



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL.: 2842 8777

Wednesday, October 25, 1995

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Eastern Harbour Crossing toll increase application rejected

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The Governor-in-Council has rejected an application from the New Hong Kong Tunnel Company Limited (NHKTC) to double tolls at the Eastern Harbour Crossing (EHC).

A government spokesman pointed out today (Wednesday) that the proposed toll increases were not approved because the company had so far made net profits in excess of its original projections.

NHKTC had submitted an application to raise private car tolls by \$10, or 100 per cent, with similar percentage increases for other types of vehicles.

The NHKTC's reasons for proposing the increases were that inflation and higher interest rates were affecting its profits and that the opening of the Western Harbour Crossing in 1997 would pose a threat to its business.

"Despite the effects of inflation and higher interest rates, the company's cumulative net profits as at the end of 1994 were greater than their original projections," the spokesman said. "In these circumstances, there is no justification for a toll raise."

With regard to the effects on EHC of the opening of the Western Harbour Crossing in 1997, the spokesman said since the EHC had its own catchment areas on the eastern side of the territory, it was unlikely that such traffic would divert to the Western Harbour Crossing, especially in view of the toll differential.

"Also it is likely that suppressed demand for cross harbour journeys will be released when traffic conditions improve following the opening of the Western Harbour Crossing," he added.

"We accept that toll increases are likely to be needed during the life of the franchise so as to allow the company to provide a reasonable return to its shareholders.

"However, such increases can only be supported at a time when the company can clearly demonstrate that it is no longer on target to provide a reasonable return to its shareholders. This is not the case at present," he said.

The NHKTC's application to raise tolls was turned down by the Transport Advisory Committee on September 28.

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Tallest building on Chek Lap Kok takes shape

The tallest structure on Chek Lap Kok, the site for Hong Kong's new airport, has now taken shape.

Towering 78.6 metres over the flat landscape of the 1,248-hectare airport platform, the building, which will function as the future Air Traffic Control Tower, is the most visible structure on the site.

At the other end of the scale is a tiny patch of lawn which few visitors to Chek Lap Kok would even notice. To the casual observer there would be nothing very remarkable about the fenced-off site with several pieces of meteorological equipment inside, apart from the fact that it is the only patch of grass on the desert-like island.

But the lawn marks the site of the Royal Observatory's Automatic Weather Station which has the distinction of being the first facility for the new airport to be completed and operational.

The Air Traffic Control Tower and its adjacent complex together with the Automatic Weather Station were two of the government facilities highlighted during a media visit to Chek Lap Kok today (Wednesday).

"Construction of the various government facilities at the new airport at Chek Lap Kok is moving ahead rapidly," said the Chief Architect of the Architectural Services Department, Mr Peter Yuen.

The Air Traffic Control Complex and Tower have recently taken shape, just one year after works began.

The progress of construction of the control tower project and other government facilities at Chek Lap Kok was outlined to media representatives by Mr Yuen.

He said construction of the \$360 million Air Traffic Control Complex and Tower is scheduled for completion in December next year.

The complex is a seven-storey building with curtain walls. It will accommodate all equipment and personnel needed to operate the air traffic control function of the new airport, workshops, offices for the Civil Aviation Department and the Royal Observatory, as well as emergency power generation equipment.

The control tower will house the Apron Control Centre for the Airport Authority, Forecasting Office for the Royal Observatory, and equipment room and control cab for the Civil Aviation Department.

Apart from the Air Traffic Control Complex and Tower, Mr Yuen added, the Architectural Services Department was also responsible for the design and management of the building works for other government facilities for the new airport.

These include the fitting out of Government facilities in the Passenger Terminal Building and the Air Cargo Building, and the construction of the Air Mail Centre, Government Flying Services Headquarters, police and fire stations, Civil Aviation Department radar stations and Royal Observatory meteorological facilities.

The media representatives were also briefed on the air traffic equipment and the Automatic Weather Station by the Deputy Air Traffic General Manager of the Civil Aviation Department, Mr Alex Au, and the acting Senior Scientific Officer of the Royal Observatory, Mr W. T. Wong.

Mr Au said the Air Traffic Control Centre on the sixth floor of the complex would house both the Approach and Area Control Units which provide services to aircraft landing at and taking off from Chek Lap Kok Airport as well as aircraft flying over Hong Kong.

Air traffic controllers working at the new centre will be using a range of sophisticated electronic systems including an efficient Speech Processing System which will be installed for communication with pilots and neighbouring air traffic control centres.

On the top of the Control Tower, Mr Au added, a Surface Movement System would be used by controllers to monitor aircraft movements on the ground, particularly during poor weather conditions or at night.

To enhance the radar coverage at Chek Lap Kok, a medium range radar system is being installed at Tai Mo Shan and a short range radar system at Sha Chau, five kilometres northwest of Chek Lap Kok.

To provide navigation guidance to aircraft, Doppler VHF Omni-directional Range and Distance Measuring Equipment are being installed at Siu Mo To and Lung Kwu Chau. A Microwave Link station has already been built at northeast Lantau to relay radar signals, air and ground communication messages and equipment remote control and indication signals between off-airport equipment stations and the Air Traffic Control Centre.

The new air traffic control equipment will be installed and tested progressively by 1997 at a total cost of \$1,000 million, Mr Au said.

On the Automatic Weather Station, Mr Wong said it stood on the only piece of flat lawn on the airport island.

The weather data collected at the station will be compiled as aeronautical climatological information for use by airlines in preparation for the opening of the airport.

Apart from climatological usage, the data collected by the automatic weather station will be transmitted to the Royal Observatory Headquarters.

Aviation forecasters now stationed at the Kai Tak Airport Meteorological Office will have the opportunity to familiarise themselves with the weather conditions at Chek Lap Kok through the computer network of the Royal Observatory before the new airport opens.

Meteorological information measured by the weather station include wind speed and direction, atmospheric pressure, temperature and humidity, rainfall amount and intensity, visibility, duration of sunshine and intensity of solar radiation.

Elsewhere in Chek Lap Kok, Mr Wong added, the Royal Observatory will install aerodrome meteorological observation equipment, including those for measuring surface wind, horizontal visibility and cloud height.

Equipment will be installed on the roof of the Air Traffic Control Complex for receiving and processing satellite weather broadcasts from the World Area Forecast Centre.

An Operational Windshear Warning System will be installed in the control tower to collect measurement data from various meteorological observation systems and to provide windshear information to air traffic controllers and aviation forecasters.

Off Chek Lap Kok, the Royal Observatory will set up a Terminal Doppler Weather Radar, the first one to be installed in Asia, at Tai Lam Chung for detecting windshear conditions associated with thunderstorms.

Meteorological equipment will also be installed at Sha Lo Wan, Tai O and Siu Mo To.

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Continued efforts to improve Kam Tin River flow

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Works will start this Friday (October 27) on the middle reaches of Kam Tin River to further improve the flood flow, the Assistant Director of Drainage Services (Projects and Development), Mr Clement Lau Yin-leung, said today (Wednesday).

Speaking after the signing of a \$316.4 million contract to train the middle reaches of Kam Tin River, Mr Lau said the contract formed part of a comprehensive drainage scheme to alleviate the serious flooding situation in the Yuen Long and Kam Tin areas.

"It will train the middle reaches of the existing Kam Tin River between Kam Tin San Tsuen and the east of the New Territories Circular Road at Hung Mo Kiu.

"Works include the construction of about 2.2 kilometres of concrete lined drainage channels with associated embankments, two inflatable dams, a low flow pumping station, two footbridges, two vehicular crossings, maintenance access roads and associated drainage works," Mr Lau said.

The contract is awarded to Sun Fook Kong (Civil) Limited and works will be completed in July 1998.

Improvement works for the downstream of the Kam Tin River were being carried out under a separate contract which began in April 1994.

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Job Bazaar draws 2,700 visitors

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More than 2,700 people visited the Job Bazaar held at Tsuen Wan Town Hall today (Wednesday).

Organised by the Labour Department and sponsored by the Employees Retraining Board, the bazaar was participated by 16 employers from different trades.

A total of 736 job vacancies were provided.

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Tuen Mun lot to let

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The Lands Department is inviting tenders for the short-term tenancy of a piece of government land in Tuen Mun.

Located at Wu Shan Road, Area 44 of Tuen Mun, the lot has an area of 4,200 square metres for open storage purpose, including storage of containers. The tenancy is for nine months, renewable quarterly.

Closing date for submission of tender is noon on November 10.

Tender form, tender notice and conditions may be obtained from the District Lands Office, Tuen Mun, sixth floor, Tuen Mun Government Offices, 1 Tuen Hi Road; District Lands Office, Kowloon, 10th floor, Yau Ma Tei Car Park Building, 250 Shanghai Street, Kowloon, and the Lands Department, 14th floor, Murray Building, Garden Road.

Tender plan can also be inspected at these offices.

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Hong Kong Monetary Authority money market operations

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	\$ million	Time (hours)	Cumulative change (\$million)
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Opening balance in the account	1,655	0930	+1522
Closing balance in the account	2,377	1000	+1522
Change attributable to :		1100	+1522
Money market activity	+1,522	1200	+1522
LAF today	-800	1500	+1522
		1600	+1522

LAF rate 4.25% bid/6.25% offer TWI 121.8 *+0.1* 25.10.95

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.09	2 years	2708	6.06	100.49	5.85
1 month	5.33	3 years	3810	6.15	100.06	6.22
3 months	5.51	5 years	5009	6.95	100.97	6.82
6 months	5.57	5 years	M501	7.90	102.87	7.28
12 months	5.60					

Total turnover of EF bills and notes - \$26,119 million

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SUPPLEMENT

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Port Control Regulation

Following is the speech by the acting Secretary for Economic Services, Mr Leo Kwan, in the motion debate on Port Control (Cargo Working Areas) (Amendment) Regulation 1995 in the Legislative Council today (Wednesday):

Mr President,

I would like to explain the rationale of our proposed increases for the Public Cargo Working Areas (PCWA) charges.

PCWAs provide important facilities for handling cargo from local craft and other small vessels. They are provided and supervised by the Government; all cargo handling is carried out by commercial, profit making operators. The fees at present charged by the Marine Department do not cover the Government's costs which include the cost of capital investment. The operations are therefore subsidised by taxpayers. There is no reason to continue the public subsidy for these facilities. Following our user pays principle, what we are seeking to achieve by the proposed fee increases is full cost recovery, including both operating costs and cost of capital, on a phased basis spread over three years. That is to say, we are proposing to continue to subsidise these services but on a reducing basis so that we achieve full cost recovery in 3 years time.

Against that background, some Members will recall that when we last revised fees for the use of our PCWAs in 1994, we specifically excluded any revision to the system of land costs at the request of this Council's Economic Services Panel. This was to enable us to consider Members' views that we were seeking to recover current commercial land rentals, when taking historical costs as assets might be more appropriate.

The present fee exercise has examined the issue of land costs - it concludes that Members had, indeed, a good and valid point. Our new fee proposal agrees not only that historical land costs are more appropriate, but, given that they will have implications for the commercial sector's budgeting, that they should be phased in over three full years. Our aim is to eliminate taxpayers' subsidy to commercial port operators in stages by 1997. In the circumstances, we believe that this is a reasonable proposition.

The motion now seeks to repeal a series of fees determined following the Administration's agreement to Members' earlier intervention. This is apparently justified on the basis of an economic downturn. In the port as a whole, our growth continues at record volumes - in the last five years, cargo throughput has grown at an average annual rate of 13.9%. In the PCWA's in particular, cargo volume has grown by 20% so far this year as compared with the same period in 1994. Our forecasts indicate that, in the next five years, growth will continue to increase at an annual rate of 10% every year.

So the effect of this resolution will be to draw continuing taxpayers' subsidy to profitable, commercial operators who have already been consulted on the new levels of fees and whose potential business is increasing. They have, presumably, already included the new charges in their commercial forecasts and have agreed the new fees. The proposed fees increases will represent only an average increase in operating cost of 1.3% for a lorry, or 1.6% for a lighter.

Let me reiterate the importance of adherence to the principle of full cost recovery. It is an integral part of Hong Kong's low tax regime. With this principle, we can centralise our resources in subsidising selected public services where there are compelling social grounds - hospitals, schools and so on. It is highly undesirable that public funds should be used to subsidise commercial activities such as PCWAs. If users do not pay, the general taxpayers have no option other than to meet the shortfall, and we estimate that the taxpayers' subsidy to port cargo handling operators will amount to \$49.5m for the next financial year.

A freeze on this fee increase will do nothing other than to store up problems for the future : then we shall face the options of either introducing drastic increases, or confirming that general taxpayers should continue to subsidise commercial undertakings.

Sir, I have explained the reasons for the proposed PCWA fee increases and why we should not hold them up. I hope Members would consider the Administration's views carefully and seriously. Finally, I urge Members to oppose the motion.

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Sale of \$20 notes twice their face value not unlawful

The following is a question by Dr the Hon Law Cheung-kwok and a written reply by the Secretary for Financial Services, Mr Rafael Hui, in the Legislative Council today (Wednesday):

Question:

The Hongkong Bank recently sold some new \$20 notes at a price about twice their face value. In this connection, will the Government inform this Council whether:

- (a) such activity is in breach of the Bank Notes Issue Ordinance; and
- (b) it has information to show that the Hongkong Bank had sold new notes at a price in excess of their face value in the past five years; if so, what was the total amount of new notes sold and what were the profits so generated?

Reply:

(a) Nothing in the laws of Hong Kong requires bank notes to be sold at their face value. There is indeed an established market for the sale of new and used notes as collectors' items where notes are transacted at prices different from their face value. The action of the Hongkong Bank is not therefore in breach of the Bank Notes Issue Ordinance or any other ordinances.

(b) We do not require a note-issuing bank to report specific statistics on proceeds it derives from issue of new bank notes. Any profits generated from such an activity will feature in the normal way in the bank's accounts. The information is not otherwise available.

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Relocation of manufacturing establishments

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Following is a question by the Hon Lee Kai-ming and a written reply by the Secretary for Trade and Industry, Mr Chau Tak-hay, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

- (a) whether it has any statistics showing the number of local establishments engaged in manufacturing which have been relocated overseas this year; if so, how many have been relocated to Mainland China, Malaysia, Vietnam and Thailand respectively; and
- (b) what specific measures are in place to deal with the problem of relocation of manufacturing establishments and how it will assist the manufacturing sector to sustain development in the territory?

Reply:

Mr President,

The open nature of our economy does not require manufacturing establishments to report their business decisions to the Government. Consequently, there are no statistics available on the number of local factories relocated overseas or to mainland China.

We see the relocation of more labour-intensive, lower value-added production to lower cost areas in the region as part of a healthy world-wide trend towards increased efficiency in industrial production and globalisation of production, and therefore do not seek to interfere with such market trends.

We believe that the key to sustain the development and competitiveness of Hong Kong's manufacturing industries lies in the application of higher technology and the production of better quality and higher value-added products. The Government takes a number of positive measures to support industrial development in this direction.

We have been working with educational institutions and industrial support bodies to ensure the adequate and timely provision of a well-trained labour force, the adequate supply of industrial land, and the acquisition and transfer to Hong Kong of new skills and technologies. We have increased also the resources for facilitating and encouraging Hong Kong's manufacturing industries to undertake more applied research and development (R & D) so as to move up the technology ladder. A number of new schemes are in place. These include the Applied R&D Scheme under which loans or equity finance may be provided to private companies to undertake applied R&D; the Co-operative Applied R&D Scheme which encourages collaborative applied R&D between Hong Kong and China; and the Industrial Support Fund which provides grants to projects which would benefit the overall industrial and technological development of Hong Kong.

To strengthen the technology infrastructure of Hong Kong, the Hong Kong Industrial Technology Centre was opened in March 1995 to promote the development particularly of small and medium technology-based enterprises. We have completed a study on the feasibility of establishing a science park for high technology industries and are consulting widely on the proposal.

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Plan for the issue of SAR passport underway

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The following is a question by the Hon Philip Wong Yu-hong and a written reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

- (a) whether the Immigration Department has any plan to deploy sufficient manpower to meet the future increase in workload arising from the public's demand for passports of the Special Administrative Region (SAR);

- (b) if so, of the estimated number of additional staff required to ensure that applicants can be issued with SAR passports within a reasonable period of time; and
- (c) whether the Government will seek appropriations for this purpose?

Reply:

Mr President, the reply to the Hon. Member's question, in the order they are raised, is as follows:

- (a) The Immigration Department is now drawing up a plan for the issue of Hong Kong Special Administrative Region passports (and other HKSAR travel documents) from 1 July 1997.
- (b) Details of the plan, including the number of staff required, are still being worked out.
- (c) Should there be a need for additional resources which cannot be met from re-deployment within the Immigration Department, we will consider seeking additional resources.

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Discharge of untreated industrial effluent

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

Question:

Since the declaration of the waters off Tsuen Wan West as a Water Control Zone (WCZ) on 1 June 1993, effluent discharges in this area have been subject to the control of the Water Pollution Control Ordinance. However, over the past year or so, factories in Tsuen Wan district, particularly those engaged in bleaching and dyeing, have continued to discharge vast quantities of untreated effluent into the waters every day, thus severely affecting the water quality in this WCZ. In this connection, will the Government inform this Council:

- (a) why it still allows the discharge of untreated industrial effluent into this WCZ; and
- (b) when it will be able to completely stop the bleaching and dyeing factories in the district from discharging untreated effluent into this WCZ? Reply:

Mr President,

(a) Perhaps I should first clear up the assertion in the question that the Government continues to "allow" the discharge of untreated industrial effluent into this Water Control Zone. We do not. The Western Buffer Water Control Zone which comprises, in part, the Tsuen Wan district, was declared on 1 June 1993. All existing effluent dischargers were required to apply for a licence under the Water Pollution Control Ordinance (WPCO) before 1 December 1993. Since the declaration of the WCZ, the Environmental Protection Department has issued 681 WPCO licences, including 183 licences to industrial dischargers. The licences stipulate conditions with which dischargers must comply. Continued uncontrolled discharge of sewage or failure to comply with the licensing conditions are punishable offences under the WPCO. Staff of the Environmental Protection Department regularly monitor the higher priority industrial and commercial dischargers within the WCZ. Since the declaration of the WCZ the department has served 350 written warnings and prosecuted 48 cases for violation of the WPCO requirements.

After the declaration of a WCZ, it normally takes up to three years to achieve a significant level of compliance with effluent discharge standards stipulated in the licences. Based on compliance monitoring results, 70% of the higher priority industrial discharges in this WCZ are complying with the effluent standards. Fifty five factories have already commissioned wastewater treatment facilities, and more treatment plants are nearing completion or being commissioned.

It should also be noted, however, that major improvements in water quality cannot be achieved through controls under the WPCO alone. Additional actions to curtail pollution from untreated effluent include, (i) controls under the Waste Disposal Ordinance (Chemical Waste Control Regulation) : some 150 factories have already arranged to send their chemical wastes for treatment and disposal at the Chemical Waste Treatment Centre so that these wastes do not go into the sewerage system; (ii) the provision of adequate sewerage facilities : a comprehensive sewerage master plan for the Tsuen Wan area has been formulated to increase capacity of the foul sewerage system and to collect the sewage for treatment at the Stonecutters Island Sewage Treatment Plant, which is under construction. These sewerage improvement works commenced in late 1994 and would be completed by mid-1997; and (iii) rectification of illegal connections and discharges to the storm drains : some 50 illegal drainage connections have been rectified and about 6,200 cubic metres per day of effluent have been redirected to the foul sewers.

(b) Of the 34 bleaching and dyeing factories in this WCZ, 22 have already installed wastewater treatment plants and are in full compliance with the WPCO. The remaining 12 factories will soon complete the installation of in-house treatment plants with a view to full commissioning in the next 10 months. The Environmental Protection Department will take action against those factories that fail to complete the improvement works in time. Licensing, enforcement, and the provision of adequate sewerage will stop the bleaching and dyeing factories from discharging untreated effluent into the WCZ by mid-1997.

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Assistance rendered to jailed tourist guide

The following is a question by the Hon Leung Yiu-chung and a written reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

Regarding the imprisonment of Mr Paul AU in the Philippines, will the Government inform this Council what assistance has been provided, and what measures will be taken, to facilitate his early release and return to the territory? Reply:

Mr President,

Mr AU was sentenced to life imprisonment on 29 November 1991 in the Philippines for drug trafficking. He lodged an appeal on 13 December 1993. The case is still awaiting resolution by the Supreme Court. The British Government with the full support of the Hong Kong Government has been pressing the Philippine Government for an early hearing and decision on the appeal.

Since December 1993, the British Embassy in Manila has repeatedly approached the Solicitor General of the Philippines to express concern of the British and Hong Kong Governments over the slow progress of the judicial procedure in the case.

Ministers and senior officials from the British Government visiting the Philippines have also raised the case. In April 1995, during his visit, the Deputy Under Secretary of State of the Foreign Office expressed his concern to his counterpart in the Philippine Government over the slowness of the Philippine judicial system and the time taken to hear Supreme Court appeals.

During her visit in August 1995, the Minister for Overseas Development, Baroness Chalker raised Mr AU's case with the Philippine Foreign Secretary and appealed to the Philippine Government to expedite the judicial procedures. The British Ambassador in Manila wrote to the Secretary of Justice on 4 October 1995 to enquire about the progress of the case.

To ensure Mr Au's well being, consular officials from the British Embassy in Manila visit him regularly. The Hong Kong Government and the British Government will continue to press for an early hearing.

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Salary increment system for CityU teachers

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The following is a question by the Hon Emily Lau and a written reply by the Secretary for Education and Manpower, Mr Joseph Wong, in the Legislative Council today (Wednesday):

Question:

It is reported that the City University of Hong Kong is planning to drop the current practice of following the civil service system of awarding annual increments to civil servants and to replace it with a system whereby the granting of annual increments to its teaching staff will be determined on the basis of performance. In this connection, will the Government inform this Council whether :

- (a) the University Grants Committee (UGC) knows of the details of this plan and when the plan will be implemented; and
- (b) the UGC has requested the other six publicly-funded tertiary institutions to establish a similar performance-based system for the granting of annual increments to their teaching staff; and if so, whether the UGC has considered if the new system accords with the value-for-money principle?

Reply:

Mr President,

With regard to part (a) of the question, the Administration understands that the City University of Hong Kong (CityU), which practises the system of withholding a salary increment of those staff who do not perform satisfactorily, is in the process of developing an incentive scheme in the form of double increments or annual bonuses to give recognition to excellence in work performance or outstanding contributions made by staff members. The Administration understands from the University Grants Committee (UGC) that details of the scheme are still being worked out and the University administration intends to put forward a proposal to the Council of the University for consideration in early 1996, after consultation with the UGC and government. Subject to the agreement of the parties concerned, the proposal may be implemented before the end of the 1995-96 academic year.

On part (b) of the question, the Administration understands from the UGC that all the seven UGC-funded institutions already have a performance-based system for the granting of annual incremental credits to their teaching staff. The system may take the form, of withholding a salary increment for poor performance, unsatisfactory conduct or lack of diligence, or a system of floating efficiency bars. Under the latter system, staff can only progress beyond the bar points on the salary scale provided they have been assessed and an affirmative decision has been taken by the authorities concerned that their performance is sufficiently satisfactory to merit their passing the bar. The UGC considers that the existing performance-based systems adopted by the UGC-funded institutions have been designed to ensure satisfactory performance, promote continuous development and encourage improvement; hence they accord with the value-for-money principle. The objective of the new system being contemplated by CityU is to offer a further form of incentive for exceptional performance. Since details of the scheme have yet to be finalised, the UGC is not in a position to comment on whether the scheme accords with the value-for-money principle.

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Landslip preventive works on slopes

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The following is a question by Dr the Hon Wong Ping-wai and a written reply by the Secretary for Works, Mr Kwong Hon Sang, in the Legislative Council today (Wednesday):

Question:

In regard to landslip preventive works on slopes, will the Government inform this Council:

- (a) of the time required to complete the investigation reports on the landslips in Tuen Mun Highway, Shum Wan and Chai Wan;
- (b) what resources the Government has allocated in the past three years (1992/93-1994/95) to landslip preventive works on slopes that might affect roads and highways and what resources are estimated to be allocated to such works in the next three years (1995/96 - 1997/98);
- (c) whether these resources already allocated are considered adequate; if so, what are the reasons for the occurrence of landslips in Kwun Lung Lau and in those areas mentioned in (a) above; and
- (d) what resources have been allocated to landslip preventive works in squatter areas in the period from 1992/93 to 1994/95 and what resources are estimated to be allocated to such works in the period from 1995/96 - 1997/98?

Reply:

Mr President,

(a) It is hoped to release the final investigation reports for the landslips at Shum Wan and Chai Wan by the end of the year. In respect of Tuen Mun Highway, two reports have been produced on the rockfall incident at Tai Lam, one by the contractor and the other by the Supervising Officer for the Contract. The reports have been passed to the relevant Government offices including the Police, who are conducting an investigation and will probably recommend a Coroner's Inquest. It would not be appropriate to release the reports in full until after the Coroner's Inquest which is likely to be held in February 1996. A further report has been prepared by Highways Department in readiness for the Tuen Mun District Board later this month. The report will be made public after the Board Meeting.

(b) The following table shows the actual and estimated (in brackets) resources allocated to landslip preventive works on slopes affecting highways for the years 1992/93 - 1997/98:

Year	Expenditure on roadside slope upgrading works under the LPM Programme by CED	Expenditure on roadside slope maintenance/repair works by HyD
1992/93	\$19.8M	\$45M
1993/94	\$6.5M	\$50M
1994/95	\$18.3M	\$90M
1995/96	(\$30.1M)	(\$110M)
1996/97	(\$75.0M)	(\$110M)
1997/98	(\$150.0M)	(\$110M)

(c) Resources already allocated are adequate for the completion of landslip preventive measures on slopes in the existing catalogue by the year 2000. Resources are being sought for a variety of other initiatives aimed at improved slope safety and these bids will compete with other demands for Government resources in the normal way. Given that a very large area of the Territory consists of slopes, the degree to which public money should be committed to this issue is in many ways a community decision in competition with other community requirements.

The landslip at Kwun Lung Lau was not related to the adequacy of Government funding. The reasons for the other two landslips will be published in the completed investigation reports.

- (d) The Government does not carry out landslip preventive works in squatter areas on Government land. It is the policy to offer rehousing to squatters considered by the Geotechnical Engineering Office to be in obvious and immediate danger because of slopes vulnerable to landslips, especially in times of heavy rainfall.

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Retaining wall near Yan Tsui Court in Chai Wan

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The following is a question by the Hon Chan Kam-lam and a written reply by the Secretary for Housing, Mr Dominic Wong, in the Legislative Council today (Wednesday):

Question:

On Tsui House and Ning Tsui House in Wan Tsui Estate, Chai Wan will be demolished and redeveloped shortly. As this redevelopment may affect part of the retaining wall of the nearby Yan Tsui Court, will the Government inform this Council:

- (a) whether a geotechnical survey will be carried out on the slope in question before the commencement of the construction works;
- (b) what measures have been put in place to ensure that the structure of the retaining wall and residential buildings nearby will not be affected and that there is no danger of the big trees beside the retaining wall falling down; and
- (c) how it will ensure the reinstatement of the retaining wall after the redevelopment?

Reply:

Mr President,

In planning the redevelopment of On Tsui House and Ning Tsui House in Wan Tsui Estate, a thorough study of the redevelopment site and its surroundings was conducted by Housing Department engineers in February 1995. The Department was satisfied that the redevelopment project would not affect the small slope and retaining wall below the site.

The contractors for the redevelopment project are responsible for complying with the Government's geotechnical guidelines, and for ensuring that the redevelopment will not affect the slope, retaining wall and trees during the project period. The Housing Department will take precautionary measures, such as requiring the contractors to submit details of the construction method for scrutiny, in order to ensure that the slope, retaining wall and trees are not disturbed by the redevelopment, and will also monitor the contractors' performance closely.

The owners of Yan Tsui Court have been consulted on two possible options of slope treatment during and after the redevelopment project. Under the first option, the retaining wall and slope will be protected from the nearby redevelopment work in the normal way. No reinstatement will be necessary. Under the second option, part of the existing retaining wall and slope will be removed before construction work begins, and the area removed will subsequently be reinstated to the owners' satisfaction. The owners' response is awaited.

End/Wednesday, October 25, 1995

Employment of persons with criminal records guidelines

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The following is a question by the Hon Albert Chan Wai-yip and a written reply by the Secretary for Civil Service, Mr Michael Sze, in the Legislative Council today (Wednesday):

Question:

According to the guidelines on the employment of persons with criminal records (issued on 8 December 1986 by the Appointments Unit in the then Municipal Services Branch), candidates with records of the following offences should normally be debarred from employment: (i) security (e.g. riot, incitement, triad activities); (ii) corruption, extortion and fraud; (iii) possession of offensive weapons; (iv) robbery; (v) possession of drugs for trafficking; (vi) sexual offences (e.g. rape); (vii) wounding and assault occasioning actual bodily harm; and (viii) operating a common gaming house. In this connection, will the Administration inform this Council:

- (a) whether the above guidelines are still in force; if so, what are the reasons for such a policy to continue, and whether it will review this policy so as to give people with the above-mentioned criminal records a chance to be employed in less sensitive posts such as workman, clerk, and office assistant; and
- (b) if the answer to (a) is in the negative, what is the current policy on the employment of people with criminal records in the civil service?

Answer:

Mr President,

The "Guidelines for the Employment of Persons with Criminal Records" issued by the former Municipal Services Branch in December 1986 are still in force for appointments to the Urban Services Department and Regional Services Department. These Guidelines are in line with the Government policy on employment of persons with a criminal record and indeed based on the relevant Civil Service Regulations, namely Civil Service Regulations 148 and 151.

The Civil Service Regulations and the Guidelines referred to above require that persons who have been convicted of certain offences are normally debarred from appointments, if the offences are of such a nature and gravity as to make the perpetrators unsuitable for employment in the civil service. However, the Civil Service Regulations also advise that a decision whether or not to employ a person with a criminal record or against whom a probation order or an order for conditional discharge was made, should depend on his general character and experience and on his record before and after the offence for which he was convicted or an order recorded. Moreover, the Government Form (No. 340) used in applying for a civil service post specifically states that a criminal record is not necessarily a bar to appointment.

Thus heads of department have the discretion to appoint or, in the case of appointments for posts with a maximum monthly salary at or above Point 26 of the Master Pay Scale, to recommend to the Public Service Commission the appointment of those with such previous convictions or probation orders, so long as the public interest is not adversely affected.

The Government's policy on employment of those with a criminal record in the civil service is sympathetic and clear. We are committed to taking a lead in employing them where this is consistent with the public interest. The existing arrangements are designed to balance the aim of rehabilitating those with a criminal record with the need to preserve the quality and integrity of the civil service. There is sufficient flexibility in the appointment procedure for heads of department to consider the applications of those with a criminal record (whatever the offence committed) on a case-by-case basis. We believe that the policy is appropriate but we are committed to working with departments on matters of this sort to ensure that they are clear about the powers delegated to them and that they exercise that power in as just and as fair a manner as possible.

End/Wednesday, October 25, 1995

Renovation of 15,500 old public housing flats

The following is a question by the Hon Sin Chung-kai and a written reply by the Secretary for Housing, Mr Dominic Wong, in the Legislative Council today (Wednesday):

Question:

It has been announced that \$4 billion will be spent on renovating about 15,500 relatively old public housing flats. On this basis, the average cost of renovating such a flat will be in excess of \$250,000. Will the Government inform this Council of the names of the housing estates in which the 15,500 flats are located, and whether the renovation work is cost effective?

Answer:

Mr President,

In his 1995 Policy Address, the Governor referred to our commitment to spend about \$4 billion to renovate some 15,500 older flats and to maintain the quality of existing public housing flats. Thus, the amount covers a range of improvement and maintenance programmes.

Under the vacant flat refurbishment programme, \$342 million will be spent in 1995-96 to renovate 15,500 flats. The average cost of refurbishment is about \$22,000 per flat, and not \$250,000 as stated in the question. The programme covers flats in almost all of the 155 public rental housing estates in the territory. Works orders have already been issued for about 5,900 flats. The names of the estates in which they are located are given in the Annex. Renovation of the remaining 9,600 flats will be completed by March 1996.

Contractors undertaking the refurbishment work are selected by open tender. The lowest bid in each batch is normally accepted. The Housing Department supervises contractors to ensure that work is carried out in accordance with the contract terms and to the satisfaction of the Department, and also that expenditure is within budget.

Apart from the vacant flat refurbishment programme, about \$3.7 billion will be used to fund other programmes, such as major structural repairs, fire services installations, lift modernisation, and other improvement works relating to security installations, plumbing, water supply, electrical rewiring and lighting.

End/Wednesday, October 25, 1995

Unit cost of school places

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The following is a question by the Hon Cheung Bing-leung and a written reply by the Secretary for Education and Manpower, Mr Joseph Wong, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council of the unit cost of school places in each of the following categories of educational institutions for the current year :

- (a) primary schools;
- (b) secondary schools;
- (c) institute of education; and
- (d) universities?

Reply:

Mr President,

The following average costs of places takes no account of the different costs for different subjects, the different levels of study or the range of costs in the same subjects at different institutions:

(a) and (b) based on the actual average costs for 1994-95, the estimated cost of a school place in the current year is:

School	Government	Aided
-----	-----	-----
Primary	\$18,400	\$14,900
Secondary	\$30,600	\$21,600

(c) the average cost for each full-time equivalent (fte) place at the Hong Kong Institute of Education is projected to be \$124,300 in 1995-96; and

(d) the average unit cost per fte student for the seven institutions i.e. six universities and one other tertiary institution funded by the University Grants Committee (UGC) is projected to be \$202,000 in 1995-96.

End/Wednesday, October 25, 1995

Corruption in disciplined services

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

Question:

Will the Government inform this Council:

(a) whether the number of prosecutions involving corruption charges against members of the disciplined services over the past 12 months is on the rise when compared with those for the preceding 2 years; and

(b) what specific measures and plans are in place to combat corruption in the disciplined services?

Reply:

Mr President,

The answer to the first part of the question is that 26 members of the disciplined services have been charged with corruption offences during the past 12 months (November 1994 to October 1995) compared to 21 and 28 over the same period in the preceding 2 years.

As regards the second part of the question, I can assure Honourable Members that the Government remains fully committed to combating corruption in the disciplined services, as indeed combating corruption in the public service as a whole. The overall strategy is to instil a firm attitude against corruption at all levels of the service. The specific measures to combat corruption in the disciplined forces include the following:

(a) Recruitment and Training

All recruits to the disciplined services are vetted by Independent Commission Against Corruption (ICAC) prior to appointment. As part of the basic training for new recruits, and also during in-service training, lectures and seminars on corruption prevention and the relevant anti corruption legislation are organised. Some of these lectures and seminars are given by ICAC staff. Staff are also reminded of the importance of corruption prevention through counselling by senior officers and regular circulation of relevant rules and regulations including for example, the Prevention of Bribery Ordinance, the Acceptance of Advantages Notice and the Civil Service Regulations.

(b) Corruption Prevention

In order to minimise the opportunities for corruption, procedures and practices are frequently reviewed with the assistance of the Corruption Prevention Department of the ICAC to rectify areas vulnerable to corruption. Levels of authority for processing and approving cases are examined, and spot check systems to prevent deviation from procedures are introduced. Staff are also rotated at regular intervals. The disciplined services have set up specialised groups for combating corruption. The Police have formed a Force Anti Corruption Steering Committee, which comprises a cross-section of senior Police and ICAC representatives to identify areas of Police activities which present opportunities for corruption. The other disciplined services departments have also set up advisory groups with the Corruption Prevention Department and have dedicated lines of liaison with the Operations Department of the ICAC.

(c) Enforcement

The Government takes corruption very seriously and seeks to prosecute any staff found to be involved in corruption. Civil servants are encouraged to report corruption or suspected corruption. Upon receipt, these reports are referred immediately to ICAC for action. The ICAC has recently deployed 30 additional staff to deal with corruption in the disciplined services. A total of 110 officers are now so employed. In addition, we have plans to increase liaison and the exchange of information between the ICAC and the disciplined services, both at senior and middle management levels.

End/Wednesday, October 25, 1995

Clearance of temporary housing areas

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

Question:

It has been announced that the Government will have cleared 42 of the 55 Temporary Housing Areas (THAs) in the territory by 1997, but there are no plans to clear the remaining 13 THAs. In this connection, will the Government provide this Council with:

- (a) a breakdown of the 42 THAs to be cleared by name, date of clearance, and number of affected residents who will be rehoused in public housing;
- (b) a breakdown of the remaining 13 THAs not included in the clearance programme by name, population, date of completion, and anticipated date of clearance; (c) the specific dates for the start of renovation works in each of the 13 THAs and the estimated cost in each case; and
- (d) the estimated number of residents still living in THAs and older rental blocks in the urban fringe areas by 1997?

Reply:

Mr President,

A breakdown of the 42 Temporary Housing Areas (THAs), which have been cleared or will be cleared by the end of 1997, by name, date of completion of clearance and number of affected residents is given in Annex A.

A breakdown of the 13 THAs, the existing residents of which will be offered rehousing by the end of 1997 but which will be retained after that to meet future demand for temporary housing arising from new immigrants from China and scheduled clearance programmes, by name, present population, date of construction and provisional commencement date for offering rehousing to existing residents is given in Annex B.

Refurbishment work on those voluntarily vacated units in the 13 THAs has already begun. The estimated cost in each case varies, depending on the size and condition of the unit and the renovation work required. The average cost for each unit is in the order of \$8,000.

We estimate that the capacity of temporary accommodation after 1997, i.e. the 13 THAs and redeployed rental blocks in the urban fringe areas, will be about 27,000 persons.

End/Wednesday, October 25, 1995

Monitoring and review of labour importation scheme

The following is a question by the Hon Tsang Kin-shing and a written reply by the Secretary for Education and Manpower, Mr Joseph Wong, in the Legislative Council today (Wednesday):

Question:

With regard to the incident in which the wages of imported Thai workers working on the Kwai Chung Route 3 and Tsing Ma Bridge projects have been deducted, will the Government inform this Council whether it will :

(a) increase the establishment of inspectors in the Labour Department to monitor the employment of imported workers, and deploy interpreters of various nationalities to cope with communication problems with the imported workers;

(b) conduct an overall review of the system for monitoring the Labour Importation Scheme in order to plug the loopholes, having regard to the various forms of exploitation which have been brought to light, such as deduction of wages through secret deals, withholding of passports, deduction of part of the wages through autopay, changing of job nature, suppression of complaints and so on; and

(c) consider abolishing the relevant labour importation policy since the wage-deduction incident has indicated that some employers or employment agencies have brought in low-wage workers, thereby taking away employment opportunities from local workers and holding down wages?

Reply:

Mr President,

(a) The Labour Department has about 60 staff responsible for the monitoring and enforcement of the labour importation schemes. To strengthen such efforts, we have earmarked \$2.2 million to increase the staffing of the Department in 1996/97. The Department will also improve the effectiveness of its policing efforts through suitable internal deployment of manpower resources. To facilitate communication with imported workers in the event of labour disputes, the Labour Department will ensure that qualified interpreters are present, whenever the situation warrants.

(b) We conduct regular reviews on the monitoring system of the labour importation schemes to ensure that the various safeguards continue to be effective. Additional terms and conditions have been imposed on employers of imported workers under the ACP Scheme to further strengthen these safeguards following the recent incidents involving complaints from Thai workers. They include the requirements to grant imported workers paid leave to attend briefings on their employment rights organised by the Labour Department, to distribute a copy of the employment contract to the imported workers, to provide wage records and monthly bank statements to imported workers. We have also made it clear that employers should not keep the passports and bank books of the imported workers.

Any employers who are found to have breached any of these conditions are liable to have their quota withdrawn and may be debarred from participation in the Scheme in future.

(c) The labour importation schemes are operating on the principles that local workers are given priority in filling vacancies and that they should not be displaced by imported workers. Measures are in place to require employers to register their vacancies with the Labour Department for a specified period for the purpose of recruiting local workers and to pay imported workers no less than the median monthly wages of local workers in comparable positions. Given this condition and the fact that the total number of workers permitted under both the General Labour Importation Scheme and ACP Scheme amount to less than 1% of our total labour force, they should have very little impact on the wage movements of local workers.

The labour importation schemes are also carefully controlled, and targeted precisely towards the alleviation of shortages in the bottleneck areas of our economy. The imported workers are meant to supplement the local labour force in areas where they are in shortage, so as to sustain economic growth. To maintain the competitiveness of Hong Kong as an open and flexible economy, there is a continued economic need to retain this policy option of employing foreign workers where they are necessary.

End/Wednesday, October 25, 1995

Measures to promote visual arts development

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The following is a question by the Hon Elizabeth Wong and a written reply by the acting Secretary for Recreation and Culture, Mrs Rachel Cartland, in the Legislative Council today (Wednesday): Question:

Will the Government inform this Council:

a) of its policy towards visual arts in general and the encouragement of local artists in particular;

b) whether it intends to set up a school/college for the visual arts; if not, why not;

c) whether, as a measure to promote the development of visual arts, the Government will consider giving tax concession to those who collect art pieces by local artists in the same way that donations to charities are given tax concessions; and

d) whether the Government intends to introduce regulations requiring all new buildings to have places for the display of art works by local artists; if not, why not?

Reply:

a) The Government is fully committed to the promotion and development of arts, including the visual arts, in Hong Kong. As a result of the Arts Policy Review conducted by the Government in 1993, the Government has established the new statutory Hong Kong Arts Development Council, the scope of which includes visual, film and literary arts in addition to the performing arts. One of the major functions of the Council as enshrined in its own Ordinance is to advise the Government on the policies, standard of provision of facilities, educational programmes, levels of funding and any other matters that may affect the planning, development, promotion and support of the arts. The Council is now formulating its first Five-year Strategic Plan, which includes policy objectives and action steps to promote the development of the arts, including, inter alia, the visual arts, arts education, and the encouragement of local artists. The draft Plan was released for public consultation in September this year. The Council aims to finalise its Plan by the end of this year. Upon receipt of the Plan, the Government will consider carefully its recommendations and resource requirements.

b) The Government is now considering the proposal to establish a Visual Arts Academy in Hong Kong which has been advocated by the arts community and the Hong Kong Arts Development Council. This proposal requires careful consideration in the context of the overall development of Hong Kong's tertiary education system, and having regard to the financial implications. In parallel, the Hong Kong Arts Development Council will shortly commission a needs assessment study on the proposed Academy. The Government will take into account the findings of this needs assessment study, together with other relevant considerations in formulating our final position on the matter.

c) The Government has no intention of giving tax concessions to those who collect works of art by local artists as a means to promote the development of visual arts. It is not our policy to provide tax concessions as an incentive to encourage expenditure in a specific sector.

d) There is currently no plan to require all new buildings to have places for the display of works of art by local artists, as this would be impracticable, given the differing circumstances of buildings in terms of nature of uses, the wishes of the owners, users and residents, and so on. Nevertheless, where venues are required for such purposes in the public areas of Government owned or leased offices, these may be made available provided the use proposed does not impact on the operational use of, or public access to, the premises. Moreover, Housing Authority Shopping Centres and some Housing Society Shopping arcades are designed with the flexibility for exhibitions, including displays of visual art works by local artists, to be held at any time. We also welcome the initiatives taken by the owners of many large shopping and office complexes to provide displays, performances and other activities in their common areas for the benefit of building users and passers-by.

End/Wednesday, October 25, 1995

Occupational Retirement Schemes

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The following is a question by the Hon Lee Kai-ming and a written reply by the Secretary for Financial Services, Mr Rafael Hui, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council of:

(a) the number of companies in the territory having occupational retirement schemes in operation prior to the commencement of the Occupational Retirement Schemes Ordinance; and

(b) the number of such schemes which have already been registered under the Ordinance, together with a breakdown of these schemes by the ratios of contributions between employers and employees, investment strategies adopted and annual rates of investment returns in the past year?

Answer:

(a) According to the records of the Commissioner of Inland Revenue, who was the authority for approving retirement schemes prior to the commencement of Occupational Retirement Scheme Ordinance (ORSO), there were 13,400 occupational retirement schemes as at 31 March 1993. The number of schemes established between 31 March 1993 and the commencement date of ORSO on 15 October 1993 is not available. We believe, however, that the number would have been small.

(b) As at 15 October 1995, the deadline for filing applications for registration or exemption of existing occupational retirement schemes under ORSO, a total of 14,292 applications had been received. So far, 9,091 schemes have been registered while 209 granted exemption. We expect to complete processing of applications by the end of this year.

ORSO does not require employers or scheme administrators to disclose information on contribution, investment strategy or investment returns when they file their applications for registration. Such information will be available from the annual returns and the financial statements of registered schemes. As the returns are to be submitted within six months of the end of a scheme's financial year after it has been registered, very few annual returns are due. So far the Registrar of Occupational Retirement Schemes has received only 51 annual returns, including those from large corporations such as the Hospital Authority and the Mass Transit Railway. We believe that to project from this very small and disproportionate sample the ratios of contributions between employers and employees, investment strategies adopted and ratios of investments returns for registered schemes generally would provide a very distorted picture. We may expect a more representative picture by the latter part of 1996 when about half of the 14,292 schemes will have filed their annual returns with the Registrar.

End/Wednesday, October 25, 1995

Codes of practice and guidelines laid down by SFC

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Following is a question by the Hon Chim Pui-chung and a written reply by the Secretary for Financial Services, Mr Rafael Hui, in the Legislative Council today (Wednesday):

Question :

With regard to the codes of practice and guidelines laid down by the Securities and Futures Commission (SFC), will the Government inform this Council:

- (a) whether such codes of practice and guidelines will become an alternative set of laws;
- (b) whether the SFC will be requested to be more open and transparent by letting the public know about its power and the criteria for discharging its functions; and
- (c) whether there is any mechanism to prevent the abuse of authority under those codes and guidelines?

Reply:

(a) The codes of practice and guidelines of the Securities and Futures Commission (the Commission) do not have the force of law. There is no intention for them to become an alternative set of laws.

(b) Section 4(2) of the Securities and Futures Commission Ordinance (the Ordinance) provides that the Commission may, for the guidance of registered persons and others, prepare and cause to be published in the Gazette guidelines indicating the manner in which, in the absence of any particular consideration or circumstance, it proposes to perform any function. Over the years, the Commission has published guidelines regulating market conduct and criteria under which the Commission is bound to act. For example, the Commission has published -

- (i) Codes on Takeovers and Mergers and Share Repurchases. These codes set out the duties of the Takeovers and Mergers Panel and make provision, amongst other things, for disciplinary proceedings and decisions;
- (ii) Code on Unit Trusts and Mutual Funds which sets out the Commission guideline for approving mutual fund corporations and unit trusts; and
- (iii) "The Fit and Proper Criteria" which sets out the conditions to be met by persons wishing to be registered as intermediaries.

It can be seen that the Commission, through the publication of these and other relevant publications, has already been open and transparent regarding its power and criteria for discharging its functions. A full list of the relevant publications is at the Annex.

(c) The exercise of the Commission's power is subject to the requirement for due process and the rules of natural justice governing the exercise of administrative authority. Any alleged abuse of authority may, of course, be referred to the Court for a determination in the normal way. Depending on the nature of the allegation, such complaints may also be referred to the Office of the Commissioner for Administrative Complaints for investigation.

Within the Commission, there is an established system of checks and balances for preventing abuse of authority. There is a strict system of delegation of powers which clearly identifies who has the power to do what, with the more important powers reserved for either the Committees of the Commission or the Commission itself. The Committees of the Commission consist predominately of industry practitioners. In the case of the Commission itself, all members are appointed and can be removed by the Governor. Moreover, five members are Non-Executive Directors whose presence provides further checks and balances on the Executives serving on the Board.

It is also relevant that the Commission is subject to the direction of the Governor. The Ordinance provides that the Governor may give to the Commission such direction as regards the performance of any of its functions as he considers appropriate. In addition, senior executives of the Commission also holds regular meetings with the Financial Secretary and with the Secretary for Financial Services to discuss important policy issues. They also appear before the LegCo Panel on Financial Affairs to brief Members and to answer questions. All these safeguards have served to prevent abuse of authority under the Commission's codes and guideline.

Annex

- * The Fit and Proper Criteria
- * Code on Investment-Linked Assurance and Pooled Retirement Funds
- * Guidelines for the Exemption of Listed Companies from the Securities (Disclosure of Interests) Ordinance
- * Code on Unit Trusts and Mutual Funds
- * Licensing Information Booklet
- * Hong Kong Code on Takeovers and Mergers and Share Repurchases
- * Code on Immigration-linked Investment Schemes
- * Notes to Financial Resources Rules
- * Code of Conduct for Persons Registered with the Securities and Futures Commission
- * A Simplified Outline of the Leveraged Foreign Exchange Trading Ordinance, Subsidiary Rules and Guidelines
- * Core Operational and Financial Risk Management Controls for Over-the-Counter Derivatives Activities of Registered Persons

End/Wednesday, October 25, 1995

Guarantees in respects of pensions

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

Will the Government inform this Council:

- (a) of the current position regarding guaranteeing all pension payments before and after 1997; and
- (b) whether it intends to provide such a guarantee by requesting the British and Chinese governments to sign an international agreement to be lodged with the United Nations; if not, why not? Reply:

Mr President,

Guarantees in respect of pensions have been made by Hong Kong's present and future sovereign powers. Specifically:

(a) The Sino-British Joint Declaration, is an agreement between the Governments of the United Kingdom and the People's Republic of China, binding in international law and formally lodged with the United Nations. Section IV of Annex I to the Joint Declaration specifically provides that the Hong Kong Special Administrative Region Government (HKSARG) shall pay all pensions and benefits due to pensioners on terms no less favourable than before, irrespective of their nationality or place of residence; and

(b) The Basic Law of the HKSAR was adopted by the National People's Congress of the People's Republic of China in April 1990. Article 102 of which requires the HKSARG to pay all pensions, gratuities, allowances and benefits due to pensioners on terms no less favourable than before, irrespective of their nationality or place of residence.

To address staff concerns about the security of their pensions, the Hong Kong Government also established in March 1995 a Civil Service Pension Reserve Fund which is set aside to be used exclusively for pension payments to former civil servants in the unlikely event that the payment of their pensions could not be met from general revenue. The Government is committed to ensuring that the Fund is maintained at a level at least equivalent to a full year's pension payment. The Fund was established with a sum of \$7 billion in the first instance.

Furthermore, the legislation granting pension benefits in respect of the public service provides for the payment of pension benefits to pensioners as of right. Pensions are a statutory charge, which takes precedence over non-statutory charges, on the general revenue.

The Hong Kong Government has no reason to doubt the guarantees provided in the Joint Declaration and the Basic Law. We indeed have no locus, and therefore no intention, to ask for further guarantees from the British and Chinese Governments.

End/Wednesday, October 25, 1995

Allocation of secondary 4 places

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The following is a question by the Hon Zachary Wong Wai-yin and a written reply by the Secretary for Education and Manpower, Mr Joseph Wong, in the Legislative Council today (Wednesday):

Question:

In regard to the allocation of places for students promoted from Secondary 3 to Secondary 4 for the year 1995- 96, will the Government inform this Council:

- (a) of the number and the percentage of students allocated to school nets (i.e. those delineated for the allocation of Secondary 1 places) outside their own districts;
- (b) whether there is evidence to show that the problem of students living in new towns being allocated to schools outside their districts is particularly serious; what is the number of students living in Yuen Long, Tuen Mun and the Northern District who have been allocated to schools on Hong Kong Island and outlying islands respectively;
- (c) if the answer to (b) is in the affirmative, what are the reasons for such a phenomenon;
- (d) what measures the Government will adopt to address this problem?

Reply:

Mr President,

- (a) Under the existing policy, the provision target of subsidised Secondary 4 places is 85%. Allocation of subsidised Secondary 4 places is made on a territory-wide basis, based on academic performance and parental choice. During the 1995 Junior Secondary Education Assessment (JSEA) exercise, 5 349 out of 64 265 (8.3%) Secondary 3 students were allocated subsidised Secondary 4 places in schools outside their own attending school districts i.e. districts in which the students attended Secondary 3.
- (b) In 1995, 14.9% of students in new towns were allocated subsidised Secondary 4 places outside their own attending school districts. Although this is higher than the territory-wide average mentioned in paragraph (a) above, the majority of these cross-district allocations have been made to the neighbouring districts, as illustrated below:

Number of students (percentage) allocated to

District	their own attending school districts	neighbouring districts*	Hong Kong Island	Outlying Islands
-----	-----	-----	-----	-----
North	1,887 (87.77%)	59 (2.74%)	14 (0.65%)	16 (0.74%)
Yuen Long	2,730 (92.76%)	31 (1.05%)	21 (0.71%)	28 (0.95%)
Tuen Mun	5,066 (77.21%)	702 (10.7%)	77 (1.17%)	44 (0.67%)

- (c) All allocations to the JSEA exercise including cross district allocations are based on expressed parental choice in a number of schools in order of preference which they wish their children to join having regard to the latter's academic performance; and

(d) With four new secondary schools scheduled to open in the Yuen Long, Tuen Mun and the North districts in 1996, an extra 640 subsidised Secondary 4 places will be provided. In addition, given the projected decline of Secondary 1 student population in 1996, we intend to increase the provision of Secondary 4 places in new towns by converting as far as possible the surplus Secondary 1 classes into Secondary 4 classes, thereby providing an estimated additional 500 S4 places. Together these should substantially reduce cross-district allocations, particularly those to the Hong Kong Island and outlying districts.

* For the North district, its neighbouring districts are Tai Po and Sha Tin; for Tuen Mun, its neighbouring district is Yuen Long; and for Yuen Long, its neighbouring districts are Tuen Mun and the North district.

End/Wednesday, October 25, 1995

Residential Care Homes for the elderly

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The following is a question by Dr the Hon Tse Wing-ling and a written reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):

Question:

Since the implementation of Residential Care Homes (Elderly Persons) Ordinance in Hong Kong in April this year, will the Government inform this Council:

- (a) how many homes for the elderly have applied for the allocation of funds to improve their facilities, how many applications have been approved, and what criteria are adopted for determining whether an application should be approved;
- (b) how many private homes for the elderly have not been successful in their applications on account of their failure to meet the required standards; and have closed down in consequence, and how many elderly persons have been affected by the closure of these homes; and
- (c) what measures and policy does the Government have to rehouse the affected elderly persons and when will such measures and policy be put into practice?

Reply:

The reply is as follows:

(a) A \$50 million Financial Assistance Scheme was introduced in June 1995 to assist self-financing non-profit-making residential care homes and private residential care homes for the elderly to comply with new statutory provisions regarding safety precautions, and design and structural requirements set under the Residential Care Homes (Elderly Persons) Ordinance and Regulation enacted in April this year.

One application for funds has been received so far but has not yet been approved pending the provision of more information. We expect that more applications will be submitted soon. The delay in receiving applications is understandable since it takes time for home operators to understand the new statutory requirements, assess the improvement works needed to meet them and obtain quotations from contractors before applying.

The scope and eligibility criteria for the Scheme are explained in the "Application for Grants from the Financial Assistance Scheme Explanatory Notes" which has been distributed to operators of all residential care homes for the elderly. A copy of the explanatory notes is attached.

(b) Inspections of residential care homes, which started in April 1995, identified some homes with serious safety problems e.g. unauthorised building works, inadequate emergency exit provision and absence of access for emergency vehicles. Subject to our inspectors' advice, these homes have either been modified to meet the standards required or have been reprovisioned elsewhere. Although four homes closed down, the operators managed to arrange for the transfer of the 45 residents affected to other homes with the agreement of the residents concerned and/or their families. As a result, little assistance, other than consultation and advice, has been required from Social Welfare Department.

(c) Though little assistance has so far been required in rehousing elderly residents due to the closure of homes, the Social Welfare Department has developed contingency plans to deal with possible displacement problems. Displaced elderly residents could be admitted to subvented homes or take up "bought places" in private homes. Most private homes for the elderly do not run at full capacity so it is expected that vacant places could be found for this purpose.

End/Wednesday, October 25, 1995