to vet the Tai Lam Tunnel and Yuen Long Approach Road Bill. I am grateful for their tremendous input and efforts in examining the Bill, and for completing their work so expeditiously. May I also thank Hon Members for the views they have expressed this afternoon.

In this respect, the Hon Zachary Wong's criticism that the Administration has failed to keep the Council informed is in my view unfounded. The Administration in fact provided three setreps to the LegCo Transport Panel before the Bill was introduced and the very fact that the Bills Committee has been able to complete its deliberations to allow the second reading to be resumed today is indicative of the fact that there has been adequate time to study the Bill.

### Proposed Terms of the Franchise

The Bill seeks to award a franchise to the Route 3 (Country Park Section) Company to build and operate the Tai Lam Tunnel and Yuen Long Approach Road. Under the proposed terms of the franchise contained in the Bill, the franchisee is committed to building the project, at his own expense, within a very aggressive construction programme of 38 months. The budgeted project cost is \$7,254 million. Any cost overrun will have to be fully borne by the proposed franchisee and will not be part of the construction costs on which the permitted return is based, in other words cost overruns will not be passed on to the road users.

I must emphasise that the package offered by the Route 3 (CPS) Company is the best available, achieved through a competitive tendering exercise. The proposed BOT franchise will allow this urgently needed project to be completed in the shortest possible time and at the lowest cost. The toll proposed by the franchisee will provide a low and stable toll regime. The Administration has no hesitation in commending this Bill to the Legislative Council.

Some members have referred to land holdings in the Northwest NT by the Sun Hung Kai Group. This is totally irrelevant. The project has no associated property development rights whatsoever.

Measures to Enhance Transparency

During the discussion in the Bills Committee, Hon. Members sought various assurances regarding transparency and the operation of the Toll Stability Fund. I am happy on behalf of the Administration to provide these assurances. Hon Members quite rightly expressed concern that there should be transparency in the operation of the franchise. The Administration fully agrees that there should be transparency and we will adopt the following steps to enhance the transparency of the franchisee's plans and performance:

- (a) First, we will require the tabling in LegCo in July each year before the summer recess the franchisee's plans as embodied in his three-year rolling projection of net revenue and his annual budget of operating costs, together with a statement;
- (b) Second, we will table in LegCo in October each year the franchisee's annual audited statement of Actual Net Revenue, and will make a statement on that occasion on both the figures and any application for a toll increase; and
- (c) Third, the Administration will brief the LegCo Transport Panel on the Administration's findings before deciding by the end of October whether a toll increase should be agreed or whether we should proceed to arbitration. Hon Members will then have the opportunity to debate the findings if they so wish.

Members have also expressed concern regarding the management and use of the Toll Stability Fund, in particular as regards the Financial Secretary's power under Clause 31(4) to transfer excess money in the Fund to General Revenue, and the discretionary power of the Toll Stability Fund Management Committee under Clause 43 to use the Fund in deferring toll increases.

Although the Financial Secretary has powers under Clause 31(4) of the Bill to transfer money from the Fund to General Revenue, he will not do so unless he is of the opinion that the amount to be transferred is in excess of what is required for deferring future toll increases for the rest of the franchise period. The Administration does not, therefore, envisage there will ever be the need to re-transfer sums from General Revenue back to the Fund as a result of there being insufficient money left in the Fund for the purpose of deferring toll increases.

Nonetheless, to allay Members' concern, the Administration agrees that before any money is transferred from the Toll Stability Fund to General Revenue under Clause 31(4), the Administration will first seek the views of the LegCo Transport Panel and provide a full explanation for such a transfer. The Administration also undertakes that should moneys be transferred out of the Toll Stability Fund to General Revenue under Clause 31(4) of the Bill, this will not lead to any toll increase resulting from there being insufficient money left in the Fund to defer toll increases for the remaining period of the franchise. In the unlikely event that there is insufficient money left in the Fund because of any such withdrawal, the Administration will initiate immediate action to transfer back the requisite sums from General Revenue to the Toll Stability Fund up to the amount that has been withdrawn.

Under Clause 31 of the Bill, the Toll Stability Fund Management Committee will be responsible for the administration and the application of the Fund for the purpose of deferring toll increases. Since the Fund will not be inexhaustible, an important task of the Committee would be to make the most effective use of the Fund in order to achieve toll stability over the entire franchise period. Whether the Fund should be used to defer a particular toll increase will depend on the amount of money in the Fund, the particular circumstances of the toll increase, and the possible need to use the Fund to defer future toll increases. The management and operation of the Fund will be highly transparent.

Clause 34 of the Bill requires the Management Committee to table in LegCo the audited statement of accounts of the Fund, the auditor's report if any, and a report by the Committee on the administration of the Fund not later than 31 December following the end of the relevant financial year. Let me assure Hon Members that in the event that the Toll Stability Fund Management Committee decides that the Fund should not be used to defer a particular toll increase application for any reason, the Administration will clearly explain the reasons for any such decision to the Legislative Council.

#### Committee Stage Amendments Agreed in the Bills Committee

Mr President, in the course of the Bills Committee's deliberations, a number of technical and textual amendments have been proposed. These amendments, which will be moved respectively by Mrs Miriam Lau, Mr Steven Poon and myself, will not affect the terms of the franchise as contained in the Bill. The Administration will support these amendments.

Committee Stage Amendments Proposed by Mr Zachary Wong

Mr President, I would now like to comment on the two amendments which will be moved by the Hon Zachary Wong, namely :

- (a) to require LegCo approval by way of resolution for each and every toll increase; and
- (b) to change the membership of the Toll Stability Fund Management Committee.

The first amendment proposed by Mr Wong, if enacted, would fundamentally change the toll adjustment arrangements which are an integral part of the Bill. I must reiterate that the toll adjustment arrangements are part and parcel of the BOT package offered by the franchisee. Let us be very clear that this formula has not been imposed by the Administration. The consistent message we received in our initial soundings of private sector interest in the project, as well as in the tendering exercise, was that this toll adjustment arrangement is a prerequisite to attract private sector interest in the BOT project. Tenderers were free to make counter proposals on the toll regime, and the fact is that all three bids which we received contained a similar toll adjustment mechanism.

As the Hon Miriam Lau has remarked at the specific request of the Bills Committee, we enquired of the proposed franchisee whether he would still be prepared to undertake the project if the franchise was amended to require LegCo approval for toll increases. The consortium has made it very clear that should there be such a change to the toll adjustment mechanism, it would be unable to obtain bank financing and therefore it could not undertake the project. Hon. Members should therefore be under no illusions whatsoever the consortium will withdraw if the amendment is passed. This means no Route 3 CPS project. That would be totally against the public interest. The Hon Lee Wing-tat and the Hon Yeung Sum's comment that the Administration has not heeded this Council's views on calling for BOT projects is with respect one-sided. They have simply reflected their party's position which was not the majority view of LegCo at that time. As far as the project is concerned the bids received were examined by the Central Tender Board. We have obtained the best offer which is in the public interest. I am not in the position in response to Mr Lee Wing-tat's request to give any indication today as to whether further BOT projects will have similar toll adjustment formulas. Each project and approach must be separately considered and assessed.

As regards the second amendment proposed by the Hon Zachary Wong regarding the membership of the Toll Stability Fund Management Committee, the Hon Steven Poon has already covered the main arguments against us. I fully concurred with his views and see no need to rehearse the arguments. Suffice us to say that it is the Administration's view that the changes proposed are unnecessary. The management of the Toll Stability Fund is essentially an executive function best performed by the Administration. To include a Member of this Council on the Committee confuses the respective roles of the legislature and the executive. I must ask why the Hon Zachary Wong is so suspicious of civil servants sitting on the Management Committee. Their role is to safeguard the public interest in managing the Fund. There is no question of their protecting the franchisee's profit levels.

Moreover, as I have already explained, the Toll Stability Fund Management Committee will be fully accountable to LegCo as to how the Fund will be managed. Therefore the amendment cannot be supported by the Administration and I urge Members to vote against this.

May I thank the Hon Elsie Tu for her very succinct summary of the views of the Bills Committee and for highlighting the fact that by far the majority view of the Bills Committee was at the amendments proposed by Mr Zachary Wong are unnecessary.

#### Conclusion

Mr President, to conclude, I would like to emphasise that the package offered by the proposed franchisee and enshrined in the Bill is the result of a highly competitive tendering exercise. It is, as I've said, the best deal offered by the market.

The Tai Lam Tunnel and Yuen Long Approach Road project is urgently needed to relieve traffic congestion in Tuen Mun Road, to allow further development in NWNT and to improve road connections to the border. Subject to enactment of the Bill, the Government will award the BOT franchise immediately so that the project can be completed by mid-1998.

With these remarks, Mr President, I commend the Bill together with the amendments to be moved by Mrs Miriam Lau, Mr Steven Poon and myself to the Council. Mr Zachary Wong's amendments cannot and will not be supported by the Administration as they will alter the basic terms of the franchise. I urge their rejection.

Thank you Mr President.

End/Wednesday, May 24, 1995

Public Bus Services (Amendment) Bill 1995

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

Mr President,

I move that the Public Bus Services (Amendment) Bill 1995 be read the second time.

Franchised bus companies play a vital role in providing public transport. This is clearly demonstrated by the fact that over 3.5 million passenger trips are made by bus every day. Any serious disruption to bus services would have dire consequences and it is incumbent on the Administration to do its best to prevent such a situation from arising. The Public Bus Services (Amendment) Bill 1995 before Members today seeks to provide the Government with the necessary powers to deal with emergencies should a franchised bus company cease to operate.

The present Ordinance was enacted in 1975, over 20 years ago. The existing provisions which empower the Governor in Council to revoke the franchise of a bus company that fails to maintain a proper and efficient service and to take temporary possession of its property for a period not exceeding one year or suspend a franchise in case of an emergency are inadequate to deal with present-day situations. One key reason is that the sizes of bus fleets have grown substantially. Thus if one of the major operators ceases to operate, there would simply be insufficient lead time within the one-year period to select a replacement operator and to allow the replacement operator to gear up to operate a proper franchised bus service. We also need to have powers to deal with situations where a franchise is not renewed and, apart from leasing bus depots and buses, to empower the Government to purchase property which is considered to be absolutely necessary for bus operations, e.g. buses and spare parts. This is to facilitate a replacement operator's preparatory work to commence service.

Indeed the measures proposed are tough but they are required to safeguard public bus services in emergency situations. However, the Government has no intention whatsoever to penalise the franchisee financially and, accordingly, the Bill provides for open market rentals or compensation to be paid for leasing or purchasing buses and other property required to provide a bus service.

Mr President, let me now briefly outline the main features of the Bill -

- (a) Clause 3 of the Bill permits the Administration to suspend a franchise and take possession of any property used or kept by the franchisee when an emergency exists.
- (b) Clause 4 of the Bill extends the period of taking possession of property used or kept by the franchisee to a period of not more than 2 years with an extension of up to another year subject to the approval of the Governor in Council. The situation where a franchise is not renewed after expiry is also covered. Upon receipt of Government's written notice, the franchisee is required to deliver the property to Government.
- (c) Clause 5 of the Bill gives Government the right to purchase property, except for land and buildings, used or kept by the franchisee. The franchisee has to be notified which items of property that Government intends to purchase within one year from the date of the Government taking temporary possession. The clause also gives Government the power of entry.

All these clauses also set out in detail the compensation provisions and the terms upon which possession of franchise related property is to be taken. A new section 25D under Clause 5 also provides for disputes as regarding compensation to be referred to an independent arbitrator.

Clause 6 of the Bill provides that the amendments will apply to all existing franchises.

Mr President, let me assure Honourable Members that the Government has no intention of taking over public bus services except in very exceptional circumstances and, even so, for no longer than it takes for private enterprise to resume operations. The Bill before this Council simply seeks to safeguard the interests of the travelling public. With these remarks, I recommend the Bill to Honourable Members.

End/Wednesday, May 24, 1995

Medical and Related Professionals Bill: second reading

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Following is the speech by the Secretary for Health and Welfare, Mrs Katherine Fok, at the resumption of the second reading of the Medical and Related Professionals (Registration) (Miscellaneous Amendments) Bill 1994 in the Legislative Council today (Wednesday):

Mr President,

I would like to thank the Hon Tik Chi-yuen, and other Bills Members of the Committee for their most thorough examination of the provisions in the Medical and Related Professionals (Registration) (Miscellaneous Amendment) Bill 1994.

I should be moving amendments later on. At this stage, I wish to respond to the Honourable Michael Ho and confirm that I shall be please to consider in due course whether the registration procedures for allied health workers can be further simplified and streamlined and conducted in a more cost effective manner.

End/Wednesday, May 24, 1995

Medical and Related Professionals Bill: committee stage

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Following is the speech of the Secretary for Health and Welfare, Mrs Katherine Fok, at the committee stage of the Medical and Related Professionals (Registration) (Miscellaneous Amendment) Bill 1994 in the Legislative Council today (Wednesday):

Mr Chairman,

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

The purpose of amending Clauses 11, 12(c) and 18 of the Bill is to reflect the new fees and charges being implemented under the Dentists (Registration and Disciplinary Procedure) (Amendment) Regulation 1994 and the Medical Practitioners (Registration and Disciplinary Procedure) (Amendment) Regulation 1994.

The amended Clauses 27 and 29 make it clear that no person should practice as a registered nurse, deemed-to-be registered nurse, enrolled nurse or deemed-to-be enrolled nurse without possessing a practising certificate.

Clause 43 needs to be amended with the implementation of the new fees and charges under the Pharmacy and Poisons (Amendment) Regulation 1994.

With the authentication of the Chinese language text of the Dangerous Drugs Ordinance in April 1995, some minor amendments have to be made to Clause 44.

Mr Chairman, I beg to move.

End/Wednesday, May 24, 1995

#### Copyright (Amendment) Bill 1995

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Following is the speech by the Secretary for Trade and Industry, Mr T H Chau, in moving the third reading of the Copyright (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr Chairman,

I move that Clause 2 of the Bill be amended as set out in the paper circulated to Members:

This Clause seeks to increase the maximum penalty for possession of infringing copyright work for trade and business purposes to \$25,000 per copy and imprisonment for 2 years on a first and summary conviction. Subsequent convictions will be on indictment to reflect the gravity of the offence.

We have been advised by counsel that if only persons being accused for a second or subsequent offence could be tried on indictment, a District Judge hearing a particular case would unavoidably know from the outset that the accused person has had a previous conviction. This would be prejudicial to that accused person.

We therefore consider it desirable to make it possible to prosecute first offenders as well as repeated offenders on indictment. I would like to point out that under section 92 of the Magistrates Ordinance, it is still possible to try both types of offenders summarily. The proposed amendment would therefore give the prosecution greater flexibility in choosing the most appropriate court for trial.

Thank you, Mr Chairman.

End/Wednesday, May 24, 1995

### Tabling of Broadcasting Authority Annual Report

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Following is the speech by the acting Secretary for Recreation and Culture, Mr Fred Ting, for tabling the Broadcasting Authority Annual Report in the Legislative Council today (Wednesday):

Mr President,

I have much pleasure in laying the annual report of the Broadcasting Authority for the year ending 31 August 1994 before the Council today. The report marks another year of dedicated work by members of the Authority in grappling with the fast changing broadcasting environment at home and abroad; a job made more difficult by rising expectations amongst the Hong Kong viewing public and a rapid growth in the number of channels to be monitored.

The public hearings conducted in connection with the mid-term review of the television licences of ATV and TVB are testament to the good work done by the Authority in meeting these public expectations. It was greatly encouraged by the level and extent of public participation at these hearings and will seek, where appropriate, to utilise such fora to enhance collection of public opinion in the future.

Another important aspect of the Broadcasting Authority's function is to regulate the services provided by commercial broadcasters. The Authority has been highly vigilant and conscientious in maintaining our broadcasts at a high standard. During the year under report, the Authority's Complaints Committee dealt with a total of 1,382 complaints, and arising from these, some 18 warning letters were issued to various broadcasters to remind them of the need to observe more closely the different codes of practice issued. In addition, the Authority imposed on the licensees, on six occasions, financial penalties ranging from \$10,000 to \$100,000 for breaches of the codes.

I am particularly grateful to the Authority for fulfilling its many statutory tasks with such enthusiasm and ability. The fair, open and predictable regulatory philosophy it adopts has provided our local broadcasters with a stable environment to develop and expand their businesses. It has also helped in our pursuit of reinforcing Hong Kong's position as a broadcasting centre in the Region. This is in full accord with our broadcasting policies.

Looking ahead, the Broadcasting Authority will again be busily engaged in 1995. The mid-term licence review of Commercial Radio is already underway, and towards the latter part of the year the Authority will embark on the review of the satellite television licence held by Hutchvision. It also needs to monitor further increases in the numbers of broadcast channels both on our subscription network and in the satellite broadcast arena.

I warmly commend all Members of the Authority, particularly its Chairman, Sir Roger Lobo, for his leadership and wise counsel. I look forward to another year of their sound judgment and good advice, in the difficult job of regulating Hong Kong's fast changing broadcasting scene.

Thank you, Mr President.

End/Wednesday, May 24, 1995

#### Another eventful year for Broadcasting Authority

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The Complaints Committee of the Broadcasting Authority has dealt with a total of 1,382 complaints during the year ended August 1994, the acting Secretary for Recreation and Culture, Mr Fred Ting, informed the Legislative Council today (Wednesday).

"And arising from these, some 18 warning letters were issued to various broadcasters to remind them of the need to observe more closely the different codes of practice issued.

"In addition, the Authority imposed on the licensees, on six occasions, financial penalties ranging from \$10,000 to \$100,000 for breaches of the codes," he said.

Tabling the Broadcasting Authority Annual Report (September 1993 - August 1994), Mr Ting said the report marked another year of dedicated work by members of the Authority in grappling with the fast changing broadcasting environment at home and abroad; a job made more difficult by rising expectations among the Hong Kong viewing public and a rapid growth in the number of channels to be monitored.

He said: "The public hearings conducted in connected with the mid-term review of the television licences of ATV and TVB are testament to the good work done by the Authority in meeting these public expectations.

"It was greatly encouraged by the level and extent of public participation at these hearings and will seek, where appropriate, to utilise such fora to enhance collection of public opinion in the future."

Looking ahead, Mr Ting stressed that the Authority would again be busily engaged this year.

"The mid-term licence review of Commercial Radio is already underway, and towards the latter part of the year the Authority will embark on the review of the satellite television licence held by Hutchvision.

"It also needs to monitor further increases in the numbers of broadcast channels both on our subscription network and in the satellite broadcast arena," he added.

End/Wednesday, May 24, 1995

#### Town Planning Ordinance

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

Question:

In his written reply to my enquiry in September 1994, the Deputy Secretary for Planning, Environment and Lands stated that a bill to amend the Town planning Ordinance would be published by the end of that year. However, the Government has still not published the amendment bill. In this connection, will the Government inform this Council why the amendment bill has not been introduced into this Council for scrutiny and when the amendment bill will be published?

Answer:

Mr President,

Members will recall that a Consultative Document on Comprehensive Review of the Town Planning Ordinance was published for public consultation in July 1991. The intention was to bring about a completely new Town Planning Ordinance for future operations. A large number of public views were collected, including the views of this Council. These views were divided, and some doubts were raised, in respect of certain proposals originally made by the Administration. We therefore had to undertake a very careful examination of these views within the Administration.

The many complex and highly technical issues involved have required the Bill to take more time to be drafted than originally envisaged. Moreover the resources likely to be needed to implement the proposed new ordinance are very significant. The Administration is taking stock of the situation and studying a working draft of the Bill. Our examination involves an analysis of the pros and cons of amending our original proposals in the light of public views and legal complexity of the issues, as well as an in-depth study of some proposals made by the public. We are also considering the need and merits of introducing certain interim amendments to the current Town Planning Ordinance to see whether we can bring forward some improvement to the system early.

End/Wednesday, May 24, 1995

Data used to compile employment statistics

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

Question:

According to the latest statistics for labour force published by the Census & Statistics Department, the seasonally adjusted unemployment rate in the territory for the first quarter of this year and for the period between December last year and February this year was 2.8% and 2.5% respectively. However, according to a survey conducted by the Hong Kong Federation of Trade Unions, the unemployment rate for the period between December last year and January this year was as high as 9.5%. In view of this, will the Government inform this Council of the survey methods adopted by the Government; and whether the statistics obtained from such methods truly reflect the real situation of the labour market?

Reply:

Mr President,

The source of data for the compilation of the unemployment rate is the General Household Survey (GHS). This is a continuous survey conducted on a random sample of 13,500 households per quarter selected in accordance with a scientifically designed sampling scheme to represent the population. Having regard to the frequency of the survey and resource implications, this is quite a large scale operation.

The data collection methods adopted by the Census and Statistics Department are those commonly followed by statistical authorities worldwide. Interviewing of respondents is performed on the basis of a well structured questionnaire so that the activity status of the respondent can be established on well stated, objective criteria.

Interviewing is conducted by full-time, properly trained field workers under appropriate supervision of senior staff to ensure adherence to designed procedures. Repeated calls to households are made as necessary. A high response rate of about 95% is normally achieved in the survey.

Under rigorous procedures, coupled with unambiguous definitions based on the recommendations of the International Labour Organisation, the statistics obtained from the survey should truly reflect the real situation of the labour market.

End/Wednesday, May 24, 1995

#### Out-patient services on holidays

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

Question:

At present, the general out-patient departments of public hospitals close on general holidays, thus causing problems to those who wish to seek treatment during extended holidays, such as the Lunar New Year, Easter and Christmas holidays. In view of this, will the Government inform this Council whether:

- (a) attendance at the accident and emergency departments of public hospitals on general holidays was higher than that on normal weekdays during the first four months of this year; if so, whether this has resulted in additional pressure on the accident and emergency services of the hospitals; and
- (b) it will consider providing limited out-patient services in public hospitals during extended holidays?

Reply:

Mr President,

A recent survey conducted by the Hospital Authority during the Easter Holidays (from 14th to 17th April) revealed an increase of 23.5% in accident and emergency attendance over the normal daily average. The increase is attributable to the partial opening of general clinics operated by the Department of Health as well as the closure of some private clinics during public or extended holidays.

In order to ensure that patients requiring emergency care will receive prompt medical treatment, a triage system has been introduced in public hospitals whereby experienced and specially trained nurses will categorise patients according to the severity and nature of their medical conditions and give priority to urgent cases. It is coping well with the demand.

At present, the Department of Health provides general out-patient services on Sundays and some public or extended holidays in eight of its clinics. Only one out of all clinic sessions during the Lunar New Year and Easter Holidays this year was full. In view of the current utilisation rate, government has no intention to further external out-patient services during extended holidays.

However, we will closely monitor the situation.

End/Wednesday, May 24, 1995

Police officers retiring before and after 1997

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Following is a question by the Hon Selina Chow and a reply by the Secretary for the Civil Service, Mr Michael Sze, in the Legislative Council today (Wednesday):

Question:

Recently, the police indicated that around 10% of police officers at the rank of superintendent would leave the force before 1 July 1997. In view of this, will the Government inform this Council :

- (a) of the number of local and expatriate senior police officers at the ranks of superintendent and above who are eligible for retirement before 30 June 1997, as well as what is the percentage of such officers out of the total number of officers in the respective ranks;
- (b) whether the Administration will release the number of police officers at the ranks of superintendent and above in Her Majesty's Overseas Civil Service who will accept compensation and leave the force before 30 June 1997;
- (c) whether the Administration will announce the full findings of the survey on the intention of senior police officers to leave or remain in the force after 1997; and
- (d) what measures the Administration will take to ensure that no succession gap will occur in the force?

Reply:

Mr President,

The question refers to an estimate that about 10% of the officers above the rank of Superintendent in the Police Force would leave before 1997. This figure was quoted recently in the media on the basis of a preliminary and personal assessment given by the Deputy Commissioner of Police (Management) in the light of a manpower planning survey currently being conducted in the Police Force. My answers to the four points raised in the question are as follows :-

- (a) Of the 457 Police officers at the rank of superintendent and above 24 are currently within the retirement zone; in other words, if they are on the Old Pension Scheme they are over 50 years of age, and if they are on the New Pension Scheme they are over 55 years of age. A further 18 will have to retire before 30 June 1997 because they will have reached retirement age before that date. A breakdown of these figures by rank is attached to the written copy of this reply.
- (b) There are currently 182 members of Her Majesty's Overseas Civil Service (HMOCS) at the rank of Superintendent and above. Of these, 9 will reach retirement age before 30 June 1997. The remainder have an option to stay until normal retirement age or leave under the terms of the HMOCS scheme. The officers have been asked to submit formal returns to Civil Service Branch by the end of July indicating whether they intend to retire before June 1997. It is not possible to say how many will decide to retire until the option forms have been returned to us.
- (c) The Commissioner of Police intends to announce the findings of the manpower survey currently being undertaken in the Force once the results have been analysed. The questionnaires issued to all officers in the Force at the level of Inspector and above were due in on 20 May. It will take some time to analyse them. The Commissioner hopes to release the results by July this year.
- (d) On the basis of preliminary indications obtained in the manpower planning study, the Commissioner of Police is confident that, if nothing occurs which causes a significant number of officers to change their personal plans, the Force should be able to comfortably accommodate the slightly higher wastage rate expected. To avoid any succession gap the Commissioner of Police and his senior colleagues will maintain close contact with members of the Force to gauge any change of mood or intentions that might signal a higher wastage rate than forecast. And they will continue to identify officers of potential for training and promotion to full vacancies as they occur.

**Annex**

**Breakdown of officers who will retire before 30 June 1997**

1. Currently within the retirement zone : 24

<b>Rank</b>	<b>No.</b>
Deputy Commissioner of Police	1
Senior Assistant Commissioner of Police	2
Chief Superintendent of Police	7
Senior Superintendent of Police	8
Superintendent of Police	6

2. Will reach retirement age (55) before 30 June 1997 : 18

Deputy Commissioner of Police	1
Assistant Commissioner of Police	1
Chief Superintendent of Police	5
Senior Superintendent of Police	4
Superintendent of Police	7

End/Wednesday, May 24, 1995

### Stop and search power of Police

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Following is a question by the Hon Roger Luk Koon-hoo and a reply by the acting Secretary for Security, Mr Ken Woodhouse, in the Legislative Council today (Wednesday):

Question:

Will the Administration inform this Council of the effectiveness (in quantitative terms) of "stop and search" operations on the street by the police officers in achieving their intended purposes and whether the checks and balances currently in place have been effective in preventing police officers from abusing their authority in this regard?

Reply:

Mr President,

In 1994, police officers exercised their power to stop a person on 1,300,000 occasions. This figure includes stop and search, roadblock operations, and stop and question (which does not involve search). As a result of these operations, some 10,000 wanted or missing persons, together with some 30,000 illegal immigrants were located. In quantitative terms, on roughly one out of every thirty occasions, the Police achieved a successful result.

In addition to this quantitative measure of effectiveness, an active and visible police presence on the streets and public places, particularly in crime black spots, together with their authority to stop and search, acts as a deterrent.

The Police Force is, of course, conscious of the need to balance the protection of, and respect for, personal freedom, privacy and dignity, with the maintenance of law and order. A comprehensive set of guidelines and procedures on the conduct of stop and search operations is set out in Police General Orders, the Force Procedures Manual and the relevant Headquarters Order. Any complaint against the abuse of authority will be thoroughly investigated. If the complaint is substantiated, the police officer at fault will be liable to disciplinary actions or even criminal proceedings.

Of the 3,090 complaints received by the Complaints Against Police Office last year, only 19 were related to stop and search. From these figures, the problem of abuse does not appear to be serious. We will, however, keep the situation and the existing guidelines under review.

End/Wednesday, May 24, 1995

Treatment for occupational injuries and diseases

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Following is a question by the Hon Christine Loh Kung-wai and a written reply by the acting Secretary for Education and Manpower, Miss Jacqueline Willis, in the Legislative Council today (Wednesday):

Question:

Will the Administration provide this Council with a breakdown of the occupations and the injuries and/or diseases of persons who sought treatment at the Occupational Health Clinic in the first eight months since its opening?

Reply:

Mr President,

A total of 246 persons sought treatment at the Kwun Tong Occupational Health Clinic during the eight months from 30 November 1993 to 31 July 1994. 148 (or 60%) of them were treated for work-related injuries or illnesses. A breakdown by the type of work-related illnesses/injuries and by major occupational groups are as follows:

<u>Type of Work-related Illnesses/Injuries</u>	<u>Occupational Groups</u>				<u>Total</u>
	<u>Construction</u>	<u>Manufacturing Industries</u>	<u>Service</u>	<u>Office</u>	
Upper limb injuries	6	6	8	0	20
Lower limb injuries	4	5	8	0	17
Trunk injuries	7	14	20	2	43
Head/Neck injuries	1	1	2	0	4
Occupational lung diseases	1	4	3	0	8
Musculo-skeletal disorders	1	16	13	6	36
Occupational dermatitis	1	5	4	1	11
Lead poisoning	0	2	0	0	2
Noise-induced hearing loss	3	3	1	0	7
Total	24	56	59	9	148

End/Wednesday, May 24, 1995

### Repatriation of Vietnamese Migrants

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

#### Question:

The Vietnamese Government has earlier undertaken to take back 1,800 of Vietnam boat people (VBP) stranded in the territory every month. In this connection, will the Government inform this Council :

- (a) how many VBP are expected to be repatriated to Vietnam every month;
- (b) what measures have been put in place to attain the above target of repatriation of 1,800 VBP every month, and what are the anticipated difficulties in enforcing such measures and how they can be overcome; and
- (c) whether consideration will be given to adopting mandatory repatriation so as to attain the above target; if not, why not?

#### Reply :

Mr President,

- (a) It would be premature to forecast the number of Vietnamese migrants who will be repatriated until such time as the simplified procedures are implemented and assessed, but we shall, of course, strive to repatriate as many as possible each month.
- (b) To expedite the return of Vietnamese migrants to Vietnam, the simplified repatriation procedures agreed at the Sixth Steering Committee of the International Conference on Indo-Chinese refugees will be implemented.

The major difficulties envisaged are twofold: the willingness of the Vietnamese migrants to go home and the speed with which the Vietnamese authorities clear their names for return. To encourage more Vietnamese migrants to join the voluntary repatriation programme, the United Nations High Commissioner for Refugees and the Hong Kong Government have stepped up counselling in the detention centres and an additional allowance of US\$150 has been introduced to each eligible migrant who volunteers to return to Vietnam.

- (c) We will step up the orderly repatriation programme as a means to encourage more Vietnamese migrants to join the voluntary repatriation programme, which remains our preferred repatriation option.

End/Wednesday, May 24, 1995

CLP to buy power from Daya Bay nuclear station

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

Question:

Owing to the fact that the China Light and Power Company Limited (CLP) is committed to purchasing 70% of the power generated from the nuclear power station at Daya Bay but the financial arrangement regarding such purchase is excluded from the Scheme of Control agreement, will the Government inform this Council:

- (a) how long the CLP is committed to purchasing 70% of the electricity produced from Daya Bay;
- (b) how the price of electricity purchased from Daya Bay is determined; and
- (c) of the amount of the fixed annual return that the Guangdong Nuclear Power Joint Venture Company is entitled to recoup through electricity tariffs?

Reply:

Mr President,

The Guangdong Nuclear Power Station (GNPS) at Daya Bay is owned and operated by the Guangdong Nuclear Power Joint Venture Company, Limited (GNPJVC). GNPJVC is a joint venture between the Hong Kong Nuclear Investment Company Limited (HKNIC), which has a 25% equity share and the Guangdong Nuclear Investment Company, Limited (GNIC) which holds the remaining 75% equity.

Under the terms of the joint venture contract, HKNIC is committed to purchasing 70% of the total output of the GNPS of which 25% is purchased directly from GNPJVC and 45% by way of resale from GNIC. The nuclear electricity purchased by HKNIC is resold, without any mark-up, to its holding company, the China Light & Power Company Limited (CLP) for distribution to CLP customers. CLP's purchase of nuclear electricity via the HKNIC is monitored by the Administration through the annual Auditing Reviews.

With this background, the answers to the specific questions are:

- (a) unless the parties agree to an extension, the joint venture contract will be effective until 5 May 2014, i.e. 20 years after the commissioning of the second nuclear unit;
- (b) HKNIC and GNIC are required to purchase electricity from GNPJVC at full economic cost, which includes an element of profit. The following conditions apply in respect of the resale of electricity from GNIC to HKNIC:
  - (i) no mark up is permitted during the resale of electricity from GNIC to HKNIC;
  - (ii) the amount of electricity purchased under the resale arrangement cannot exceed 4.5 billion units per annum for the first five years of operation up to 31 December 1998; and
  - (iii) during the first five years of operation the sale price per unit cannot exceed the notional cost of a unit of electricity generated by a coal fired station constructed in Hong Kong and commissioned in 1991.

- (c) GNPJVC's profit is fixed as a percentage of the funds invested by its shareholders and has regard to the performance and utilisation of the station. The actual amount of return is commercially sensitive. GNPJVC does not sell electricity directly to customers in Hong Kong or in Guangdong. The amount of GNPJVC's return which is recouped from CLP's customers is proportionate to the amount of electricity purchased via HKNIC.

End/Wednesday, May 24, 1995

**Influenza vaccination programme**

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

**Question:**

Will the Government inform this Council :

- (a) of the total number of cases of influenza or influenza related diseases requiring hospitalisation in hospitals under the management of the Hospital Authority in each of the past three years; and
- (b) whether it will organise vaccination programmes for our senior citizens in view of the investigation results in a number of cases confirming the efficacy of influenza vaccination in reducing influenza and its complications?

**Reply:**

- (a) The total number of cases of influenza admitted to hospitals under the management of the Hospital Authority was 50, 61 and 61 in 1992, 1993 and 1994 respectively. We do not have readily available information on the number of cases of influenza related diseases requiring hospitalisation. Since, under the current discharge coding system of these hospitals, influenza related diseases is not separately identified.

- (b) In considering whether to organise any vaccination programme, we have to examine carefully the extent of the problems relating to the disease in the local community, possible side-effects of the vaccine, operational logistics, cost-effectiveness and the overall benefit that the programme could bring. In the case of influenza vaccination, as influenza viruses are known to undergo frequent transformation, we have to consider also whether or not new vaccines could be developed in time and produced in sufficient quantities to support a community vaccination programme. The Advisory Committee on Immunisation of the Department of Health, comprising experts in related disciplines, will be deliberating the issue later this year.

End/Wednesday, May 24, 1995

#### Structural conditions of private buildings

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

Question:

According to the findings of inspections carried out on housing and office buildings throughout the territory by the Hong Kong Concrete Repair Association, more than 60% of all buildings have and will develop serious and potentially dangerous structural problems. In this connection, will the Government inform this Council whether consideration will be given to setting up a mandatory inspection scheme whereby owners must check their buildings every five to ten years; if so, what is the time table for implementing such a scheme?

Answer:

Mr President,

The Government has in fact been keeping a close watch on the structural conditions of private buildings and undertaken inspections ourselves. In 1989, the Buildings Department (BD) initiated a scheme of external visual inspections on the structural conditions of buildings. 60,000 buildings have been inspected and categorised according to their degree of danger. 266 buildings have been demolished and almost 5,000 repair orders served to 16,000 buildings. Some 40,000 buildings are considered unlikely to require any major action within the 5 years from the time of initial inspection.

In October 1994, BD also commissioned a consultancy study into the conditions of buildings constructed between 1946 and 1958 which have cantilevered structures. The survey is aimed to ascertain the current structural conditions, assess the durability and deterioration trends, and recommend a strategy for the future inspection and investigations, of these buildings. The study is scheduled to be completed at the end of this year. However, when steel corrosion was found to be the cause of collapse of a canopy in Aberdeen last year, the BD considered that "younger buildings" constructed between 1959 and 1980 should also be surveyed. The Administration hope to seek funds for this proposal shortly.

The Government shares the view that building owners should be responsible for maintaining their properties. A mandatory scheme requiring them to carry out regular inspections would help to further strengthen building safety and maintenance. The Administration will be better placed to examine the need and practicability of a mandatory building inspection scheme when findings of the above study and survey are available. In the meantime, the Administration will continue with publicity efforts to educate building owners to properly maintain their properties and Building Management Co-ordination Teams in the districts will also provide advice on building maintenance to owners and resident associations.

End/Wednesday, May 24, 1995

Shortage of funds for Employees Retraining Board

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Following is a question by the Hon Pang Chun-hoi and a written reply by the acting Secretary for Education and Manpower, Miss Jacqueline Willis, in the Legislative Council today (Wednesday):

Question:

Regarding the shortage of funds faced by the Employees Retraining Board, will the Government inform this Council whether :

- (a) it will continue to inject funds into the Board; if so, what the amount of injection will be, if not, why not; and
- (b) consideration will be given to increasing the levy imposed on employers of imported worker; if not, why not?

Reply:

Mr President,

- (a) In 1992, the Government injected \$300 million into the Employees Retraining Fund (the Fund) to provide financial assistance for the Employees Retraining Board (ERB) to carry out its statutory functions. Apart from the Fund and its interest income, the ERB also receives levy income from the employers of imported labour under the General Labour Importation Scheme and the Special Importation of Labour Scheme for Airport Core Programme Projects.

For the financial year 1995/96, the ERB plans to spend \$290 million to provide retraining programmes to displaced workers aged over 30, industrial accident victims, people with a disability and others who wish to rejoin the labour force. \$239 million of these expenses will be covered from interest generated by the Fund and the levy income. The remaining \$51 million will be met from the Fund itself, which balanced at \$280 million on 30 April 1995.

By the end of the 1995/96 financial year, the Fund will still have \$229 million left. As the financial situation of the ERB is healthy, there is no immediate need to inject further money into the Fund.

- (b) The Administration is currently conducting a review on the operation of the General Labour Importation Scheme. The rate of levy will also be looked at as part of the review.

End/Wednesday, May 24, 1995

Public car parks

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

Question:

Will the Government inform this Council of:

- (a) the total number of government-owned public car parks at present, together with the number of such car parks which have been handed over to private companies for management; and
- (b) the total receipts from public car parks managed by private companies for the 1994-95 financial year, together with the percentage of the receipts apportioned to the Government and the private companies respectively?

Reply:

Mr President,

There are 14 Government-owned public carparks. These are managed by Wharf Holding Co Ltd and Wilson Parking (HK) Co Ltd under separate management contracts, with each company being responsible for seven carparks. These contracts were let through competitive tenders.

In 1994/95, total gross receipts from these carparks amounted to about \$340 million, with about 90% of this going to the Government.

End/Wednesday, May 24, 1995

Use of language in summonses

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Following is a question by the Hon Emily Lau and a written reply by the acting Chief Justice, Mr Michael Leung, in the Legislative Council today (Wednesday):

Question:

At present, some items in the Chinese version of the summonses issued by the Magistrates' Courts are still written in English, including the address of the defendant, particulars of the charge and location of the offence, etc, and this may cause inconvenience to people who are not conversant with English. In view of this, will the Government inform this Council whether:

- (a) a Chinese version is attached to all summonses issued by the Magistrates' Courts;
- (b) there is a special format for the summonses issued with a Chinese version; if so, why some of the items in the Chinese version are still written in English; whether this runs counter to the original intention of issuing a Chinese version; and
- (c) there are any plans for the Magistrates' Courts to issue summonses written in Chinese only; if so, when such plans will be implemented?

Reply:

Mr President,

- (a) Summonses issued by the Magistrates' Courts are produced by the Computerised Case and Summons Management System (CASEMAN). Whether a summons contains a Chinese translation depends on whether a standard offence description(s) has (have) been prepared by the relevant prosecuting department(s). Most (about 3,000) standard offence descriptions are already available in both English and Chinese, and summonses in respect of these offences are being issued in both languages. However, variables such as the defendants' addresses have not yet been included because of the limitation of the CASEMAN's capability.
- (b) All summonses are prescribed and issued pursuant to Form 1 of the Magistrates (Form) Rules, Cap 227 of the Laws of Hong Kong. A Chinese version of the Form has been prepared, and it will be brought into operation upon the upgrading of CASEMAN's capability in the light of the findings of the inter-departmental working party referred to in (c) below.
- (c) In the longer-term, CASEMAN will have to be upgraded to enable summonses to be issued in both English and Chinese. An interdepartmental working party has been formed to identify the changes required to achieve full bilingualism in summonses and to work out how to interface with prosecution departments on the electronic exchange of information. The working party is expected to complete its findings by the end of this year.

End/Wednesday, May 24, 1995

Student hostels at universities

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Following is a question by the Hon Zachary Wong Wai-yin and a written reply by the acting Secretary for Education and Manpower, Miss Jacqueline Willis, in the Legislative Council today (Wednesday):

Question :

Regarding the provision of student hostels at the universities funded by the University Grants Committee, will the Government inform this Council -

- (a) of the criteria adopted by the universities in approving students' applications for such accommodation; whether the universities have accorded priority to students on grounds of long travelling distance and inconvenient transport facilities in allocating hostel places; if not, why not; and
- (b) whether the Government will request the universities to provide information regarding the number of students residing in Tuen Mun and Yuen Long districts whose applications were rejected by these institutions in the past three years, as well as the reasons for rejection?

Reply:

Mr President,

Among the seven UGC-funded institutions, only the Chinese University of Hong Kong (CUHK), the Hong Kong University of Science and Technology (HKUST) and the University of Hong Kong (HKU) currently have student hostel accommodation. Lingnan College (LC) and the Hong Kong Institute of Education (HKIEd) will, however, also have some student hostel accommodation at their new campuses in Tuen Mun and Tai Po respectively.

In reply to part (a) of the question, the main criteria adopted by the CUHK, HKUST and HKU for allocating hostel places to students are -

- (a) the student's travelling time between home and campus;

- (b) the student's living environment at home; and
- (c) exceptional personal needs, e.g. physical disabilities.

In addition, HKUST and HKU reserve a small number of hostel places for allocation to students with leadership qualities and a proven contribution to hall life.

In reply to (b) of the question, the Administration has sought information from the universities concerned. HKU and CUHK do not have statistics on the number of students living in Tuen Mun and Yuen Long whose applications for hostel places were rejected. However, both universities confirm that under normal circumstances, students living in Tuen Mun and Yuen Long would be assigned hostel places. In the case of HKUST, all students living in Tuen Mun or Yuen Long and applying for admission to a student hostel have been allocated hostel places over the past three years.

End/Wednesday, May 24, 1995

#### Seven-year residency rule for public housing

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

Question:

China-based wives of Hong Kong residents know that, in addition to other benefits, they can beat the seven-year residency rule in applying for public housing by depositing Hong Kong born infants in the territory to make up the 60% eligibility rule for allocation of housing to a family. Therefore a mother even with one China-born child can avoid this rule if she deposits two more children in the territory and has them added to the husband's singleton application to fulfil the requirement. As this practice creates social problems for motherless babies, encourages larger families, and lengthens the waiting time for local residents on the waiting list, will the Government inform this Council if it will plug this loophole by counting only the residency qualification of the mother after her admission to Hong Kong on the daily quota, and not the children she has deposited here apparently as a housing warranty for herself?

Answer:

Mr President,

An applicant for public housing, together with a majority of his family members, must satisfy the seven-year residency rule in order to become eligible. For an applicant already on the Single Person Waiting List, he may apply subsequently to add the names of his wife, children and relatives to the application, and to transfer it to the General Waiting List.

Upon transfer, he may be given a credit, in terms of waiting time, equivalent to half of the waiting time he has already accumulated on the Single Person Waiting List, subject to a maximum credit of three years. This means that following genuine changes in family circumstances, he does not have to queue up afresh. This arrangement has been operating satisfactorily, and is considered reasonable and fair. In 1994-95, there were about 1,100 such cases, of which only a small number involved children born in Hong Kong of China-based wives. We do not intend to change this policy, but will keep it under review.

End/Wednesday, May 24, 1995

Compensation for members of Overseas Civil Service

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Following is a question by the Hon Timothy Ha Wing-ho and a written reply by the Secretary for Civil Service, Mr Michael Sze, in the Legislative Council today (Wednesday):

Question:

A Member of the British Parliament recently stated that compensation payable to members of Her Majesty's Overseas Civil Service serving with the Hong Kong Government who would be obliged to retire prematurely as a result of the transfer of sovereignty in 1997 should be borne by the Hong Kong Government. In view of this, will the Government inform this Council :

- (a) of the total number of these officers;
- (b) of the total amounts of compensations to which they are entitled; and

- (c) whether it has clearly indicated to the British Government that such compensations will definitely not be paid from the territory's public funds; if so, when and in what way this was done; if not, why not?

Reply:

Mr President :

The British Government has obligations to members of Her Majesty's Overseas Civil Service (HMOCS) as set out in UK White Papers and as followed in other territories upon the loss of the Secretary of State's authority due to constitutional change. They have therefore agreed to introduce and pay for an HMOCS Compensation Scheme for HMOCS officers serving in Hong Kong. Under the Compensation Scheme officers may opt to retire between 1 July 1996 and 30 June 1997 or continue in service after ceasing to be members of HMOCS. These compensation and retirement arrangements are consistent with the British Government's obligation and HMOCS officers' terms of appointment. The answers to the specific questions are as follows :

- (a) Approximately 550 HMOCS officers could be eligible for compensation under the HMOCS Compensation Scheme. Compensation will be payable irrespective of whether an HMOCS officer retires or continues in service after ceasing to be a member of HMOCS.
- (b) The amount of compensation payable to individual HMOCS officers varies according to factors such as salary, length of pensionable service, age, and the pension scheme under which the officer serves. The maximum individual compensation payable is £120,000 at 1991/92 prices; which will be uprated in line with the UK Retail Price Index (the present ceiling is £134,500) and would be payable to an officer in his mid forties. The British Government estimates the total cost of the HMOCS Compensation Scheme at around £40 million.
- (c) The HMOCS Compensation Scheme will be funded entirely by the British Government. The Overseas Development Administration in UK will be responsible for detailed payment arrangements.

End/Wednesday, May 24, 1995

Reclamation projects in HK

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Following is a question by the Hon Emily Lau 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:

- (a) when reclamation was first started in the territory, and what were the major reclamation projects completed since then;
- (b) how many of the total hectares of land have been formed by reclamation in the territory; and
- (c) of the total hectares of land will be formed by reclamation between now and 30 June 1997?

Answer:

Mr President,

Reclamation in Hong Kong can be traced back a long time. An examination of previous maps indicates that reclamation could have started in Hong Kong well before 1887. However, some of the historical records cannot be traced now but it is generally understood that a lot of the built-up area on North Hong Kong Island, the coastal areas on West and East Kowloon were reclaimed before 1945.

All the reclamation works were done to acquire land for the social and economic development of Hong Kong. It is estimated that 5,400 hectares of our land were formed by reclamation up to September 1994. Recent examples include reclamation required for the formation of Shatin, Tuen Mun, Tseung Kwan O and Tin Shui Wai New Towns, container terminals, and industrial estates. More recently, reclamation works at West Kowloon, Chek Lap Kok Airport and Tseung Kwan O Industrial Estate have been largely completed.

A number of reclamation projects are still in progress, and it is estimated that by 30 June 1997 they would form an additional 100 hectares of land for Hong Kong. These include the remaining part of West Kowloon, Central and Wanchai, Aldrich Bay, Belcher Bay and Stonecutters Island.

End/Wednesday, May 24, 1995

Remuneration of principal executives of statutory bodies

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Following is a question by the Hon Cheung Man-kwong and a written reply by the acting Chief Secretary, the Hon Michael Leung, in the Legislative Council today (Wednesday):

Question:

Regarding the salaries and fringe benefits received by the principal executives of statutory public bodies, will the Government inform this Council :

- (a) of the criteria for determining their remuneration;
- (b) which statutory public bodies have disclosed the remuneration of their principal executives; which statutory public bodies have not and what are the reasons for non- disclosure, and whether consideration will be given to requesting these bodies to disclose the remuneration of their principal executives; and
- (c) what mechanism does the Government have to monitor those public-funded statutory bodies which have not disclosed the remuneration of their principal executives?

Reply:

Mr President,

The remuneration received by the principal executives of statutory bodies financed by public funds varies because they have different levels and areas of responsibilities. My reply to Mr Cheung's question will necessarily have to be a general one.

- (a) The criteria adopted by these statutory bodies vary according to their specific requirements but in general the following are taken into account:
  - the pay levels of jobs in the civil service or the private sector that have comparable responsibilities and that require similar qualifications and experience;

- any independent management studies carried out within the organisation concerned.
- (b) The total remuneration for staff of these bodies is publicly available. Some bodies have also made public the remuneration bands or pay scales of senior executives through recruitment advertisements or annual reports. A list of these bodies is attached. We will encourage the others to make similar information available to the public as far as possible when they are requested to do so. However, information on the remuneration of individual staff cannot be disclosed because this might undermine the ability of the organisations concerned to recruit and retain staff of the right calibre and with the necessary experience, bearing in mind they often have to compete with the private sector for staff. This is particularly so for bodies which are required by law to operate on prudent commercial principles;
- (c) There are well-established mechanisms by which the Government can monitor the operation of all these bodies. They include :
- legal provisions governing their operation;
  - Government representatives sitting on their management boards;
  - the submission of regular reports to the Government and other governing bodies;
  - audited annual accounts presented to the Government and tabled in Legislative Council.
1. Opening Learning Institute of Hong Kong
  2. Hong Kong Institute of Education
  3. UGC - funded institutions
  4. Hong Kong Academy for Performing Arts
  5. Hong Kong Arts Development Council +
  6. Mass Transit Railway Corporation
  7. Kowloon - Canton Railway Corporation
  8. Securities and Futures Commission \*

+ (will be disclosed upon the establishment of the Council in June 1995)

\* (will be disclosed in June 1995 when its Annual Accounts are published.)

End/Wednesday, May 24, 1995

Special Branch officers

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

Question:

Regarding the police officers formerly deployed in the disbanded Special Branch who still work in the Police Force at point 47 and above of the Police Pay Scale, will the Government inform this Council of :

- (a) the age of such officers and their current posts, and how many of them have opted for the new pension scheme; and
- (b) a breakdown, by the category of police officers at point 47 and above of the Police Pay Scale who were previously posted to the Special Branch and those of the equivalent ranks who have never worked in the Special Branch, of the respective numbers of officers who are applying for and those who have been granted approval for early retirement in each of the past three years; and the annual percentages of the former out of the total number of officers in the ranks concerned?

Reply:

Mr President,

We have identified about 100 serving Police officers of the rank of Superintendent (Police Force Pt. 48) and above who have, in some stage of their careers, served in Special Branch. There are likely to be more, but we cannot provide an accurate figure without laboriously checking the personnel records of all serving Police officers in these ranks. As there are 457 Police officers in these ranks this would be a major undertaking.

For the reasons stated above, we are unable to provide the detailed breakdown requested. However, the general situation in respect of officers who have applied for early retirement in the ranks of Superintendent and above are set out below. All applications have been approved.

<u>Rank</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u> (to date)	<u>Present Strength</u>
Superintendent of Police	11	2	6	13	291
Senior Superintendent of Police	2	3	1	5	92
Chief Superintendent of Police	1	-	-	2	53
Assistant Commissioner of Police and above	-	-	-	4	21
	—	—	—	—	—
Total	14	5	7	24	457
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