



DAILY INFORMATION BULLETIN

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

WEDNESDAY, APRIL 28, 1993

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FAIREST WIND FOR TALKS: GOVERNOR

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PEOPLE IN HONG KONG WANT TO GIVE THE TALKS ON THE ELECTORAL ARRANGEMENTS THE FAIREST POSSIBLE WIND WHILE RECOGNISING THAT THEY ARE DEALING WITH A LOT OF COMPLICATED AND DIFFICULT ISSUES, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, SAID TODAY (WEDNESDAY).

SPEAKING TO REPORTERS AFTER VISITING YUEN LONG DISTRICT, MR PATTEN SAID: "I THINK THAT THEREFORE MOST PEOPLE, THE OVERWHELMING MAJORITY, BELIEVE THAT IT'S SENSIBLE FOR THE NEGOTIATORS TO BE ABLE TO WORK TOGETHER CONFIDENTIALLY SO THAT THEY CAN HAVE THE BEST CHANCE OF A SUCCESSFUL CONCLUSION TO THEIR DIFFICULT TALKS."

HE NOTED THAT THE NEGOTIATORS WERE CONDUCTING THE TALKS IN A PROFESSIONAL AND SINCERE WAY.

"WHAT ACTUALLY HAPPENS DURING THE TALKS, THE GIVE AND TAKE IN THE TALKS, WILL, I HOPE, LEAD TO A SUCCESSFUL OUTCOME," THE GOVERNOR SAID.

"BUT THERE ARE STILL A LOT OF DIFFICULT PROBLEMS FOR US TO TACKLE. I THINK BOTH SIDES WANT TO SEE A SUCCESSFUL OUTCOME AND I, FOR MY PART, EXPRESS TO THE LEGISLATIVE COUNCIL AND EXPRESS ON OTHER OCCASIONS WHAT MY AIMS AND OBJECTIVES ARE. I THINK THEY HAVE BEEN WIDELY SHARED IN HONG KONG."

ASKED ABOUT THE TIMING OF INTRODUCING THE POLITICAL PROPOSALS TO THE LEGISLATIVE COUNCIL, MR PATTEN SAID A NUMBER OF FACTORS HAD TO BE TAKEN ACCOUNT OF.

"FIRST OF ALL, WE OBVIOUSLY HAVE TO TAKE ACCOUNT OF THE PROGRESS AND SUCCESS MADE IN THE TALKS," HE SAID.

"SECONDLY, WE HAVE TO TAKE ACCOUNT OF THE FACT THAT I'M SURE THE LEGISLATIVE COUNCIL WOULD NOT WANT US TO BE NEGOTIATING AT THE SAME TIME AS WE WERE PUTTING PROPOSALS IN FRONT OF THEM.

"THIRDLY, AND IT IS SOMETHING WHICH I'M SURE IS RECOGNISED BY CHINESE OFFICIALS AND NEGOTIATORS AS WELL AS BY US, WE DON'T HAVE AN INFINITE AMOUNT OF TIME.

"WE DO HAVE TO PUT ARRANGEMENTS IN PLACE FOR THE 1994/1995 ELECTIONS AND THAT MEANS WE HAVE TO HAVE LEGISLATION IN PLACE IN ORDER TO MAKE THE ARRANGEMENTS WORK SATISFACTORILY."

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GOVT INVESTIGATION INTO MTR INCIDENT

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THE GOVERNMENT IS INVITING THE DEPUTY CHIEF INSPECTING OFFICER OF RAILWAYS FROM UK TO COME TO HK AS SOON AS POSSIBLE TO CONDUCT AN INDEPENDENT INVESTIGATION INTO YESTERDAY'S TRAIN INCIDENT. THIS IS SEPARATE FROM THE MTRC'S OWN INVESTIGATION.

THIS WAS STATED BY THE SECRETARY FOR TRANSPORT, MR MICHAEL LEUNG, AT A PRESS CONFERENCE TODAY (WEDNESDAY).

MR LEUNG SAID: "PUBLIC CONCERN OVER YESTERDAY'S INCIDENT IS WELL UNDERSTOOD. BOTH THE MTRC AND THE GOVERNMENT WILL SPARE NO EFFORT IN FINDING OUT THE CAUSES OF THE INCIDENT.

"OUR AIMS ARE TO PREVENT A RECURRENCE AND TO ASCERTAIN WHAT FURTHER IMPROVEMENTS COULD BE MADE TO TRAIN SAFETY."

HE EXPECTED THE PRELIMINARY REPORTS OF THE SEPARATE INVESTIGATIONS TO REACH HIM WITHIN TWO WEEKS OF COMMENCEMENT.

MR LEUNG SAID BOTH THE MTRC'S AND THE GOVERNMENT'S INVESTIGATIONS WOULD COVER THE FULL RANGE OF POSSIBLE CAUSES OF THE INCIDENT AND RECOMMENDED REMEDIAL ACTIONS.

MR LEUNG PROMISED THAT THE RESULTS OF THE INVESTIGATIONS WOULD BE MADE PUBLIC.

HE REASSURED THE PUBLIC THAT BOTH THE GOVERNMENT AND THE TWO RAIL CORPORATIONS ATTACH UTMOST IMPORTANCE TO SAFETY OF TRAIN OPERATIONS.

APART FROM A VIGOROUS SAFETY-CHECK PROGRAMME UNDERTAKEN BY THE CORPORATIONS, THE SAFETY OF THEIR OPERATIONS IS CLOSELY MONITORED BY AN INDEPENDENT RAILWAY INSPECTORATE APPOINTED BY THE GOVERNMENT.

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GOVERNOR VISITS YUEN LONG

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, VISITED YUEN LONG THIS (WEDNESDAY) AFTERNOON.

HIS FIRST STOP WAS NAM PIN WAI WHERE HE TOURED THE 400-YEAR-OLD INDIGENOUS VILLAGE.

MR PATTEN THEN WENT TO THE YUEN LONG NULLAH DAM WHERE HE WAS BRIEFED ON IMPROVEMENT WORKS WHICH WAS COMPLETED LAST YEAR AT A COST OF \$135 MILLION.

/AFTER VISITING

AFTER VISITING THE YUEN LONG TOWN HALL LONG PING CHILDREN AND YOUTH CENTRE, MR PATTEN MET DISTRICT BOARD MEMBERS AND COMMUNITY LEADERS AT A RECEPTION IN THE TOWN HALL.

MR PATTEN WAS ACCOMPANIED DURING THE VISIT BY THE REGIONAL SECRETARY FOR THE NEW TERRITORIES, MR ALBERT LAM; YUEN LONG DISTRICT OFFICER, MR ROBIN MCLEISH; AND YUEN LONG DISTRICT BOARD CHAIRMAN, MR TAI KUEN.

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FIGHT CRIME COMMITTEE REPORT RELEASED
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THE FIGHT CRIME COMMITTEE (FCC) REPORT NO.12 WHICH GIVES AN ACCOUNT OF THE WORK OF THE FCC, ITS SUB-COMMITTEES, AND WORKING GROUPS WAS RELEASED TODAY (WEDNESDAY).

DURING THE YEAR, THE FCC CONTINUED TO FUNCTION THROUGH ITS FIVE SUB-COMMITTEES AND WORKING GROUPS -- THE WORKING GROUP ON TRIADS IN SCHOOLS, THE WORKING GROUP ON SECURITY OF GOLDSMITH AND JEWELLERY SHOPS, THE STANDING COMMITTEE ON YOUNG OFFENDERS, THE ADVISORY COMMITTEE ON THE REGULATION OF THE SECURITY INDUSTRY, AND THE PUBLICITY SUB-COMMITTEE.

ON THE WORK OF THE WORKING GROUP ON TRIADS IN SCHOOLS, RECOMMENDATIONS WERE MADE FOCUSING ON PROVIDING SUPPORT TO STUDENTS TO PREVENT THEIR INVOLVEMENT IN TRIAD ACTIVITIES, AND ON WAYS TO DETER THE GLAMORISATION OF TRIADS IN TELEVISION PROGRAMMES AND FILMS.

DURING THE PERIOD UNDER REVIEW, THE WORKING GROUP ON SECURITY OF GOLDSMITH AND JEWELLERY SHOPS WAS RE-ESTABLISHED IN THE LIGHT OF THE INCREASE IN ROBBERIES OF SUCH SHOPS OVER THE PAST YEARS.

THE FCC ENDORSED THE WORKING GROUP'S RECOMMENDATION OF ADOPTING A SELF-REGULATORY APPROACH, WITH GUIDELINES ON MINIMUM SECURITY STANDARDS DRAWN UP AND A "SECURITY MEASURES GROUP" SET UP BY THE TRADE TO MONITOR THE SECURITY STANDARDS IN THESE PREMISES.

AS FOR THE STANDING COMMITTEE ON YOUNG OFFENDERS, THE REPORT SAID IT CONTINUED TO EXAMINE FACTORS WHICH AFFECTED YOUNG PEOPLE AT RISK OF INVOLVEMENT IN CRIME, AND TO CONSIDER PREVENTIVE AND REMEDIAL MEASURES WHICH COULD BE TAKEN WITHIN AND OUTSIDE THE CURRENT EDUCATION, SOCIAL AND CORRECTIONAL PROGRAMMES.

THE STANDING COMMITTEE ALSO MONITORED THE WORK OF THE YOUNG OFFENDER ASSESSMENT PANEL AND COMMISSIONED RESEARCH INTO THE SOCIAL CAUSES OF JUVENILE DELINQUENCY.

ACCORDING TO THE REPORT, THE ORGANISED AND SERIOUS CRIMES BILL WAS APPROVED BY THE EXECUTIVE COUNCIL AND INTRODUCED INTO THE LEGISLATIVE COUNCIL LAST YEAR.

THE ADVISORY COMMITTEE ON THE REGULATION OF THE SECURITY INDUSTRY HAD PREPARED DRAFT LEGISLATION TO REGULATE THE LOCAL SECURITY INDUSTRY.

THE MAJOR TASK OF THE PUBLICITY SUB-COMMITTEE IN THE REPORTING PERIOD CONTINUED IN PROMOTING PUBLIC AWARENESS OF CRIME PREVENTION AND THE REPORTING OF CRIME INFORMATION.

OTHER RELATED FIGHT CRIME MATTERS STATED IN THE REPORT INCLUDED THE EXPANSION OF THE SCOPE OF THE EXISTING REHABILITATION SCHEME; PROGRESS ON LEGISLATIVE AMENDMENTS TO THE REHABILITATION OF OFFENDERS ORDINANCE; PLANS TO UPGRADE THE INTERGRATED LAW AND ORDER STATISTICAL COMPUTERISED SYSTEM; AND FORMATION OF AN AD HOC COMMITTEE TO LOOK INTO THE EXISTING WITNESS PROTECTION PROGRAMME AND OTHER WITNESS ASSURANCE AND ASSISTANCE SCHEMES.

ON THE CRIME SITUATION IN 1992, THE REPORT NOTED A WELCOME DECREASE OF 5.2 PER CENT IN THE TOTAL NUMBER OF REPORTED CRIME, FROM 88,659 IN 1991 TO 84,056 IN 1992. THE OVERALL DETECTION RATE WAS 45.2 PER CENT, THE SAME AS LAST YEAR.

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MORE EXPLANATIONS ON MATERNITY PROTECTION

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A WOMAN WHO INTENDS TO TAKE MATERNITY LEAVE AFTER WORKING FOR AN EMPLOYER FOR 12 WEEKS IS PROTECTED FROM BEING DISMISSED UPON GIVING NOTICE TO HER EMPLOYER AND THE PROTECTION IS NOT DEPENDENT ON THE IMMEDIATE PROVISION OF A MEDICAL CERTIFICATE, THE CHIEF LABOUR OFFICER (LABOUR RELATIONS), MR JAMES YEUNG, SAID TODAY (WEDNESDAY).

SPEAKING TO REPORTERS AFTER MEETING REPRESENTATIVES OF THE HONG KONG ASSOCIATION OF WOMEN WORKERS, MR YEUNG POINTED OUT THAT THE EMPLOYMENT ORDINANCE PROVIDES THAT A FEMALE WORKER WHO INTENDED TO TAKE MATERNITY LEAVE SHOULD GIVE NOTICE TO THAT EFFECT TO HER EMPLOYER AFTER HER PREGNANCY HAD BEEN CERTIFIED.

"IT ALSO PROVIDES THAT THE NOTICE SHALL SPECIFY THE EXPECTED DATE OF CONFINEMENT AND THE DATE ON WHICH THE MATERNITY LEAVE IS TO COMMENCE," MR YEUNG SAID.

MEANWHILE, THE ORDINANCE ALSO PROVIDES THAT THE EMPLOYEE WILL HAVE TO, UPON HER EMPLOYER'S REQUEST, PRODUCE A MEDICAL CERTIFICATE CERTIFYING THAT SHE IS PREGNANT AND SPECIFYING THE EXPECTED DATE OF CONFINEMENT.

"NEVERTHELESS, THERE IS NO REQUIREMENT THAT AT THE TIME THE NOTICE IS LODGED WITH THE EMPLOYER, IT HAS TO BE ACCOMPANIED BY A MEDICAL CERTIFICATE," MR YEUNG SAID.

"NOR DOES THE LAW SET A TIME LIMIT FOR THE EMPLOYEE TO PRODUCE THE CERTIFICATE SPECIFYING THE THREE ITEMS OF INFORMATION REQUIRED.

"IN OTHER WORDS, AN EMPLOYEE IS PROTECTED FROM DISMISSAL ONCE THE NOTICE IS GIVEN TO HER EMPLOYER," HE ADDED.

MR YEUNG POINTED OUT THAT THE LABOUR DEPARTMENT HAS PREPARED A STANDARD FORM OF NOTICE, BOTH IN ENGLISH AND CHINESE, TO FACILITATE EMPLOYEES TO COMPLY WITH THEIR OBLIGATION UNDER THE EMPLOYMENT ORDINANCE.

"COPIES OF THIS FORM ARE NOW AVAILABLE, FREE OF CHARGE, IN THE 11 LABOUR RELATIONS SERVICE OFFICES THROUGHOUT THE TERRITORY," HE SAID.

MR YEUNG SAID EMPLOYEES INTENDING TO TAKE MATERNITY LEAVE MIGHT CONSIDER USING THE FORM AS FAR AS PRACTICABLE TO AVOID UNNECESSARY MISUNDERSTANDINGS AND DISPUTES.

WITH REGARD TO SOME MISUNDERSTANDINGS THAT AN EMPLOYEE SHOULD NOTIFY THE LABOUR DEPARTMENT OF HER PREGNANCY BEFORE GIVING NOTICE TO HER EMPLOYER, MR YEUNG SAID: "THIS IS NOT NECESSARY."

HE ALSO APPEALED TO REGISTERED MEDICAL PRACTITIONERS TO ISSUE A MEDICAL CERTIFICATE AS SOON AS PRACTICABLE TO A PREGNANT EMPLOYEE CERTIFYING THE EXPECTED DATE OF HER CONFINEMENT.

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ACC MEMBERS TOUR WORKS SITES
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MEMBERS OF THE AIRPORT CONSULTATIVE COMMITTEE (ACC) SUB-COMMITTEE ON TRAFFIC AND TRANSPORT TODAY (WEDNESDAY) TOURED THE CONSTRUCTION SITES OF THE LANTAU FIXED CROSSING AND NORTH LANTAU EXPRESSWAY, TWO ESSENTIAL TRANSPORT COMPONENTS OF THE AIRPORT CORE PROGRAMME.

THEY FIRST ARRIVED AT THE TSING MA BRIDGE CONSTRUCTION SITE ON THE ISLANDS OF TSING YI AND MA WAN WHERE THEY WERE BRIEFED ON THE CURRENT PROGRESS OF BRIDGE CONSTRUCTION BY PROJECT DIRECTOR, LANTAU FIXED CROSSING MANAGEMENT OFFICE OF THE HIGHWAYS DEPARTMENT, MR H S KWONG.

MEMBERS WERE TOLD THAT MAJOR PROGRESS HAD BEEN MADE WITH REGARD TO THE CONSTRUCTION OF THE TSING MA BRIDGE. MOST OF THE WORK THAT HAD BEEN CARRIED OUT SO FAR WAS EITHER BELOW GROUND, UNDERWATER OR OVERSEAS.

ON THE TSING YI ISLAND SITE, THE WORK ON EXCAVATION FOR THE CABLE ANCHORAGE HAS ALMOST BEEN COMPLETED. THERE ARE THREE TWIN STEM PIERS BETWEEN THE ANCHORAGE ABUTMENT STRUCTURE AND THE MAIN TSING YI TOWN, FOR WHICH THE EXCAVATION AND POURING OF THE BASE CONCRETE ARE NOW SUBSTANTIALLY COMPLETED.

/THERE ARE

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THERE ARE ALSO TWO PIERS ON THE MA WAN SIDE BETWEEN THE TOWER AND ABUTMENT STRUCTURE AND THE FOUNDATIONS OF THIS STRUCTURE ARE ALSO COMPLETED.

THE VISIT WAS FOLLOWED BY A BOAT TOUR OF THE CONSTRUCTION SITES OF THE KAP SHUI MUN BRIDGE AND NORTH LANTAU EXPRESSWAY.

MEMBERS WERE BRIEFED ON THE PROGRESS OF WORK ON THE EXPRESSWAY BY CHIEF ENGINEER (NORTH LANTAU EXPRESSWAY) OF THE HIGHWAYS DEPARTMENT, MR C H WAN.

MEMBERS NOTED THAT CONTRACTS FOR THE CONSTRUCTION OF THE TAI HO AND YAM O SECTIONS OF THE NORTH LANTAU EXPRESSWAY HAVE BEEN AWARDED, AND WORKS HAD BEEN PROCEEDING SMOOTHLY.

AS REGARDS THE LANTAU FIXED CROSSING, THREE MAJOR CONSTRUCTION CONTRACTS - THE TSING MA BRIDGE, THE KAP SHUI MUN BRIDGE AND MA WAN VIADUCT, AND THE ADVANCE EARTHWORKS FOR ROUTE 3 INTERCHANGE - HAVE ALSO BEEN AWARDED.

ALL THESE CONTRACTS WERE AWARDED WITHIN BUDGET AND ON SCHEDULE.

THE LANTAU FIXED CROSSING WILL BE CONNECTED BY THE NORTH LANTAU EXPRESSWAY TO FORM PART OF AN EXTENSIVE TRANSPORT NETWORK LINKING THE NEW AIRPORT AT CHEK LAP KOK AND TUNG CHUNG NEW TOWN TO THE URBAN AREAS OF KOWLOON AND HONG KONG.

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TV SHOW ON AIDS EDUCATION

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AN "ENJOY YOURSELF TONIGHT" SHOW ON AIDS WILL BE STAGED ON FRIDAY (APRIL 30), SIGNIFYING THE BEGINNING OF A MAJOR PUBLICITY CAMPAIGN LAUNCHED BY THE GOVERNMENT TO AROUSE PUBLIC AWARENESS OF AIDS.

THIS WAS STATED BY THE DIRECTOR OF HEALTH, DR S H LEE, AT A PRESS CONFERENCE ON THE SHOW TODAY (WEDNESDAY).

DURING THE SHOW, AUDIENCE WILL BE GIVEN AIDS AWARENESS PLAYING CARDS AND RED RIBBONS WHICH SYMBOLISE CONCERN FOR AIDS VICTIMS.

PEOPLE EXPRESSING CONCERN ON AIDS MAY CALL UP 50 HOTLINES MANNED BY NURSES FROM THE DEPARTMENT OF HEALTH AND YAN CHAI HOSPITAL ON FRIDAY NIGHT.

OFFICIATING AT THE OPENING CEREMONY WILL BE THE SECRETARY FOR HEALTH AND WELFARE, MRS ELIZABETH WONG; THE DIRECTOR OF INFORMATION SERVICES, MRS IRENE YAU; THE CHAIRMAN OF THE YAN CHAI HOSPITAL BOARD, MR WONG CHI-MUK; AND DR LEE.

"AIDS HAS CAUSED MUCH PUBLIC CONCERN BECAUSE OF THE PHYSICAL SUFFERING AND ITS SOCIAL IMPLICATION."

/HE SAID

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HE SAID THE GOVERNMENT HAD TAKEN THE AIDS CHALLENGE SERIOUSLY.

"A MULTI-SECTORAL APPROACH HAS BEEN ADOPTED IN DESIGNING AND IMPLEMENTING OUR AIDS PUBLICITY PROGRAMMES.

"THIS YEAR, THE DEPARTMENT OF HEALTH IS DETERMINED TO STEP UP THE CAMPAIGN BY STRENGTHENING EXISTING PROGRAMMES AS WELL AS EXPLORING NEW WAYS OF PROMPTING AIDS AWARENESS," DR LEE SAID.

HE THANKED TELEVISION BROADCASTS LIMITED AND YAN CHAI HOSPITAL FOR THEIR ACTIVE SUPPORT AS CO-ORGANISERS OF THE SHOW, AND HONG KONG TELECOMMUNICATION IN SPONSORING THE 50 TELEPHONE LINES.

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PUBLIC HEARING ON AUDIT REPORT

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THE PUBLIC ACCOUNTS COMMITTEE WILL HOLD A PUBLIC HEARING ON MAY 3 (MONDAY) FOLLOWING THE TABLING OF THE REPORT OF THE DIRECTOR OF AUDIT IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THE DIRECTOR OF AUDIT'S REPORT NO.20 SETS OUT THE ACCOUNTS OF THE HONG KONG GOVERNMENT BETWEEN OCTOBER 1992 AND FEBRUARY 1993 ON THE RESULTS OF VALUE FOR MONEY AUDITS.

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ATTENTION NEWS EDITORS:

YOUR REPRESENTATIVES ARE INVITED TO COVER THE HEARING WHICH WILL BE HELD IN THE LEGISLATIVE COUNCIL CHAMBER AT 9 AM.

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SHEK KIP MEI SITE TO LET

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THE BUILDINGS AND LANDS DEPARTMENT IS INVITING TENDERS FOR THE SHORT-TERM TENANCY OF A PIECE OF GOVERNMENT LAND LOCATED BETWEEN PAK WAN STREET AND PAK TIN STREET IN SHEK KIP MEI, KOWLOON.

THE PIECE OF LAND, WITH AN AREA OF ABOUT 4,700 SQUARE METRES, IS INTENDED FOR USE AS A FEE-PAYING PARKING AREA FOR GOODS VEHICLES, EXCLUDING CONTAINER VEHICLES.

THE TENANCY IS FOR THREE YEARS, RENEWABLE QUARTERLY AFTERWARDS.

/CLOSING DATE

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CLOSING DATE FOR SUBMISSION OF TENDERS IS NOON ON MAY 14.

FORMS OF TENDER, TENDER NOTICE AND CONDITIONS MAY BE OBTAINED FROM THE DISTRICT LANDS OFFICE, KOWLOON WEST, 10TH FLOOR, YAU MA TEI CAR PARK BUILDING, 250 SHANGHAI STREET, KOWLOON AND THE BUILDINGS AND LANDS DEPARTMENT, 14TH FLOOR, MURRAY BUILDING, GARDEN ROAD.

TENDER PLAN CAN ALSO BE INSPECTED AT THESE OFFICES.

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269 RETURN TO VIETNAM

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A GROUP OF 269 VIETNAMESE MIGRANTS TODAY (WEDNESDAY) RETURNED TO VIETNAM UNDER THE UNHCR'S VOLUNTARY REPATRIATION PROGRAMME.

COMPRISING 94 MEN, 70 WOMEN, 55 BOYS AND 50 GIRLS, THEY WERE THE 150TH BATCH TO GO BACK UNDER THE PROGRAMME.

THE GROUP BRINGS TO 2,318 THE TOTAL NUMBER OF VIETNAMESE MIGRANTS WHO HAVE RETURNED VOLUNTARILY THIS YEAR, AND TO 28,630 THE TOTAL NUMBER OF RETURNEES SINCE THE PROGRAMME STARTED IN MARCH 1989.

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FRESH WATER CUT IN TAI PO

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FRESH WATER SUPPLY TO SOME PREMISES IN TAI PO WILL GO OFF FROM 10 PM ON FRIDAY (APRIL 30) TO 6 AM THE FOLLOWING DAY TO FACILITATE WASTE DETECTION WORK ON WATER MAINS.

THE SUSPENSION WILL AFFECT ALL THE PREMISES IN HONG LOK YUEN AND THE ELECTRIC SUB-STATION AT HONG LOK YUEN ROAD.

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS
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	\$ MILLION

OPENING BALANCE IN THE ACCOUNT	2,150
REVERSAL OF LAF	NIL
BALANCE AFTER REVERSAL OF LAF	2,150
NET INJECTION/WITHDRAWAL TODAY	NIL
EFFECT OF LAF TODAY	-30
CLOSING BALANCE IN THE ACCOUNT	2,120
LAF RATE 2.00 BID/4.00 OFFER	TWI 112.0 **0.5* 28.4.93

HONG KONG GOVERNMENT EXCHANGE FUND

EF BILLS

HONG KONG GOVERNMENT BONDS

TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	2.71 PCT	13 MONTHS	2405	5.50	102.52	3.08
1 MONTH	2.72 PCT	16 MONTHS	2408	4.375	101.46	3.25
3 MONTHS	2.75 PCT	19 MONTHS	2411	4.625	101.80	3.45
6 MONTHS	2.87 PCT	22 MONTHS	2502	4.75	101.89	3.69
12 MONTHS	3.06 PCT					

TOTAL TURNOVER OF BILLS AND BONDS - 17,747 MN

CLOSED 28 APRIL 1993

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DAILY INFORMATION BULLETIN

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

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SPEECH BY SECRETARY FOR THE TREASURY, MR K Y YEUNG ON MOTION
ON GOVERNMENT SERVICES FEES AND CHARGES
IN THE LEGISLATIVE COUNCIL

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MR PRESIDENT,

INTRODUCTION

FOCUS OF DEBATE

THE PRINCIPAL CONCERN IN THIS DEBATE HAS BEEN THE GOVERNMENT'S POLICY TOWARDS ITS PUBLIC UTILITY OPERATIONS. HONOURABLE MEMBERS HAVE QUERIED THE BASIS FOR THE RATES OF RETURN EARNED BY THESE UTILITIES. THEY HAVE RAISED QUESTIONS ABOUT THE APPROPRIATENESS AND EFFICIENCY OF OUR MONITORING AND ACCOUNTING ARRANGEMENTS. BUT I HAVE ALSO DETECTED TWO, MORE BASIC CRITICISMS. THE FIRST IS THAT THE PHILOSOPHY BEHIND OUR ENTIRE POLICY TOWARDS FEES AND CHARGES IS A SOMEWHAT AD HOC ARRANGEMENT. THE SECOND IS THAT THIS COUNCIL HAS NEVER BEEN PROPERLY AWARE OF THIS POLICY OR PARTY TO ITS IMPLEMENTATION AND THAT THE PUBLIC HAS SIMILARLY BEEN KEPT IN THE DARK.

OUTLINE OF SPEECH

2. I WILL BEGIN THIS EVENING BY SHOWING THAT BOTH THESE CRITICISMS ARE QUITE UNFOUNDED, THAT THE GOVERNMENT HAS FOR MANY YEARS HAD A CLEAR SET OF POLICIES UNDER WHICH THE LEVEL OF GOVERNMENT FEES AND CHARGES IS DETERMINED, AND THAT HONOURABLE MEMBERS HAVE BEEN FULLY AWARE OF BOTH THE PHILOSOPHICAL BASIS FOR OUR STRATEGY AND THE DETAILS OF HOW IT IS IMPLEMENTED. I SHALL GO ON TO SUMMARISE ONCE MORE THE MAIN FEATURES OF OUR FEES AND CHARGES SYSTEM, BEFORE FOCUSING ON GOVERNMENT UTILITY CHARGES AND REFUTING SOME OF THE MISCONCEPTIONS THAT HAVE EMERGED THIS AFTERNOON IN RELATION TO THE TARGET RATES OF RETURN. AGAINST THIS BACKGROUND, I SHALL CONCLUDE BY SETTING OUT THE GOVERNMENT'S POSITION ON THE REVIEW PROPOSED IN MR. POON'S MOTION.

/FEES AND

FEEES AND CHARGES : CONTINUITY OF POLICY

3. MR PRESIDENT, THE SUGGESTION THAT OUR SYSTEM OF FEES AND CHARGES IS A NEW ONE, OR ONE DEVELOPED PIECE-MEAL, IS QUITE MISLEADING. IN HIS BUDGET SPEECH IN 1975, THE THEN FINANCIAL SECRETARY EMPHASISED THE NEED FOR "CLEAR-CUT IDEAS AS TO THE ROLE OF DIFFERENT FEES AND CHARGES". HE WENT ON TO DEFINE THE DIFFERENCES BETWEEN THE SIX CATEGORIES WHICH STILL FORM THE STRUCTURE OF FEES AND CHARGES POLICY, AND TO WHICH I SHALL RETURN IN A MOMENT. OF PARTICULAR RELEVANCE TO THIS EVENING'S DEBATE, HE DEFINED THE GOVERNMENT'S OBJECTIVE FOR ITS PUBLIC UTILITIES AS "TO DETERMINE FEES AT A LEVEL AT LEAST SUFFICIENT TO RECOVER COSTS AND TO EARN A FAIR RETURN ON CAPITAL INVESTED, UNLESS THE SOCIAL CONSEQUENCES ARE UNACCEPTABLE". HE ALSO NOTED THAT SIMILAR STATEMENTS OF POLICY HAD BEEN MADE ON MANY PREVIOUS OCCASIONS.

4. THESE PRINCIPLES WERE RESTATED IN THE 1978 BUDGET SPEECH, WHICH REFERRED TO THE NEED FOR STANDARDISED SETS OF ACCOUNTS FOR ALL THE GOVERNMENT'S PUBLIC UTILITIES, SO AS "TO DEMONSTRATE THE TRUE PROFIT AND LOSS POSITION OF EACH UNDERTAKING AND THE RETURN ON AVERAGE NET FIXED ASSETS EMPLOYED". AND SUBSEQUENT FINANCIAL SECRETARIES HAVE REPEATEDLY REFERRED TO THESE SAME PRINCIPLES IN THIS CHAMBER, NOTABLY IN THE BUDGET SPEECHES IN 1986 AND 1987. THROUGHOUT, THE UNDERLYING RATIONALE FOR OUR FEES AND CHARGES SYSTEM HAS REMAINED UNCHANGED.

LEGISLATIVE COUNCIL INVOLVEMENT

5. SO OUR POLICY TOWARDS FEES AND CHARGES GENERALLY, AND PUBLIC UTILITY FEES IN PARTICULAR, HAS A LONG AND RESPECTABLE PEDIGREE. BUT I MUST ALSO REFUTE THE SUGGESTION THAT HONOURABLE MEMBERS HAVE PLAYED ONLY A PASSIVE ROLE IN ACCEPTING AND IMPLEMENTING THIS POLICY. OVER 2,450 OF THE 5,000 FEES AND CHARGES REVIEWED BY THE GOVERNMENT EACH YEAR ARE EITHER EXPLICITLY SUBJECT TO HONOURABLE MEMBERS' APPROVAL, OR ARE SUBJECT TO MONITORING AND CHALLENGE BY HONOURABLE MEMBERS THROUGH THE MECHANISM OF SUBSIDIARY LEGISLATION BEING LAID ON THE TABLE OF THIS COUNCIL, ACCOMPANIED BY THE ISSUE OF LEGISLATIVE COUNCIL BRIEFS. THESE INCLUDE THE MOST IMPORTANT OF THE GOVERNMENT'S FEES AND CHARGES IN REVENUE TERMS, ALL TAX-LOADED FEES, THE MAJORITY OF UTILITY CHARGES AND PUBLICLY SENSITIVE FEES SUCH AS THOSE RELATING TO HEALTH AND EDUCATION.

6. NOR IS IT THE CASE THAT HONOURABLE MEMBERS' ATTENTION IS ONLY DRAWN TO FEES AND CHARGES POLICY WHEN AN INDIVIDUAL FEE IS PRESENTED FOR APPROVAL. THIS COUNCIL'S AD HOC GROUP ON FEES AND CHARGES WAS, FOR EXAMPLE, BRIEFED IN DETAIL ON THE GOVERNMENT'S FEE REVIEW SYSTEM AS RECENTLY AS NOVEMBER LAST YEAR, AND PROVIDED WITH COPIES OF THE FINANCIAL CIRCULARS WHICH SET OUT THE GOVERNMENT'S COSTING AND ACCOUNTING PROCEDURES FOR EACH CATEGORY OF FEE AND CHARGE. MEMBERS OF THIS COUNCIL ARE ALSO PERIODICALLY REMINDED IN THIS CHAMBER ITSELF OF THE GOVERNMENT'S FEES AND CHARGES POLICY. MOST RECENTLY, I REHEARSED THE KEY FEATURES OF OUR SYSTEM FOR REVISING PUBLIC UTILITY CHARGES DURING THE MOTION DEBATE ON THE ROAD TUNNELS (GOVERNMENT) (AMENDMENT) REGULATION 1993. IT IS THUS ABUNDANTLY CLEAR, MR PRESIDENT, THAT MEMBERS OF THIS COUNCIL ARE A REGULAR PARTY BOTH TO THE APPROVAL OF NUMEROUS SPECIFIC FEES AND TO THE PRINCIPLES UPON WHICH THESE APPROVALS ARE GIVEN.

STATEMENT OF POLICY ON FEES AND CHARGES

7. NEVERTHELESS, MR PRESIDENT, IT HAS BECOME CLEAR THIS EVENING THAT THERE IS BOTH A NEED AND AN OPPORTUNITY TO REMIND HONOURABLE MEMBERS YET AGAIN OF THE MAIN FEATURES OF OUR OVERALL FEES AND CHARGES STRATEGY.

8. GOVERNMENT FEES AND CHARGES HAVE HISTORICALLY BEEN DIVIDED INTO THREE MAJOR CATEGORIES. FIRST, THERE ARE ORDINARY DEPARTMENTAL FEES. THESE MAKE UP THE LARGE NUMERICAL MAJORITY OF THE TOTAL, ALTHOUGH THEY ARE NOT THE MOST SIGNIFICANT IN REVENUE TERMS. THEY ARE SET AT LEVELS SUFFICIENT TO RECOVER FULL COST, UNLESS THERE IS A CONSCIOUS POLICY DECISION TO SUBSIDISE THE SERVICES CONCERNED. THE FULL COST RECOVERY PRINCIPLE IS ESSENTIAL TO ENSURE THAT THERE IS NO HIDDEN SUBSIDY TO THE USERS OF THE SERVICES BY THE GENERAL PUBLIC. THE SECOND CATEGORY IS TAX-LOADED FEES, SUCH AS BUSINESS REGISTRATION FEES OR FEES FOR DRIVING LICENCES. THESE FEES ARE SET AT LEVELS ABOVE COST RECOVERY, WITH THE DELIBERATE AIM OF RAISING REVENUE. ADJUSTMENTS TO ALL SUCH FEES MUST BE APPROVED BY THIS COUNCIL, UNLESS A SPECIFIC EXCEPTION IS PROVIDED FOR IN PRIMARY LEGISLATION. THIRDLY, THERE ARE GOVERNMENT UTILITY CHARGES. THESE ARE LEVIED FOR SERVICES WHICH GENERALLY DO NOT REQUIRE SUBSIDY AND WHICH LEND THEMSELVES TO BEING OPERATED IN A COMMERCIAL WAY. THAT IS, THEY ARE COMPARABLE IN NATURE TO UTILITIES IN THE PRIVATE SECTOR. I WILL NOW DEAL WITH THESE THREE CATEGORIES OF FEE IN TURN.

/DEPARTMENTAL FEES

DEPARTMENTAL FEES

9. NORMAL DEPARTMENTAL FEES FORM THE VAST MAJORITY OF THE 5,000 FEES AND CHARGES SET BY THE GOVERNMENT. THE DETAILED CRITERIA FOR ADJUSTING THESE FEES DIFFER ACCORDING TO THEIR CLASSIFICATION. AS I HAVE ALREADY POINTED OUT, THE CLASSIFICATIONS USED HAVE BEEN REPEATEDLY SET OUT IN DOCUMENTS AVAILABLE TO THIS COUNCIL AND HAVE FORMED THE BASIS FOR LITERALLY THOUSANDS OF DECISIONS TAKEN OR MONITORED BY HONOURABLE MEMBERS OVER THE LAST TWO DECADES. IN SOME CASES, THE FEES ARE SIMPLY SET TO RECOVER FULL COSTS. COSTING EXERCISES ARE CONDUCTED BY DEPARTMENTS EVERY FOUR YEARS AND MUST BE APPROVED BY THE DIRECTOR OF ACCOUNTING SERVICES AND FINANCE BRANCH. IN BETWEEN COSTING EXERCISES, FEES ARE ADJUSTED ANNUALLY IN LINE WITH THE MOVEMENT OF THE GOVERNMENT CONSUMPTION EXPENDITURE DEFLATOR TO MAINTAIN THEIR REAL VALUE. A CONSIDERABLE NUMBER OF FEES ARE, HOWEVER, FIXED AT ONLY A PERCENTAGE OF THE ACTUAL COST OF THE SERVICES CONCERNED. SUCH FEES, CHARGED FOR BASIC SERVICES INCLUDING SCHOOLS AND HOSPITALS, ARE DESIGNED TO ENSURE AFFORDABILITY BY ALL MEMBERS OF THE COMMUNITY. THE EXTENT AND NATURE OF THE SUBSIDY VARIES DEPENDING ON THE NATURE OF THE SERVICE CONCERNED. BUT IN EACH CASE THE LEVEL OF SUBSIDY IS AND MUST BE THE DELIBERATE RESULT OF A CONSCIOUS POLICY DECISION TAKEN BY THE GOVERNMENT. AND HERE I SHOULD PERHAPS ADD THAT I HAVE NOTED WITH PARTICULAR INTEREST THE REMARKS MADE BY DR C H LEONG WHO IS ADVOCATING GREATER FLEXIBILITY AND SYMPATHY FOR INCREASING MEDICAL AND HOSPITAL FEES.

10. TO COMPLETE THE PICTURE THERE ARE TWO OTHER MINOR SUB-CATEGORIES OF DEPARTMENTAL FEE. NOMINAL FEES ARE CHARGED FOR SERVICES TO ENCOURAGE COMPLIANCE WITH GOVERNMENT REGULATIONS IN CASES WHERE FULL COST RECOVERY WOULD BE IMPOSSIBLE TO ACHIEVE EXCEPT AT A PROHIBITIVE ENFORCEMENT COST. DETERRENT FEES ARE SET FOR SPECIFIC POLICY REASONS ABOVE FULL COST LEVELS TO DETER USAGE OF PARTICULAR SERVICES. AGAIN, THE DECISION TO CATEGORISE A FEE AS "NOMINAL" OR "DETERRENT" IS ALWAYS A DELIBERATE ONE TAKEN WITH THE APPROVAL OF THE EXECUTIVE COUNCIL.

/TAX-LOADED FEES

TAX-LOADED FEES

11. THE SECOND CATEGORY OF FEE COMPRISES THOSE CONTAINING AN ELEMENT OF TAXATION. THEY ARE CHARGED FOR VEHICLE AND DRIVING LICENCES, COMPANIES AND BUSINESS REGISTRATION AND FEES FOR BANKS AND DEPOSIT-TAKING COMPANIES. IN PREVIOUS YEARS, IT WAS THE NORMAL PRACTICE FOR THESE FEES TO BE INCREASED IN THE CONTEXT OF THE ANNUAL BUDGET. IN HIS 1992 BUDGET, HOWEVER, THE FINANCIAL SECRETARY ANNOUNCED A NEW APPROACH FOR PHASING IN ADJUSTMENTS TO THESE FEES OVER THE COURSE OF THE YEAR, IN THE SAME WAY AS IS ALREADY THE CASE FOR ORDINARY DEPARTMENTAL FEES. OUR COMMITMENT TO THIS APPROACH WAS REPEATED BY THE FINANCIAL SECRETARY IN THIS YEAR'S BUDGET SPEECH. PROPOSALS WILL THEREFORE BE MADE TO HONOURABLE MEMBERS DURING THE COURSE OF THE 1993-94 FINANCIAL YEAR IN RELATION TO TAX-LOADED FEES. I EMPHASIZE THAT THE PURPOSE OF THIS CHANGE WAS TO SPREAD OUT THE ADJUSTMENTS TO THESE FEES THROUGHOUT THE YEAR, AND SO TO MINIMIZE THEIR IMPACT ON INFLATION AND HENCE THE USERS OF THE SERVICES CONCERNED. NO CHANGE IN OUR POLICY TOWARDS THE LEVELS OF THE FEES THEMSELVES OR TOWARDS THE METHODS USED FOR COSTING THE SERVICES INVOLVED HAS BEEN MADE.

UTILITY CHARGES

12. THE MAJOR FOCUS OF THIS AFTERNOON'S DEBATE HAS BEEN GOVERNMENT UTILITY CHARGES. THESE ARE FEES LEVIED BY THE GOVERNMENT FOR SERVICES PROVIDED BY ITS PUBLIC UTILITY OPERATIONS, NAMELY POSTAL SERVICES, WATER SUPPLIES, GOVERNMENT TUNNELS, HONG KONG INTERNATIONAL AIRPORT AND THE MARINE FERRY TERMINALS. THESE ARE ALL UNDERTAKINGS WHICH BY THEIR VERY NATURE LEND THEMSELVES TO OPERATION ON AN COMMERCIAL BASIS AND, TO THAT EXTENT, ARE COMPARABLE TO SIMILAR OPERATIONS IN THE PRIVATE SECTOR.

13. IN MY SPEECH TO THIS COUNCIL ON 24 FEBRUARY THIS YEAR DURING THE DEBATE ON GOVERNMENT ROAD TUNNELS, I DREW THE DISTINCTION BETWEEN THOSE SERVICES AND FACILITIES WHICH ARE PROVIDED TO THE GENERAL PUBLIC AND WHICH MUST BE HEAVILY SUBSIDISED AS A MATTER OF PUBLIC POLICY, ON THE ONE HAND, AND THOSE BUSINESS OR UTILITY TYPE SERVICES WHICH ARE PROVIDED TO CERTAIN USERS AND WHICH GENERALLY DO NOT NEED TO BE SUBSIDISED, ON THE OTHER. THE GOVERNMENT UTILITIES TO WHICH I HAVE REFERRED FALL INTO THE LATTER CATEGORY. AND, AS I ALSO SAID IN THE FEBRUARY DEBATE, WE HAVE FOR SOME 20 YEARS HAD IN PLACE A SYSTEM THROUGH WHICH THE MANAGEMENT AND ACCOUNTS OF ALL THESE UTILITY UNDERTAKINGS ARE KEPT UNDER REGULAR REVIEW. UNDER THIS SYSTEM, THE LEVEL OF CHARGES IN EACH CASE IS REVIEWED ANNUALLY BY AN OPERATING ACCOUNTS COMMITTEE. EACH OF THESE COMMITTEES INCLUDES REPRESENTATIVES OF POLICY BRANCHES AND DEPARTMENTS AS WELL AS OF FINANCE BRANCH. IF THE COMMITTEE CONSIDERS THAT ADJUSTMENTS TO THE CHARGES CONCERNED ARE JUSTIFIED, APPROPRIATE RECOMMENDATIONS ARE MADE TO EXECUTIVE COUNCIL.

THE RATE OF RETURN ON PUBLIC UTILITIES

14. I NOW TURN, MR PRESIDENT, TO THE MAIN CONCERNS RAISED BY HONOURABLE MEMBERS IN RELATION TO THE PRINCIPLE OF THE RATE OF RETURN ON OUR PUBLIC UTILITIES. I PROPOSE TO DEAL WITH THESE CONCERNS UNDER THREE HEADINGS : THE REASONS WHY A RATE OF RETURN IS NECESSARY, THE SIMILARITIES AND DIFFERENCES BETWEEN GOVERNMENT AND PRIVATE SECTOR UTILITIES, AND THE SUCCESS OF THE GOVERNMENT UTILITIES IN PROVIDING ADEQUATE SERVICES TO THE PUBLIC.

THE NEED FOR A RATE OF RETURN

15. THE GOVERNMENT FIRMLY BELIEVES THAT WHERE A UTILITY IS PROVIDED AT A COST TO THE COMMUNITY, THE COMMUNITY BECOMES THE SHAREHOLDER IN THAT UTILITY AND THEREFORE HAS A RIGHT TO EXPECT A REASONABLE RETURN ON ITS CAPITAL INVESTMENT. IT IS FOR THIS REASON THAT A TARGET RATE OF RETURN IS SET. THE DISCIPLINE IMPOSED ON DEPARTMENTS OF ATTEMPTING TO ACHIEVE THESE TARGET RATES ENSURES THAT THEY DO NOT ALLOW OPERATING COSTS TO EXCEED WHAT A COMPARABLE COMMERCIAL OPERATION COULD BE EXPECTED TO RAISE, THUS ALLOWING FOR A MODEST PROFIT. IN SHORT, IT SERVES AS AN ASSURANCE TO THE COMMUNITY, AS SHAREHOLDER, THAT THE UTILITY CONCERNED WILL BE OPERATED IN A PRUDENT AND BUSINESS-LIKE MANNER. AND AS I SAID IN THE DEBATE ON TUNNEL TOLLS LAST FEBRUARY, THE FACT THAT THE PUBLIC REVENUES CAN MAKE A MODEST PROFIT, THANKS TO A UTILITY BEING EFFICIENTLY RUN IS NOT MORALLY WRONG.

16. THE RATE OF RETURN EARNED BY A PUBLIC UTILITY ALSO IN PART REFLECTS THE "OPPORTUNITY COST" OF THE CAPITAL EMPLOYED, TAKING INTO ACCOUNT ALTERNATIVE INVESTMENTS WHICH THE COMMUNITY MIGHT MAKE. THIS OPPORTUNITY COST SHOULD BE RECOVERED FROM THE RELEVANT CONSUMERS (FOR EXAMPLE, USERS OF GOVERNMENT TUNNELS) IF THEY ARE NOT TO BE SUBSIDISED. WHILE SUCH SUBSIDY MIGHT BE JUSTIFIED WHERE A DELIBERATE DECISION IS TAKEN IN A SPECIFIC CASE, IT SHOULD NOT BE THE GENERAL RULE.

17. I BELIEVE THAT HONOURABLE MEMBERS SHOULD ALSO CONSIDER CAREFULLY THE OTHER SIDE OF THE COIN. THEY MUST BE UNDER NO ILLUSION AS TO THE CONSEQUENCES OF ANY FAILURE TO ACHIEVE AN ADEQUATE RATE OF RETURN ON OUR PUBLIC UTILITIES. REVENUE FROM FEES AND CHARGES ACCOUNTED FOR 14% OF TOTAL RECURRENT REVENUE IN 1991-92; OF THIS, ABOUT HALF IS DERIVED FROM THE FIVE GOVERNMENT UTILITY OPERATIONS. THE RETURN ON AVERAGE NET FIXED ASSETS (OR TURNOVER, IN THE CASE OF THE POST OFFICE) ALONE ACCOUNTED FOR NEARLY \$2 BILLION, DESPITE THE FACT THAT WE LARGELY FELL FAR SHORT OF OUR TARGET RATES. TAMPERING ON AN AD HOC BASIS WITH OUR ESTABLISHED POLICY OF AIMING TO ACHIEVE A REASONABLE RATE OF RETURN, FOR EXAMPLE BY REJECTING A MODERATE INCREASE IN TUNNEL TOLLS BEFORE ANY POLICY REVIEW CAN BE UNDERTAKEN THEREFORE HAS MAJOR FISCAL IMPLICATIONS. ANY REVENUE LOST IN THIS WAY WOULD HAVE TO BE MADE UP FROM OTHER SOURCES. PUT BLUNTLY, IT WOULD MEAN EITHER HIGHER RATES OF TAX, OR LESS SCOPE FOR FURTHER TAX CONCESSIONS, OR LESS FUNDS FOR SERVICES WHICH HAVE TO BE SUBSIDISED. I AM SURE THAT NONE OF THESE OPTIONS WOULD BE PALATABLE TO MEMBERS OF THIS COUNCIL.

COMPARISON WITH THE PRIVATE SECTOR

18. CERTAIN HONOURABLE MEMBERS HAVE TAKEN THIS OPPORTUNITY TO REMIND ME AGAIN THAT THERE ARE DIFFERENCES BETWEEN UTILITIES RUN BY THE GOVERNMENT AND THOSE IN PRIVATE OWNERSHIP. WE HAVE ALWAYS RECOGNISED THAT THIS IS THE CASE. IN THE CASE OF GOVERNMENT UTILITIES, IT IS FOR THIS REASON THAT CRITERIA OTHER THAN THE RATE OF RETURN ARE ALSO TAKEN INTO ACCOUNT IN MAKING ADJUSTMENTS TO THE LEVEL OF CHARGES. THESE CRITERIA INCLUDE THE LIKELY IMPACT ON INFLATION, PROBABLE PUBLIC REACTION AND CONSIDERATIONS OF POLICY - FOR EXAMPLE, TRAFFIC MANAGEMENT CONTROL IN THE CASE OF ROAD TUNNELS. IT IS TRUE THAT, IN SETTING OUR TARGET RATES, WE TAKE INTO ACCOUNT THE ACTUAL RATES OF RETURN EARNED BY MAJOR PRIVATE UTILITIES IN HONG KONG. CERTAIN HONOURABLE MEMBERS HAVE QUESTIONED THE RELEVANCE OF THIS. I ASK THEM TO CONSIDER THE LIKELIHOOD OF FUTURE INTEREST BY PRIVATE INVESTORS IN INFRASTRUCTURE PROJECTS INVOLVING THE REGULAR APPROVALS OF FEES BY THIS COUNCIL, IF HONOURABLE MEMBERS SHOW ANY RELUCTANCE TO ACT IN A FINANCIALLY PRUDENT MANNER IN RELATION TO THE GOVERNMENT'S OWN UTILITIES. FINALLY MR PRESIDENT SOME HONOURABLE MEMBERS HAVE FOCUSED ON INDIVIDUAL UTILITY CHARGES OR IN PARTICULAR DEPARTMENTAL FEES. I DON'T WISH TO PRE-EMPT THE OUTCOME OF THE REVIEW TO WHICH I WOULD RETURN IN A MINUTE BY GOING INTO DETAIL. IN GENERAL TERMS, HOWEVER, I CAN AGREE THAT IT IS IMPORTANT FOR US TO RECOGNISE THE DIFFERENCE BETWEEN THE CIRCUMSTANCES OF INDIVIDUAL UTILITIES, FOR EXAMPLE, WE HAVE TAKEN A CONSCIOUS DECISION TO SUBSIDISE BASIC WATER USERS BY A CONTRIBUTION FROM GENERAL RATES. THE SPECIAL CIRCUMSTANCES OF THE POST OFFICE WAS EXPLAINED IN DETAIL BY MY COLLEAGUE, SECRETARY FOR ECONOMIC SERVICES, EARLIER THIS AFTERNOON. AS FOR THE AIRPORT, IT IS TRUE THAT WE HAVE ACHIEVED A RELATIVELY HIGH RATE OF RETURN IN RECENT YEARS. BUT IT IS ALMOST ENTIRELY DUE TO THE OPERATION OF OUR DUTY FREE SHOP. AND THE ASSET BASE ON WHICH THE RETURN FOR THE AIRPORT IS CALCULATED DOES NOT AT PRESENT INCLUDE THE VALUE OF THE CAPITAL WORKS AT CHEP LAP KOK. AS FOR THE MTRC AND KCRC, BOTH OF WHICH REALLY FALL OUTSIDE THE SCOPE OF THIS EVENING'S DEBATE. THESE CORPORATIONS FALL OUTSIDE OUR GENERAL FEES AND CHARGES POLICY. BUT WE MUSTN'T FORGET THAT THEY WERE CREATED BY THIS COUNCIL AS COMMERCIAL OPERATIONS. BOTH CORPORATIONS IN FACT INCREASE THEIR FEES IN LINE WITH OPERATING COSTS. AND FEE INCREASES IN RECENT YEARS HAVE NOT (REPEAT NOT) EVEN KEPT PACE WITH THE GROWTH RATE OF CONSUMER INFLATION. NEVERTHELESS, I HAVE TAKEN ON BOARD HONOURABLE MEMBERS' CONCERNS AND REMARKS. AND WHILE THE FEES CHARGED BY STATUTORY CORPORATIONS DO NOT FALL WITHIN THE SCOPE OF OUR PROSPECTIVE REVIEW, THE GOVERNMENT WOULD MAINTAIN ITS EFFORTS TO MONITOR THEIR REASONABLENESS AND AFFORDABILITY TO THE GENERAL PUBLIC.

PERFORMANCE OF OUR PUBLIC UTILITIES

19. MR POON REFERRED IN HIS MOTION TO THE NEED FOR EFFICIENT AND HIGH-QUALITY SERVICES IN EXCHANGE FOR THE PAYMENT OF REASONABLE FEES. THIS IS CERTAINLY OUR GOAL. BUT CERTAIN HONOURABLE MEMBERS HAVE IMPLIED THAT WE MAY NOT BE ACHIEVING IT. IT IS WORTH LOOKING AT THE REALITY HOWEVER. WE HAVE A RELIABLE, CHEAP AND CLEAN WATER SUPPLY. WE HAVE A POSTAL SERVICE WHICH IS AMONGST THE FASTEST AND LEAST EXPENSIVE IN THE WORLD. OUR FERRY TERMINALS ARE WELL-MAINTAINED, CLEAN AND EFFICIENT, AS ARE OUR ROAD TUNNELS. OUR AIRPORT IS, OF COURSE, REACHING CAPACITY AND WE ARE THEREFORE PUSHING FORWARD WITH ITS REPLACEMENT. MEANWHILE, IT CONTINUES TO HANDLE EVER-INCREASING NUMBERS OF PASSENGERS AND QUANTITIES OF FREIGHT, WITHOUT DISRUPTION OR DELAY. MR. PRESIDENT, I SUGGEST THAT THE PUBLIC UTILITIES OF NO COUNTRY IN THE FAR EAST, AND FEW IN THE WORLD, CAN BETTER THIS RECORD. OUR PUBLIC UTILITIES ARE WORTH THE MONEY WE PAY FOR THEM.

CONCLUSION

20. IN CONCLUSION, MR PRESIDENT, OUR SYSTEM FOR APPROVING UTILITY CHARGES HAS A LONG AND RESPECTABLE PEDIGREE. OUR ACCOUNTING ARRANGEMENTS GENERALLY CONFORM TO STANDARD ACCOUNTING PRACTICE AND ARE OPEN TO PUBLIC SCRUTINY. AND, AS A RESULT OF THIS SYSTEM, WE HAVE BEEN ABLE TO PROVIDE THE PUBLIC WITH UTILITY SERVICES OF A HIGH QUALITY AT A LOW COST TO USERS.

21. I ACCEPT, NEVERTHELESS, THAT THE TIME HAS COME FOR A STUDY TO DETERMINE WHETHER SOME ADJUSTMENTS SHOULD BE MADE TO THE SPECIFIC TARGET RATES FOR INDIVIDUAL UTILITIES, AND ALSO THE BASIS ON WHICH THESE RETURNS ARE CALCULATED. ADJUSTMENTS TO THESE TARGETS ARE IN ANY CASE MADE BY THE OPERATING ACCOUNTS COMMITTEES FROM TIME TO TIME IN THE LIGHT OF CHANGING CIRCUMSTANCES, AND THIS REVIEW WILL SERVE AS A USEFUL MECHANISM TO CONSIDER IN ONE PACKAGE AND UPDATE THE TARGETS FOR OUR DIFFERENT UTILITY OPERATIONS. SUBJECT TO THE APPROVAL OF EXECUTIVE COUNCIL, THE RESULTS OF THE REVIEW WILL BE SHARED WITH THIS COUNCIL IN DUE COURSE.

22. BUT I SHOULD EMPHASISE, MR PRESIDENT, THAT WE WILL FOCUS CAREFULLY ON THOSE AREAS WHICH I HAVE IDENTIFIED AS JUSTIFYING DETAILED REVIEW. WE WILL NATURALLY BE OPEN TO IDEAS TO IMPROVE FURTHER THE BASIS ON WHICH THE PERFORMANCE OF OUR PUBLIC UTILITIES IS ASSESSED. BUT WE WOULD BE IRRESPONSIBLE TO SEEK RADICAL CHANGE TO THE UNDERLYING PRINCIPLES OF A SYSTEM WHICH HAS SERVED THE COMMUNITY SO WELL FOR SO LONG. TO UNDERLINE THIS POINT, I WOULD REPEAT THAT ONE OF THE REASONS WE ARE ABLE TO RUN A LOW TAX SYSTEM IS THAT WE CHARGE USERS OF OUR SERVICES EXCEPT WHERE GOOD WELFARE OR OTHER REASONS EXIST NOT TO DO SO. NOT TO RECOVER FULL COSTS, AND IN THE CASE OF UTILITY-TYPE OPERATIONS THESE SHOULD INCLUDE AN APPROPRIATE RATE OF RETURN, IS IN EFFECT TO DECIDE TO SUBSIDISE ONE GROUP OF CONSUMERS AT THE EXPENSE OF THE TAXPAYERS. WE NEED TO FACE THAT FACT SQUARELY, AND HENCE TO REQUIRE VERY GOOD JUSTIFICATION FOR DEPARTING FROM FULL COST RECOVERY IN ANY PARTICULAR CASE.

23. MR PRESIDENT, TO THE EXTENT QUALIFIED BY THESE REMARKS, THE OFFICIAL MEMBERS WILL SUPPORT THE MOTION.

SPEECH BY SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS,
MR TONY EASON IN MOTION DEBATE ON HOUSING AUTHORITY'S
FINANCIAL ARRANGEMENTS

* * * * *

MR PRESIDENT,

INTRODUCTION

THE CURRENT FINANCIAL ARRANGEMENTS BETWEEN THE GOVERNMENT AND THE HOUSING AUTHORITY HAVE BEEN IN PLACE SINCE 1988 WHEN THE HOUSING AUTHORITY WAS REORGANISED. THE SPIRIT BEHIND THE REORGANISATION AND THE NEW FINANCIAL ARRANGEMENTS WAS TO GIVE THE AUTHORITY GREATER AUTONOMY AND FINANCIAL INDEPENDENCE. THE ARRANGEMENTS WERE INTENDED TO HELP THE AUTHORITY TO BE SELF-FINANCING AND TO PROVIDE THE AUTHORITY WITH THE FLEXIBILITY IT NEEDED TO ACCORD PRIORITIES TO THE USE OF RESOURCES IN CARRYING OUT THE HOUSING PROGRAMME. A REVIEW OF THESE ARRANGEMENTS TO TAKE ACCOUNT OF THEIR OPERATION IN THE PAST FIVE YEARS IS CURRENTLY UNDER WAY.

2. AT THE OUTSET, PERHAPS I SHOULD RECAP, VERY BRIEFLY, WHAT THE 1988 ARRANGEMENTS ARE. AT PRESENT, THE GOVERNMENT'S CAPITAL STRUCTURE IN THE AUTHORITY IS THREEFOLD -

(A) PERMANENT CAPITAL

IN 1988, THE HOUSING AUTHORITY WAS ALLOWED TO RETAIN THE REMAINING BALANCE IN THE HOME OWNERSHIP FUND OF \$2.8 BILLION. OUTSTANDING LOANS AMOUNTING TO \$13.5 BILLION FROM THE DEVELOPMENT LOAN FUND WERE ALSO CAPITALISED. IN ADDITION, A FURTHER \$10 BILLION WAS MADE AVAILABLE TO HELP THE AUTHORITY MEET ITS CAPITAL REQUIREMENTS UP TO THE END OF 1993-94. INTEREST IN CASH AT 5% PER ANNUM IS PAYABLE ON THE TOTAL CAPITAL INJECTION OF \$26.3 BILLION.

(B) CONTRIBUTIONS TO DOMESTIC HOUSING

THE AUTHORITY IS NOT REQUIRED TO PAY THE GOVERNMENT THE LAND VALUE FOR THE DOMESTIC ELEMENT OF PUBLIC RENTAL HOUSING. IN RESPECT OF HOS DEVELOPMENTS, AS LAND VALUE THE AUTHORITY IS REQUIRED TO PAY 35% OF THE BUILDING CONSTRUCTION COSTS. THE LAND VALUE FOR BOTH, NET OF THE 35% LAND COST ELEMENT FOR HOS DEVELOPMENTS WHICH IS PAID, ARE BROUGHT TO THE AUTHORITY'S ACCOUNTS AS A CONTRIBUTION TO DOMESTIC HOUSING TO SHOW THE EXTENT OF THE GOVERNMENT'S CONTINUING SUPPORT. NO ACTUAL CASH PAYMENT, HOWEVER, IS INVOLVED. IN THE FIVE YEARS FROM 1987 TO 1988 ALONE, SOME 240 HECTARES OF LAND HAD BEEN MADE AVAILABLE FOR PUBLIC RESIDENTIAL PURPOSES. THIS COMPARES WITH JUST UNDER 100 HECTARES OF NEW LAND SET ASIDE FOR PRIVATE RESIDENTIAL PURPOSES DURING THE SAME PERIOD. THE GOVERNMENT'S CONTRIBUTION SEEN IN CONTEXT REPRESENTS A MASSIVE SUBSIDY.

/(C) NON-DOMESTIC

(C) NON-DOMESTIC EQUITY

LAND FOR PROFITABLE NON-DOMESTIC ACTIVITIES SUCH AS CAR PARKS AND COMMERCIAL FACILITIES IN RENTAL AND HOS DEVELOPMENTS IS MADE AVAILABLE AT NO COST TO THE HOUSING AUTHORITY. TO REFLECT THE VALUE OF THIS SUBSTANTIAL SUBSIDY, THE LAND VALUE FOR SUCH FACILITIES IS SHOWN IN THE AUTHORITY'S ACCOUNTS AS NON-DOMESTIC EQUITY. ALL THAT THE GOVERNMENT RECEIVES IN RETURN IS HALF OF THE REVENUES COLLECTED BY THE AUTHORITY FOR THE NON-DOMESTIC ACTIVITIES, AND THIS ONLY AFTER ALL THE AUTHORITY'S FULL OPERATING EXPENSES HAVE BEEN DEDUCTED.

LAND SUPPLY

3. IN ADDITION TO HAVING MADE A SUBSTANTIAL CAPITAL CONTRIBUTION TO THE AUTHORITY, THE GOVERNMENT IS FURTHER COMMITTED TO PROVIDING ADEQUATE LAND FOR PUBLIC HOUSING PURPOSES. THIS IS NOT MERELY A QUESTION OF EARMARKING UNFORMED SITES. THE GOVERNMENT IS FURTHER COMMITTED TO CLEARING AND FORMING THE VAST MAJORITY OF THESE SITES, INCLUDING THE PROVISION OF FULL SUPPORTING INFRASTRUCTURE. SUCH INFRASTRUCTURE DOES NOT MEAN SIMPLY THE PROVISION OF MINOR PUBLIC ROADS AND DRAINS WITHIN THE ACTUAL HOUSING SITES THEMSELVES. THERE ARE OTHER FAR LARGER AND LESS OBVIOUS COSTS INVOLVED. DUE REGARD HAS ALSO BEEN PAID BY THE GOVERNMENT TO OTHER KEY REQUIREMENTS SUCH AS THE NEED FOR MAJOR OFF-SITE ACCESS ROADS AND THE ADEQUACY OF PUBLIC TRANSPORT SERVICES, THE LEVELS OF PROVISION OF SCHOOLS, CLINICS AND OTHER WELFARE FACILITIES, BOTH AT THE LOCAL DISTRICT AND REGIONAL LEVELS. THE LIST IS LONG AND INCLUDES ALL OF THOSE PUBLIC SERVICES THAT THE COMMUNITY PERHAPS TAKES FOR GRANTED. BUT THE PROVISION OF WHICH REQUIRES THE GOVERNMENT TO SET ASIDE A CONSIDERABLE PROPORTION OF ITS RESOURCES. DESPITE THE MAJOR SUBSIDIES INVOLVED, AS I HAVE MENTIONED EARLIER, LAND IS PROVIDED FREE TO THE AUTHORITY IN THE CASE OF PUBLIC RENTAL HOUSING, AND AT ONLY 35 PER CENT OF THE BUILDING COST IN THE CASE OF HOS DEVELOPMENTS.

4. TURNING TO THE ACTUAL SUPPLY OF LAND, I WILL NOT BORE MEMBERS WITH A FULL REPETITION OF WHAT I SAID LESS THAN A MONTH AGO ON THE SUBJECT OF LAND SUPPLY IN MY RESPONSE TO THE BUDGET DEBATE. SUFFICE IT TO SAY THAT WE HAVE HAD A VERY GOOD RECORD IN PROVIDING SUFFICIENT SITES TO MEET THE LONG TERM HOUSING STRATEGY PRODUCTION TARGETS AND WE ARE CONFIDENT THAT WE WILL CONTINUE TO BE ABLE TO DO SO. FROM TIME TO TIME THERE MAY BE TEMPORARY SHORTFALLS DUE TO REVISED PRODUCTION TARGETS BUT THEY ARE TO BE EXPECTED IN ANY DYNAMIC SITUATION. WE HAVE A WELL TESTED MECHANISM TO IDENTIFY ADDITIONAL SITES TO MEET THE NEW DEMAND IN THE REQUIRED TIMEFRAME AS THE PROGRAMME IS ROLLED FORWARD. AND IN FACT, IN THE BUDGET DEBATE, I INFORMED MEMBERS THAT THE SITES TO COVER THE 50-HECTARE REQUIREMENT OF THE HOUSING AUTHORITY WHICH IS ONCE AGAIN BEEN REFERRED TO TODAY HAVE BEEN IDENTIFIED.

ACHIEVEMENTS

5. THE GOVERNMENT'S CONTRIBUTIONS TO PUBLIC HOUSING UNDER THE REVISED FINANCIAL ARRANGEMENTS AND BY WAY OF THE LAND SUPPLY HAVE SEEN CONSIDERABLE RESULTS. I WILL QUOTE SOME EXAMPLES.

- 224,300 PUBLIC HOUSING FLATS HAVE BEEN PRODUCED (149,400 FOR RENTAL AND 74,900 FOR SALE), PROVIDING HOMES FOR NEARLY 900,000 PEOPLE SINCE 1988/89. THIS IS IN ACCORDANCE WITH THE SET PRODUCTION TARGET AND A MAJOR ACHIEVEMENT BY ANY STANDARD.

- THE MEDIAN RENT-TO-INCOME-RATIO FOR ALL PUBLIC RENTAL TENANTS HAS BEEN KEPT TO ABOUT 7.3% BETWEEN 1987 AND 1992 WHILE THE AVERAGE FLAT SIZE HAS INCREASED BY ABOUT 10%.

- THE LIVING DENSITY FOR RENTAL HOUSING HAS IMPROVED FROM 6 SQM PER PERSON TO 7.2 SQM PER PERSON OVER THE SAME PERIOD.

- THE NUMBER OF INADEQUATELY HOUSED HAS REDUCED DRAMATICALLY FROM 426,000 HOUSEHOLDS (OR 30% OF THE TOTAL NUMBER OF HOUSEHOLDS) IN 1985 TO 219,000 (OR 13%) LAST YEAR.

- BETWEEN 1987/88 AND 1991/92, A TOTAL OF 199,500 PEOPLE OR 50,700 FAMILIES IN OLD PUBLIC HOUSING ESTATES WERE OFFERED BETTER HOUSING ACCOMMODATION UPON REDEVELOPMENT.

- THE HOME OWNERSHIP RATE WITHIN THE PUBLIC SECTOR HAS INCREASED FROM 14% IN 1988 TO 20% NOW.

- HOS/PSPS FLATS ARE VERY POPULAR AND PRICES ARE AFFORDABLE. OVER 90% OF THE FLATS ARE AFFORDABLE TO THOSE WITHIN AN INCOME RANGE OF \$11,000 TO \$20,000.

NEED FOR REVIEW

6. ALTHOUGH THE CURRENT FINANCIAL ARRANGEMENTS HAVE GENERALLY WORKED WELL, A NUMBER OF AREAS HAVE BEEN IDENTIFIED AS REQUIRING CLARIFICATION IN THE LIGHT OF EXPERIENCE. VARIATIONS MAY ALSO BE NEEDED TO CATER FOR CHANGING SITUATIONS IN THE YEARS TO COME.

7. THE SUBJECT AT ISSUE, AS SOME MEMBERS HAVE INDICATED THIS AFTERNOON, IS EXTREMELY COMPLEX. IT INVOLVES CONSIDERABLE SUMS OF PUBLIC MONEY, BOTH IN THE FORM OF CAPITAL INJECTIONS IN THE HOUSING AUTHORITY AS WELL AS PAYMENTS BACK TO THE GOVERNMENT. CASH AND CAPITALISED LOANS SO FAR PROVIDED TO THE AUTHORITY BY THE GOVERNMENT AMOUNT TO OVER \$26 BILLION. IN ITS TURN, THE HOUSING AUTHORITY MAKES A NUMBER OF PAYMENTS TO THE GOVERNMENT, AMOUNTING ON AVERAGE TO ABOUT \$3 BILLION PER YEAR. THERE IS THUS A NEED FOR BOTH SIDES TO PUT THEIR IDEAS TOGETHER IN REVIEWING THE CURRENT ARRANGEMENTS.

8. IN UNDERTAKING THE REVIEW, CERTAIN BASIC PREMISES HAVE BEEN ESTABLISHED. THE MOST IMPORTANT OF THESE IS THAT THE REVIEW IS NOT - AND I REPEAT 'NOT' - A REVIEW OF HOUSING POLICY. THE REVIEW ASSUMES THAT THERE WILL BE NO FUNDAMENTAL CHANGE TO GOVERNMENT'S COMMITMENT TO SUPPORTING THE PUBLIC HOUSING PROGRAMME AS SET OUT IN THE LONG TERM HOUSING STRATEGY. AND THAT THE DEVELOPMENT OF HOUSING POLICIES WILL BE CONSIDERED SEPARATELY AS NECESSARY.

9. ALSO, WE SHOULD NOTE THAT NOTWITHSTANDING THE HUGE CAPITAL COMMITMENT AND RECURRENT EXPENDITURE, THE AUTHORITY'S FINANCES TODAY ARE IN A RELATIVELY HEALTHY STATE. THE AUTHORITY HAS, BY AND LARGE, ACHIEVED SELF-SUFFICIENCY. THIS IS A TREND WE HOPE TO SEE MAINTAINED. IT IS IN THE COMMUNITY'S INTEREST TO SEE AN OPTIMUM RETURN ON THE INVESTMENT OF PUBLIC RESOURCES. BY OPTIMUM RETURN, I DO NOT MEAN TO IMPLY THAT THE HOUSING AUTHORITY IS REGARDED AS A CASH COW TO BE MILKED BY THE GOVERNMENT. IN DRAWING UP THE 1988 FINANCIAL ARRANGEMENTS, FULL REGARD WAS GIVEN TO THE FACT THAT THE HOUSING AUTHORITY WAS REQUIRED TO PROVIDE AFFORDABLE HOUSING FOR THE LOWER INCOME GROUPS IN THE COMMUNITY.

10. THE PRIMARY AIM OF THE REVIEW IS TO MAKE SUCH CHANGES AS ARE NECESSARY TO THE PRESENT FINANCIAL ARRANGEMENTS TO ENSURE THE FINANCIAL VIABILITY OF THE HOUSING AUTHORITY UP TO AT LEAST THE YEAR 2001, THAT IS, THE PRESENT PLANNING FOR THE LONG TERM HOUSING STRATEGY. IT IS ALSO OUR INTENTION TO TRY TO ENSURE THE CONTINUED FINANCIAL VIABILITY OF THE HOUSING AUTHORITY IN CARRYING OUT ITS RESPONSIBILITIES BEYOND 2001.

11. A SECONDARY AIM OF THE REVIEW IS TO TAKE ON BOARD CHANGED CIRCUMSTANCES. OVER THE PAST FIVE YEARS, THE EMPHASIS ON PUBLIC HOUSING HAS GRADUALLY SHIFTED. THE PRESSURE IS NOT SIMPLY FOR THE PROVISION OF BASIC HOUSING IN THE SENSE OF THE BARE MINIMUM SHELTER. THE COMMUNITY'S ASPIRATION NOW IS FOR MUCH BETTER HOUSING STANDARDS IN AN IMPROVED ENVIRONMENT. THIS IS BOTH LEGITIMATE AND NATURAL AS OUR SOCIETY MOVES TOWARDS INCREASING AFFLUENCE. THE COMMUNITY MUST NOW ASK ITSELF HOW THE DEMAND FOR BETTER HOUSING SHOULD BE BALANCED AGAINST THE COMPETITION FOR RESOURCES IN OTHER POLICY PROGRAMME AREAS, SUCH AS HEALTH CARE, EDUCATION AND THE ENVIRONMENT.

THE REVIEW

12. THE REVIEW OF THE FINANCIAL ARRANGEMENTS IS BEING UNDERTAKEN WITH A VIEW TO -

- (A) EXAMINING HOW SUCCESSFULLY THE OBJECTIVES OF THE NEW ARRANGEMENTS HAVE BEEN MET;
- (B) EXAMINING THE FINANCIAL IMPACT OF THE ARRANGEMENTS ON EACH OF THE AUTHORITY'S MAIN AREAS OF OPERATION;
- (C) SETTING OUT MORE CLEARLY A NUMBER OF AREAS WHERE DIFFERENT INTERPRETATIONS HAVE ARISEN AND RESOLVING OUTSTANDING ISSUES; AND

/(D) PRODUCING AN

- (D) PRODUCING AN UPDATED SET OF ARRANGEMENTS WHICH WILL ENSURE THE ONGOING FINANCIAL VIABILITY AND AUTONOMY OF THE AUTHORITY TO MEET ITS OBLIGATIONS UNDER THE LONG TERM HOUSING STRATEGY.

13. SPECIFIC ISSUES THAT THE REVIEW WILL ADDRESS INCLUDE THE CONTINUED NEED FOR THE HOUSING AUTHORITY TO MAKE PAYMENTS TO THE GOVERNMENT OF -

- (A) INTEREST ON PERMANENT CAPITAL INVESTMENTS PREVIOUSLY MADE BY THE GOVERNMENT IN THE AUTHORITY;
- (B) THE LAND COST ELEMENT OF HOME OWNERSHIP SCHEME FLATS; AND
- (C) HALF OF THE NET PROFITS ARISING FROM THE HOUSING AUTHORITY'S NON-DOMESTIC ACTIVITIES, SUCH AS THE LEASING OF COMMERCIAL SPACE IN THE AUTHORITY'S MANY ESTATES.

CONCLUSION

14. PROGRESS ON THE REVIEW HAS SO FAR BEEN SATISFACTORY, BUT IT IS STILL TOO EARLY TO SAY WHAT RECOMMENDATIONS WILL EMERGE FOR CONSIDERATION BY THE FINANCE COMMITTEE OF THIS COUNCIL. TODAY, MEMBERS HAVE MADE MANY USEFUL COMMENTS ON THE SUBJECT AND THESE WILL BE TAKEN INTO ACCOUNT IN THE REVIEW PROCESS, WHICH IS EXPECTED TO BE COMPLETED SHORTLY AFTER THE MIDDLE OF THIS YEAR.

15. IN A SIMILAR VEIN, THE HOUSING AUTHORITY, AS AN INDEPENDENT STATUTORY BODY, WILL NEED TO BE CONSULTED ON ANY PROPOSALS FOR AMENDING THE PRESENT FINANCIAL ARRANGEMENTS. THE GOVERNMENT WILL NOT DECIDE ON THE OUTCOME OF THE REVIEW UNILATERALLY. MR PRESIDENT, BECAUSE THE GOVERNMENT DOES NOT ACCEPT THE IMPLICIT CRITICISM OF THE PRESENT ARRANGEMENTS CONTAINED IN THE MOTION, OFFICIAL MEMBERS WILL VOTE AGAINST IT.

THANK YOU, MR PRESIDENT.

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PHASED BNO PROGRAMME FAIR AND PRACTICABLE

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A PHASED PROGRAMME IS THE ONLY PRACTICABLE MEANS BY WHICH EVERY BRITISH DEPENDENT TERRITORIES CITIZEN (BDTC) CAN BE GIVEN A CHANCE TO APPLY FOR THE BRITISH NATIONAL (OVERSEAS) (BN(O)) STATUS AND PASSPORT BEFORE JUNE 30, 1997.

THIS WAS STATED BY THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, WHEN REPLYING TO A QUESTION BY THE HON MAN SAI-CHEONG IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"THERE IS NO INCONSISTENCY WITH THE BILL OF RIGHTS," HE SAID.

/"A PHASED

"A PHASED PROGRAMME WILL NOT DEPRIVE BRITISH DEPENDENT TERRITORIES CITIZENS OF ANY OF THEIR RIGHTS," HE ADDED.

MR ASPREY SAID THEY WOULD RETAIN BDTC STATUS AND ALL THE RIGHTS OF THAT STATUS UNTIL JUNE 30, 1997.

IT IS IN PRACTICE IMPOSSIBLE FOR THE IMMIGRATION DEPARTMENT TO REGISTER AND ISSUE NEW PASSPORTS TO ALL OR MOST BDTCs WHO ARE LIKELY TO WISH TO RETAIN BN(O) CITIZENSHIP AFTER JUNE 30, 1997, UNLESS THAT IS DONE IN ACCORDANCE WITH A PHASED PROGRAMME OVER A PERIOD OF YEARS, HE SAID.

"IT IS THE FAIREST WAY OF GUARANTEEING THAT ANYONE WHO WANTS TO OBTAIN A BN(O) PASSPORT WILL ACTUALLY BE ABLE TO DO SO, BEFORE JUNE 30, 1997."

HE SAID A NUMBER OF OTHER OPTIONS HAD BEEN CONSIDERED BEFORE DECIDING TO ADOPT THE PHASED PROGRAMME.

THE MEASURES OF INTENSIFYING PUBLICITY AND SETTING UP SPECIAL CONVERSION CENTRES WOULD NOT BE EFFECTIVE.

THIS IS BECAUSE THERE ARE SOME TWO AND A HALF MILLION PERSONS WHO EITHER HAVE PASSPORTS THAT EXPIRE ON OR VERY NEAR TO JUNE 30, 1997 OR WHO HAVE NO PASSPORTS AT ALL AT PRESENT.

MR ASPREY SAID THE MEASURE OF DIFFERENTIAL FEES ALSO WOULD HAVE LITTLE EFFECT ON THE GREAT MAJORITY WHO DID NOT NEED TO OBTAIN OR RENEW THEIR PASSPORTS UNTIL CLOSE TO JUNE 30, 1997.

"WE CONSIDERED SEPARATING THE REGISTRATION FROM THE ISSUING OF PASSPORTS.

"HOWEVER, THIS IS NOT POSSIBLE, BECAUSE THE UNITED KINGDOM MEMORANDUM HAS LINKED THE RETENTION OF BN(O) STATUS AFTER JUNE 30, 1997 TO THE HOLDING OF A BN(O) PASSPORT ON THAT DATE," HE SAID.

ALL BN(O)s, THEREFORE MUST HOLD OR BE INCLUDED IN A BN(O) PASSPORT ISSUED BEFORE THAT DATE.

MR ASPREY SAID SEPARATING REGISTRATION FROM ISSUING A PASSPORT WOULD GIVE RISE TO SEVERE PRACTICAL AND LOGISTICAL PROBLEMS.

"WE ALSO CONSIDERED ALLOWING BOTH THE BDTC AND THE BN(O) PASSPORTS TO BE HELD SIMULTANEOUSLY.

"HOWEVER, THE BRITISH GOVERNMENT WILL NOT AGREE TO THIS ON SECURITY GROUNDS," MR ASPREY SAID.

DOUBLING THE NUMBER OF PASSPORTS IN CIRCULATION WOULD GIVE RISE TO A MUCH GREATER CHANCE OF THEFT, FORGERY, TAMPERING AND OTHER ABUSES.

ANY INADVERTENT USE OF THE NOT-YET-VALID BN(O) PASSPORT WOULD ALSO CONFUSE IMMIGRATION AUTHORITIES IN OTHER COUNTRIES AND COULD AFFECT THE STATUS AND ACCEPTABILITY OF THE BN(O) PASSPORT, HE SAID.

WEDNESDAY, APRIL 28, 1993

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LOCAL OFFICERS WILL FILL PRINCIPAL OFFICIAL POSTS

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THE GOVERNMENT HAS REASSURED THE LEGISLATIVE COUNCIL THAT ALL FUTURE PRINCIPAL OFFICIAL POSTS WILL BE FILLED BY QUALIFIED LOCAL OFFICERS IN GOOD TIME BEFORE 1997.

TO DO THIS, IT IS DEVELOPING A POOL OF QUALIFIED LOCAL OFFICERS FROM WHOM FUTURE PRINCIPAL OFFICIALS CAN BE SELECTED.

"THIS WILL NECESSITATE THE COMPULSORY PREMATURE RETIREMENT OR SUPERSESION OF A NUMBER OF OVERSEAS PERMANENT AND PENSIONABLE OFFICERS OVER THE NEXT FEW YEARS," THE SECRETARY FOR THE CIVIL SERVICE, MRS ANSON CHAN, SAID IN A WRITTEN REPLY TO A QUESTION BY THE HON EMILY LAU WAI-HING IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

TO ENABLE ALL PRINCIPAL OFFICIAL POSTS TO BE FILLED BY QUALIFIED LOCAL OFFICERS BEFORE 1997, MRS CHAN NOTED THAT ANY OVERSEAS PERMANENT AND PENSIONABLE OFFICER HOLDING A SUBSTANTIVE RANK AT ADMINISTRATIVE OFFICER STAFF GRADE A, IRRESPECTIVE OF ANY CURRENT APPOINTMENT AS AN ACTING SECRETARY AND WHETHER HE IS SUBSEQUENTLY PROMOTED TO SECRETARY LEVEL OR REMAINS IN HIS PRESENT SUBSTANTIVE RANK, IS LIKELY, AT SOME STAGE BEFORE 1997, EITHER TO BE DIRECTED TO RETIRE OR TO BE SUPERSEDED UNDER THE PROVISIONS OF THE LIMITED COMPENSATION SCHEME.

"THE MAXIMUM COMPENSATION PAYABLE IS 4.76 TIMES THE ANNUAL SALARY OF A NON-DIRECTORATE OFFICER ON MASTER PAY SCALE SALARY POINT 45," SHE SAID.

"THIS CURRENTLY STANDS AT \$2.7 MILLION AND ALL ELIGIBLE OFFICERS, INCLUDING DIRECTORATE OFFICERS, CANNOT RECEIVE COMPENSATION ABOVE THIS LIMIT."

THE LIMITED COMPENSATION SCHEME WAS APPROVED BY THE GOVERNOR IN COUNCIL AND THE FINANCE COMMITTEE AFTER CONSULTATION WITH THE CHINESE AND THE STAFF ASSOCIATIONS CONCERNED.

IT PROVIDES A MECHANISM TO PREMATURELY RETIRE OR SUPERSEDE ABOUT 100 OVERSEAS OFFICERS, MAINLY IN THE ADMINISTRATIVE SERVICE AND THE POLICE FORCE, WHERE NECESSARY, ON GROUNDS OF LOCALISATION OR CONSTITUTIONAL CHANGE.

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CIVIL SERVICE POSTS OPEN TO ALL QUALIFIED APPLICANTS

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THE SECRETARY FOR THE CIVIL SERVICE, MRS ANSON CHAN, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) THAT ALL GRADES AND POSITIONS IN THE CIVIL SERVICE HAD SINCE 1984 BEEN OPEN TO QUALIFIED APPLICANTS.

REPLYING TO A QUESTION BY THE HON ANNA WU HUNG-YUK, MRS CHAN EXPLAINED THAT THE PROVISIONS OF PART IV OF ANNEX I OF THE JOINT DECLARATION REFERRED TO THE POLICY OF FILLING A PROPORTION OF POSTS IN THE ADMINISTRATIVE SERVICE AND THE OFFICER RANKS OF THE ROYAL HONG KONG POLICE WITH BRITISH UK OFFICERS.

THE POLICY ALSO REQUIRED THAT ALL LOCAL ADMINISTRATIVE OFFICERS BE NATURALISED AS BRITISH DEPENDENT TERRITORY CITIZENS BEFORE CONFIRMATION.

HOWEVER, MRS CHAN POINTED OUT, THIS POLICY WAS DISCONTINUED IN 1984.

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LAND USE ON LANTAU UNDER CONTROL

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THERE ARE AT PRESENT NO APPARENT SIGNS OF UNAUTHORISED CONVERSION OF AGRICULTURAL LAND ON LANTAU ISLAND FOR COMMERCIAL OR INDUSTRIAL USE, THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, SAID TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON JIMMY MCGREGOR IN THE LEGISLATIVE COUNCIL, MR EASON SAID THE CONSTRUCTION OF THE NEW AIRPORT AND OTHER PROJECTS ON THE ISLAND MAY WELL GENERATE DEMAND FOR SUCH USES.

"STATUTORY PLANS, OUTLINE DEVELOPMENT PLANS AND LAYOUT PLANS ARE THEREFORE BEING PREPARED TO PROVIDE PLANNING CONTROL AND GUIDELINES FOR FUTURE DEVELOPMENT.

"THESE SHOULD HELP PREVENT UNAUTHORISED AND INCOMPATIBLE LAND USES IN THE AREAS COVERED," HE SAID.

AS REGARDS THE CENTRAL AND SOUTHERN PARTS OF LANTAU, MR EASON SAID MOST OF THE AREAS WERE EITHER COVERED BY STATUTORY PLANS OR WERE WITHIN COUNTRY PARK BOUNDARIES.

"LAND USE CAN THEREFORE BE LARGELY CONTROLLED," HE SAID.

"THE SITUATION IS BEING MONITORED AND APPROPRIATE ACTION, SUCH AS THE PREPARATION OF DEVELOPMENT PERMISSION AREA PLANS OR LEASE ENFORCEMENT, WILL BE TAKEN IF NECESSARY," HE ADDED.

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SEA TRAFFIC BETWEEN HK AND GUANGDONG

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THE EXISTING PASSENGER FERRY TERMINALS FOR SERVICES BETWEEN HONG KONG AND THE PEARL RIVER DELTA PORTS SHOULD BE ABLE TO COPE WITH DEMAND FOR THE TIME BEING BUT NEW PIER FACILITIES WILL BE NEEDED IN THE LONGER TERM.

THIS WAS STATED BY THE SECRETARY FOR TRANSPORT, MR MICHAEL LEUNG, IN A WRITTEN REPLY TO A QUESTION BY DR THE HON HUANG CHEN-YA IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR LEUNG SAID THE DIRECTOR OF MARINE WOULD SHORTLY BEGIN A REVIEW TO DETERMINE WHEN AND WHERE THESE PIER FACILITIES WOULD BE REQUIRED.

IN 1992, A TOTAL OF 5.2 MILLION PEOPLE TRAVELLED TO AND FROM THE PEARL RIVER DELTA PORTS (EXCLUDING MACAU), REPRESENTING AN INCREASE OF ABOUT 24 PER CENT OVER 1991.

A GROWTH RATE OF ABOUT 16 PER CENT A YEAR IS ESTIMATED OVER THE NEXT THREE YEARS.

"WE ARE NOT AWARE OF ANY CONCRETE PLANS BY THE FERRY SERVICE OPERATORS TO ENHANCE THE CAPACITY OF THEIR VESSELS ALTHOUGH IT IS KNOWN THAT IN GENERAL TERMS THEY ARE EXPECTING TO REPLACE SMALLER VESSELS WITH LARGER ONES IN DUE COURSE.

"FOR THE TIME BEING THE CAPACITY OF VESSELS IS CONSIDERED ADEQUATE," HE SAID.

DURING 1992, SOME 17 MILLION TONNES OF RIVER TRADE CARGO WAS HANDLED IN HONG KONG, AN INCREASE OF ABOUT 1 PER CENT OVER 1991. A GROWTH RATE OF BETWEEN 6 AND 10 PER CENT A YEAR IS EXPECTED OVER THE NEXT THREE YEARS.

"TO MEET LONGER TERM DEMAND, THE PORT AND AIRPORT DEVELOPMENT STRATEGY RECOMMENDED THE ESTABLISHMENT OF A RIVER TRADE TERMINAL IN TUEN MUN AREA 38, FOR WHICH EXPRESSIONS OF INTERESTS FROM THE PRIVATE SECTOR ARE CURRENTLY BEING EXAMINED BY THE GOVERNMENT," HE SAID.

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MEASURES TO PREVENT PROJECT DELAYS IN PLACE

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NEW INITIATIVES TO IMPROVE THE GOVERNMENT'S PERFORMANCE ON THE PUBLIC WORKS PROGRAMME FOR 1993/94 ARE IN PLACE AND A DETAILED BRIEFING ON THESE MEASURES WAS HELD FOR PUBLIC WORKS SELECT COMMITTEE MEMBERS.

THIS WAS STATED BY THE SECRETARY FOR WORKS, MR JAMES BLAKE, IN A WRITTEN REPLY TO A QUESTION BY THE HON RONALD ARCULLI, IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR BLAKE SAID INFORMATION ON THE TIMING OF CONSTRUCTION OF ALL PUBLIC WORKS PROGRAMME PROJECTS WAS AVAILABLE IN THE WORKS DEPARTMENTS IN A MANUAL FORMAT WHICH CANNOT BE COLLATED BY COMPUTERISED MEANS AT THIS STAGE.

A CONSULTANCY HAS RECENTLY BEEN APPROVED BY THE FINANCE COMMITTEE TO REDRESS THIS DEFICIENCY AMONG OTHER ISSUES, HE ADDED.

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WASTE DISPOSAL METHODS

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THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) THAT THE LANDFILLING AND INCINERATION METHODS OF WASTE DISPOSAL SHOULD NOT BE REGARDED AS MUTUALLY EXCLUSIVE.

"LANDFILL CAPACITY WILL CONTINUE TO BE REQUIRED FOR NON-COMBUSTIBLE WASTE AND RESIDUES LEFT BY INCINERATORS.

"AT THE SAME TIME, INCINERATION AS A MEANS OF WASTE REDUCTION AND DISPOSING OF SPECIAL WASTE WILL CONTINUE TO BE CONSIDERED WITH OTHER ALTERNATIVES AS MODERN TECHNOLOGY DEVELOPS AND CIRCUMSTANCES CHANGE," MR EASON SAID.

IN A WRITTEN REPLY TO A QUESTION BY DR THE HON SAMUEL WONG PING-WAI, HE SAID TECHNICALLY SPEAKING, ELECTRICITY GENERATED IN THE INCINERATION PROCESS COULD BE FED INTO THE SUPPLY GRID BUT THE AMOUNT WOULD BE VERY SMALL IN COMPARISON WITH THE GENERATING CAPACITY OF THE POWER COMPANIES AND THE DEMAND.

"THE FEASIBILITY OF USING THIS POTENTIAL SOURCE WILL BE LOOKED INTO BY THE GOVERNMENT IN CONSULTATION WITH THE POWER COMPANIES," HE ADDED.

THE OVERALL UNIT COST OF THE NEW STRATEGIC LANDFILLS IS ESTIMATED AT \$97 PER TONNE OF REFUSE. THIS INCLUDES THE COST OF CONSTRUCTION, OPERATION, MAINTENANCE AND SITE RESTORATION.

FOR INCINERATION, THE ESTIMATED OVERALL COST, INCLUDING CAPITAL DEPRECIATION, OPERATION AND MAINTENANCE, IS \$345 PER TONNE.

ASSUMING THAT SURPLUS ELECTRICITY GENERATED COULD BE SOLD AT RATES SIMILAR TO THOSE WHICH APPLY, FOR EXAMPLE, IN MACAU AND SINGAPORE, THE UNIT INCINERATION COST COULD BE REDUCED TO \$291 PER TONNE.

MR EASON SAID THESE ESTIMATES RELATED TO MODERN LANDFILLS AND INCINERATORS WHICH HAD ALL THE NECESSARY ENVIRONMENTAL CONTROL FACILITIES.

ON THE ENVIRONMENTAL IMPACTS OF THE TWO METHODS, MR EASON SAID FOR LANDFILLING IT WAS THE EMISSION OF LANDFILL GAS AND LEACHATE, WHEREAS FOR INCINERATION IT WAS AERIAL EMISSIONS.

"WHICHEVER METHOD IS USED FOR WASTE DISPOSAL, CONTROL SYSTEMS TO MEET ACCEPTABLE ENVIRONMENTAL STANDARDS ARE REQUIRED," HE SAID.

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POST OFFICE SETS FAIR RETURN RATE

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THE POST OFFICE SETS A TARGET RETURN OF 16.7 PER CENT ON TURNOVER BY 1996/97 TO ENSURE A FAIR RETURN TO GENERAL REVENUE ON THE SUBSTANTIAL INVESTMENT MADE BY THE TAX-PAYING PUBLIC IN POSTAL OPERATIONS.

THIS WAS STATED BY THE SECRETARY FOR ECONOMIC SERVICES, MR GORDON SIU, IN HIS REPLY TO A QUESTION BY THE HON LI WAH-MING IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"IN THAT SENSE IT WAS BROADLY COMPARABLE TO THE LEVELS OF RETURN SET FOR OTHER PUBLIC UTILITIES," MR SIU SAID.

HE SAID GIVEN THE LABOUR INTENSIVE NATURE OF THE POST OFFICE'S OPERATION, A TARGET RETURN BASED ON TURNOVER PROVIDED A MORE MEANINGFUL INDICATOR OF PERFORMANCE THAN, FOR EXAMPLE, AVERAGE NET FIXED ASSETS.

"THE 16.7 PER CENT TARGET IS NOW BEING RE-EXAMINED IN THE WIDER CONTEXT OF THE REVIEW OF RATES OF RETURN FOR PUBLIC UTILITIES TO BE CONDUCTED BY THE SECRETARY FOR THE TREASURY.

"ONE FACTOR TO BE TAKEN INTO ACCOUNT WILL BE THE SEPARATION OF TELECOMMUNICATIONS LICENSING AND REGULATION FROM POSTAL OPERATIONS," MR SIU SAID.

ON THE CRITERIA USED IN SETTING POSTAGE CHARGES, HE SAID THE OVERALL PHILOSOPHY WAS THAT SUBJECT TO BROADER SOCIAL POLICY OBJECTIVES AND CONSIDERATIONS, EACH SERVICE SHOULD AS FAR AS POSSIBLE RECOVER ITS COSTS.

HOWEVER THERE IS AT PRESENT A DEGREE OF CROSS SUBSIDISATION BETWEEN WHAT MIGHT BE TERMED PREMIUM SERVICES (SUCH AS SPEEDPOST) AND THE MORE BASIC SERVICES SUCH AS INLAND AND SURFACE MAIL, HE SAID.

"THE QUESTION OF WHETHER AND, IF SO, OVER WHAT TIME-FRAME, THIS CROSS-SUBSIDY SHOULD BE PHASED OUT IS NOW BEING EXAMINED AS PART OF AN EVALUATION OF THE OPTION OF MOVING THE POST OFFICE TO TRADING FUND STATUS.

"IN PARTICULAR WE WILL BE ATTEMPTING TO IDENTIFY MORE PRECISELY WHICH GROUPS OF POSTAL USERS ARE CURRENTLY THE BENEFICIARIES OF CROSS SUBSIDIES, AND WHETHER IN LINE WITH OUR BROADER POLICY GOALS THIS SITUATION SHOULD CONTINUE," MR SIU ADDED.

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PUBLIC WORKS PROGRESS COMMITTEE REVAMPED

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THE PUBLIC WORKS PROGRESS COMMITTEE (PWPC) HAS BEEN RECENTLY REVAMPED TO INCLUDE RELEVANT POLICY SECRETARIES FOR BETTER CONTROL OF UNDERSPENDING IN CAPITAL WORKS PROGRAMMES.

THIS WAS STATED BY THE SECRETARY FOR WORKS, MR JAMES BLAKE, IN REPLY TO A QUESTION BY THE HON CHRISTINE LOH IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR BLAKE SAID IT WAS EXPECTED THAT PROGRAMME, INTERFACE OR RESOURCE PROBLEMS OF THE PUBLIC WORKS PROGRAMME WHICH COULD NOT BE SOLVED AT THE DEPARTMENTAL LEVEL COULD BE RESOLVED AT THE PWPC.

THE WORKS BRANCH CONSTANTLY MONITORS THE OVERALL EXPENDITURE SITUATION AS WELL AS PROGRESS ON ALL SIGNIFICANT CATEGORY A PROJECTS I.E. PROJECTS IN PROGRESS AND CATEGORY B PROJECTS WHICH ARE UNDER PLANNING.

HE EXPLAINED THAT THE WORKS DIRECTORS ARE RESPONSIBLE FOR THE IMPLEMENTATION AND FRONT LINE MONITORING OF PROJECTS UNDER THEIR CONTROL.

THEY ARE RESPONSIBLE FOR DECIDING THE APPROPRIATE STAFFING LEVELS FOR SPECIFIC PROJECTS, RECOMMENDING WHETHER CONSULTANTS SHOULD BE EMPLOYED.

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BROADER REPRESENTATION TO HOUSING AUTHORITY CONTINUES

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THE NEED TO APPOINT MEMBERS OF THE HOUSING AUTHORITY WHO CAN REFLECT A FULL RANGE OF VIEWS FROM THE COMMUNITY WILL CONTINUE TO BE TAKEN INTO ACCOUNT IN FUTURE, THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, SAID TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON LEE WING-TAT IN THE LEGISLATIVE COUNCIL, MR EASON SAID MORE MEMBERS FROM REPRESENTATIVE BODIES AND POLITICAL GROUPS HAD BEEN APPOINTED TO THE AUTHORITY.

OF THE 18 NON-OFFICIAL MEMBERS SERVING ON THE AUTHORITY, ABOUT 40 PER CENT ARE FROM THE ELECTED MEMBERSHIP OF THE LEGISLATIVE COUNCIL, THE MUNICIPAL COUNCILS AND DISTRICT BOARDS.

THIS COMPARES WITH ABOUT 30 PER CENT IN 1989. SOME SERVING MEMBERS ARE THEMSELVES PUBLIC HOUSING TENANTS.

UNDER THE HOUSING ORDINANCE THE GOVERNOR CAN APPOINT FOUR OFFICIAL MEMBERS, INCLUDING THE DIRECTOR OF HOUSING, AND AN UNSPECIFIED NUMBER OF NON-OFFICIAL MEMBERS TO THE HOUSING AUTHORITY.

/THEY ARE

THEY ARE APPOINTED WITH REGARD TO THE RELEVANCE OF THEIR WORK TO HOUSING AND RELATED MATTERS.

HE SAID FACTORS SUCH AS THE APPOINTEES' BACKGROUNDS, EXPERTISE, LIKELY CONTRIBUTIONS TO THE AUTHORITY'S DELIBERATIONS AND THE BALANCE OF VIEWS AVAILABLE TO THE AUTHORITY WERE ALL TAKEN INTO ACCOUNT WHEN APPOINTING NON-OFFICIAL MEMBERS.

"THE OBJECTIVE IS TO STRIKE A BALANCE BETWEEN THE BROADER INTERESTS OF THE WHOLE COMMUNITY AND THE NARROWER INTERESTS OF THE OCCUPANTS OF AUTHORITY ESTATES, AS WELL AS BETWEEN THE VARIOUS SPECIALISMS AND EXPERTISE OF THE MEMBERSHIP," MR EASON SAID.

ON THE APPOINTMENT OF THE AUTHORITY'S COMMITTEES AND SUB-COMMITTEES, THE SECRETARY SAID THE CRITERIA ADOPTED IN APPOINTING MEMBERS TO EACH OF THESE COMMITTEES WERE SIMILAR TO THOSE FOR THE FULL AUTHORITY, BUT WITH EMPHASIS ON THE PARTICULAR NEEDS OF INDIVIDUAL COMMITTEES IN DISCHARGING THEIR FUNCTIONS.

AT PRESENT, THE AUTHORITY HAS NINE STANDING COMMITTEES AND ONE AD HOC COMMITTEE, COVERING SUCH AREAS AS ESTATE MANAGEMENT, HOME OWNERSHIP, BUILDING DESIGN AND MAINTENANCE, FINANCE, COMMERCIAL PROPERTIES AND TENANCY APPEALS.

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LEGISLATORS TOLD OF EMPLOYEES RETRAINING PROGRESS

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MORE THAN 430 RETRAINEES HAD COMPLETED VARIOUS TRAINING COURSES UNDER THE EMPLOYEES RETRAINING SCHEME AS AT APRIL 16 THIS YEAR.

OF THE 262 GRADUATES WHO WERE PROVIDED WITH JOB PLACEMENT SERVICES BY THE LABOUR DEPARTMENT AND OTHER TRAINING BODIES, 110 WERE SUCCESSFULLY PLACED, MOSTLY IN JOBS DIRECTLY RELEVANT TO THEIR RETRAINING; 94 EVENTUALLY SECURED BY THEMSELVES JOBS WHICH MIGHT OR MIGHT NOT BE DIRECTLY RELEVANT TO THEIR RETRAINING; AND 58 WERE STILL AWAITING PLACEMENT.

NO INFORMATION IS AVAILABLE ON THE OTHER 169 GRADUATES WHO DID NOT REQUIRE THE SERVICES OF THE LABOUR DEPARTMENT.

THE STATISTICS WERE RELEASED BY THE SECRETARY FOR EDUCATION AND MANPOWER, MR JOHN CHAN, IN A WRITTEN REPLY TO A QUESTION BY THE HON PANG CHUN-HOI IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

AS REGARDS THE ON-THE-JOB TRAINING SCHEME TO BE LAUNCHED BY THE EMPLOYEES RETRAINING BOARD NEXT MONTH, MR CHAN SAID IT WAS THE BOARD'S INTENTION TO CONFINE PARTICIPATION TO WELL-ESTABLISHED AND REPUTABLE FIRMS.

/EVERY FIRM

EVERY FIRM PARTICIPATING IN THE SCHEME WILL BE REQUIRED TO SUBMIT A TRAINING PROGRAMME AND TO APPOINT A SUPERVISOR TO LOOK AFTER THE RETRAINEES.

THE FIRM MUST ALSO MEET CERTAIN ADDITIONAL REQUIREMENTS BEFORE IT IS ADMITTED INTO THE SCHEME, FOR EXAMPLE, ITS EMPLOYMENT SIZE MUST BE OVER 20 PERSONS AND THE WAGES OFFERED TO RETRAINEES MUST BE IN LINE WITH MARKET RATES.

HE BELIEVED THAT POTENTIAL ABUSE OF THE SCHEME WOULD BE AVOIDED OR MINIMISED BY CAREFUL SELECTION OF EMPLOYERS.

MR CHAN ALSO SAID ALL 18 PLACEMENT OFFICERS OF THE LABOUR DEPARTMENT'S 10 DISTRICT OFFICES WOULD HELP MONITOR THE SCHEME.

EMPLOYERS FOUND TO BE ABUSING THE SCHEME WOULD BE SUSPENDED OR DISQUALIFIED FROM THE SCHEME, HE SAID.

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DISTRICT BOARDS CONSULTED ON WELFARE FACILITIES

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THE GOVERNMENT CONSULTS RELEVANT DISTRICT BOARDS ON THE SETTING UP OF ALL WELFARE FACILITIES, INCLUDING THOSE FOR CHILDREN AND YOUTH, ELDERLY, MENTALLY HANDICAPPED AND EX-MENTALLY ILL, THE SECRETARY FOR HEALTH AND WELFARE, MRS ELIZABETH WONG, INFORMED THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN HER WRITTEN REPLY TO A QUESTION BY THE HON HUI YIN-FAT, MRS WONG SAID IN DECIDING TO SET UP A SOCIAL WELFARE FACILITY IN A CERTAIN DISTRICT, THE GOVERNMENT HAD REGARD TO LOCAL NEEDS FOR THE SERVICE CONCERNED, THE AVAILABILITY OF SUITABLE PREMISES, RELATED COMMUNITY FACILITIES, TRANSPORT AND, WHERE APPLICABLE, ACCESS FOR DISABLED PERSONS.

"SHOULD THERE BE ANY QUERIES ABOUT, OR OBJECTION TO, A PROJECT FROM DISTRICT RESIDENTS, WE WILL BE HAPPY TO MEET AND DISCUSS WITH THEM WAYS TO ACCOMMODATE THEIR VIEWS AND ALLAY THEIR FEARS," MRS WONG SAID.

"FOR INSTANCE, WE MIGHT GIVE SPECIAL CONSIDERATION TO MODIFYING THE PHYSICAL CONFIGURATION OF A SERVICE UNIT."

THE SECRETARY SAID IN HANDLING ANY PUBLIC OBJECTION, DISTRICT STAFF OF THE SOCIAL WELFARE DEPARTMENT (SWD) WOULD FIRST ALERT THEIR HEADQUARTERS.

IF NECESSARY AND IN CONJUNCTION WITH THE NON-GOVERNMENTAL ORGANISATION RUNNING THE SERVICE, THEY WILL APPROACH AND DISCUSS WITH CONCERNED RESIDENT GROUPS THEIR GROUNDS OF OBJECTION.

THEY WILL FURTHER EXPLAIN TO THEM THE NATURE OF THE SERVICE AND SEEK THEIR VIEWS ON WAYS TO ALLAY THEIR FEARS.

/IN ADDITION,

IN ADDITION, SWD STAFF WILL GET IN TOUCH WITH THE RELEVANT DISTRICT BOARD OR AREA COMMITTEE/MUTUAL AID COMMITTEE WITH A VIEW TO EXPLAINING THE GOVERNMENT'S POLICY ON REHABILITATION AND CLARIFYING QUERIES ON THE PROJECT.

ENHANCED PUBLIC EDUCATION PROGRAMMES WILL ALSO BE ORGANISED TO DISPEL CONCERNED RESIDENTS' MISCONCEPTIONS ABOUT DISABLED PERSONS.

THROUGHOUT THIS PROCESS, MRS WONG POINTED OUT, STAFF OF SWD WOULD LIAISE CLOSELY WITH THE RELEVANT DISTRICT OFFICER OF THE CITY AND NEW TERRITORIES ADMINISTRATION AND STAFF OF THE HOUSING DEPARTMENT TO ASSESS AND MONITOR CLOSELY LOCAL VIEWS.

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VIETNAMESE ENCOURAGED TO RETURN HOME

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THE UNHCR HAS STEPPED UP EFFORTS TO PROMOTE VOLUNTARY REPATRIATION OF VIETNAMESE MIGRANTS IN RECENT MONTHS AND FURTHER INITIATIVES ARE PLANNED FOR THE COMING MONTHS.

THIS WAS STATED BY THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, IN HIS REPLY TO A QUESTION BY THE HON MARTIN BARROW IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MEASURES BEING TAKEN INCLUDE SURVEYS TO IDENTIFY THE SPECIFIC NEEDS OF THE CAMP POPULATION FOR INFORMATION ON VIETNAM AND PHOTOGRAPH EXHIBITIONS ON VIETNAM.

ALSO UNDERTAKEN ARE SCREENING OF VIETNAMESE TELEVISION PROGRAMMES, DISSEMINATION OF BIMONTHLY BULLETINS IN VIETNAMESE ON DEVELOPMENTS IN VIETNAM AND REGULAR REPORTS ON UNHCR'S MONITORING OF THOSE WHO HAVE ALREADY RETURNED TO VIETNAM.

MR ASPREY SAID UNHCR HAD ALSO ORGANISED VISITS TO THE CAMPS BY CONSULAR OFFICIALS TO PROVIDE INFORMATION ON INVESTMENT PROGRAMMES IN VIETNAM.

PLANS FOR THE COMING MONTHS INCLUDE ESTABLISHING INFORMATION CENTRES IN EACH DETENTION CENTRE, PRODUCTION OF ADDITIONAL VIDEOS SHOWING THE CONDITIONS FACING RETURNEES IN VIETNAM AND THE DISTRIBUTION OF ADDITIONAL VIETNAMESE LANGUAGE NEWSPAPERS AND MAGAZINES IN THE CAMPS.

"FOR OUR PART, WE WILL DO ALL WE CAN TO FACILITATE AND SUPPLEMENT THE UNHCR'S EFFORTS IN PROMOTING VOLUNTARY REPATRIATION.

"WE HAVE RECENTLY CONVERTED A SECTION OF THE WHITEHEAD DETENTION CENTRE INTO A VOLUNTARY REPATRIATION CENTRE WITH A CAPACITY OF MORE THAN 2,500 AT ANY ONE TIME.

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"WE ARE NOW CONVERTING ANOTHER SECTION OF THE WHITEHEAD DETENTION CENTRE INTO ANOTHER VOLUNTARY REPATRIATION CENTRE WITH A SIMILAR CAPACITY," MR ASPREY SAID.

MORE THAN 28,000 VIETNAMESE MIGRANTS HAVE ALREADY RETURNED HOME UNDER THIS PROGRAMME, INCLUDING AN AVERAGE OF ABOUT 1,000 A MONTH SINCE THE AGREEMENT ON ORDERLY REPATRIATION WITH THE VIETNAMESE GOVERNMENT IN OCTOBER 1991.

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PUBLIC TO BE CONSULTED ON HEALTH CARE REFORMS

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THE GOVERNMENT WILL PUBLISH A CONSULTATION PAPER ON LONG-TERM STRATEGY AND HEALTH CARE REFORM IN THE MIDDLE OF THIS YEAR, THE SECRETARY FOR HEALTH AND WELFARE, MRS ELIZABETH WONG, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SHE WAS REPLYING TO A QUESTION BY THE HON PETER WONG HONG-YUEN ABOUT WHEN A GREEN PAPER ON FEE CHARGING FOR HOSPITAL AND HEALTH CARE SERVICES WOULD BE PUBLISHED.

MRS WONG SAID THE DOCUMENT, DRAWING FROM THE EXPERTISE AND EXPERIENCE OF RELEVANT HEALTH CARE REFORMS BOTH LOCALLY AND IN OTHER COUNTRIES, WAS BEING FINALISED AND TRANSLATED.

"IT IS EXPECTED TO BE READY BY MID-YEAR FOR EXTENSIVE PUBLIC CONSULTATION," SHE SAID.

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BALANCED EDUCATION FOR HK STUDENTS

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THE GOVERNMENT IS WORKING TOWARDS EXPANDING THE RANGE OF SCHOOLS BY ADDING SKILLS OPPORTUNITY SCHOOLS AND PRACTICAL SCHOOLS, FOLLOWING THE RECOMMENDATIONS MADE IN EDUCATION COMMISSION REPORT NO. 4.

THIS WAS STATED BY THE SECRETARY FOR EDUCATION AND MANPOWER, MR JOHN CHAN, IN A WRITTEN REPLY TO A QUESTION BY THE HON LAU CHIN-SHEK IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR CHAN SAID IT WAS THE GOVERNMENT'S POLICY TO PROVIDE DIFFERENT TYPES OF SCHOOLS TO CATER FOR THE REQUIREMENTS OF DIFFERENT STUDENTS.

HOWEVER, HE POINTED OUT THAT ENROLMENT IN A PARTICULAR TYPE OF SCHOOL AT SECONDARY ONE WAS MAINLY A RESULT OF PARENTAL CHOICE.

/MR CHAN

MR CHAN NOTED THAT WHILE ALL SCHOOLS TEACH A COMMON CORE OF SUBJECTS, INCLUDING THE CHINESE AND ENGLISH LANGUAGES, MATHEMATICS, SCIENCE, MUSIC AND PHYSICAL EDUCATION AT THE JUNIOR SECONDARY LEVEL, THE PROPORTION OF THE CURRICULUM CONTENT DEVOTED TO PRACTICAL AND TECHNICAL SUBJECTS RANGED FROM 20 PER CENT IN GRAMMAR SCHOOLS TO 30 PER CENT IN TECHNICAL SCHOOLS AND 45 PER CENT IN PRE-VOCATIONAL SCHOOLS.

"THE CORE SUBJECTS ENSURE THAT THE EDUCATION PROVIDED IS REASONABLY BALANCED, WHILE THE RANGE OF PRACTICAL AND TECHNICAL SUBJECTS MEETS THE DIVERSE NEEDS OF YOUNG PEOPLE IN TERMS OF THEIR INTERESTS, APTITUDES AND CAREER ASPIRATIONS," HE ADDED.

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LITTLE CHANCE FOR FOOD CATERING MONOPOLY IN PUBLIC HOUSING ESTATES
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THERE IS VERY LITTLE CHANCE FOR FOOD PREMISES IN THE HOUSING AUTHORITY'S SHOPPING CENTRES TO MONOPOLISE BUSINESS, THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, SAID TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY REV THE HON FUNG CHI-WOOD IN THE LEGISLATIVE COUNCIL, MR EASON SAID THESE PREMISES, LIKE OTHER TRADES, WERE LET OUT BY NEGOTIATION OR TENDER.

HE SAID THE CURRENT LETTING SITUATION WAS SATISFACTORY.

"THE HOUSING AUTHORITY HAS AN OPEN MIND, HOWEVER, AND WELCOMES FEEDBACK FROM OPERATORS AND PATRONS ALIKE IN REVIEWING THE ADEQUACY AND QUALITY OF SERVICE PROVIDED BY FOOD PREMISES ON ITS ESTATES," HE SAID.

IN A TYPICAL ESTATE, SOME 40 PER CENT OF COMMERCIAL SPACE IS LEASED TO FOOD CATERERS OF ONE KIND OR ANOTHER, INCLUDING RESTAURANTS, FAST FOOD AND TAKE-AWAY OUTLETS, CONGEE/NOODLE SHOPS AND FOOD COURTS.

THE SECRETARY SAID THERE WAS COMPETITION ALREADY IN THESE SHOPPING CENTRES, BUT IF THERE WAS A STRONG DEMAND FOR ANY PARTICULAR TYPE OF FOOD OR CATERING ESTABLISHMENT, GOOD BUSINESS SENSE DICTATED THAT THE HOUSING AUTHORITY WOULD CONSIDER ACCOMMODATING IT.

HE SAID THERE WERE VERY FEW NEWLY COMPLETED COMMERCIAL CENTRES IN PUBLIC HOUSING ESTATES WHICH WERE PROVIDED WITH ONLY ONE CHINESE RESTAURANT AND ONE FAST FOOD SHOP UNLESS THE CATCHMENT WAS SMALL.

PRICES CHARGED BY CHINESE RESTAURANT OPERATORS IN THESE ESTATES ARE GENERALLY LOWER, NOT HIGHER, THAN COMPARABLE ESTABLISHMENTS IN THE PRIVATE SECTOR.

MR EASON SAID IT WOULD BE TOO SWEEPING TO SAY THAT THE SERVICE, VARIETY AND QUALITY OF FOOD PROVIDED BY FAST FOOD SHOPS IN THESE ESTATES WERE INFERIOR.

"MOST ESTABLISHMENTS BELONG TO MAJOR CHAIN OPERATIONS WITH RESPECTABLE RECORDS," HE SAID.

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SHORTFALL OF 241 PRIMARY ONE PLACES IN YUEN LONG

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ONLY ONE OF THE FIVE PRIMARY ONE ADMISSION (POA) DISTRICTS IN YUEN LONG HAS A POTENTIAL SHORTFALL OF 241 CENTRALLY ALLOCATED PLACES FOR THE 1993/94 SCHOOL YEAR, THE SECRETARY FOR EDUCATION AND MANPOWER, MR JOHN CHAN, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON ZACHARY WONG WAI-YIN, MR CHAN SAID THE EDUCATION DEPARTMENT WOULD ASK SCHOOLS WITHIN THIS DISTRICT TO CONSIDER OPERATING ADDITIONAL PRIMARY ONE CLASSES.

OTHER REMEDIAL MEASURES INCLUDE ALLOCATING PLACES IN ADJACENT OR NEARBY POA DISTRICTS AND ENCOURAGING SCHOOLS TO OPERATE THEIR OWN SCHOOL BUS SERVICE IN APPROPRIATE CASES, HE ADDED.

MR CHAN EXPLAINED THAT IN LINE WITH THE TERRITORY-WIDE PRACTICE, UP TO 65 PER CENT OF PRIMARY ONE PLACES IN YUEN LONG WERE FIRST ALLOCATED BY SCHOOLS AT THEIR DISCRETION.

THE BALANCE OF AT LEAST 35 PER CENT IS ALLOCATED CENTRALLY BY THE EDUCATION DEPARTMENT.

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GOVT SUPPORTS DRUG REHABILITATION ACTIVITIES

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THE GOVERNMENT ASSISTS NON-PROFIT-MAKING RELIGIOUS BODIES BY MAKING LAND AND ACCOMMODATION AVAILABLE AT CONCESSIONARY TERMS FOR DRUG DETOXIFICATION AND REHABILITATION CENTRES, THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, SAID TODAY (WEDNESDAY).

ONE WAY IS TO REIMBURSE THE RENT FOR ACCOMMODATION FOR SUCH CENTRES IN PUBLIC HOUSING ESTATES.

IN A WRITTEN REPLY TO A QUESTION BY THE HON CHEUNG MAN-KWONG IN THE LEGISLATIVE COUNCIL, MR ASPREY SAID THERE WERE TWO PUBLICLY-FUNDED VOLUNTARY DRUG TREATMENT PROGRAMMES FOR OPIATE DRUG ABUSERS.

THEY ARE THE OUT-PATIENT METHADONE TREATMENT PROGRAMME OPERATED BY THE DEPARTMENT OF HEALTH AND THE IN-PATIENT TREATMENT AND REHABILITATION PROGRAMMES OPERATED BY THE SOCIETY FOR THE AID AND REHABILITATION OF DRUG ABUSERS.

"THERE IS ALSO A COUNSELLING SERVICE FOR ABUSERS OF PSYCHOTROPIC SUBSTANCES OPERATED BY THE HONG KONG CHRISTIAN SERVICE, WHICH HAS BEEN RECEIVING A GOVERNMENT SUBVENTION FOR THIS PURPOSE SINCE MARCH THIS YEAR," HE ADDED.

/MR ASPREY

MR ASPREY SAID THE THREE PROGRAMMES HAD AN OPEN-DOOR ADMISSION POLICY.

HE SAID: "THE PROVISION IS CURRENTLY ADEQUATE TO MEET DEMAND."

"WE HAVE NO PLANS TO EXTEND CASH SUBSIDIES TO ORGANISATIONS OFFERING TREATMENT BASED ON RELIGION."

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PLANS TO IMPROVE HARBOUR ROAD TRAFFIC CONDITIONS

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THERE ARE PLANS TO IMPROVE THE TRAFFIC CONDITIONS IN THE VICINITY OF HARBOUR ROAD AND CONVENTION AVENUE, THE SECRETARY FOR TRANSPORT, MR MICHAEL LEUNG, INFORMED THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON HOWARD YOUNG, MR LEUNG SAID WORK TO PROVIDE A NEW LAY-BY OUTSIDE THE HARBOUR CENTRE TO ALLEVIATE THE PROBLEM OF ON-STREET LOADING AND UNLOADING IN THE AREA WOULD START IN JUNE.

IT IS SCHEDULED FOR COMPLETION IN AUGUST 1993.

"TO SERVE LONGER TERM TRAFFIC NEEDS, PROVISION HAS BEEN INCLUDED IN PLANS FOR THE FUTURE CENTRAL AND WANCHAI RECLAMATION FOR AN UNDERGROUND CENTRAL AND WANCHAI BYPASS RUNNING PARALLEL TO GLOUCESTER ROAD, AND LINKED TO THE ISLAND EASTERN CORRIDOR," HE SAID.

ON SEA WATER POLLUTION, MR LEUNG SAID THE CENTRAL, WESTERN AND WANCHAI WEST SEWERAGE MASTER PLAN STUDY HAD RECOMMENDED A PROGRAMME OF IMPROVEMENTS TO ELIMINATE THE IMPROPER DISCHARGE OF SEWAGE AND POLLUTED WATER FROM STORM DRAINS AND TO REPLACE OR REPAIR SEWERS.

"DETAILED DESIGN OF THE RECOMMENDED WORKS WILL START SHORTLY. A SECOND STUDY FOR WANCHAI EAST AND NORTH POINT WILL BE COMPLETED BY THE END OF THIS YEAR," HE SAID.

MR LEUNG SAID AMENDMENTS TO WATER POLLUTION CONTROL ORDINANCE WOULD COMPLEMENT THESE SEWERAGE MASTER PLANS BY STRENGTHENING THE REQUIREMENT FOR ALL PRIVATE LOTS AND BUILDINGS TO MAKE PROPER CONNECTIONS TO THE SEWERAGE SYSTEM.

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VISITORS FROM TAIWAN ON THE RISE

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THE NUMBER OF TAIWAN VISITORS TO HONG KONG LAST YEAR WAS 1,640,032, AN INCREASE OF 26.3 PER CENT AS COMPARED WITH THE PREVIOUS YEAR.

THEY SPENT A TOTAL OF HK\$11,811 MILLION IN THE TERRITORY, AN INCREASE OF 67.9 PER CENT OVER THE SAME PERIOD.

THE STATISTICS WERE PROVIDED IN A WRITTEN REPLY BY THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, TO A QUESTION BY THE HON HENRY TANG IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THE NUMBER OF VISITORS IN 1991 WAS 1,298,039, A DROP OF 3.5 PER CENT FROM 1990. THEIR TOTAL EXPENDITURE WAS HK\$7,033 MILLION, REPRESENTING A 3.2 PER CENT FALL OVER THE PREVIOUS YEAR.

THE NUMBER OF TAIWAN TRANSIT PASSENGERS TO CHINA ALSO INCREASED BY 35 PER CENT LAST YEAR TO 686,216 AS COMPARED TO 1991. THE NUMBER OF PASSENGERS IN 1991 WAS 509,962, A RISE OF 26 PER CENT FROM THE PREVIOUS YEAR.

THE NUMBER OF TAIWAN VISITORS STAYING LESS THAN 24 HOURS IN THE TERRITORY GREW BY 30.9 PER CENT LAST YEAR OVER THE PREVIOUS YEAR TO 980,034.

THE NUMBER OF THESE VISITORS WAS 748,437 IN 1991, A DROP OF 7.3 PER CENT OVER 1990.

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INTERPRETATION AND GENERAL CLAUSES (AMENDMENT) BILL 1993 INTRODUCED

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A BILL THAT SEEKS TO REDUCE THE NUMBER OF ROUTINE FEE REVISIONS PUT BEFORE THE EXECUTIVE COUNCIL IS INTRODUCED INTO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THE BILL ALLOWS EXECUTIVE COUNCIL MEMBERS MORE TIME TO FOCUS ON BROADER POLICY AND STRATEGIC ISSUES.

MOVING THE SECOND READING OF THE INTERPRETATION AND GENERAL CLAUSES (AMENDMENT) BILL 1993, THE SECRETARY FOR THE TREASURY, MR K Y YEUNG, SAID EVERY REVISION OF FEES NOW EFFECTED BY SUBSIDIARY LEGISLATION MUST BE SUBMITTED TO THE GOVERNOR IN COUNCIL FOR APPROVAL.

"THE BILL PROVIDES THAT, WHERE UNDER ANY ORDINANCE SUBSIDIARY LEGISLATION HAS BEEN MADE BY THE GOVERNOR IN COUNCIL SETTING A FEE OR CHARGE, REGULATIONS MAY SUBSEQUENTLY BE MADE BY THE FINANCIAL SECRETARY VARYING THE LEVEL OF THAT FEE OR CHARGE.

/"THE BILL

"THE BILL WILL NOT EFFECT CASES IN WHICH LEVELS OF FEES AND CHARGES ARE DIRECTLY APPROVED BY THIS COUNCIL," MR YEUNG SAID.

HE ALSO STATED THAT SUBSIDIARY LEGISLATION MADE BY THE FINANCIAL SECRETARY UNDER THE PROVISIONS OF THIS AMENDMENT WOULD CONTINUE TO BE TABLED AT THE LEGISLATIVE COUNCIL AS AT PRESENT.

"THE LEGISLATIVE COUNCIL'S POWER TO MONITOR AND CHALLENGE FEE PROPOSALS WILL THUS IN NO WAY BE ERODED," HE ADDED.

AT PRESENT, THE GOVERNMENT COLLECTS OVER 5,000 FEES AND CHARGES, ABOUT HALF OF WHICH ARE STIPULATED IN SUBSIDIARY LEGISLATION MADE BY THE GOVERNOR IN COUNCIL.

"OUR POLICY IS TO REVIEW FEES ANNUALLY TO ENSURE THAT THE LEVELS ARE, WITH CERTAIN SPECIFIC EXCEPTIONS, AT LEAST SUFFICIENT TO RECOVER THE COSTS INCURRED BY THE GOVERNMENT IN PROVIDING THE SERVICES OF FACILITIES CONCERNED," MR YEUNG SAID.

DEBATE ON THE BILL WAS ADJOURNED.

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SEPARATE DISCIPLINE AND REMOVAL PROVISIONS FOR JUDICIAL OFFICERS

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A BILL THAT PROVIDES FOR THE PROCEDURES FOR THE DISCIPLINE AND REMOVAL OF JUDICIAL OFFICERS OTHER THAN JUDGES WAS INTRODUCED INTO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THESE OFFICERS INCLUDE THE REGISTRAR, DEPUTY AND ASSISTANT REGISTRARS OF THE SUPREME COURT, MAGISTRATES, PRESIDING OFFICERS OF THE LABOUR TRIBUNAL, MEMBERS OF THE LANDS TRIBUNAL, ADJUDICATORS OF THE SMALL CLAIMS TRIBUNAL AND CORONERS.

MOVING THE SECOND READING OF THE JUDICIAL OFFICERS (TENURE OF OFFICE) BILL, THE CHIEF SECRETARY, THE HON SIR DAVID FORD SAID THE BILL WAS INTENDED TO UNDERLINE THE INDEPENDENCE OF THESE JUDICIAL OFFICERS FROM THE CIVIL SERVICE.

AT PRESENT, JUDICIAL OFFICERS OTHER THAN JUDGES, ALONG WITH OTHER PUBLIC OFFICERS, ARE SUBJECT TO THE PROVISIONS OF THE LETTERS PATENT FOR THEIR DISCIPLINE AND REMOVAL FROM OFFICE.

"IT IS CONSIDERED THAT SEPARATE PROVISIONS FOR THEIR DISCIPLINE, AND REMOVAL SHOULD BE EMBODIED IN THE LEGISLATION PROVIDING FOR THEIR TENURE OF OFFICE, RATHER THAN IN COLONIAL REGULATIONS AND DISCIPLINARY PROCEEDINGS REGULATIONS," SIR DAVID SAID.

DEBATE ON THE BILL WAS ADJOURNED.

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CHANGES TO APPROVED EXPENDITURE ESTIMATES FOR THIRD QUARTER
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A SUMMARY OF ALL CHANGES TO THE APPROVED ESTIMATES OF EXPENDITURE FOR THE THIRD QUARTER OF THE FINANCIAL YEAR 1992/93 WAS TABLED IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

EXPLAINING THE CHANGES, THE SECRETARY FOR THE TREASURY, MR K Y YEUNG, SAID SUPPLEMENTARY PROVISION OF \$4,208.9 MILLION WAS APPROVED.

THIS INCLUDED \$2,300 MILLION FOR A ONE-OFF GRANT TO THE LOTTERIES FUND FOR THE IMPLEMENTATION OF IMPROVEMENTS IN THE SOCIAL WELFARE PROGRAMME AND \$988.3 MILLION FOR ADDITIONAL EXPENDITURE ON PENSIONS.

HE SAID IT WAS FULLY OFFSET, EITHER BY SAVINGS UNDER THE SAME OR OTHER HEADS OF EXPENDITURE, OR BY THE DELETION OF FUNDS UNDER THE ADDITIONAL COMMITMENTS SUBHEADS.

DURING THE PERIOD, NON-RECURRENT COMMITMENTS WERE INCREASED BY \$4.8 MILLION, NEW NON-RECURRENT COMMITMENTS OF \$3,069.9 MILLION WERE APPROVED, AND APPROVED NON-RECURRENT COMMITMENTS OF \$40.1 MILLION WERE REVOTED.

A NET DECREASE OF 604 POSTS WAS APPROVED.

"THIS WAS MAINLY ATTRIBUTABLE TO THE DELETION OF POSTS AS A RESULT OF CIVIL SERVANTS HAVING OPTED FOR SERVICE WITH THE HOSPITAL AUTHORITY," HE SAID.

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MOTION ON GOVT SERVICES FEES PASSED
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THE LEGISLATIVE COUNCIL TONIGHT (WEDNESDAY) PASSED A MOTION MOVED BY THE HON STEVEN POON ON THE CRITERIA FOR SETTING THE FEES AND CHARGES AND PROFIT LEVEL OF GOVERNMENT SERVICES.

SIXTEEN MEMBERS SPOKE FOR MORE THAN TWO HOURS IN THE DEBATE. THE SECRETARY FOR THE TREASURY, MR K Y YEUNG, REPLIED FOR THE GOVERNMENT.

THE MOTION PROPOSED BY THE HON K K FUNG ON THE FINANCIAL ARRANGEMENTS BETWEEN THE HOUSING AUTHORITY AND THE GOVERNMENT WAS DEFEATED.

A TOTAL OF 15 COUNCILLORS SPOKE IN THE TWO-HOUR DEBATE. THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, WINDED UP THE DEBATE.

THE OZONE LAYER PROTECTION (AMENDMENT) BILL 1993 WAS PASSED WITH AMENDMENT.

TWO BILLS WERE INTRODUCED FOR FIRST AND SECOND READINGS AND DEBATES ON THEM WERE ADJOURNED. THEY WERE : JUDICIAL OFFICERS (TENURE OF OFFICE) BILL AND INTERPRETATION AND GENERAL CLAUSES (AMENDMENT) BILL 1993.

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