



DAILY INFORMATION BULLETIN

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Transcript of the Governor's media session

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

Governor: I'm pleased to have been able to pay my third visit to this district, though it's my first visit ... to Peng Chau, but I'm looking forward to coming back again. It's such a beautiful island. I'm pleased to these excellent facilities for the people who live on the island.

Question: Mr Patten. In the second day discussion of the JLG, the Chinese side has said that it is the business of the Chinese side to resolve the right of abode problem. Do you think this is the right ...?

Governor: Well. I wish it would be resolved quickly and to the satisfaction of people in Hong Kong. I think it is one of the issues which has caused the most anxiety and worry. People want certainty. You need some time to be able to plan for your future. There is only just over 500 days to go until the transition and people want to have the maximum time and the maximum confidence in the arrangements that will exist after 1997. Now, when the Foreign Secretary Mr Rifkind saw the Vice Premier Mr Qian Qichen in Peking a few weeks ago, Mr Qian made it perfectly clear without any qualification that those who were permanent residents before 1997 would be permanent residents after 1997. It was just a question, he said, of working out the way in which that should be done. So there appears to be no difference, or no difficulty about the principle. And I think the sooner Chinese officials make it clear what the arrangements will be the better.

Question: But the Chinese officials said that they would only listen to idea from the British side in an informal expert meeting. Do you think there is a much more proper way to have a formal meeting with the Chinese side to have discussion on this matter?

Governor: What actually matters is to have arrangements which are good for Hong Kong announced quickly. What is the problem? Mr Qian has said what the principle is and we were delighted to have that assurance. Now we want to see the way in which that principle is going to be applied. I do think that Chinese officials should be aware of what the effect of their words is sometimes. People are concerned about an issue like this. They do want to have confidence in the future and the sooner sensible proposals can come forward the better.

Question: Do you expect the JLG to reach an agreement ...?

Governor: It appears that they won't reach any agreement on the right of abode during this round of talks, though I haven't had the opportunity yet of talking to the leader of our team, Mr Davies. He will be briefing me on the progress of the talks. And if we don't make the progress we would like on right of abode it will be a disappointment, not a disappointment for which we are responsible but, I repeat, I don't think we should be hanging around on issues like this. I think we should be getting a move on and Chinese officials should realise how important this issue is to people's confidence in the future.

Question: But the Chinese representative reiterated that it is a matter of sovereignty. So it concerns mainly the Chinese nationality law and has nothing to do with Britain.

Governor: It is obviously of concern to everybody who has got the best interests of Hong Kong at heart as we have. And I hope Chinese officials will show that they have the interests of Hong Kong at heart too.

Question: On CT9, is there any progress in the discussion?

Governor: I think that there're still talks going on between the consortiums and between the commercial operators. I think that the sooner we can get those resolved the better. I think people in Hong Kong are rather frustrated about the amount of time which has taken. Again, I think the Chinese officials and British officials have made it absolutely clear what our position is, and the sooner we have a deal between the commercial operators the better.

Question: Mr Patten, with your visit to Lantau earlier, has the Government made any decision to extend the North Lantau country park? I understand that about HK\$20 million has been allotted ...?

Governor: We haven't, I don't think, come up with the firm ... let me ask the District Officer. No, we haven't. I am right. Of course, there are other issues affecting Lantau, not just the district park but development issues which were raised with me by some of the residents when I arrived on Lantau. And those are being addressed in the strategic plan covering this part of the territory and obviously the sooner we can complete that work the better.

Question: ... the way you are received in Peng Chau ...?

Governor: I have been delighted. I was delighted that people were so enthusiastic and I must say that I'm invariably greeted very kindly by people wherever I go. It makes my district visits particularly agreeable.

Question: I understand you are the first Governor to come to Peng Chau, do you think it's long overdue?

Governor: Well, if it's taken 150 years, it probably is rather overdue. But I'll certainly try to come back before I depart on June 30, 1997. No, it is a very beautiful island and I've been all round it before, that's on the sea. And I've been of course to Lantau and Discovery Bay. I am sorry I haven't set foot here before, but it looks very attractive and there seems to be a large number of the sort of restaurants that I'd like to spend some time.

Question: Director Lu Ping says the Preparatory Committee's plenary is not likely to hold meetings in Hong Kong but their sub-groups. Does it mean that Vice Premier Qian Qichen is not likely to meet you here?

Governor: Well, I think it would be a pity if senior Chinese officials don't come to Hong Kong. I think it's one of the questions I very much, I very often get asked. Why senior Chinese officials don't actually come to Hong Kong rather more and see it for themselves. I think it would help them to understand our ambitions, our worries, our concerns. It would help them to understand what makes Hong Kong tick. It's rather curious to be talking about the future of Hong Kong but never coming here. But I hope between now and June 30, 1997 we'll be able to deal with that.

Question: Is there any reply to your standing invitation?

Governor: No, I mean I occasionally read reports in newspapers which cause me from time to time to raise one eyebrow, but I no longer raise two.

End

Contract for Post Office's track and trace system awarded

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A contract has been awarded to EDS Electronic Data Systems (HK) Limited for managing the procurement and implementation of a track and trace System for the Hong Kong Post Office, the Postmaster General, Mr Robert Footman, announced today (Wednesday).

The contract also includes the maintenance of its existing computer systems and provision of advice on its information technology projects.

To mark the event, a signing ceremony for the assignment was performed at the Conference Room of the General Post Office by Mr Footman, the Director of Information Technology Services, Mr K H Lau, and the managing director of the EDS Electronic, Mr Stephen K M Lau.

According to Mr Footman, the Track and Trace System was an advanced computer system with workstations at all the branch post offices and sorting centres.

Its main function is to enable the Post Office to tell customers almost instantly the whereabouts of certain categories of their mail, such as Speedpost, because the movements of such mail are logged into the computer at every transfer point until delivery to the recipient.

Through international electronic data interchange networks, data can be exchanged with overseas postal administrations, making it possible to track down mail at their overseas destinations.

The main purpose of the System is to reduce the response time in handling customer enquiries under the present manual system.

However, the Track and Trace System is also able to capture information that will serve internal accounting and management control purposes.

The total cost of the assignment is about \$10.4 million and EDS Electronic will work closely with the Post Office and other relevant government departments during the assignment period to procure a cost-effective Track and Trace System to meet the Post Office's requirements.

The System will be implemented in phases, the first of which for tracking Speedpost is planned for completion in May 1997, and the remaining phases for tracking mail bags, parcels, registered, recorded delivery and insured mail are planned to be completed a year later.

The Track and Trace system will bring better service to customers of Post Office and at the same time result in significant savings in its operating cost, because of the elimination by the computerised system of a lot of manual writing and filing work.

It is expected that the cost of the project will be paid back six years after the Track and Trace System is fully commissioned.

End

Human rights education important in HK: Solicitor General

* * * * *

Hong Kong is very conscious of the importance of human rights education and since the passage of the Bill of Rights in 1991, has started a programme of public education in human rights, the Solicitor General, Mr Daniel Fung QC, said in Chicago on Tuesday (February 6).

Addressing a luncheon meeting of the Chicago Bar Association during his tour of the United States, Mr Fung said Hong Kong was especially proud of its human rights programme which reflected the social change Hong Kong had experienced since the signing of Joint Declaration 14 years ago.

"We were given high praise in November 1994 when the United Nations Committee on Economic, Social and Cultural Rights examined Hong Kong and pronounced us as having done more than any other country or territory in propagating human rights and in promoting human rights education for its people," Mr Fung said.

Government action included the supply of teaching kits and videos to all Hong Kong's high schools so that students were taught human rights in lay terms as part of their civic education, he said.

The Solicitor General went on to explain to his audience of US attorneys and other professionals that the law had become part of daily life in Hong Kong today.

"The people of Hong Kong take the law for granted today in Hong Kong in much the same way as the people in the US take it for granted," Mr Fung Said.

"If you were to ask whether the law really is an invisible but indispensable component of Hong Kong people's everyday lives, in other words, whether Hong Kong is a civil society, speaking today, in 1996, I would give you a categorical affirmative response: there has been a sea change in public attitudes over the past 14 years."

Following the speech, Mr Fung briefed the editorial page editor of the Chicago Tribune and gave a lecture to the North Western University Law School. He finished the day's programme with a live interview with CNN World News.

After Chicago, Mr Fung will travel to California on the final leg of his US speaking tour which also included Washington DC, New York and Atlanta.

End

Banking Ordinance Notice amendment to be gazetted

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The Banking Ordinance (Amendment of Seventh Schedule) Notice 1996 will be published in the Gazette on Friday (February 9).

A government spokesman said the Notice would achieve the effect of removing the reciprocity requirement in respect of banking applications for authorisation under the Banking Ordinance from companies which were incorporated in World Trade Organisation (WTO) members.

The amendment would enable Hong Kong to fulfil a commitment under the WTO General Agreement on Trade in Services, the spokesman said.

"A core group of WTO members which included Hong Kong reached an agreement in July 1995 to provide access to their markets on a most-favoured-nation basis.

"As Hong Kong considered the overall commitments made by other participants generally satisfactory, we agreed, inter alia, to remove the reciprocity criterion in respect of banking applications from other WTO members," he said.

He said the amendment would not have any adverse impact on Hong Kong's banking authorisation system as the reciprocity criterion was only one of the many authorisation criteria of vetting banking applications.

The Hong Kong Monetary Authority (HKMA) would continue to ensure that applicants from overseas countries meet all the other fit and proper tests (for example adequacy of home supervision, fitness and propriety of directors, controllers and managers, adequate financial resources) set out in the relevant schedule of the Banking Ordinance, he added.

At present, where a company incorporated outside Hong Kong is seeking authorisation to carry on banking business in Hong Kong, it is required under the Banking Ordinance that there is, in the opinion of HKMA, an acceptable degree of reciprocity in respect of banks incorporated in Hong Kong seeking to carry on banking business in the place where the company is incorporated.

End

Survey on civil servants' performance

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A public opinion survey conducted in January by the Home Affairs Branch (HAB) has shown that 55 per cent of the respondents felt that the working attitudes of civil servants were good.

Releasing the latest findings of the bimonthly survey, an HAB spokesman said the figure represented an increase of four percentage points from 51 per cent in November last year.

The survey also indicated that 43 per cent of the respondents regarded the civil service as efficient, compared with 40 per cent in the previous poll.

Asked about their views of the present situation in Hong Kong, the percentage of people expressing satisfaction has remained at 62 since last September.

On the future, 55 per cent of the respondents showed confidence that the territory would continue to be prosperous and stable, a slight increase from 53 per cent.

More than half (51 per cent) also expected the situation to improve or stay about the same in the next 12 months, up from 47 per cent.

Of the three most often mentioned problems facing the territory, labour-related issues continued to top the list at 65 per cent, a marginal drop compared with November's 66 per cent.

The percentage of respondents concerned about "housing-related problems" and "economy-related problems" both stood at 24 per cent. The corresponding figures in the last survey were 30 per cent and 21 per cent respectively.

The survey was the 62nd in the series to gauge the trend of public opinion on perceived problems in Hong Kong and the community's views of the general situation.

Through a random sampling of residential telephone numbers, 1,515 persons aged between 15 and 64 were interviewed.

End

Governor visits Islands District

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The Governor, the Rt Hon Christopher Patten, today (Wednesday) visited Tung Chung on Lantau Island and Peng Chau for an update on the latest developments in the Islands District.

Accompanied by the Director of Home Affairs, Mrs Shelley Lau, the Islands District Officer, Mr Christopher Wong, and the Chairman of Regional Council, Mr Daniel Lam, the Governor first proceeded to a look-out point in Tung Chung where he was briefed on the full range of housing and related facilities that would be provided in Tung Chung New Town in 1998 and beyond.

Before departing for Peng Chau, Mr Patten toured Tung Chung Fort and learned about its colourful history.

On Peng Chau, Mr Patten proceeded to the Regional Council Complex where he was briefed on the major development projects being planned for the island.

Before concluding the visit, the Governor met district board members and local community leaders at a reception.

End

Insider Dealing Tribunal hearing

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The Insider Dealing Tribunal will hold a preliminary hearing on the CNPC (Hong Kong) Ltd (formerly known as Paragon Holdings Ltd) case tomorrow (Thursday).

This is the third case referred by the Financial Secretary to the Tribunal since the Securities (Insider Dealing) Ordinance came into effect in September 1991.

The Tribunal's Chairman is Mr Justice Yam. On December 28 last year, the Financial Secretary had appointed Mr Lawrence Tse and Ms Connie Tsui as lay members to hear the CNPC case.

At the preliminary hearing, the Tribunal will announce its terms of reference and procedures for this inquiry, state its duties and powers, receive applications for representation and set a date for the main hearings.

The hearing will start at 10 am at Room 702, Peregrine Tower, Lippo Centre, 89 Queensway, Hong Kong.

End

Harmless azocolours certification scheme announced

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The Industry Department announced the launching of a certification scheme commencing today (Wednesday) on harmless azocolours to help manufacturers comply with a new German regulation banning the importation of consumer goods containing certain harmful or carcinogenic substances, namely azocolours which can split into any of the 20 banned amines.

The regulation will take effect from April 1, 1996.

The Institute of Textiles and Clothing (ITC) of the Hong Kong Polytechnic University has been commissioned by the Industry Department to provide certification certifying dyestuffs used in a particular dye or printed lot of fabric or garment does not contain the banned amines.

Explaining the procedures involved in the scheme at a press conference, the Deputy Director-General of Industry, Mr Dominic Law said: "Manufacturers are to submit the list of dyestuffs they use to ITC whose experts will check whether the dyestuffs are included in the Voluntary Registration Scheme (VRS) list and certify accordingly.

"The certification service will be provided free of charge to local manufacturers and traders."

Mr Law said the Industry Department, on the advice of the Textiles and Clothing Committee (TCC) of the Industry and Technology Development Council, had earlier commissioned the ITC to establish the VRS, with the aim to compile a list of dyestuffs which are free of those harmful amines specified by the German Government.

ITC started preparing the harmless list in October 1995 and it had gained active support from major dyestuff manufacturers.

"By now, a list of the harmless dyestuffs commonly used in Hong Kong has been compiled and it is promulgated to industrialists through the Internet at <http://www.polyu.edu.hk/~itc>," Mr Law said.

"Being an independent and highly respected tertiary institution, ITC is well positioned to do the certification.

"This certification is expected to be able to gain a certain extent of recognition by German importers and if so, the industrialists would be able to minimise the testing requirement to be conducted," he said.

"The certificate bearing the stamp of ITC will no doubt be more creditable than the current self declaration by the manufacturers or traders.

"This will also demonstrate the keenness of Hong Kong industry to comply with the new German regulation and will in turn impress upon the German importers that it is safe to place orders to Hong Kong," he added.

The certification scheme will be promoted through a number of channels, including the Industry Department's overseas offices; Product Standards Information Bureau's Health and Safety Standard Circular, Trade Department's commercial information circulars; Hong Kong Trade Development Council as well as various industry and trade organisations, such as the Hong Kong Exporter Association.

Mr Law said the Industry Department had commissioned the Hong Kong Productivity Council (HKPC) to conduct an "Initial Study of the Impact of the New German Regulation Regarding Harmful Azocolours in the Textiles and Clothing Industries of Hong Kong" in 1994.

In a report submitted to the department, HKPC had recommended that the industry should consider the establishment of a "Voluntary Registration Scheme for Harmless Dyestuffs", a "Dyehouse Certification Scheme (DCS)" and a "model procedure for buying and control" to help itself to cope with the new German regulation, Mr Law said.

Commenting on news that the German Government would soon announce a standard method for the testing of the harmful amines, Mr Law said the Industry Department would consider developing a laboratory accreditation scheme for testing when the standard was known.

"Further support services like the model procedure for buying and control and dyehouse registration scheme will also be considered," Mr Law said.

End

Provision of urgent relief for PWIF's applicants

* * * * *

The Labour Department today (Wednesday) introduced a new hotline service to provide emergency financial assistance to destitute applicants for the Protection of Wages on Insolvency Fund (PWIF).

Set up by the Wage Security Unit (WSU) of the Department, the new hotline 2923 5329 is aimed at providing prompt relief to PWIF's applicants who are in genuine financial hardship in the form of advance partial payment of their entitlements.

"Employees who are owed wages for prolonged period, have difficulties in seeking new employment due to old age, illness or disability or are still unemployed long after the insolvency of their employers, are all eligible to apply for the contingency relief," a Senior Labour Officer of the WSU, Mrs Marian Li said.

Subject to basic verification of the applicant's claims, an amount of the advance partial payment will be made not exceeding 50 per cent of the claims or \$10,000, whichever is the less.

"However, applicants will be informed that their payments will be released only upon conclusion of the investigations if their applications are dubious or lacking in essential evidence," she said.

Under the circumstances where the amount of claims is substantial and the presentation of a winding-up or bankruptcy petition is required, payment will be made after the petition has been filed.

"Nevertheless, subject to the discretionary power of the Commissioner for Labour, partial payment may also be made to those applications with sufficient evidence to support the claims but are unreasonable or uneconomical to present a petition as soon as the basic verification is completed," Mrs Li added.

End

113 VMs depart on Orderly Repatriation Flight

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A group of 113 Vietnamese migrants (VMs) has returned by air to Hanoi, Vietnam, today (Wednesday) on the 30th flight under the Orderly Repatriation Programme (ORP).

All but five of the returnees, comprising 56 men, 24 women, 21 boys and 12 girls, are from South and Central Vietnam.

The majority of them arrived in Hong Kong in 1991, with the remaining in 1989, 1990 and 1995.

The group brought to 2,071 the total number repatriated on ORP flights since November 1991.

End

Monitors' Report submitted to CS

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The monitors appointed to observe the Orderly Repatriation Programme operation this (Wednesday) morning have submitted their report to the Chief Secretary.

The monitors were Mr Dakchison Yiu Chung-lap, a Justice of the Peace, and Miss Jackie Leung Chin-ha from Oxfam.

End

Tuen Mun lot to let

* * * * *

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

Located at Siu Lun Street, Area 14, Tuen Mun, the lot has an area of 1,470 square metres for use as a fee-paying public car park.

The tenancy is for one year, renewable quarterly.

The closing date for submission of tenders is noon on Friday, March 1, 1996.

Tender form, tender notice and conditions may be obtained from the District Lands Office, Tuen Mun, sixth floor, Tuen Mun Government Office, 1 Tuen Hi Road, Tuen Mun; the 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, Central.

Tender plans can also be inspected at these offices.

End

Hong Kong Monetary Authority tender results

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Tender date	6 Feb 96
Paper on offer	EF bills
Issue number	Q606
Issue date	7 Feb 96
Maturity date	8 May 96
Amount applied	HK\$11,520 MN

Amount allotted	HK\$1,500 MN
Average yield accepted	5.10 PCT
Highest yield accepted	5.10 PCT
Pro rata ratio	About 21 PCT
Average tender yield	5.11 PCT

Hong Kong Monetary Authority

Tenders to be held in the week beginning 12 Feb, 1996

Tender date	12 Feb 96	13 Feb 96	13 Feb 96
Paper on offer	EF notes	EF bills	EF bills
Issue number	2802	Q607	H658
Issue date	13 Feb 96	14 Feb 96	14 Feb 96
Maturity date	13 Feb 98	15 May 96	14 Aug 96
Tenor	2 Years	91 days	182 days
Amount on offer	HK\$500+100MN	HK\$1,500+300MN	HK\$800+160MN
Coupon	5.16 PCT		
End			

Hong Kong Monetary Authority money market operations

	\$ million	Time (hours)	Cumulative change (\$million)
	-----	-----	-----
Opening balance in the account	2,953	0930	-453
Closing balance in the account	2,776	1000	-453
Change attributable to :		1100	-453
Money market activity	-450	1200	-450
LAF today	+273	1500	-450
		1600	-450

LAF rate 4.00% bid/6.00% offer TWI 123.5 *+0.1* 7.2.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.00	2 years	2711	5.60	100.92	5.11
1 month	5.02	3 years	3901	5.57	100.85	5.32
3 months	5.01	5 years	5012	6.38	102.55	5.85
6 months	5.00	7 years	7211	6.82	104.06	6.17
12 months	5.00	5 years	M502	7.30	105.02	6.16

Total turnover of EF bills and notes - \$36,182 million

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End



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SUPPLEMENT

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MPF advantageous to HK's financial services sector

* * * * *

The Government is committed to meet and will continue to meet the ongoing challenge of maintaining Hong Kong's leading position as an international financial centre, the Secretary for Financial Services, Mr Rafael Hui, said today (Wednesday).

Speaking at a motion debate in the Legislative Council, Mr Hui reiterated the very advantageous 'side effect' of the Mandatory Provident Fund (MPF) Scheme where Hong Kong's financial services sector would be given a timely and invaluable boost on the establishment of the Scheme.

The potential benefits to the Hong Kong debt market, fund management and associated sectors and the economic activities so generated were obvious and this was indeed a very substantial and tangible gain for Hong Kong's status as an international financial centre, Mr Hui said.

He urged members who had already indicated their support for MPF and those who had not decided and those who were previously opposed to it to reconsider.

Mr Hui emphasised that a rejection of the MPF proposal would deprive Hong Kong of an invaluable opportunity to enhance its position in an increasingly competitive world.

End

Maintaining HK as an international financial centre

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Following is the speech of the Secretary for Financial Services, Mr Rafael Hui, in the motion debate on maintaining Hong Kong's competitiveness as a leading international financial centre in the legislative Council today (Wednesday):

Mr President:

I very much welcome today's debate on an issue which is crucial to the continued stability and prosperity of Hong Kong. By most international standards, Hong Kong is already a leading international financial centre. It has been a wide ranging and valuable debate and Honourable Members have put forward to us some valuable suggestions on how Hong Kong can maintain our competitive edge, in the face of keen competition. I wish I could acknowledge and respond to the views of each and every member who has spoken but obviously time does not permit this. And I, therefore, look forward to having continued discussion with Members, market practitioners and the public over this very important topic. And indeed a number of items raised this afternoon could well be very usefully and constructively discussed and further discussed at the Financial Affairs Panel.

I cannot agree more with Mr Paul Cheng that Hong Kong's future prosperity depends on a great degree on maintaining our competitiveness as a leading financial centre. Indeed, in the past decade or so, financial services have been a key growth component in our economy. The average growth rate for trade in financial services since 1980 stood at an impressive 21% per annum in value terms.

I will not quote further statistics today to illustrate our astounding achievement in becoming one of the leading financial centres in the world. Mr Paul Cheng had done so in his speech as have other members as well as Ms Loh. I will only reiterate, however, that despite these remarkable achievements, the Government has never been complacent. And I believe that this is true for the private sector as well. Indeed, there is no place for complacency. Asia, being the fastest growing region in the world and expected to continue to be so in the future, presents immense opportunity in financial services. While Hong Kong is well placed to tap this potential and the associated benefits, both established players and emerging aspiring financial centres in the region are also seeking to capture the same potential and benefits. And as Ms Loh has pointed out, it is not a zero-sum game, we are keenly conscious of the need to maintain Hong Kong's competitiveness, in the face of increasing competition.

Over the years, we have regularly reassessed the role of the Government in supporting the efforts of the private sector but we continue to believe that our market-based economic philosophy and policies are sound. They have served Hong Kong so well over the decades and it is this very distinctive feature that has given us the edge over other competitors in the region. We also believe that there is considerable consensus over markets, enterprise and free trade in the community and I am glad to know that Mr Cheng is not advocating governmental intervention. Government should not actively manage the financial markets or interfere with market forces. Our role should be to support business by helping to enhance productive capacity, improve efficiency and sharpen competitiveness; in other words to maintain a competitive and favourable operating environment.

Through our regular consultation with market practitioners and experts in the international arena, there exists a consensus that Hong Kong's comparative advantages primarily draw from a host of factors. To name just a few,

- (a) sound economic fundamentals such as strong international trade performance and prudent fiscal position;
- (b) strategic geographical, e.g. our time zone, location;
- (c) robust supervisory framework which inspires confidence and an effective anti-corruption regime;
- (d) advanced infrastructure such as telecommunication links, settlement and clearing systems;
- (e) business-friendly policies - predictable and low taxes, the rule of law, free flow of people and capital, open markets, etc., and finally
- (f) special, long-standing experience and expertise and relationship with the China market.

The list can go on and on. This not only reflects the width and depth of our strengths, but also presents a daunting task for Government and the private sector to keep up the very high standards in the face of increasingly keen competition. As many members have pointed out, the Hong Kong Monetary Authority has compiled a strategy paper last year on Hong Kong as an international financial centre. The paper reaffirmed the many opportunities and threats for Hong Kong and identified a number of continued work on various fronts. These include initiatives to further develop our debt market, engagement of sectoral studies on individual sectors, improvements to the operating environment in general and workforce upgrading in particular.

Most of these proposals represent ongoing efforts which predate the HKMA study and these will continue. The evolving markets and the competition and opportunity that these bring effectively present us with a never-ending challenge. While some new initiatives have been launched, the dynamism of the environment dictates that we keep moving ahead. Since then, we have, for example, engaged in new studies, initiated structured consultations with the industries, and I can assure Members that we will continue to maintain the momentum. And as pointed out by Dr. Huang, the key issues and tasks involved in the concerted promotion of Hong Kong services are the subjects under active consideration by a Task Force of Services Promotion, chaired by the Financial Secretary which was set up last year. A series of new initiatives, including proposals to consolidate Hong Kong's leading position as an international financial centre, will be announced by the Financial Secretary in association with this budget.

At this juncture, perhaps I should respond in brief to the four areas of focus identified by Mr Paul Cheng in the original motion, and in the process the three areas advanced by Ms Loh in her amendment.

The first area referred to by both Members relates to promoting Hong Kong's strengths as an international financial centre. I fully agree that this is an important task. Indeed, it is very much on Government's list of ongoing commitments. Promoting Hong Kong's role as an international financial centre has been one of the major themes of our publicity efforts both in Hong Kong and overseas in recent years. These include promotion tours by senior government officials, speaking engagements in local and overseas seminars, and active participation in international organisations and forums. Through such efforts, we have raised Hong Kong's profile internationally. I can assure Members that we will continue to our endeavour and seek to further improve our promotional activities by undertaking more focused, finely targeted and co-ordinated campaigns specially adapted for use in the promotion of financial services.

Both Members have called for improvements to our market infrastructure, manpower training and access to our financial markets. Again I should express Government's full support of the idea. In respect of market infrastructure, Hong Kong's present set-up is amongst the most advanced in the world. The technologies and infrastructural support available to, say, our banking, securities and futures and insurance industries all measure up to international standards. We continue to move forward progressively. In the banking sector, we are introducing a payment system based on real time gross settlement later this year. In the debt market, after the link-up of our local custodian and settlement systems with two established international clearing systems, we will seek to expand the range of services of our system to non-Government debt papers and further upgrade its efficiency.

The markets themselves are of course very much alive to the need to improve market infrastructure. For instance, the recent launch by the Stock Exchange of Hong Kong of the second trading terminal has enhanced the operational efficiencies of the Exchange's trading system, expanded market capacity, shortened communication time and provided more secure back-up facilities. Government fully supports such initiatives, and encourages the markets to continue such efforts.

One of the most invaluable assets of Hong Kong is our well-trained and adaptable workforce. In the financial services sector human resources are of particular importance. Government is committed to ensuring that there is an adequate supply of trained manpower at various levels to continue to service our financial services industries. A case in point is the focus on language proficiency, arguably one of the most essential ingredients for a competent workforce for the financial services sector. And I am Glad that almost all members this afternoon have also expressed concerns regarding the standards of our language skills of our workforce. Related initiatives include the establishment of a Language Fund with a Government injection of \$300 million to fund projects to raise the standards of English and Chinese. The draft Education Commission Report Number Six has specifically addressed the subject of language proficiency where it is recommended that, as a priority, Government should put in place an institutional framework to enable research to be conducted into the language needs of Hong Kong, to develop policies, and to have such policies monitored and evaluated in a coherent and systematic manner.

Regarding access to our financial markets, Hong Kong is probably one of the most open systems in the world. International service providers are free to enter the Hong Kong market, subject to their meeting the prudential criteria for admission, which seek to ensure that fit and proper persons are admitted. There is no discriminatory treatment against overseas companies. We have actively participated in the negotiations on the General Agreement on Trade in Services in the context of the World Trade Organisation and intend to maintain our open system and seek to ensure access for Hong Kong companies. As for investors and buyers of financial products available in Hong Kong, there is again no barrier for entry into our markets. Such openness has attracted a critical mass of providers of financial services and products, as well as investors to Hong Kong. Their presence and active participation in Hong Kong's financial markets have ensured liquidity and diversity - all essential ingredients to a successful financial market. We are firmly committed to maintaining our open system.

The third area referred to by both members relates to a sound regulatory framework and legal requirements to ensure that the financial markets operate fairly and efficiently, thus improving the protection of investors. I should reiterate that Government is again fully committed to this, and over the years this has indeed been one of our primary objectives. We recognise that the integrity and effectiveness of the financial services regulatory regime is of utmost importance to our financial markets. The system must be fair and transparent so as to inspire confidence of market practitioners and investors. Hong Kong has always sought to adopt the leading international prudential standards so as to protect the interests of depositors, shareholders, insurance policy-holders, members of registered retirement schemes, and so on. and regular reviews of the relevant legislation, e.g. the Banking Ordinance, Insurance Companies Ordinance and securities and futures legislation have resulted in a number of amendment legislation and subsidiary legislation which have contributed to the continued robustness and effectiveness of our regulatory system. Nevertheless, without compromising our supervisory regime, we also strive to ensure that the system is as market-friendly as possible, and to be ever vigilant regarding over-regulation.

Several members have sounded a very important warning that we should be extremely worried about over-regulation. I am very grateful for this reminder. Indeed, the Government and the financial services regulators must always be mindful of the impact of over-regulation which undermines the attractiveness and competitiveness of our market. However, at the same time, we must be mindful that the primary objective of our financial services regulations is to protect the interest of the investors. To live up to its reputation as a leading international financial centre, Hong Kong financial services regulatory system must measure up to international standard which is a form of quality control, if you like, of the high quality products we are trying to sell. It is essential, therefore, that Hong Kong adheres to the high industrial standards set by international bodies. What is involved therefore is a balancing act to enhance market friendliness without promising the robustness and effectiveness of our regulatory system. To this end, Government is committed to review regularly our regulatory requirements so as to ensure that they continue to be sound and effective in the face of rapidly changing environment, but also to streamline procedures and lessen the reporting burden wherever appropriate and to ensure that the criteria for authorisation and reporting requirements of Hong Kong's regulatory regime are objective and transparent. Examples of lessening the regulatory burden in recent years include the promotion of self-regulation e.g. in the insurance industry and in the streamlining of listing securities by vesting more power in the stock exchange of Hong Kong from the Securities and Futures Commission and we shall continue such endeavour. And talking about the stock exchange and the SFC, I note, Mr Chim by now categorically strong, and passionate feeling for the SFC which I am sure will take careful note of the view from one of its most ardent critics. I also note that market development is in fact a statutory responsibility of the SFC. But I also accept that the role of market development should rest primarily with the market and the industry concerned.

Mr Cheng's has further advocated the use of tax and other incentives to continue to attract key financial services. I note that Ms Loh has considered this unnecessary. As Members know the Financial Secretary will deliver his Budget on 6 March. Today therefore is obviously not an opportune time for me to pre-empt his Budget proposals on taxation matters, if any. Perhaps I should echo what the Financial Secretary has recently alluded to on this subject. It is worth repeating that the standard profits tax rate in Hong Kong is already very low by international standards. It has helped to foster a competitive business environment as a whole and which the financial services sector benefits. If what Mr Cheng meant by tax incentives refer to preferential tax rate for selected industries for a certain period of time, it may compromise our current simple, predictable and easy to understand taxation system. Selective preferential treatment entails picking of winners by the Government and would ultimately be tantamount to Government making commercial decisions on behalf of the private sector - an area which bureaucrats anywhere may not be very good at.

In conclusion, Mr President, maintaining Hong Kong's leading position as an international financial centre is an ongoing challenge which Government is committed to meet and will continue to do so. Come 1997, this will even become a mandatory requirement, as Article 109 of the Basic Law stipulates that "the HKSAR shall provide an appropriate economic and legal environment for the maintenance of the status of Hong Kong as an international financial centre".

Mr President, before I end today, I should express my gratitude for the overwhelming support of Members in working to maintain Hong Kong's leading status as an international financial centre. There is one major initiative which success will greatly enhance such a position. I am referring, Mr President, of course, to the Mandatory Provident Fund (MPF) Scheme. As Members are aware, we have submitted for the approval of the Finance Committee a funding proposal for the MPF Scheme the day after tomorrow. While the System is intended for the much needed but long delayed retirement protection of our workforce, I should take this opportunity to reiterate the very advantageous "side effect" of the MPF System where Hong Kong's financial services sector will be given a timely and invaluable boost on the establishment of the System. The potential benefits to the Hong Kong debt market, fund management and associated sectors and the economic activities so generated are obvious. Mr Paul Cheng has in fact alluded to the importance of fund management having their operation localised in Hong Kong and in our regular and frequent contacts with the fund management industry in Hong Kong, the message is loud and clear - forget about special incentives, not even tax concessions, just get on with the MPF. This is indeed a very substantial and tangible gain for Hong Kong's status as an international financial centre.

I am most grateful to those Members who have already indicated their support for the MPF and would urge those Members who have not yet decided and those who were previously opposed to it to reconsider, having regard to what Members have said today in this debate, including Mr Andrew Cheng's strong support for developing our debt market for which to MPF is an ideal vehicle. I am certain that they will seriously ponder over their position, as a rejection of the MPF proposal will deprive Hong Kong of an invaluable opportunity to enhance our position in an increasingly competitive world.

Thank you.

End

Coroners Bill

* * * * *

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

Mr President,

I move that the Coroners Bill be read the second time. The Bill aims to reform the coroners system in Hong Kong.

The Coroners' Court was first established in 1967. In April 1984, the Law Reform Commission appointed a sub-committee to review the coroners system, including the duty to report a death to coroners, the arrangements relating to the reporting of deaths to coroners, the investigatory role of the coroners and the functions of the Coroners' Court relating to a death.

The Law Reform Commission Sub-committee completed its deliberations in October 1986 and the Law Reform Commission itself subsequently issued a Report on Coroners in August 1987. Extensive public consultation was carried out by the Law Reform Commission in the course of the compilation of its Report. A number of defects were identified in the existing system and a comprehensive reform of the system was recommended.

The Administration accepts almost all the recommendations of the Report. In view of the substantial legislative changes required to implement the recommendations of the Report, the Bill will have the effect of repealing and replacing the existing Coroners Ordinance. I shall now outline the salient points of the Bill.

At present, there is no legal duty to report any death to the coroner. A list of reportable deaths is now prescribed in Part 1 of Schedule 1 of the Bill. Clause 4(1) also imposes a duty on certain categories of persons specified in Part 2 of Schedule 1, including, for example, doctors, the Registrar of Births and Deaths and the Police, to report a death specified in Part 1 of that Schedule as soon as is reasonably practicable after the death comes to their knowledge.

The powers of a coroner are enhanced by the Bill. Clause 10 empowers a coroner to issue a warrant to a police officer to enter and search any premises where the coroner is satisfied on reasonable grounds that relevant evidence is likely to be found in such premises. Clause 11 empowers a coroner to first conduct a pre-inquest review to determine how the inquest may be disposed of in a just, expeditious and economical manner.

Clauses 13 to 19 set out the circumstances in which a coroner may or must hold an inquest. Clause 13 provides that a coroner may hold an inquest, whether with or without a jury, where a person dies suddenly, by accident or violence or under suspicious circumstances. Clause 14 makes it mandatory for a coroner to hold an inquest with a jury where a person has died in official custody. Clause 15 makes it mandatory for a coroner to hold an inquest when required by the Attorney General to do so. Clause 19 provides that the High Court may, on the application of a properly interested person or the Attorney General, order an inquest to be held into a death including, where an inquest has already been held, a new inquest into that death.

The present three-person jury will be expanded to a five-person jury. Clause 22 provides that five jurors shall be selected to form the jury at an inquest.

Clause 34(1) provides that the coroner may during the course of an inquest refer a case to the Attorney General for a decision as to whether or not criminal proceedings should be instituted against a person, and obliges the coroner to do so where the suspected criminal offence is murder, manslaughter, infanticide or death by reckless driving.

Clause 40 empowers a coroner to issue in certain circumstances a certificate of the fact of death to assist in the transport of a dead body to another country for burial, in particular where the relevant authorities of that country require official documentation that the deceased did not die from an infectious disease.

Clause 46 makes it an offence for a person to obstruct, resist or delay a coroner, including a person assisting a coroner, in the lawful discharge of his duties and lawful exercise of his powers under the Bill.

Mr President, this Bill represents a further reform to the administration of justice in Hong Kong and I commend it to this Council for early passage into law.

End

Immigration Service (Amendment) Bill 1996

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Following is the speech by Secretary for Security, Mr Peter Lai, in moving the second reading of the Immigration Service (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

I move that the second reading of the Immigration Service (Amendment) Bill 1996 be read the second time. This Bill seeks to give members of the Immigration Service powers of investigation into offences relating to registration matters, and in certain forgery offences under the Crimes Ordinance. It also seeks to regularise the procedures relating to the handling of persons arrested by members of the Immigration Service.

The Immigration Service took over the work of the Registration of Persons Office in April 1977 and the work of registration of births, deaths, and marriages in July 1979. Members of the Immigration Service, however, do not have clearly defined powers to deal with the investigation of offences relating to these responsibilities. When such offences are encountered, immigration officers may make initial enquiries into the suspected offences and, if there is prima facie evidence, they are obliged to refer the cases to the Police for full investigation and prosecution. This gives rise to unnecessary duplication of work and inefficiency.

Members of the Immigration Service are at present empowered to investigate certain offences relating to forged documents, but they do not have powers to investigate other forgery offences involving forged dies, stamps and instruments which may be used in making the forged documents. When these forgeries are encountered during investigation, they have to be referred to the Police for further action. This duplication of work and the separate handling of evidence again gives rise to inefficiency.

The proposed Bill enables members of the Immigration Service to pursue the investigation of these offences entirely on their own. These powers include the power to stop, search, and to arrest suspected persons; to enter places and search for suspects; and to search for and seize evidence under warrant.

To regularise the handling of arrested persons, we propose to give members of the Immigration Service the power to detain and arrest persons and to grant bail. We also propose to extend the time limit to deliver an arrested person to the police station from the existing 12 hours to 48 hours, in line with the requirement imposed on other law enforcement agencies. The 12 hour period has caused practical difficulties in that there is insufficient time for members of the Immigration Service to make enquiries in order to determine whether the person should be charged, delivered to a police station, or released. This is particularly so when a large number of illegal workers are arrested during operations against illegal employment.

The offences for which these new powers are applicable will be specified in a Schedule to the Ordinance.

Mr President, the proposed amendments will enable the responsibility of investigating the specified offences to be entirely assumed by the Immigration Service. This would allow the investigation of these offences to be conducted more effectively and efficiently, since members of the Immigration Service are specifically trained to deal with offences in their own areas of responsibilities. It would also allow Police resources which are tied up in dealing with these offences to be redeployed for other important Police work in maintaining law and order. The powers we have proposed for the Immigration Service in respect of the specified offences are in line with existing powers already conferred on the police and other disciplined services, and are also consistent with the Bill of Rights Ordinance.

To prevent the possibility of abuse, the exercise of these new powers will also be subject to the same stringent safeguards that are now applicable to existing powers entrusted to the Immigration Service. A set of guidelines has been established for law-enforcement officers to follow when questioning suspects and taking statements. These rules also stipulate the rights and the facilities available to persons when they are arrested or questioned. Further, the Director of Immigration has, under Section 9 of the Immigration Service Ordinance, issued standing orders governing the proper exercise of statutory powers by immigration officers. They are subject to supervisory control of their senior officers and are liable for disciplinary action under Section 8 of the same Ordinance for any abuse of power.

Thank you, Mr President.

End

Effectiveness of methadone treatment programme

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

Question:

Regarding the effectiveness of the methadone treatment programme and the operation of methadone treatment centres, will the Government inform this Council :

- (a) whether methadone treatment can help drug addicts to abstain from drugs;
- (b) whether it will review the effectiveness of the methadone treatment programme and its future development;
- (c) whether it will review the methadone taking procedure and the security measures in methadone treatment centres, and whether it will consider increasing the number of staff on duty so as to prevent drug addicts who receive treatment in these centres from smuggling methadone out of the centres; and
- (d) whether consideration has been given to eliminating the nuisance caused to nearby residents by the patients of methadone treatment centres?

Reply:

Mr President,

- (a) Drug addiction is a chronic relapsing medical condition affected by complex socio-psychological factors. We have a long-standing policy of adopting a multi-modality approach in treatment and rehabilitation to cater for the varying needs of different drug abusers. The out-patient Methadone Treatment Programme provides an alternative treatment model to those addicts who are not suitable and receptive to residential treatment. It includes both maintenance and detoxification schemes for patients. Detoxification treatment, which aims to wean patients off drugs by gradually reducing their daily dosage of methadone until they are completely drug-free, is more suitable for those abusers with short addiction history. However, international experience has shown that it is difficult and unrealistic to aim at total detoxification for all drug abusers. Indeed, most drug-abusers opt for the maintenance programme which is a more realistic objective for them. This programme enables the drug-abusers to resume a normal and economically productive life, and protects them from the health hazards and crime activities associated with illicit drug use.

- (b) A comprehensive policy review was carried out on all drug treatment and rehabilitation services, including the methadone treatment programme, in 1992. The review reaffirmed the role of the programme in our overall treatment and rehabilitation strategy, which provides a readily accessible, legal and medically safe and effective alternative to illicit administration of opiate drugs by drug abusers. It brings about positive benefits in reducing the demand for drugs and the harms caused by drug abuse to the community.

In March 1994, we engaged Dr Robert Newman, a widely regarded international expert in the field of drug addiction, as a consultant to Hong Kong to provide advice in relation to, inter alia, the methadone treatment programme. He reaffirmed the value of the programme and commended it as "a cornerstone of the successful containment of drug addiction in Hong Kong."

In November 1995, ACAN commissioned the Hong Kong Council of Social Service to carry out a research study reviewing objectives and outcomes of various drug treatment modalities adopted in Hong Kong, including the methadone treatment programme. This study will take three years to complete.

- (c) The Department of Health has put in place a comprehensive security system to prevent the hoarding of prescribed methadone by patients. Patients are required to attend a fixed clinic where the dosage is prescribed by doctors and monitored closely. All the prescribed methadone are required to be consumed in the clinic under the supervision of the clinic's staff before the patients leave the clinic. Generally, this system has worked well. There is at present no need to increase staff for the treatment centres. The Department of Health will in addition keep the operation of the programme under constant review, and improvements will be made in the light of operating experience and new developments in this field.
- (d) We believe that the most effective approach to address the nuisances complained of by local residents is to tackle the problem through co-ordinated inter-departmental efforts, including :
- i) stepping up law enforcement action by the Police against illegal activities in the vicinity of the clinics;
 - ii) strengthening education and counselling. This includes reaching out to drug abusers in the districts, educating them on the proper disposal of used syringes, persuading them to seek treatment, and arranging anti-drug publicity in the districts.

- iii) carrying out environmental improvements, such as frequent cleansing to remove discarded syringes, and improve street lighting in the area; and
- iv) encouraging methadone patients to make use of the social and recreational services provided by a number of voluntary agencies.

The measures are being carried out by the concerned Departments.

End

Progress of road pricing study explained

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Following is a question by the Hon Wong Ping-wai and a reply by the Secretary for Transport, Mr Haider Barma, in the Legislative Council today (Wednesday).

Question:

In regard to the Electronic Road Pricing Feasibility Study being carried out by the Transport Department, will the Government inform this Council:

- (a) of the present progress of the study and its expected completion date;
- (b) whether the existing establishment of professional staff in the Transport Department is adequate to handle the extra workload arising from the study;
- (c) if the answer to (b) is in the negative, whether additional staff have been or will be recruited; if so, what are the details; and
- (d) whether a forecast has been made of the additional manpower resources required for implementing the recommendations of the study; if so, what are the details?

Reply:

Mr President,

Our proposal for Electronic Road Pricing, as a measure to combat traffic congestion, received general public support during the consultation exercise. Indeed, during the debate in this Council last February, the consensus also was that ERP should be supported in principle. Honourable Members, quite understandably, asked that they be further consulted on details before implementation.

The Administration believes that ERP, which adopts the user-pays approach, offers a more efficient, equitable and flexible way of dealing with traffic congestion.

The brief for the feasibility study on ERP has just about been completed. We shall consult the LegCo Transport Panel on the broad approach regarding the study later this month prior to approaching Finance Committee in April for funds to both appoint consultants to carry out a feasibility study on ERP and for a pilot project. The study is expected to start later in the year and will take about two years to complete. The study will include the development of a transport model to evaluate various ERP strategies and to assess their impact, the evaluation of suitable technologies for an ERP system including field evaluation of the equipment, and the preparation of a conceptual design for the system.

Given existing and other commitments, it will not be possible for Transport Department to handle the extra workload arising from the ERP study without additional staff. To manage and supervise the study, funds have been sought in the 1996-97 estimates for the creation of a small, dedicated project team comprising professional engineering and technical staff.

It is too early to indicate the staffing requirements for the implementation of a full ERP system. One of the tasks of the consultants will be to look into the resources required.

End

Enrolment of traditional Chinese medicine practitioners

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

Question:

With regard to the enrolment of Traditional Chinese Medicine (TCM) practitioners which closed on 21 January this year, will the Government inform this Council:

- (a) of the total number of people who have applied for enrolment;
- (b) of the number of applications which have been returned to applicants to date and the major reasons for returning the applications;
- (c) whether there is any mechanism to enable the applicants referred to in (b) to make appeals after their applications have been returned; and
- (d) what follow-up action will be taken by the Government after the enrolment process has been completed?

Reply:

Mr President,

At the closing date of 21 January 1996 for application for enrolment of traditional Chinese medicine (TCM) practitioners in Hong Kong, a total of 7504 applications have been received.

The Sub-committee of the Preparatory Committee on Chinese Medicine (PCCM) has set up a vetting group to vet the applications. As at 21 January 1996, the group had vetted 4237 applications out of which 79 have been rejected.

Reasons for rejections of the 79 applications include:

- * cases where the applicant was unable to provide adequate documentation in support of the application

- * 13 applications which were outside the scope of the enrolment exercise (i.e. from "tui-na", "qi-gong" practitioners, Chinese medicine manufacturers, etc.)
- * 7 applications from non-Hong Kong residents

The Secretariat of the PCCM will inform the rejected applicants in writing to explain clearly the reasons for rejection and to remind the applicants that they may appeal within 14 days. The decision of the Preparatory Committee will be final.

After the vetting has been completed, data collected will be entered into a computer for analysis. We expect that the analysis results will be available in early July. These results will enable the PCCM to understand more fully the practising situation and training background of TCM practitioners in Hong Kong. This in turn will help the PCCM to advise on legislation providing a statutory framework for the promotion, development and regulation of TCM in Hong Kong, incorporating a system of professional registration. Such legislation will also provide upon its enactment for the establishment of a statutory body to replace the PCCM

End

Tax exemption for student organisation

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Following is a question by Dr the Hon Cheung Bing-leung and a reply by the Secretary for the Treasury, Mr Kwong Ki-chi, in the Legislative Council today (Wednesday):

Question:

It is reported that the Inland Revenue Department has written to a university students' union requesting the students' union concerned to amend the clause in its constitution concerning its political objective and to stop engaging in activities of a political nature, so that it can still be regarded as a charitable institution within the meaning of section 88 of the Inland Revenue Ordinance. In this regard, will the Government inform this Council :

- (a) how many student organisations of the tertiary institutions are presently regarded as charitable institutions within the meaning of section 88 of the Inland Revenue Ordinance and thus exempt from tax;

- (b) what specific criteria are adopted for determining whether a student organisation could be regarded as a charitable institution within the meaning of section 88 of the Inland Revenue Ordinance;
- (c) how the Government determines whether the activities organised by such student organisations for the promotion of civic education and awareness of current affairs and social issues are in contravention of the criteria referred to in (b) above?

Reply:

Mr President,

The answer to the Honourable Member's three-part question is as follows:

- (a) There are three student organisations of the tertiary institutions which are recognised by the Inland Revenue Department as charitable organisations for tax exemption purpose.
- (b) In accordance with established tax principles, the Inland Revenue Department accepts "advancement of education" as a charitable purpose for granting tax exemption status under the Inland Revenue Ordinance.

Student organisations of the tertiary institutions are regarded as falling within the "advancement of education" category as their activities are an integral part of tertiary education in its wider sense.

- (c) For a charitable organisation to maintain its tax exempt status, it should only undertake activities which can reasonably be regarded as directed at achieving the charitable purpose for which it is established. Thus, to maintain its tax exempt status, a student organisation should only undertake activities which can reasonably be regarded as directed at achieving the purpose of "advancement of education".

Generally speaking, the organisation of activities for promoting civic education and social awareness amongst students can be regarded as for educational purposes. However, if these activities are organised for non-educational purposes, they would fall outside the criterion of "advancement of education" for the purpose of tax exemption.

End

Inspection of trams

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

Question:

Recently, a number of traffic accidents involving trams have cast doubts about the reliability of trams of the Hong Kong Tramways Limited (HK Tramways) and the quality of its tram drivers. It is learnt that the HK Tramways provides training for their drivers and conduct tests on their driving skill, ability to handle emergencies and knowledge of traffic rules. In this connection, will the Government inform this Council :

- (a) whether the Government will consider introducing legislation requiring newly recruited tram drivers to be tested by the Transport Department on their driving skill so as to ensure that they are capable of handling emergencies, thereby protecting the safety of passengers and pedestrians; and
- (b) how does the Electrical and Mechanical Services Department operate the monitoring system for the inspection and maintenance of trams, and whether consideration will be given to introducing a spot-check system for the HK Tramways similar to the one being applied to the three franchised bus companies?

Reply:

Mr President,

The occurrence of several tram accidents recently has understandably caused a degree of alarm. But, in perspective, the fact remains that tram accidents account for less than 1% of the annual number of accidents on our roads.

Section 38 (1) (e) of the Tramway Ordinance provides for the Governor-in-Council to make regulations for the licensing of tram drivers. However, no such regulations have been made. The Administration's view is that Hong Kong Tramways Ltd is in the best position to train and qualify its drivers. This approach is consistent with international practice for operators of transport modes running on fixed tracks.

What is important is that Hong Kong Tramways has a comprehensive training programme that provides drivers with the requisite skills covering road use, the handling of tram equipment, passenger safety, procedures in dealing with emergencies, and practical on-the-road training. At the end of the course, trainees are required to pass a written and a driving test.

In view of the recent incidents, the Company has decided to appoint a consultant to review and advise on its recruitment procedures and training programme. The Administration welcomes this initiative. The findings should be available in about three months' time and on which the Administration will be consulted. Meanwhile, the Company will provide a dummy tram in the depot for practical fire drill and emergency practice during the initial and annual re-certification training of tram drivers.

Hong Kong Tramways is responsible for the maintenance and inspection of its tram cars. General functional checks are carried out on all tram cars daily before they leave the depot and also on their return. The Company has a well established preventive maintenance programme under which various components of tram cars are regularly checked, replaced and maintained.

In addition to this programme, engineers from the Electrical and Mechanical Services Department carry out inspections on tram cars before giving approval for any modification or improvement works proposed by the Company. They also carry out investigations into tram accidents, making recommendations for necessary remedial action and monitoring their implementation. Although this system has worked satisfactorily, the Director of Electrical and Mechanical Services will in conjunction with the Company, review the existing maintenance programme to determine whether Tramway Regulations need to be strengthened to prescribe operational and maintenance requirements to further enhance safety.

End

Hospital acquired infections suffered by patients

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Following is a question by the Hon Cham Kam-lam and a reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):
(Final Draft)

Question:

Will the Government inform this Council:

- (a) of the number of patients and health care personnel who have become infected with pathogenic bacteria in public hospitals, Government clinics and private hospitals respectively in the past three years; and through what channels have they become so infected;
- (b) whether any patients have died of complications resulting from pathogen infection in the past three years;
- (c) whether the Government has drawn up any procedures governing the cleansing and sterilising of medical equipment frequently used by patients such as oxygen masks and ureters;
- (d) whether other measures will be adopted to reduce the chance of patients and health care personnel becoming infected with pathogenic bacteria; and
- (e) whether, in regard to hospitals and clinics which are situated in the neighbourhood of residential areas, the Government has adopted measures to prevent pathogenic bacteria spreading in the air so as to ensure that the health of the residents nearby will not be affected?

Reply:

Mr President,

The vast majority of all hospital acquired infections are inflicted by organisms from the patients' own bacterial flora. The principal cause of these infections is the weak immune system of patients while undergoing medical treatment.

The data requested by the Honourable Chan Kam-lam in part (a) and (b) of the question is not available. However, a study conducted earlier by the Hospital Authority indicated that the prevalence rate of hospital acquired infections in Hong Kong is about 7%. This compares favourably with some developed countries with a rate of up to 10%.

As for health care personnel, they have relatively stronger bodily defences compared with patients and are thus less prone to hospital acquired infections. Nevertheless, measures have been taken to reduce their occupational hazards through infection control programmes, regular staff education and protocol or procedures for handling patients with communicable diseases.

The Hospital Authority has promulgated a set of guidelines on proper procedures for the disinfection of all medical devices and equipment. Infection control committees are set up in all public hospitals to co-ordinate action in reducing hospital acquired infections. Furthermore, private hospitals are required to follow the "Guide to Hospital Standards" issued by the Department of Health providing for development and review of policies and procedures on infection control.

Bacteria that can stay in the air and spread from person to person by air are rare. The chances of people contracting communicable diseases from patients attending public or private clinics for treatment are no higher than that through ordinary exposure in the community. There is thus no question of potential risk to residential areas in the neighbourhood of medical facilities.

End

Land resumption in North District

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

Question:

It is learnt that the river training project in the North District will involve the resumption of approximately 10,000 private lots, and that there is a lack of sufficient manpower resources in the District Lands Offices, North to handle the resumption work. In this regard, will the Government inform this Council of the following:

- (a) whether Government will provide more manpower to the District Lands Office to handle the land resumption work mentioned above; if so, how many additional posts will be created; and
- (b) if the answer to (a) is in the negative, whether the existing manpower resources in the District Lands Office will be re-deployed to undertake the resumption work; if so, whether such a deployment will affect the normal work of the District Lands Office?

Answer:

Mr President,

- (a) The various river training projects in North District require the resumption and clearance of around 465 hectares of private and Government land. 38 additional posts have been approved and a special team set up in the District Lands Office to undertake the task. An interdepartmental steering group is also looking at ways to further speed up land acquisition.
- (b) Internal staff re-deployment in the North District Lands Office has already taken place without affecting other normal duties of the office.

End

Lifts reserved for judges and staff in court buildings

* * * * *

Following is a question by the Hon Andrew Cheng Kar-foo and a written reply by the Chief Secretary, the Hon Anson Chan, in the Legislative Council today (Wednesday):

Question:

It was reported that the defendant of a case heard in the Wan Chai District Court sometime ago left the court building by using the elevator reserved for the exclusive use of judges and court staff in order to circumvent interviews and photo-taking by the press. In this connection, will the Government inform this Council of the following:

- (a) whether there are any regulations prohibiting members of the public from using such elevators; if so, what the details are, and how the defendant mentioned above was able to use the elevator in question;
- (b) what follow-up action will be taken by the Government to prevent the recurrence of similar incidents; and
- (c) if the answer to (a) is in the negative, whether it will consider formulating regulations to prohibit the public from using such elevators; and if so, when will such regulations be implemented?

Reply:

Mr President,

The elevators reserved for the use by Judges and Judiciary staff are located within the restricted areas of the Wan Chai Law Court Building. Only authorised persons are allowed access to the restricted areas through electronically-controlled doors. These are administrative arrangements made by the Judiciary. No regulations apply, nor are any considered necessary.

In the case referred to by the Honourable Member, the Judiciary was not able to ascertain exactly how the defendant entered the restricted areas.

In the light of the reported incident, the Judiciary has stepped up security measures in the Wan Chai Law Court Building to ensure that only authorised persons are allowed access to the restricted areas.

End

More resources to improve ambulance services

* * * * *

The Government will seek additional resources to improve the performance of ambulance services so that the 10-minute travel time target can be met on a regular basis.

In a written reply to a question by the Hon Elizabeth Wong at the Legislative Council today (Wednesday), the Secretary for Security, Mr Peter Lai, pointed out that the delivery of ambulance services had been reviewed by a consultancy study in 1995.

The current efforts in developing the ambulance service were also concentrated in hiving off the remaining non-emergency ambulance services, he added.

Noting that the Hospital Authority had completed taking over all its non-emergency services in October 1995, Mr Lai said: "We are now pursuing the hiving off of the remaining non-emergency caseload, so that the Ambulance Command of the Fire Services Department may focus its resources on emergency ambulance services."

The Government will also try to achieve efficiency improvements in the short term through a better distribution of ambulance stations, more effective deployment of personnel and similar management initiatives.

The 1995 consultancy study also recommended the following long-term measures to develop the ambulance services :

- * To provide an additional 31 ambulances and crew and 10 ambulance aid motorcycles, identified as necessary to meet the 95 per cent performance target.
- * To adopt a new establishment manning formula that will allow for relief for staff absences, including training, leave and sickness.
- * To plan for new ambulance depots at North Point, Sheung Wan, Kwai Chung and Kowloon Tong.
- * To extend paramedic services, which are currently provided in up to 13 per cent of the total ambulance fleet, to all ambulances and ambulance aid motorcycles.

End

Policy on development of ambulance service

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

Question:

Will the Government inform this Council what is the policy on the development of ambulance service in the territory?

Reply:

The Government's policy on the development of ambulance service is based mainly on the conclusions of two consultancy studies, carried out in 1986 and 1995 respectively.

Stemming from the recommendations of the 1986 consultancy study, the following main policy guidelines were established:

- (i) a ten minute travel time target, within which 95% of emergency calls should be answered, should be adopted throughout the territory;
- (ii) ambulance depots should continue to be built in strategic locations, with temporary use of fire stations to station ambulances;
- (iii) non-emergency calls should be responded to as soon as practicable without jeopardising the resources for responding to emergency calls, which must be accorded higher priority;
- (iv) the quality of pre-hospital care to patients should be improved by expanding the existing paramedic ambulance service on a phased basis; and
- (v) the Fire Service Communication Centre (FSCC) should ensure effective mobilising and control of ambulance resources and should provide operational information on ambulance services.

The delivery of ambulance services was reviewed by a consultancy study in 1995. The Executive Summary of this consultancy study was circulated to Honourable members on 13 November 1995. A list of the various recommendations are annexed.

Our current efforts in developing the ambulance service are concentrated in three areas:

- (a) to hive off the remaining non-emergency ambulance services. The Hospital Authority completed taking over all its non-emergency services in October 1995. We are now pursuing the hiving off of the remaining non-emergency caseload, so that the Ambulance Command of the Fire Services Department may focus its resources on emergency ambulance services;
- (b) to achieve efficiency improvements in the short term, through a better distribution of ambulance stations, more effective deployment of personnel and similar management initiatives; and
- (c) to seek the additional resources necessary to improve the ambulance services' performance so that we can meet our travel time target on a regular basis.

Measures recommended by the 1995 Consultancy Study

Short-term Measures

- (a) To station ambulances in fire stations in addition to ambulance depots to extend emergency ambulance cover. The fire stations involved include North Point, Kotewall Road, Ap Lei Chau, Kwai Chung, Sheung Shui and Sha Tau Kok.
- (b) To redeploy ambulances and their crews from stations with relatively adequate manning to those where manning is inadequate to meet local demand.
- (c) To streamline the operational procedures for ambulance deployments to achieve more effective mobilisation.
- (d) To transfer the residual non-emergency cases to another agency to enable FSD to better concentrate on its delivery of emergency ambulance services.
- (e) To include the performance of ambulance aid motorcycles (AAMCs), which provide life-saving first aid before an ambulance reaches the scene, in the calculation of emergency ambulance performance.

Long-term Measures

- (a) To provide an additional 31 ambulances and crew and 10 ambulance aid motorcycles, identified as necessary to meet the 95% performance target.
- (b) To adopt a new establishment manning formula that will allow for relief for staff absences, including training, leave and sickness.
- (c) To plan for new ambulance depots at North Point, Sheung Wan, Kwai Chung and Kowloon Tong.
- (d) To extend paramedic services, which are currently provided in up to 13% of the total ambulance fleet, to all ambulances and AAMCs.

End

Slope maintenance works in private land

* * * * *

Following is a question by the Hon Ip Kwok-him and a written reply by the Secretary Planning, Environment and Lands, Mr Bowen Leung, in the Legislative Council today (Wednesday):

Question:

It is reported that the maintenance works to the slope at Smithfield Terrace in Kennedy Town have been delayed due to a dispute over the question of who is responsible for the maintenance of the slope. This has led to the issuance of a Repair Order by the Buildings Department, and the banks have refused to offer mortgage loans for flats of this building and this has affected the interests of the flat owners. In this connection, will the Government inform this Council:

- (a) of the present number of flats in private buildings which are in a similar situation, as well as the geographical distribution of these buildings; and
- (b) whether it will consider adopting measures requiring property developers to complete slope remedial works within a specified time after the receipt of a Repair Order, so as to minimise the inconvenience caused to property owners?

Answer:

Mr President,

- (a) The Buildings Department does not compile statistics on the number of flats affected by its repair orders relating to slope maintenance/repair. Given the large number of repair orders issued, it is also not practicable to extract the number from records. Nevertheless, the numbers of outstanding orders in each district are as follows:

<u>District</u>	<u>Number of Outstanding Orders</u>
Central & Western	52
Wan Chai	32
Eastern	16
Southern	19
Islands	12
Kowloon City	2
Kwun Tong	1
Sai Kung	5
Tsuen Wan	10
Tuen Mun	2
Wong Tai Shin	1
Sha Tin	8
Kwai Tsing	1
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Total:	161

There are no outstanding repair orders relating to slope maintenance/repair in four districts, i.e. Yuen Long, Sham Shui Po, Yau Tsim Mong and the North District.

- (b) The duty to maintain private slopes rests with the owners. As regards public slopes, the duty generally rests with the Government, although sometimes the relevant lease conditions impose the duty on owners of adjoining lots.

The Buildings Department always specifies a time limit in its repair orders within which the concerned owners shall complete the remedial works. The time limit given will depend on the scale and complexity of works involved.

End

Paper cutter used to commit crime

* * * * *

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

Question:

In regard to the recent trend of criminals using paper cutters by criminals to commit crimes, will the Government inform this Council of the following:

- (a) whether any measures will be taken to combat this problem; and
- (b) whether there is any loophole in the law which could be plugged in order to prevent such crimes?

Reply:

Mr President,

- (a) We do not keep separate statistics on crimes involving the use of paper cutters. However, they are grouped under the category crimes involving the use of "razor blades". Honourable Members may wish to note that while the number of reported cases of robbery committed using razor blades has increased from 253 in 1993 to 336 in 1994, it actually decreased to 293 in 1995. These in any case represent a small proportion of the total number of reported cases of robbery involving the use of different kinds of weapon; viz. 3.6% for 1993, 5.4% in 1994 and 5.3% in 1995. In addition, the total number of reported cases of robbery has also declined by 21% between 1993 and 1995.

Police officers on front-line operational duties are regularly briefed on the latest trends in crimes, including the types of weapon used, so that special attention can be given to suspects in possession of these weapons.

- (b) Under S17 of the Summary Offences Ordinance, CAP 228, any person who has in his possession any offensive weapon or other instrument fit for unlawful purpose, with intent to use the same for any unlawful purposes, shall be liable to a fine of \$5,000 or to imprisonment for 2 years.

In addition, S33 of the Public Order Ordinance, CAP 245, provides that any person who, without lawful authority or reasonable excuse, has with him in any public place any article made or adapted for use, or suitable, for causing injury to the person, shall be liable to imprisonment for 3 years.

Although the possession of a paper cutter is not an offence per se, the criminal who has in his possession a paper cutter and intend to use it to commit crime will be arrested and prosecuted. The criminal intent can be proved from the prevailing circumstances, such as the nature and condition of the article, the time, the place, what legitimate use it might have at such a time and in such a place, and the reaction of the person when approached by the Police etc. Thus, during the last three years, a total of 273 persons were successfully prosecuted for illegal possession of razor blades (including paper cutters).

These provisions give adequate powers to the Police to tackle the problem of using paper cutters for committing crimes.

End

Fiscal reserves deposit with the exchange fund

* * * * *

Following is a question by Dr the Hon Huang Chen-ya, and a written reply by the Secretary for Financial Services, Mr Rafael Hui, in the Legislative Council today (Wednesday):

Question:

It is learnt that the fiscal reserves of the Government are deposited with the Exchange Fund and banks to earn interest. In this connection, will the Government inform this Council:

- (a) of the amount of fiscal reserves deposited with the Exchange Fund, the amount of interest earned and the rate of return in each of the past three financial years, as well as the basis and justifications for determining the rate of return; and

- (b) if the rate of return of fiscal reserves deposited with the Exchange Fund given in the answer to (a) is different from the rate of return of the Exchange Fund itself in the corresponding periods, what are the reasons for the differences?

Reply:

- (a) The amount of fiscal reserves deposited with the Exchange Fund, the amount of interest earned and the rate of return in each of the past three years are set out in the following table:

<u>Year*</u>	Fiscal reserves placed with the Exchange Fund at <u>the end of the year</u> HK\$million	Interest <u>earned</u> HK\$Million	Rate <u>return</u> (per annum)
1993	115,683	3,845	3.63%
1994	131,240	5,330	4.32%
1995	125,916	7,436	5.78%

The rate of return is the percentage calculated by dividing the interest earned in the year by the average fiscal reserves placed during the year, i.e. opening balance plus closing balance divided by two.

The yields on the placement of the fiscal reserves with the Exchange Fund are determined by reference to the corresponding yields of Exchange Fund Bills (for placements not exceeding 12 months) and U.S. Treasury Notes (for placements over 12 months). Investment of the fiscal reserves is guided by the following principles:

- (i) the Government's fiscal reserves should, as far as possible, be made immune from exchange rate and other risks;
- (ii) the availability of funds to enable the Government to effect timely payment must not be placed in jeopardy; and
- (iii) within these constraints, the Government should through the Exchange Fund seek to obtain the best possible yield on its investment.

The above arrangement ensures that the Government is able to meet its liquidity requirements and to insulate the fiscal reserves from the various investment risks that would otherwise have to be assumed if they were directly invested in financial assets.

- (b) The rates of return of fiscal reserves deposited with the Exchange Fund as shown in the last column of the table at (a) above differ from the rates of return of the Exchange Fund in the corresponding periods. The Exchange Fund's figures for 1993 and 1994 are 6.80% and 0.28% respectively. The year end figure for 1995 is not yet available.

The major reason accounting for the difference is that while the rates of return of fiscal reserves are affected by the prevailing interest rates which are determined at the time of placement, the corresponding rates of return of the Exchange Fund are affected by a host of other factors, e.g. currency fluctuations, movements in interest rates and prices of bonds and equities. Unlike the fiscal reserves, the Exchange Fund needs to assume investment risks through exposure to different financial assets in various currency markets.

- * The Exchange Fund uses calendar year accounting periods. To facilitate direct comparison between the Exchange Fund and the fiscal reserves, the data provided are on the basis of the Exchange Fund's financial years.

End

Theft or embezzlement in post office

* * * * *

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

Question:

It is learnt that during the period from 1992 to 1993, the losses suffered by the Post Office as a result of embezzlement or theft amounted to some \$400 000. In this connection, will the Government inform this Council of the following:

- (a) how the Post Office deals with losses arising from embezzlement or theft since it has started to operate on a trading fund basis in August last year;
- (b) whether consumers will be required to bear the losses referred to in (a) above; and
- (c) What measures the Government will adopt to prevent theft in the Post Office?

Reply:

- (a) Since the Post Office changed to trading fund operation in August 1995, there has not been any loss arising from embezzlement or theft. As a general rule, losses arising from embezzlement or theft, if proven to be irrecoverable, are written off in the accounts. A civil servant, whether in a vote-funded department or a trading fund, is subject to the standard Government surcharge provision and will be held liable for any losses caused by mismanagement.
- (b) Since the Post Office has not suffered any loss after the change to trading fund, the question of consumers bearing losses does not arise. Whereas it is the standard procedure to write off any irrecoverable loss, the amount involved, even by taking the 1992/93 losses as an example, would have negligible effects on the costs of services. In that year, the losses of \$400,000 represented 0.016% of the total service costs of \$2,475 million.
- (c) The Post Office has taken the following measures to prevent theft:
 - (i) For stamp vending machines installed at the frontage of post offices, additional bolts and locks have been installed after the 1993 incident. Furthermore, the Police have offered assistance by alerting policemen on beat patrols to pay closer attention to the machines after office hours.

- (ii) As to control measures to safeguard the security of cash and valuables held under the custody of the staff, after the 1992 incident, additional monitoring procedures have been introduced to help detect possible irregularities, including daily checks on sales revenue by a centralised accounts office at the Post Office Headquarters. Furthermore, a review of the overnight cash holding limit for each branch post office has been conducted and the limits have been adjusted downwards to minimise risk.
- (iii) As regards prevention of burglary, after the 1992 incidents, on the advice of the Crime Prevention Bureau of the Police, additional security measures, including installation of security alarm systems and roller shutters at external doors of post offices, have been introduced.

End

Education of "gifted" children

* * * * *

Following is a question by Dr the Hon John Tse and a written reply by the Secretary for Education and Manpower, Mr Joseph Wong, in the Legislative Council today (Wednesday):

Question:

Regarding the education of "gifted" children, will the Government inform this Council :

- (a) whether the Government has any knowledge of the number of gifted children in other countries; and if so, how do these figures compare with that in the territory; if there are significant differences, whether the Government is aware of the reasons;
- (b) what resources and facilities have been provided by the Government in the identification and assessment of gifted children; whether there are sufficient professional staff to undertake this task, what problems have been encountered and what long-term strategies have been adopted by the Government for making improvements;

- (c) whether the Government has provided pre-service and on-the-job training to teachers in the education of gifted children; if so, how many serving teachers have received such training;
- (d) what kind of curricula and supplementary resources have been provided by the Government for gifted children; and
- (e) whether the Government has any plan to conduct an overall review on the effectiveness of the education currently provided for gifted students, what difficulties have been encountered in the implementation of the existing plan for the education of gifted children, and whether the Government has any long-term strategy for making improvements?

Reply:

Mr President,

- (a) Academically gifted children, as referred to in Education Commission Report No. 4, are those who show exceptional achievement or potential in one or more of the following areas :
 - (i) high level of intelligence, as measured on standardised intelligence tests;
 - (ii) specific academic aptitude in one or more subject areas; or
 - (iii) high ability in creative thinking.

To ascertain the number of academically gifted pupils in Hong Kong, the Education Department commissioned a study on a sample of 81 primary schools by a team of researchers from the University of Hong Kong, the Chinese University of Hong Kong and the Hong Kong Polytechnic University between 1992 and 1995. The initial findings of the study revealed that around 1,240 pupils or about 2% of the pupils in these schools could be classified as academically gifted. This is in line with the percentage of academically gifted pupils identified in other developed countries. On this basis, we estimate that there are some 20,000 academically gifted pupils aged between 6-18 in Hong Kong.

- (b) In the past three years, the research team conducted studies on suitable assessment tools for the identification and assessment of academically gifted pupils. On the basis of these studies, the research team recommended the following assessment tools:
- * a behavioural rating scale for completion by parents;
 - * a behavioural rating scale for completion by teachers;
 - * the Hong Kong Attainment Tests on the three basic subjects i.e. Chinese, English and Mathematics;
 - * the Hong Kong Wechsler Intelligence Scale for Children or equivalent standardised intelligence tests administered by psychologists; and
 - * the Hong Kong Torrance Tests of Creativity administered by psychologists.

Academically gifted children were identified through behavioural rating scales completed by teachers and parents who had received the required training from the research team. These children were then assessed by the team's psychologists or personnel with training in assessment and interpretation of test findings. No problem was encountered in the assessment process.

- (c) Of the 81 schools which had participated in the research study referred to in para (a) above, 19 volunteered to participate in a three-year Pilot School-based Programme for Academically Gifted Children commencing in September 1994.

Training in gifted education has been provided to teachers of these 19 schools by the Education Department (details at Annex). Educational psychologists of the Education Department also make regular visits to the schools in the pilot project to give the teachers the necessary support.

There is no formal pre-service teacher training programmes on gifted education. The Education Department has made suggestions to teacher education institutions to include gifted education as one component in their teacher training courses. Nevertheless, the Department of Education of the University of Hong Kong has incorporated gifted education in its in-service teacher training programme. In 1994/95 and 1995/96, the School of Continuing Education of the Hong Kong Baptist University conducted two training courses on "Identifying and Helping Gifted Children", each attended by 25 teachers.

- (d) For the 19 schools which have participated in the pilot project, they provide the academically gifted children with enrichment or extended learning programmes to supplement their normal curriculum. Such programmes take the form of:
- (i) additional learning materials and exercises given by the teachers of the schools; and/or
 - (ii) additional courses or programmes conducted at the Fung Hon Chu Centre for the Gifted Children established in July 1995.

Regarding (i): the school teachers from the 19 schools are responsible for the extra learning intended for the children concerned.

Regarding (ii) : the teachers at the Centre are responsible for extra learning that will take place when the gifted children from the 19 schools are brought together to attend courses or programmes.

The additional learning resultant from (i) and (ii) is complementary to each other.

- (e) The Education Department will conduct a review in 1996/97, when the pilot project is completed and the outcome more clearly identified and measured. The review will focus on the effect of the support programmes provided to students, parents and teachers. The improvements in the students and the attitudinal change in parents and teachers will be assessed. Improvements to, and extension of the programme including its mode of delivery as well as the long-term strategies for its development will be considered in the light of the findings from the review.

Annex

Training provided for school heads and teachers on Gifted Education

Topic	Number of Participants	Dates (Duration)
Seminar for school heads to brief on the plan of Pilot School-based Programme for Academically Gifted Children	80 school heads	14.5.94 (1 day)
Teacher Training Workshop I	45 teachers	11.7.94 - 20.7.94 (9 days)
Teacher Training Workshop II	45 teachers	12.12.94 - 15.12.94 (4 days)
Two repeated video seminar on teaching strategies - "Challenging the Gifted in Regular Classroom"	60 teachers	25.3.95 & 1.4.95 (1 day)
11th World conference on the Gifted & Talented	29 teachers	31.7.95 - 4.8.95 (5 days)
Seminar on assessment and teaching of creativity by consultants from Taiwan	200 teachers	19.12.95 - 20.12.95 (2 days)
Workshops on the teaching of English : teaching to multiple intelligence, whole language strategies, performance-based teaching and testing, creative rhythms, learning centres.	50 teachers	5.1.96 & 6.1.96 (2 days)

Topic	Target	Dates (Duration)
Experience sharing session with school heads	12 school heads and 2 teachers	1.12.95 (halfday)
Seminar on identification, enrichment programmes, and programme evaluation by consultants from U.S.A.	200 teachers	8.1.96 - 10.1.96 (3 days)

End

Foreign countries visits by members of Parliament

* * * * *

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

Question:

It is reported that the British Parliament has passed a resolution prohibiting Members of Parliament (MPs) who have paid visits to foreign countries at the sponsorship of their governments from speaking in the Parliament on matters concerning those countries. In this connection, will the Government inform this Council:

- (a) whether it has any information about the content of the resolution; if so, what are the details;
- (b) whether it will assess the impact of the resolution on the territory and review the current practice of sponsoring MP's visits to the territory; and
- (c) of the total number of MPs who have visited the territory in the past three years at the invitation of the Hong Kong Government and the total expenditure incurred on such sponsored visits?

Reply:

Mr President,

- (a) A UK Parliamentary Committee chaired by Lord Nolan published recommendations in May 1995 relating to disclosures of interest and the holding of consultancies by MPs. These recommendations were considered by the House of Commons Select Committee on Standards in Public Life. A new Select Committee was subsequently set up called the Select Committee on Standards and Privileges which proposed the post of Parliamentary Commissioner of Standards. The Commissioner is now considering the recommendations including the issue of paid visits to foreign countries. No decision has yet been taken.
- (b) The practice of sponsoring British MPs to visit HK will be reviewed in the light of any decisions reached by the House of Commons.

(c) The information is set out below:

	<u>1993/94</u>	<u>1994/95</u>	<u>1995/96</u> (up to end Jan 96)
Fully-sponsored Visits by UK MPs	16	15	15
Partially-sponsored Visits by UK MPs	6	11	8
Programme-only Visits arranged for UK MPs	5*	7(11)*	3(4)*
Total Expenditure (in HK\$)	0.79m	0.78m	0.88m

* Figures outside the brackets denote the number of delegations; figures inside indicate the number of individual visitors.

End

Staffing in family service centres

* * * * *

Following is a question by the Hon Zachary Wong Wai-yin and a written reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):

Question:

Regarding the staffing situation in the Social Welfare Department's family service centres, will the Government inform this Council:

- (a) of the population and its annual growth rate in each of the districts covered by the respective District Social Welfare Office in each of the past three years, as well as the staffing situation and the number of cases handled in the family service centres in each District Social Welfare Office in the corresponding period;

- (b) of the number of cases each caseworker is required to handle according to the approved manning ratio, and the average number of cases handled by each caseworker at present;
- (c) of the number of District Social Welfare Offices where the average number of cases handled by each caseworker has exceeded the ratio mentioned in (b) above;
- (d) whether the Government has assessed if an excessive workload will affect the quality of service of caseworkers; and
- (e) whether the Government will consider providing more manpower in order to reduce the workload of caseworkers; if so, when will this be put into effect and how the Government will determine the criteria for providing more manpower; if not, why not?

Reply:

- (a) Annex I shows the population in each of the districts served by the 13 District Social Welfare Offices of the Social Welfare Department (SWD) as at end March of 1993, 1994 and 1995, and the year-on-year growth rates. Annex II shows the caseload and the number of caseworkers in the Family Services Centres (FSC's) under each District Social Welfare Office as at end December of the corresponding years.
- (b) A manning ratio of 1 caseworker : 70 cases was set in the 1991 White Paper on Social Welfare into the 1990s and Beyond. As at the end of 1995, each caseworker was handling an average number of 71 cases.
- (c) As at the end of 1995, there were seven District Social Welfare Offices where the average number of cases handled by each caseworker had exceeded the ratio mentioned in (b) above.
- (d) Excessive workload will obviously affect the quality of service provided by caseworkers. While efforts are being made to provide more caseworkers to reduce the caseload per worker, measures have been introduced to help maintain the service standard. These include the strengthening of staff supervision, close monitoring of case management, streamlining of administrative procedures, enhanced skills training for caseworkers and the provision of additional family support services such as family aide and clinical psychology services.

- (e) We are committed to meeting the increase in demand for family casework services without reducing the quality of service provided to individuals and families in need. In 1995-96, 103 additional caseworkers have so far been provided in FSC's of SWD. 26 more caseworkers will be provided by the end of this financial year. Subject to the approval of the Legislative Council, we will be proposing that resources should be provided to increase the manpower in 1996-97 by providing an additional 49 caseworkers. With these improvements, the caseload per worker is expected to reduce to an average number of 68 cases.

The Population and its Growth Rates in Each District Served by District Social Welfare Offices of SWD

District	*Population as at 31.3.93 (A)	*Population as at 31.3.94 (B)	#Population as at 31.3.95 (C)	Growth Rate from 93 to 94 (B) (A)	Growth Rate from 94 to 95 (C) (B)
Central, Western & Islands	304600	312400	319100	2.56%	2.14%
Eastern/Wanchai	743800	752200	742400	1.13%	-1.30%
Southern	273400	277600	242700	1.54%	-12.57%
Kowloon City	379900	361500	351800	-4.84%	-2.68%
Yau Tsim & Mongkok	283000	256800	289100	-9.26%	12.58%
Shamshuipo	356900	371300	336600	4.03%	-9.35%
Kwun Tong	575700	576100	520800	0.07%	-9.60%
Wong Tai Sin/Sai Kung	476700	505200	572700	5.98%	13.36%
Tsuen Wan/Kwai Tsing	728100	723800	689800	-6.18%	-4.70%
Tuen Mun	409400	409800	451200	0.098%	10.32%
Yuen Long	149400	184600	320400	23.56%	73.56%
Shatin	533000	550600	525300	3.3%	-4.59%
Tai Po/North	393000	424500	464800	8.02%	9.49%
Total	5606900	5706400	5826700	1.77%	2.11%

*Source: Estimates of Population Distribution - 1993, 1994 by the Planning Department

Source: Population Forecasts by District Board Districts (1992 - 2001) - December 1992 by the Planning Department

The Caseload and Number of Caseworkers in
Family Services Centres under Each District Social Welfare Office of Social Welfare Department
 (Position as at 31 December)

District Social Welfare Office	1993			1994			1995		
	Total Caseload	No. of Caseworkers	Average Caseload	Total Caseload	No. of Caseworkers	Average Caseload	Total Caseload	No. of Caseworkers	Average Caseload
Central, Western & Islands	862	11	78	948	9	105	762	11	69
Eastern/Wanchai	3049	34	90	3328	37	90	3356	47	71
Southern	1092	11	99	995	12	83	942	14	67
Kowloon City	1531	16	96	1642	16	103	1818	22	83
Yau Tsim & Mongkok	1897	22	86	1923	21	92	1741	26	67
Shamshuipo	2910	35	83	2998	40	75	3704	50	74
Kwun Tong	2841	35	81	2929	37	79	3241	48	67
Wong Tai Sin/Sai Kung	2944	36	82	3323	40	83	3717	53	71
Tsuen Wan/Kwai Tsing	2797	32	87	2813	33	85	2776	39	71
Tuen Mun	1730	25	69	1923	22	87	2316	35	66
Yuen Long	1368	14	98	1542	16	96	1828	24	76
Shatin	1989	23	87	2302	29	79	2580	37	70
Tai Po/North	1856	22	84	1928	28	71	2550	35	73
Total	26866	316	85	28594	340	84	31331	441	71

Change of land use in Central Market site

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

Question:

It is reported that the Planning, Environment and Lands Branch intends to change the land use of the Central Market site and put the site up for sale by auction. In this connection, will the Government inform this Council:

- (a) Whether it will consult the Urban Council, the Town Planning Board, relevant local bodies and the public before making a decision on the matter; and
- (b) of the specific plan and the timetable for the auction.

Answer:

Mr President,

The possible redevelopment of the Central Market site has been considered from time to time during the last twenty years or so. There is as yet no firm plan or timing for this to be done. More studies would need to be carried out before the proposal can be drawn up. When this is available, the Administration will consult the Urban Council, Town Planning Board, District Board on the specific proposals, as well as the public through amendments to the Outline Zoning Plan.

End

Noise nuisance in Choi Yuen estate

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

Question:

In view of the noise nuisance problem caused to residents in Choi Yuen Estate as a result of the opening of the border for 24-hour traffic, will the Government inform this Council:

- (a) of any short-term and long-term measures to tackle the noise nuisance problem mentioned above; and
- (b) whether it will, in the planning of any new project, take into consideration any noise nuisance problem which may arise and draw up comprehensive preventive measures before the implementation of the project?

Reply:

Mr President

- (a) Before the 24-hour opening of the Lok Ma Chau border road crossing from 3 November 1994, the following noise mitigation measures had been put in place as recommended by consultants:
 - (i) laying of a noise reduction friction course along the New Territories Circular Road near Choi Yuen Estate;
 - (ii) installation of a noise barrier on the side of the flyover facing Choi Yuen Estate;
 - (iii) installation of noise barriers on San Sam Road; and
 - (iv) installation of noise barriers on the section of New Territories Circular Road near Chuk Yuen Tsuen.

These measures have brought about a noise reduction.

To address the longer term problem, a second consultancy study was carried out in 1995. A series of further measures including, for example, the paving of noise reduction surface layer, erection of noise barriers, noise canopies and noise enclosures at certain location were examined by the consultants. Their report is nearing completion.

- (b) Since 1992, all public projects have been required to carry out Environmental Impact Assessments to ensure that potential environmental problems, including noise nuisance, are identified and that comprehensive prevention and mitigation measures are implemented. The Environmental Impact Assessment Bill, which was gazetted on 19 January 1996, will make such arrangements statutory and provide for the enforcement of preventive measures through an Environmental Permit.

End

Mental patients' right under Patients' Charter

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Following is a question by the Hon Elizabeth Wong 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 whether mental patients have the same rights as any other patients under the Patients' Charter; if so, what rights under the Patients' Charter do mental patients have; if not, why not?

Reply:

The Patients' Charter promulgated by the Hospital Authority makes no distinction between different types of patients. All patients of Hong Kong's public hospitals are entitled to the rights as set out in the Patients' Charter, and mental patients are no different.

The rights enjoyed by all patients, including mental patients, include the right to receive medical advice and treatment which fully meets the currently accepted standards of care and quality; the right to information about what health care services are available and what charges are involved; the right to be given a clear description of the medical condition with diagnosis, prognosis and treatment including common risks and appropriate alternatives; the right to know the names of any medication to be prescribed, its normal action and potential side-effects; the right to accept or refuse any medication, investigation or treatment and to be informed of the likely consequences of doing so; the right to a second medical opinion; the right of access to medical information relating to the condition and proposed treatment, and to have such information kept confidential; the right to make a complaint through the appropriate channels and to have the complaint dealt with properly and fairly; the right to choose whether or not to take part in medical research programmes.

The Mental Health Ordinance confers further rights on mental patients by regulating their reception, detention and treatment. An application to a District Judge or magistrate for the detention of a patient in a mental hospital for observation shall be founded on the written opinion of a registered medical practitioner who has examined the patient, and the patient shall have right to see the District Judge or magistrate prior to their determination on whether to approve the application. A mental patient can only be detained in a mental hospital for observation, investigation and treatment upon certification by two registered medical practitioners and a District Judge.

Furthermore, an application may be made to the Mental Health Review Tribunal for the case of any mental patient to be examined after 12 months of detention in a mental institution. If the person or his relative does not exercise this right to apply to the Tribunal 12 months after the right first became available to him, the officer in charge at the mental institution shall, at the expiration of the period for making the application, refer the patient's case to the Tribunal.

End

Measures to combat gambling by prisoners

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Following is a question by the Hon Ip Kwok-him 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 gambling among prisoners is widespread in prisons, if so, what forms of gambling prisoners indulge in and whether such gambling activities have created any difficulties for the Correctional Services Department (CSD) in managing the prisons; and
- (b) what measures the CSD is planning to take to curb gambling activities in prisons?

Reply:

Gambling in prisons takes various forms, such as betting on horses, playing self-made cards and self-made pai kau and is usually conducted amongst long-term prisoners. Gambling sometimes gives rise to disputes between prisoners, particularly over debts. These disputes undermine discipline and order in prisons and pose management problems, such as when indebted prisoners seek protection from the management from their creditors, refuse to work or refuse to return to accommodation which they share with their creditors.

Because of the potential problems gambling by prisoners can cause, the Correctional Services Department is determined to keep the problem under control. As with other discipline problems in prisons, the Department adjusts its priority in accordance with the prevalence of the problem. Activities have been stepped up to combat gambling by prisoners in response to the rise in number of illegal betting slips found in prisons. These activities include strengthened supervision and increased searches. Those caught gambling will be subject to disciplinary action, as provided in the Prison Rules. These measures have proved to be effective and will continue.

End