



## DAILY INFORMATION BULLETIN

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Transcript of the Governor's media session

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The following is a transcript of a question and answer session with the media by the Governor, the Rt Hon Christopher Patten, on his arrival at the airport from Britain today (Wednesday):

Governor: I've had a short but very useful visit to London. I had meetings there as you know with the Prime Minister, the Deputy Prime Minister, the new Foreign Minister, the new Minister of State in the Foreign Office who is going to take responsibility for Hong Kong and related matters. I also saw the Labour Party's chief foreign affairs spokesman Robin Cook, the Liberal Democrat's spokesman Sir David Steel and a number of senior Foreign Office officials. So we had quite a busy programme for a couple of days. During those discussions, we obviously reviewed the progress that has been made in the last few months in resolving some of the outstanding issues of the transition. I think there is some satisfaction at the progress that we achieved recently. There are obviously everybody is keen to see that progress solidified by the passage of the Court of Final Appeal Bill by the Legislative Council before the end of this legislative session. There is a great deal of interest in the United Kingdom about the outcome of that legislation which is so important for Hong Kong and its future. We also considered looking forward, preparations and arrangements for Vice-Premier Qian Qichen's visit to London. We very much hope that will mark a further step forward in our relations and in the resolution of the problems that remained to be sorted out before 1997. Nobody wants to place too much weight or emphasis on one visit or one meeting. But we do all hope that the meeting will mark further substantial progress and I hope that view is shared by Chinese officials too. It's nice to be back.

Question: Mr Governor, have you decided to delay the Policy Speech for a week because of the meeting between the PM and Qian?

Governor: We are talking to the Legislative Council about that. Obviously we are keen to take account of their views on the issue. I think there is a general feeling that it might not make too much sense for me to be speaking at the same time as Qian Qichen is talking to ministers in London because things may come out of those discussions which would have a relevance to my Policy Address and I know that people in Hong Kong would want to know the conclusions from that visit, from those discussions. So, there is obviously some sense in delaying the policy address by a week. We're discussing that with Mrs Tu and others at the moment.

Question: Is it a way to consult Mr Qian on your coming Policy Address?

Governor: It's not in any way novel. Before both my last Policy Addresses the Foreign Secretary has met Mr Qian Qichen in the margins of the UN General Assembly in New York and told him about the main themes of my Policy Address. I think that's what people would expect to happen. But the main issue this time is whether things emerge in the talks that we'd actually want to reflect in the Policy Address. It's perfectly obvious if we were to make the sort of breakthrough you would like in one or two areas, it would be wrong to draft a Policy Address without taking account of that.

Question: Then would the meeting lead to some slight changes to your Policy Address? Will the meeting between Mr Rifkind and Mr Qian ...?

Governor: If it led to marked progress on issues rather than just general expressions of enthusiasm for progress then I would want like account of that in the Policy Address obviously. Clearly, we would like nothing better than to make real progress on some issues rather than just draft a communiqué which says the JLG should work harder.

Question: But that's your personal Policy Address for ruling Hong Kong. That means you are really undermined in such a way ... when consulting the Chinese Vice-Premier.

Governor: Are you seriously supposing that if we made progress on say the container terminal or air service agreements or the adaptation of laws in the meetings with Qian Qichen, that shouldn't be reflected in my Policy Address? Ask reasonable questions.

Question: Are there any movement on the war widows question?

Governor: No, there isn't any movement on that. The British Government knows our continuing views on that issue and we'll continue to express them. It is of course the case that the majority of the war widows have now had passports endorsed in a way which makes it clear that they can enter the United Kingdom whenever they want and all those who want it have had a personal letter from the Home Secretary.

Question: After several ... without ... consulting the Chinese ... what makes the different this time?

Governor: No, what makes the difference this time is that Mr Qian Qichen is going to be in London for several days of substantive talks and I think that people would genuinely find it rather curious and confusing if I was to make a Policy Address the same day that Mr Qian Qichen was meeting ministers, setting out my views for the future year without taking account of what Mr Qian Qichen and ministers said, discussed, agreed on.

Question: How close do you think we are to agreement on Container Terminal 9?

Governor: As far as the Hong Kong Government is concerned, we've on the table for some years now perfectly sensible proposals. I very much hope that we can see progress right across the board in the development of our port and our container capacity. Our objectives in discussing the matter with Chinese officials remain what they've always been. First of all we want to see the port developed as rapidly and effectively as possible. Secondly we want to see that done in a way which maximises competition and the provision of facilities in the port. Thirdly we want to see that that is done so that we retain the integrity of our public procurement process and fourthly we have to take account of the impact on the environment, particularly obviously the development of container terminals 10 and 11.

Question: How can you react to Ambassador Zhao's remarks saying this ... is premature ...?

Governor: Too premature? It can't be too premature after all these years of discussions.

Question: Will more details be supplied to the Chinese?

Governor: Well I haven't seen Ambassador Zhao's remarks. But I certainly don't think anybody could regard our proposals as premature. I think people who are actually using the port regard its development as being anything but premature.

Question: Does the Prime Minister or Deputy PM have any plans to come to Hong Kong?

Governor: They don't have plans to come to Hong Kong at the moment though they would both be very welcome were they to wish to do so. Mr Heseltine was in Hong Kong about a year ago. He spent a weekend with me. He walked in Hong Kong. He looked at birds in Hong Kong. He looked at things like the development of the airport in Hong Kong. But I hope when he comes another time, we will be able to do a good deal more than that to see some of our trading and commercial successes. Both Mr Henley, the new Minister of State and Mr Rifkind obviously hope that they will be able to visit Hong Kong in the reasonably near future.

Question: How can you justify the celebrations for the 50 anniversary of Liberation Day?

Governor: Well, if I was a widow of somebody who'd given their life for Hong Kong's freedom or if I was one of those who had suffered in order to make Hong Kong the free and successful community it is today, I'd think that spending seven hundred and forty thousand dollars in order to commemorate that is rather a small price to pay. I think that what happened in 1945 laid the foundations for one of the greatest economic miracles for one of the great success stories in the history of the second part of this century. I think not to spend a modest amount of money in marking that would show that we were a very short-sighted mean-minded community which we are not. So I'll certainly be returning from my holiday, provided I can get one, to take part in those commemorations which will be appropriate and solemn to the occasion that they mark and I think that looking back on what's been achieved, thanks to the sacrifice of others, should give us some inspiration about what we can manage to do in the future.

Question: When do you expect to go on holiday?

Governor: When the Legislative Council goes on its. Last question.

Question: CT9 again...

Governor: I haven't got anything to add to what I've said earlier.

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Govt position on provisional legislature clear & consistent

\* \* \* \* \*

A Government spokesman today (Wednesday) reaffirmed that there had been no agreement of any kind between the British/Hong Kong Government and the Chinese Government relating to the establishment of a provisional legislature in Hong Kong.

Replying to questions raised by Legislative Council Member Mr Martin Lee, the spokesman said the Hong Kong Government had made its position on this clear many times and that its stance on the question of a provisional legislature was consistent. "It is in Hong Kong's interests that the Legislative Council to be elected in September 1995 should be able to serve its full term to 1999," he said.

"In that way, we will have an experienced legislature in place on July 1, 1997 which commands the confidence of the community."

The spokesman believed that this was the best way to avoid confusion or disruption in the legislative affairs and that there was no reason why that should not happen.

The electoral arrangements for 1995 meet the community's wish for credible representative institutions which are capable of achieving continuity after 1997, he added.

"We will certainly not do anything to undermine the credibility of the normal operation of the Legislative Council to be elected in September.

"Civil servants and the Administration as a whole will continue to be accountable solely to that Legislative Council."

On the question of having two legislature operating in parallel, the spokesman agreed that this would cause confusion.

"But much more important than that, it would raise serious questions in Hong Kong and internationally about whether there was likely to be a smooth transition and whether the way of life enshrined in the Joint Declaration would continue to be secure," he warned.

"China could make other arrangements in 1997 if they so wish. But if the Chinese were to take this course of action, it would be for them to explain to the people of Hong Kong why that was necessary, what precisely the new arrangements were, how they were compatible with the Joint Declaration and the Basic Law, and how they were conducive to a smooth transition and the maintenance of Hong Kong's stability and prosperity," he added.

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#### Inspection of emergency vehicular access in public housing

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The Fire Services Department (FSD) today (Wednesday) published the findings on the inspection of Emergency Vehicular Access (EVA) provided in 242 rental estates and Home Ownership Courts of the Housing Authority.

"We found various forms of obstruction in 33 estates, the majority of which involved movable obstacles, such as illegal parking, building materials and temporary waste collection point," a spokesman for the department said. A breakdown of the nature of the obstruction and the estates involved is attached.

"The obstructions in 29 estates have already been removed with the co-operation of the Housing Department," the spokesman said.

Work is continuing to clear the obstruction from the following four estates within the next few days:

- \* Kwai Chung Estate : removal of roadside railing
- \* Sha Kok Estate : removal of planters
- \* Pok Hong Estate : removal of planters
- \* Wo Che Estate : removal of planters

In the interim, FSD will strengthen the attendance of fire appliances in the event of fire to these estates.

Separately, the Housing Department has carried out inspection of fire services installations in all housing estates. Where damages were found, works orders were issued to contractors for immediate action. The most common defects are missing nozzles and handwheels.

Fire Services and Housing Departments will continue to look into ways and means to make further improvements to fire access where appropriate.

They will also consider ways of strengthening fire precaution measures in public housing estates, such as clearer signages on Emergency Vehicular Access, operating instructions on the use of hosereel and publicity on the safekeeping and maintenance of fire fighting equipment.

The two departments will submit a report to the Secretary for Housing on the recent (July 11) fire in Yue Wan Estate.

This report will also take into account the findings of the inspections carried out by FSD, and will make recommendations in relation to fire safety in public housing estates throughout the territory.

**List of Public Housing Estate found with obstruction in  
Emergency Vehicular Access**

**(a) Hong Kong**

<u>Name of Estates</u>	<u>Obstruction</u>	
	<u>Location</u>	<u>Type</u>
Model Estate	o/s Bk B, C1, D & F	2 & 4
Hing Man Estate	Man Fu Hse Man Chak Hse Man Yat Hse	4
Sai Wan Estate	South Terrace West Terrace North Terrace	2
Wah Kwai Estate	Wah Kwai Market, Wah Yiu Hse Wah Hau Hse Wah Lai Hse	4
Wong Chuk Hang Estate	Between Bk 2 & 4 o/s Bk 3, 4 & 8	1, 3 & 4
Wah Fu Estate	Wah Chun Hse Wah Hong Hse Wah Yu Hse Wah Ching Hse	4

**(b) Kowloon**

<u>Name of Estate</u>	<u>Obstruction</u>	
	<u>Location</u>	<u>Type</u>
Cheung Sha Wan Estate	Between Bk 1 & 4	2
Lai On Estate	o/s Lai Tak Hse	3
Yee Ching Court	o/s Bk 7	3
Lei Cheng Uk Estate	o/s Lei Cheng Uk Govt. Primary School	3
Valley Road Estate	o/s Bk 12 & 14	4
Chun Man Court	o/s Bk A	4
Hung Hum Estate	o/s Bk 3 & 4	4
Yau Tong Estate	Block 15 & 16	4
Shun Tin Estate	o/s Tin Wan & Tin Chu House	1 & 4
Tung Tau Estate	o/s Fu Tung House, Hing Tau House, Cheung Tau House	4 & 5
Tze Oi Estate	Block 37 & Block 39	3 & 4

**Legend :**

Type of obstruction :-

1. Illegal Car parking
2. Allocated Car parking
3. Planter
4. Metal Barriers or Concrete Poles
5. Building materials
6. Temporary waste collecting point

(c) New Territories

<u>Name of Estates</u>	<u>Obstruction</u>	
	<u>Location</u>	<u>Type</u>
Tai Yuen Estate	Tai Yee Hse Tai Lok Hse Tai Man Hse	3 & 4
Wan Tau Tong Estate	Wan Lam Hse Wan Lok Hse	3
Yat Nga Court	Yat Wing Hse Yat Yan Hse	4
Lai King Estate	O/s Modular Markets near On King Hse and Ming King Hse Opp. Lok King Hse	4
Kwai Chung Estate	Bk 11,13,14 & 16	1
	Bk 21 & 22	4
Shek Lei Estate	Shek Yat House, Bk 9 & 10	1
Lei Muk Shue Estate	Bk 1,2,3,5,13 & 14	1
	Chuk Shue House	5
San Fat Estate	Entrance of Estate	1
Wo Che Estate	Entrance of Estate Hong Wo Hse Shun Wo Hse Yan Wo Hse Tai Wo Hse Man Wo Hse	3 & 4
Chun Shek Estate	Shek Yuk Hse	6
Sun Chui Estate	Entrance of Estate.	4
Sun Tin Wai Estate	Wing Wai Hse	6
Lung Hang Estate	Entrance of Estate	4
Mei Lam Estate	Mei Wai Hse	3
Sha Kok Estate	Osprey Hse Herring Gull Hse Skylark Hse Bean Goose Hse Oriole Hse	3 & 4
Pok Hong Estate	Pok Man Hse Pok Tak Hse Pok Tai Hse Pok Yat Hse Pok Wah Hse Pok Yue Hse Pok Chi Hse	3 & 4

Legend :

Type of obstruction :-

1. Illegal Car parking
2. Allocated Car parking
3. Planter
4. Metal Barriers or Concrete Poles
5. Building materials
6. Temporary waste collecting point

Enforcement policy of priorities is reasonable and fair

\* \* \* \* \*

The Government has already reviewed the Buildings Department's enforcement policy of priorities based on degree of danger and is satisfied that the department has been able to achieve the objectives of protecting public safety on the one hand and containing the problem of unauthorised building works on the other, the Director of Buildings, Mrs Helen Yu, said today (Wednesday).

She was responding to the Commissioner for Administrative Complaints (COMAC), Mr Andrew So's latest comments on his direct investigation report on the unauthorised building works.

She said the Government had reaffirmed the policy as reasonable and realistic, thus fair and appropriate in the prevailing circumstances and with the available resources.

On illegal rooftop structures, she said, the Government's long-term objective was to clear all illegal rooftop structures by encouraging occupants to apply for public housing and to demolish their illegal structures. "However, Government's prime concern is public safety and danger may arise from any type of unauthorised building works. Illegal rooftop structures should not be singled out," she said.

Meanwhile, the Government continues to tackle the problem by an overall three-prong approach, namely, containment by enforcement on priorities; deterrence by legal and disciplinary action; and promotion of awareness and attitude change by public education and public information efforts.

"The policy of priorities is only one element in Government's general strategy for tackling unauthorised building works. Government action against unauthorised building works cannot, and should not, be assessed by the enforcement policy alone," she said.

Regarding advertising signs, Mrs Yu said the primary concern of the Government on advertising signs was again safety. Action to date on dangerous or potentially dangerous signs has been effective.

"Government has examined carefully the feasibility and desirability of introducing a licensing system for regulating overhanging signboards and concluded that it would be resource-intensive and extremely costly. The existing measures to control overhanging signboards are generally adequate and additional regulatory measures would not be necessary."

Mrs Yu added that in the course of the Government's review, the Buildings Department had also concluded that further practical measures could be introduced to contain the problem of rooftop structures by stopping the problem at source. Steps are being taken to:

- \* include a leaflet with the rates demand note to explain that payment of rates does not confer or imply legal status of a property;
- \* confer with those responsible for public utilities, including water supply, not to connect services to new illegal rooftop structures and to refer such cases to the Buildings Department for follow-up; and
- \* explore with the Law Society the possibility of including specific reference to illegal rooftop structures in its practice directions for lawyers.

"Given the achievement to date and the further efforts under the three-prong strategy, Government has considered the policy of priorities to be fair, realistic and effective and therefore reaffirmed it as reasonable and appropriate," she added.

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#### Where HK's interests lie in future WTO negotiations

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The Director-General of Trade, Mr Tony Miller, said today (Wednesday) Hong Kong's first interest in the future World Trade Organisation (WTO) negotiations lay in ensuring the complete and faithful implementation of the Uruguay Round package. "We want to see tariffs come down; we want to make sure that restraints on trade in textiles and clothing are phased out," he said.

"We want to see all the other 'grey area' measures eliminated; we want to see all commitments by all parties followed through and preferably accelerated," he added.

Mr Miller was taking a look ahead at the future WTO agenda and where Hong Kong's interests lay in his talk entitled "Whither the World Trade Organisation?" at a luncheon meeting of the Rotary Club of Hong Kong Island East.

He said Hong Kong's interests lay next in ensuring that the WTO was established as a strong and respected referee of international trade.

"This means first of all completing the structure. We want to see all of the WTO institutions up and running, including appointment of the Appellate Body," he said.

"A strong and effective dispute settlement body is particularly important for us. The predominance of re-exports in our trade leaves us peculiarly vulnerable to disputes between our major partners."

He explained that under the rules of the game, a place through which goods were re-exported had no "locus", no formal role to play in any dispute between the country of production and the country of final consumption.

"If as happened last year, the European Union slaps quota on certain Chinese products, we have no say in the matter. Hong Kong thus has a special interest in ensuring that disputes of this nature can be handled in a fair and open manner," he said.

"Equally obvious, we have a special interest in China becoming a member of the WTO."

Mr Miller said Hong Kong's interests also lay in seeing a successful conclusion to the unfinished business of the Uruguay Round in the services sector - financial services, maritime services and basic tele-communications. He pointed out that financial services were particularly important as Hong Kong ranked fourth in the world as a banking centre and eighth in market capitalisation.

"Negotiations on financial services have reached a critical point. A deal is very close, but to the amazement and frustration of all the United States is saying that it will not join the final agreement," he said.

"We are determined that this should not be allowed to discourage others from going ahead and have been working actively with the European Union, the ASEAN countries, Australia, New Zealand, Canada, Chile and many others who are of the same mind. "We sincerely hope that Japan will also come on board so that the US is left with the stark choice of signing on or being in the ignominious position of 'free-rider' in a field where it leads the world."

As to the future, Mr Miller said Hong Kong believed that, among other things, competition policy and anti-dumping policy must be discussed together as two sides of the same coin.

He pointed out that in a rapidly globalising economy, anti-dumping was already something of an anachronism, but its potential as an instrument of trade harassment and protection remained enormous.

"The European Union has recognised this internally, and now relies on competition policy to police anti-competitive behaviour among member states. Australia and New Zealand have done the same in their own arrangement. In NAFTA (North America Free Trade Agreement) the question has yet to be resolved," he noted.

"We are convinced that EU and Australia and New Zealand have made the right decision and that the rest of the world should ultimately follow suit."

On investment, Mr Miller said as local companies continued to invest abroad, Hong Kong had an increasing interest in securing a similar degree of freedom and openness in investment regimes elsewhere as here.

"This will be good for trade because trade follows investment. Hence our support for the Asia-Pacific Economic Co-operation's (APEC) investment code concluded at Bogor last year," he added.

As regards other areas such as the environment and labour standards, Mr Miller said Hong Kong's interests lay in preventing attempts to "improve" the system in any way which would sanction the use of trade restraints to persuade other countries to accept policies and standards in areas not related to trade.

"This is not because we do not regard improvements in these areas as important. On the contrary, we do and our own records bear testimony to this. However, we do not believe that trade sanctions should be used to persuade people to accept such standards when quite clearly economic progress is a pre-condition for improvement," he said.

"Many of the advocates of such a linkage are purely protectionists. They argue that economic progress in the East and South can only be achieved at the expense of prosperity and employment in the West and North.

"This is economic nonsense. It must be recognised as such and we were therefore very pleased to see the G-7 pointing unequivocally in the Halifax communique at domestic policies and labour market rigidities as the real cause of systemic unemployment.

"Nevertheless you should expect to hear Hong Kong continuing to argue this point with both passion and persistence."

In deciding where her best interests lay in future negotiations, Mr Miller examined the changes that Hong Kong had experienced whilst prospering mightily over the years.

He said: "First, Hong Kong has regained its entrepot role. As China has reopened to trade and investment, so the composition and the pattern of our trade have changed. Incredibly for a place so small, Hong Kong is now the eighth largest trading economy in the world.

"A second change resulting from China's reopening to trade and investment is that Hong Kong is now predominantly a service rather than a manufacturing economy. Services account for over 80 per cent of our GDP. In the world league of service exporters, we now rank 11th overall.

"Thirdly, Hong Kong has become a significant investor overseas. Cash-rich Hong Kong-based companies have invested all around the world. Just to quote a few examples, Hong Kong accounts for 70 per cent of realised foreign direct investment in China, we are, with Taiwan, the first or second biggest investor in Vietnam and second only to Japan in Indonesia."

However, Mr Miller pointed out that one thing which had not changed was the autonomy Hong Kong enjoyed in the conduct of its external commercial relations.

"I mention this because our close economic relationship with China taken with the imminent change of sovereignty lead some to assume that post-1997 Hong Kong would simply be taken over by China," he said.

"The Joint Declaration and the Basic Law make it clear that under the one-country-two-systems concept, Hong Kong is to remain a separate customs territory responsible for the conduct of its own external commercial relations. We will remain a separate member of the WTO, even when China joins.

"So in preparing ourselves for future negotiations in the WTO, we must look well beyond the transition."

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Insider Dealing Tribunal to conduct hearing

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The Insider Dealing Tribunal which has been appointed to inquire into possible insider dealings in the listed securities of Public International Investments Limited (PIIL) will conduct a further hearing at 10 am tomorrow (Thursday), a Government spokesman announced today (Wednesday).

The Tribunal has decided that insider dealing in the shares of PIIL did take place in December 1992. The Tribunal has also identified three individuals as insider dealers in respect of the transactions in question. Under the Securities (Insider Dealing) Ordinance, the Tribunal has power to impose financial penalties and to disqualify insider dealers from directorships of companies.

Tomorrow's hearing will enable those individuals identified as insider dealers to make representations as to penalty.

The hearing will be open to the public and will take place at Courtroom 26 in the Supreme Court Building.

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Sewage disposal scheme comes to fruition

\* \* \* \* \*

The Stanley Sewerage and Sewage Disposal Scheme which serves a population of 27,000 in Stanley and nearby Tai Tam, Chung Hom Kok and Red Hill areas came to fruition today (Wednesday).

The scheme comprises an underground sewage treatment plant, 10 sewage pumping stations and 10 kilometres of new sewers.

Officiating at the opening ceremony this morning of the Stanley Underground Sewage Treatment Plant which forms a major part of the scheme, the Secretary for Works, Mr James Blake, said the Government had done a lot to achieve the goal of keeping Hong Kong waters clean.

He pointed out that the entire territory of Hong Kong had been divided into 16 Sewerage Master Plan (SMP) areas for sewerage planning. "Within each area, the water qualities are examined and suitable sewerage facilities are proposed.

"Design and construction of these facilities in various SMP areas are being progressively implemented," he explained.

The Stanley Sewerage and Sewage Disposal Scheme is one of the early SMP packages.

"Its completion concludes eight years of careful planning, design, co-ordination and construction among consultants, contractors and Government departments," Mr Blake said.

Also speaking at the opening ceremony, the Chairman of the Advisory Council on the Environment, Professor Wang Gungwu, said the successful completion of the project marked an important milestone in the implementation of SMP in Hong Kong.

He noted that although the water quality at most beaches in the southern part of the Hong Kong Island remained good or fair according to the bacteriological water quality studies conducted by the Environmental Protection Department, the Government had decided to take a leading role to protect those beaches before they were threatened by pollutants brought about by development pressure, growing tourism and commercial activities.

"This is done by putting in place comprehensive sewage collection, treatment and disposal facilities.

"Besides, developments in the Stanley and nearby areas will no longer need to operate their small, inefficient sewage package plants.

"Instead, the developments will be sewerred, with all sewage collected and treated here -- at the Stanley Sewage Treatment Works before being disposed of by a 2.5-kilometre-long submarine pipeline into the deep sea," Professor Wang said. He said he was especially impressed by the Stanley Underground Sewage Treatment Plant because it was built inside a cavern.

"This is the first of its kind in this part of Asia.

"This innovative design clearly shows the comprehensive approach towards environmental protection undertaken by the Government.

"By locating the sewage treatment plant inside the cavern, people can hardly see it, hear it or even smell it," Professor Wang said.

The Director of Drainage Services, Mr Ng Yee-yum, said providing cost-effective drainage facilities to combat pollution had always been his department's main objective.

He said his department's sewerage services offered to the public had expanded rapidly since its establishment in September 1989.

"The volume of sewage treated by us has increased by 50 per cent from 360 million cubic metres in 1990-91 to 540 million cubic metres in 1994-95.

"We have at present over 1,100 kilometres of sewer and 66 sewage treatment plants to help us keep the Hong Kong waters clean.

"This new sewerage system in Stanley adds further strength to our combat against pollution," Mr Ng said.

The Stanley Underground Sewage Treatment Plant will collect and treat about 11,600 cubic metres of sewage from Stanley and nearby areas every day before disposal.

The sewage will undergo secondary treatment using aeration process.

After disinfection, effluent from the underground plant is disposed of into ocean currents southeast of the Stanley Peninsula via a submarine outfall pipeline of 0.6 metre in diameter and 2.5 kilometres in length.

The underground sewage treatment plant not only visually unintrusive, but also has had little environmental impact on neighbouring residents during its construction and operation.

The service area of the treatment plant is of the same size as the main concourse of the Mass Transit Railway Central Station.

The construction works for the scheme commenced in late 1990 and were completed early this year at a total cost of \$410 million.

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50th anniversary of liberation of HK

\* \* \* \* \*

In response to press enquiries on two newspaper articles today (Wednesday) relating to the 50th Anniversary of Liberation of Hong Kong, a Government spokesman gave the following statement:

"The 50th anniversary of the end of World War II is a major event of special significance to people all over the world, including those here in Hong Kong who suffered and survived the terrible experience of occupation, and the veterans who fought and died for Hong Kong.

"To commemorate this special date, programmes of commemoration and thanksgiving have been held in many countries, including United Kingdom, United States and Australia.

"It is entirely appropriate that Hong Kong should express its gratitude to all those whose sufferings in many ways laid the foundations of the success story of Hong Kong.

"Contrary to some media reports, the programme to be held in Hong Kong includes a number of separate events, spaced out over a 12-day period, in locations and at times which will cause little or no inconvenience to the public. "The budget allocated is far from excessive (\$740,000), and the participation of units of the British Garrison, while voluntary and enthusiastic, is at no extra cost.

"We believe that the programme is suitable and appropriate without being grandiose. We believe that the people of Hong Kong will see it as proper expression of respect and gratitude for the events of 1945."

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Buildings Department prosecutes for canopy collapse

\* \* \* \* \*

The Buildings Department has issued summonses to New Best Restaurant Ltd, the restaurant operator, the proprietor of the demolition company and two demolition workmen in connection with the collapse of a building canopy in Aberdeen in August last year.

"We have completed our investigations and found that certain persons have to answer for not abiding by the Buildings Ordinance," Assistant Director of Buildings Mr Cheng Wei-dart said. The charges were for contravention of Buildings Ordinance section 14(1) which stipulates that no person shall carry out any building works without the approval of the Building Authority.

Any person convicted of such an offence is liable to a fine of \$100,000 and imprisonment for two years.

Those charged are to appear in Eastern Magistracy on August 15.

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64 pollution cases in June

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A total of 64 convictions were made in the courts last month for breaching anti-pollution legislation enforced by the Environmental Protection Department.

Among them, 28 were convictions made under the Water Pollution Control Ordinance (WPCO), 16 under the Noise Control Ordinance (NCO), 16 under the Air Pollution Control Ordinance (APCO), two under the Dumping At Sea Act 1974 (Overseas Territories) Order 1975 (DASO), one under the Ozone Layer Protection Ordinance (OLPO), and one under the Waste Disposal Ordinance (WDO).

The fines ranged from \$500 to \$100,000.

In three separate cases, the defendants were fined \$100,000 for each conviction.

Sino Estates Services Ltd was fined \$100,000 for discharging polluting matter in North Western Water Control Zone.

Yumi Yumi Caterers Ltd, operator of two Cafe De Coral fast food shops in Tai Po, was also fined \$100,000 on two separate occasions for discharging polluting matter in Tolo Harbour and Channel Water Control Zone.

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General Duties Provisions effective

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The General Duties Provisions of the Factories and Industrial Undertakings Ordinance (FIUO) has once again proved to be an "effective weapon" in prosecuting construction site contractors and other industrial establishment employers for failing to take reasonably practicable measures to ensure the safety and health at work of all persons employed by them.

The Chief Factory Inspector of the Labour Department, Mr Chan Tat-king, made this comment following a recent court case in which a main contractor, a sub-contractor and its company director were fined in the Western Magistracy a total of \$95,000 for breaching the General Duties Provisions.

An industrial accident occurred in the evening of April 18, 1994 at the Tung Chung section of the North Lantau Expressway under construction.

A dump lorry fell into a stream and overturned after travelling across a road junction. The driver was later certified dead at Mui Wo Hospital.

Investigations revealed that defects in the vehicle's braking system had been identified prior to the accident by two mechanics of the sub-contractor of the road work project, the Grand Base Construction Company Limited. The company's director, Li Chi-chung, being the one having the management control and responsibility for the day-to-day dump truck operation, had ignored the advice from his mechanics to have the braking defects repaired.

The main contractor of the project, China Overseas Land and Investment Limited, together with the sub-contractor and Li Chi-chung were subsequently charged by the Factory Inspectorate Division for breaching the General Duties Provisions.

The Chief Factory Inspector reminded all site contractors the need to draw up and implement a proper maintenance system for vehicles and other plants to ensure the safety of workers employed by them.

Mr Chan disclosed that since the enactment of the General Duties Provisions of the FIUO in December 1990, the Labour Department had taken out a total of 96 summonses against factory, catering establishment and construction site operators for breaching this particular piece of industrial safety legislation.

"Under this legislation, employers and employees should work together to ensure all workplaces are safe and healthy. An employer who contravenes this provision will be liable to a fine of \$200,000 and to imprisonment for six months and the maximum fine for an offending employee is \$50,000 and six months in jail," he added.

End/Wednesday, July 19, 1995

#### Three Kowloon lots to let

\* \* \* \* \*

The Lands Department is inviting tenders for the short-term tenancies of three pieces of Government land in Kowloon.

The first lot, located off Po Kong Village Road, has an area of 200 square metres, for storage of non-dangerous goods.

The tenancy is for three years, renewable quarterly.

Covering an area of 1,810 square metre, the second lot located in Tai Hom Road, Sheung Yuen Leng, is to be used as a fee-paying car park.

The tenancy is also for three years, renewable quarterly.

With an area of 4,220 square metres, the third lot situated at Choi Shek Lane is designated for storing of goods, excluding containers and vehicles.

The tenancy is for two years, renewable quarterly.

Closing date for submission of tenders for the three lots are at noon on August 4.

Tender forms, tender notice and conditions may be obtained from the District Lands Offices, Kowloon East, 10th floor, Yau Ma Tei Car Park Building, 250 Shanghai Street, Kowloon and the Lands Department, 14th floor, Murray Building, Garden Road. Tender plans can also be inspected at the offices.

End/Wednesday, July 19, 1995

Hong Kong Monetary Authority money market operations

\*\*\*\*\*

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	2,104	0930	+196
Closing balance in the account	1,901	1000	+196
Change attributable to :		1100	+196
Money market activity	+197	1200	+197
LAF today	-400	1500	+197
		1600	+197

LAF rate 4.25% bid/6.25% offer TWI 119.0 \*-0.3\* 19.7.95

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.38	2 years	2705	6.40	100.97	5.91
1 month	5.42	3 years	3804	6.90	101.86	6.25
3 months	5.47	5 years	5006	6.60	98.89	6.99
6 months	5.53	5 years	M501	7.90	102.29	7.46
12 months	5.58					

Total turnover of EF bills and notes - \$12,299 million

Closed July 19, 1995

End/Wednesday, July 19, 1995



# DAILY INFORMATION BULLETIN

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## Formulation of comprehensive broadcasting law

\* \* \* \* \*

Following is the speech by the Secretary for Recreation and Culture, Mr James So, in the motion debate on formulation of comprehensive broadcasting legislation in the Legislative Council today (Wednesday):

Mr President,

I fully note the views expressed by Members at this debate and entirely share Members' desire to establish a broadcasting regulatory environment in Hong Kong that is open, fair, competitive and well-defined, and conducive to promoting Hong Kong as a broadcasting centre in Asia. I would like to state at the outset that this has been the cornerstone of our broadcasting policy. Contrary to what some Members said and understood, we have already provided such an environment for the broadcasting industry to develop, and Hong Kong is fast moving towards becoming a broadcasting centre in Asia.

Let me first describe our broadcasting policy and regulatory framework to give Members a clear idea of the kind of broadcasting environment already in place. Our broadcasting policy centres on the simple aim of providing the widest possible choice of programmes to the public at a reasonable cost. To achieve this policy aim, we have set up a broadcasting regulatory environment embodying the following principles:

- \* The first is to open up the market to as many forms of broadcasting as the market can bear and to provide a level playing field for all broadcasters to freely pursue their business in a fair and equitable environment with the minimum necessary control from the Authorities. Our aim is to encourage fair competition within an open and simple regulatory framework, where each licensee knows clearly where he stands. Thus different licensing conditions are imposed on different forms of broadcasting to take account of their special circumstances, but all are required to observe certain common rules, such as those governing free competition, programme standards, advertising standards, technical standards, and customers services standards, etc. In this regard, I should point out that different codes of practice governing these areas are applied to terrestrial TV, subscription TV, satellite TV and sound broadcasting to reflect the difference in nature of their operations.

- \* The second principle is to safeguard freedom of expression and information. In this regard, we have abolished precensorship and have laid down clear rules guarding against extensive cross-media ownership which may lead to monopolies, as well as against excessive foreign control of any local broadcasting stations (as supposed to regional or global ones) through foreign ownership restrictions.
- \* The third principle is to protect viewers' interests. This is achieved partly by the first principle whereby the diversity obtained will ensure that viewers are offered the widest possible choice of programmes through as many different broadcasters as the market can sustain, and partly through requirements of the broadcasters to observe strict codes of practice relating to technical quality, programme contents and customer services issued by the Broadcasting Authorities from time to time as part of the regulatory framework.

As a result of the broadcasting regulatory environment set up basing on the above principles, the Hong Kong broadcasting industry has undergone rapid and significant development and growth in the last 5 years. In 1990, we had only 2 terrestrial TV stations broadcasting 4 free-to-air channels. Now we have a total of 28 TV channels available to the Hong Kong viewers. These include 4 terrestrial free-to-air channels, 4 free-to-air satellite channels and 20 subscription channels. All these broadcasters have their licences ...well beyond 1997 and these licences have been fully endorsed by the Chinese. So we do have the Chinese acknowledging our licensing and environment and framework. In addition, we have 6 foreign and local broadcasters using Hong Kong as a base to uplink their TV services to the Asia Pacific region through satellites serving the region. We also have two highly reputable international broadcasters, namely CNN and CNBC, have also chosen to set up their production centres in Hong Kong. This rapid development and growth of the broadcasting industry in Hong Kong in the short space of 5 years is a clear testament to the soundness of our broadcasting policy, and the attractiveness of our broadcasting regulatory environment. If our broadcasting regulatory environment is not well defined, clear, open and fair, we would not be able to attract so many local and foreign broadcasters to establish their broadcasting services in Hong Kong. The fact that so many of them are now established in Hong Kong is a clear indication that we have already become a broadcasting centre in Asia.

I would like to say at this point that the Broadcasting Authority has played a very active and constructive role in helping to set up this attractive regulatory environment. I wish to thank the Broadcasting Authority for its contribution in both advising the Administration on policy and in regulating the broadcasting industry. I would like to point out that the Broadcasting Authority has both the common sense and the technical know how and expertise to deal with all technical matters because the Director of the Office of the Telecommunication Authority is a member of the Broadcasting Authority and the whole of the Telecommunication Authority and its expertise is behind the Broadcasting Authority in giving advice.

However, we are not resting on our laurels. We fully realise that our existing broadcasting legislation, being technology based, is wanting. Furthermore, as it is scattered in three different Ordinances, namely the Television Ordinance, the Telecommunication Ordinance and the Broadcasting Authority Ordinance, it is difficult for any new broadcasters to focus. We have therefore started examining our broadcasting legislation some 2 years ago with a view to bringing about a comprehensive and more up-to-date piece of legislation to regulate the industry. The result of this exercise is the recent production of a first draft of a piece of legislation which aims to achieve the following:

- \* First, to bring all relevant legislation governing the licensing of all types of broadcasters under one comprehensive piece of legislation;
- \* Secondly, to turn the fundamental philosophy of regulating the broadcasting industry from one based on technology to one based on programmes to ensure that the legislation could cope with the rapid technological changes in the industry in future; and
- \* Lastly, to deal with and further clarify the issues of foreign and cross-media ownership to reflect the status of Hong Kong as the broadcasting centre of Asia.

We are now carefully studying this new piece of draft legislation with a view to bringing it forward to this Council in the next session for consideration and debate after we have consulted the industry. Some Members have criticised us for not moving fast enough and have said that part of the delay was due to difficulties arising from consultation with the Chinese. I fully appreciate Members' sentiments here, and would just like to say that this is a highly complex and difficult piece of legislation to draft; a task made more difficult by the rapid development and changes, especially in technology, in the industry in the last few years. The slow progress is entirely the result of this factor and has nothing to do with difficulties arising from consultation with the Chinese. Indeed, we have not started consultation with the Chinese on the draft legislation. We are not ready yet, but we will certainly have to consult them at some stage before finalising the legislation for enactment. I would however like to assure Members that we have now got a clear working draft, and I shall exert my best endeavour to bring this piece of draft legislation to this Council in the next session for Members' scrutiny.

Mr President, we are also aware that there is still potential for growth in Hong Kong's broadcasting industry, especially in the subscription TV market. Let me remind Members that it is our declared policy to deregulate the subscription TV market in Hong Kong after Wharf Cable's exclusivity ends on 31 May 1996. However, we do not want just to throw open the market to all. To do so would be acting irresponsibly as it is likely to create confusion and chaos. We should first assess what impact deregulation of the subscription TV market would have on the Hong Kong broadcasting industry as a whole and then decide how best the market should be deregulated in a structured and orderly manner, with minimal impact on both existing and potential broadcasters.

To do this, we have decided to carry out a major review with the help of an independent consultant. We expect this review to be completed in early 1996, in time for us to license new subscription TV broadcasters once Wharf Cable's exclusivity runs out. The important policy issues to be examined in the review include the following:

- (a) whether new subscription TV licences should be issued and if so how many should be issued and at what pace;
- (b) whether district based subscription TV licences within Hong Kong should be issued, and if so at what pace;
- (c) whether the existing cross ownership restrictions should be relaxed to permit existing TV licensees to branch out in the subscription TV business and vice versa;
- (d) what restrictions, if any, on a review of the foreign ownership should be imposed on existing and prospective broadcasting licensees;
- (e) whether SMATV operators should be allowed to provide subscription TV services;
- (f) whether the advertising ban on Wharf Cable should be lifted or only permitted on terms, and if so, on what terms;
- (g) whether new subscription TV licensees should be allowed to carry advertisements or only permitted on terms, and if so, on what terms;
- (h) what potential financial impact, if any, the de-regulation of subscription TV will have on existing broadcasters; and

- (i) whether there should be any restriction on the number of channels per operator allowed; and
- (j) whether fixed telecommunication network services licensees and cable network operators should be required to rent out their spare transmission capacity to potential subscription TV operators on a fair and non discriminatory manner.

Members can see from that list that this review covers a very wide range and highly complex issues and clearly it would take time to complete. We hope this review will provide us with the necessary parameters to determine the basis for the deregulation of the subscription TV market in Hong Kong next year.

Mr President, let me close by re-emphasising that Hong Kong already has a well-defined, open and clear broadcasting regulatory environment and that Hong Kong is fast becoming a broadcasting centre in Asia. This notwithstanding, we are taking action to address the issues which are of concern to Members and to the industry, namely the drafting of a comprehensive piece of legislation to bring our broadcasting law more up-to-date and making it more user friendly, and to determine a detailed and structured approach to deregulate the subscription TV market after May 1996. We fully appreciate the need to expedite action on these issues so that the momentum we have gained in the past few years in assisting the development of the broadcasting industry in Hong Kong is not lost.

So with these remarks, Mr President, I support the motion.

End/Wednesday, July 19, 1995

#### New broadcasting legislation in the pipeline

\* \* \* \* \*

A comprehensive piece of legislation to bring the broadcasting law more up-to-date and make it more user friendly will be introduced into the Legislative Council in the next session.

This follows a two-year study by the Government on the existing broadcasting legislation which is both inadequate and difficult for any new broadcasters to focus.

The proposed legislation aims to bring all relevant legislation governing the licensing of all types of broadcasters, including the Television Ordinance, the Telecommunication Ordinance and the Broadcasting Authority Ordinance, under one roof.

It also seeks to turn the fundamental philosophy of regulating the broadcasting industry from one based on technology to one based on programmes to ensure that the legislation could cope with the rapid technological changes in the industry in future.

In addition, the new legislation will deal with, and further clarify, the issues of foreign and cross-media ownership to reflect the status of Hong Kong as the broadcasting centre of Asia.

This was announced by the Secretary for Recreation and Culture, Mr James So, during the motion debate on the formulation of comprehensive broadcasting legislation at the Legislative Council meeting today (Wednesday).

Mr So refuted criticisms by some Members that the Government was not moving fast enough and that the delay was due to difficulties in consulting the Chinese.

The slow progress, he explained, was mainly because it was a highly complex and difficult piece of legislation to draft and a task made more difficult by the rapid development and changes, especially in technology, in the industry in the last few years.

"It has nothing to do with difficulties arising from consultation with the Chinese," he stated.

"Indeed, we have not started consultation with the Chinese on the draft legislation. We are not ready yet, but we will certainly have to consult them at some stage before finalising the legislation for enactment.

"I would however like to assure Members that we have now got a clear working draft, and I shall exert my best endeavour to bring this piece of draft legislation to this Council in the next session for Members' scrutiny." Earlier, Mr So told the Council that Hong Kong had already provided a well-defined, open and clear broadcasting regulatory environment for the local broadcasting industry.

In 1990, there were only two terrestrial TV stations broadcasting four free-to-air channels in Hong Kong. To-date, a total of 28 TV channels are available to Hong Kong viewers. These include four terrestrial free-to-air channels, four free-to-air satellite channels and 20 subscription channels.

In addition, six foreign and local broadcasters are using Hong Kong as a base to uplink their TV services to the Asia Pacific region while two reputable international broadcasters - CNN and CNBC - have also set up their production centres here. "This rapid development and growth of the broadcasting industry in Hong Kong in the last five years is a clear testament to the soundness of our broadcasting policy, and the attractiveness of our broadcasting regulatory environment," said Mr So. "If our broadcasting regulatory environment is not well defined, clear, open and fair, we would not be able to attract so many local and foreign broadcasters to establish their broadcasting services in Hong Kong.

"The fact that so many of them are now established in Hong Kong is a clear indication that we have already become a broadcasting centre in Asia."

Despite this, Mr So admitted that there was still potential for growth in Hong Kong's broadcasting industry, especially in the subscription TV market.

But he was quick to add that the Government would not want just to throw open the market to all although it was Government's declared policy to deregulate the subscription TV market after Wharf Cable's exclusivity ended on May 31 next year.

To do so would be acting irresponsibly as it was likely to create confusion and chaos, he warned.

"We should first assess what impact deregulation of the subscription TV market would have on the Hong Kong broadcasting industry as a whole and then decide how best the market should be deregulated in a structured and orderly manner, with minimal impact on both existing and potential broadcasters.

"To do this, we have decided to carry out a major review shortly with the help of an independent consultant. We expect this review to be completed in early 1996, in time for us to license new subscription TV broadcasters once Wharf Cable's exclusivity runs out," said Mr So.

The motion, as proposed by the Hon Man Sai-cheong, was passed.

End/Wednesday, July 19, 1995

Accommodation problem of single elderly persons

\* \* \* \* \*

Following is a speech by the Secretary for Housing, Mr Dominic Wong, in the motion debate on accommodation problem of single elderly persons in the Legislative Council today (Wednesday):

Mr President,

I have listened with interest to comments made by Honourable Members on the need to provide adequate accommodation and care for single elderly people, and am grateful for their views and suggestions. I shall respond briefly to the main points raised.

Policy commitments

In the past two decades at least, the Government has placed great emphasis on providing accommodation for the elderly in public housing estates. In his Policy Addresses in 1993 and 1994, the Governor again stressed our intention to meet the housing needs of elderly people. Specifically, we have pledged to clear, by 1997, the backlog of about 4,000 single elderly people on the public housing Waiting List in 1993. We have undertaken to give priority to elderly people who apply for public housing, and to families living together with elderly members. We will tackle the problem of some 27,000 elderly people living in sub-standard accommodation, who have not yet come forward to register on the Waiting List for public housing. This is an ambitious but still realistic programme.

Giving priority to the elderly

The Housing Authority fulfils these commitments by according priority housing allocation to eligible elderly people through three complementary schemes. First, under the Elderly Persons Priority Scheme, elderly people who are willing to share accommodation will normally be allocated a flat within two years after registration. Second, to encourage families to look after their elderly members, the Families with Elderly Persons Priority Scheme shortens by three years the waiting time for housing allocation to families with one or more elderly members. Third, priority is given to single elderly people applying for public housing. To date, half of the 4,000 single elderly registered on the Waiting List in 1993 have already been rehoused, and we will rehouse the remainder by 1997.

### Types of public housing for the elderly

In providing accommodation for the elderly, we take into account their preferences and their state of health. Some elderly people want to live alone while others prefer communal living so that they can support one another physically, socially and emotionally. In order to cater for different needs, both self-contained and shared accommodation is provided.

Self-contained flats, which range in size from 10 to 25 SQM, are allocated to elderly singletons who wish to live alone. For those who are disabled, the flats are also provided with handrails and ramps for wheelchairs.

Shared flats are provided in response to demand from single elderly people. There are partitioned flats with shared facilities. In recent years, specially designed flats are provided. Each tenant has a bedroom and shares a common living area, bathroom and kitchen with up to three other elderly tenants. A 24-hour warden service is provided, and wardens also help to promote mutual care and social contact.

I should point out here that the concept of shared accommodation is a deliberate policy to provide companionship and mutual help, which can enrich the daily lives of elderly people for whom loneliness may become a serious psychological burden. I am glad that the Honourable Peggy Lam generally support this concept. It is true that some older people find it difficult to adjust to communal living and relationships may break down. The Housing Department staff will try to mediate and advise as far as possible. If professional help is required, staff will seek assistance from social workers based in nearby family services centres. If it then becomes clear that they can no longer share accommodation with others, separate accommodation will be arranged.

Like some Honourable Members, I was sorry to learn about the recent incident in Tai Po. I agree with the Honourable Y F Hui that it is one of the rare cases and all the more tragic since the problem had been identified and alternative accommodation had been arranged. In the past 10 years, the number of similar incidents known to us is very few. Such incidents do not invalidate the social benefits of the shared accommodation concept for the elderly. I say this because according to a survey conducted a few months ago, a very high proportion of respondents living in shared flats said that they were satisfied with the accommodation and facilities provided.

### Catering for future demand

As part of our continuing commitment to improve the quality of life for elderly people, the size and quality of new flats will be further upgraded as from 1997 to provide larger bedrooms, more bathrooms and kitchens, to reduce sharing, and more spacious living and common areas. I am that that our cause of action is in line with the Honourable Allen Lee's suggestion.

The Honourable Lee Cheuk-yan referred to demand. In order to increase the supply of flats suitable for allocation to elderly people, we are building on new urban sites, infield sites and on low rise structures. A total of about 23,500 new units will be allocated for elderly people in the coming four years in addition to refurbished units. We will of course review future demand and provision.

We have previously considered the idea of building large housing estates dedicated entirely to the elderly, as proposed by the Honourable Lee Cheuk-yan. Our conclusion was that many elderly people would probably feel stigmatised by such a scheme. Furthermore, large areas of inexpensive land would only be likely to be available in remote areas. We would not wish to give the impression of exile or the feeling that elderly people should be physically separated from the rest of the community. On the contrary, we would do our best to encourage elderly people to lead an independent and dignified life as part of the community, and not in isolation.

#### Services for the elderly in public rental housing estates

Turning now to services for the elderly in public housing estates I would like to point out that there are services tailored to meet their needs. For example, the Housing Authority has introduced the Estate Liaison Officer Scheme under which staff are deployed to promote mutual help and foster community care among elderly tenants. Increase provision of such officers is being planned as already been suggested by some Honourable Members. Emergency alarm systems have gradually been installed in flats for single elderly tenants with a monitoring service being provided by estate office staff. I can confirm that consideration is now being given to implementing the concept of contracting out the management of flats for the elderly to welfare agencies, whose workers are well trained to look after the personal and social needs of elderly people.

My colleague the Secretary for Health and Welfare has asked me to point out that there are 160 social centres and 24 multi-service centres for the elderly, providing important community support for all elderly persons in the territory, including those living in public housing estates. A major expansion of centres and services is being planned for the next two years. Elderly people who need extra help can also receive telephone counselling through the Social Welfare Department's Hotline Service. Later this year, the Social Welfare Department will embark on a new programme, entitled "Older Volunteers Programme", which will mobilise elderly people to reach out to their peers in the neighbourhood, and to help in identifying those in special need.

Indeed when planning new housing estates, Mr President, the Housing Authority is very conscious of the need to consult other Government departments to ensure that there is adequate provision of community facilities and welfare services, which also satisfy the social and emotional needs of elderly people.

Conclusion

In conclusion, Mr. President, the Government already accords high priority to the housing needs of the elderly in the territory. Improvements in quality will continue to be made in future. The concept of "ageing in place" (also known as "care in the community") is at the heart of the Government's approach in the provision of services to the elderly. Our aim is to enable elderly people to lead an independent and dignified life as part of the community as far as possible. I believe that we have a good track record. However, we welcome constructive suggestions from Honourable Members on future development. With these remarks, Mr President, the Administration supports the motion.

Thank you.

End/Wednesday, July 19, 1995

**Airport Authority Bill**

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

Mr President,

I would like to start by thanking all Members of the Bills Committee, in particular the Chairman, the Honourable Peter Wong, and the Deputy Chairman, Dr the Honourable Samuel Wong, for the expeditious yet extremely thorough examination of the Bill during these two very busy months. Without the exceptional efforts on the part of all concerned, we would not be able to resume the Second Reading debate on the Bill today, thereby ensuring that this important piece of legislation can be enacted before the end of the current session.

Between 1 June and 4 July 1995, the Bills Committee met eight times. Members sought clarification on many issues. The Administration provided five notes to clarify the issues raised by Members. We also considered Members' views very carefully with a view to incorporating as many of the suggestions as possible, as the Hon Peter Wong has said. At Committee Stage, I shall be moving a number of amendments as agreed with the Bills Committee so as to cover the following issues.

### Delegation

To address concerns expressed about the Authority's power to delegate its functions to outside bodies, I propose to amend Clause 9(1) of the Bill so that subject to Clause 9(7), the Authority may, except with the prior approval of the Financial Secretary, delegate its functions only to its members, employees, committees and subsidiaries. This amendment will tighten controls over the Authority's powers of delegation, without inhibiting delegation to outside bodies if circumstances so justify.

### Committees

In view of the important role which committees of the Board will play in the effective functioning of the Authority, Members suggested that the chairmen of all committees established by the Authority should be members of the Airport Authority. They also considered that, in view of the particular importance of its functions, the Audit Committee should have a minimum number of members.

In line with Members' views, I shall be moving amendments to Clause 10(2) and Clause 31(2)(a) of the Bill respectively, to provide that the chairman of a committee shall be a member of the Authority and that the Audit Committee shall have a minimum of three members. The latter is in line with the recommendation of the United Kingdom Cadbury Report on Corporate Governance and I thank the Hon Samuel Wong, the Hon Eric Li and the Hon Roger Luk for drawing the concepts enshrined under this report once again to our attention.

### Quorum

Members have suggested that decisions taken by the Board should reflect the views of both public and non-public officers. I do find it difficult to imagine a meeting where decisions would be taken only by public officers. Nevertheless, given the importance of ensuring, at all times, a proper balance of advice from Board members, I shall be moving an amendment to Clause 11(8) to provide that the quorum shall, in addition to other requirements, include at least two members who are not the Chairman, the Chief Executive Officer or a public officer.

### Declaration of interest

To enhance confidence in the integrity of the operation of the Airport Authority, Members suggested that it should keep a register of interest declared by its members under Clause 13(1) of the Bill and open it for public inspection. The Provisional Airport Authority already adopts this practice administratively. And in deference to Members' requests that the practice be made a legal requirement, I will be moving an amendment to Clause 13.

### Accounting

On the advice of accounting experts in the Bills Committee, I shall also be amending Clause 32(2) to reflect the fact that the profit or loss account and cashflow statement, which forms part of the statement of accounts, cover the whole financial year rather than only the position as at the end of the financial year.

### Auditor

Members were concerned that the Bill should safeguard the independence of the external auditor of the Airport Authority. To put the matter beyond doubt, I shall be moving an amendment to Clause 32(4) to provide that the auditor shall not be a member or an employee of the Airport Authority, or a member of its Audit Committee. The amendment will also restrict the appointment by the Airport Authority of a partnership or company as auditor, if one of their partners or directors is a member or an employee of the Authority, or a member of its Audit Committee.

### Business Plan

The Bill provides that the Authority shall send a five year financial plan to the Financial Secretary. I shall be moving an amendment to Clause 33 to require the Authority also to send to the Financial Secretary a business plan for the coming five years, instead of only the next financial year as currently specified.

In addition I shall also be moving a number of purely technical amendments which covers drafting, textual and other changes.

### Committee stage amendments proposed by the Hon Albert Chan

The Hon Albert Chan has given notice that he intends to move four Committee Stage amendments. These are not endorsed by the Bills Committee as a whole and I have to say that I have problems with them and that I am afraid I shall be asking members not to support them. He also commented, and I think also other members, and if I have misquoted them, I apologise, on the fear of the monopolistic nature of an Airport Authority. Let me just assure Members that when we look at services provided at our new airport, we shall be adopting as open, as pro-competitive, and as pro-choice, a range of operations as we can encourage so that members of the public and travelling citizens would have a wide range of services to choose from. Airlines also would benefit from the fact that they would not only have to work with one set of companies providing the different essential services such as maintenance, catering, and so on.

### Nomination of Airport Authority members

As regards nomination of Airport Authority members, the Hon Samuel Wong and the Hon Steven Poon have already commented why the proposed amendment to require a proportion of the membership of the Authority be nominated by the Legislative Council cannot be supported. I agree with them that it would be wrong to fetter the power of the Governor to appoint as members of the Authority, those he considers best qualified for the job. I hope Mr Chan on further reading of the Section 3(3)(d) of the Bill will see that the Administration's policy intention, which is that that should be as wide a range of experience as possible for as members are already enshrined in the Bill.

### Long term interests of Hong Kong

As regards the so call long-term interests of Hong Kong, I find it difficult to support the suggestion that the Bill should include a provision to the effect that the Authority should take into account the long term interests of Hong Kong in addition to conducting its business in accordance with prudent commercial principles. I have no doubt that, in conducting their business, Members of the Authority will take into account the long term interests of Hong Kong, I do not see the need to specify this in the law. The Bill already contains a large number of provisions aimed at safeguarding the public interest which would include the overall interest of Hong Kong, long or short term. I am glad to note that the Hon Steven Poon and other members of the Liberal Party subscribe to this view.

### Open meetings of the Board of the Airport Authority

The Hon Albert Chan has also proposed an amendment to require that, with certain exceptions, meetings of the Board of the Airport Authority should be open to the public. First, may I say that we fully understand the wish for transparency and accountability. However, this arrangement is not in line with the practice of the Mass Transit Railway Corporation and the Kowloon-Canton Railway Corporation, both of which like the Airport Authority conduct their business in accordance with prudent commercial principles. Nor is it in line with the practice of companies in the private sector which the Airport Authority would expect to do business with.

A further practical problem is that many of the issues to be considered by the Board are likely to fall into the category of information not for public disclosure because they may touch on matters which are confidential to Members and/or commercially sensitive. In sum, I consider the proposed amendment to be neither appropriate nor practical.

### Director of Audit

I know that the role of the Director of Audit in relation to the Airport Authority has been widely debated. In moving the Second Reading of this Bill, I have already pointed out that Section 15 of the Audit Ordinance provides that "Notwithstanding that he is not empowered by any Ordinance to audit, examine or inquire into the accounts of a person, body corporate or other body, the Director may audit, examine or inquire into the records and accounts of any person, body corporate or other body if he is so authorised in writing to do so by the Governor in the public interest ...." Clause 32(7) of the Airport Authority Bill makes it clear that this section of the Audit Ordinance applies to the Airport Authority.

As the Airport Authority will be conducting its business in accordance with prudent commercial principles like the Mass Transit Railway Corporation and the Kowloon-Canton Railway Corporation, its auditing arrangement should generally be on a par with the two corporations and other commercial organisations. Having the Director of Audit audit the annual accounts of a body to be run along prudent commercial lines, in place of a commercial auditor, would be unprecedented and it is unclear how such a departure from normal practice would be received in the market place, for example, by the Authority's lenders and business partners.

The main point, Mr President, is that the Administration does not accept that auditing of the Authority's annual accounts by the Director of Audit would provide better protection of the public interest than the combination, and I emphasise, the combination of the powers provided in the current Bill and the Audit Ordinance.

I will now explain the Administration's position on a number of issues of interest to Members.

### Role of the public officer

Members have sought clarification as to how public officers on the Board can, in practice, act in the best interests of the Authority on the one hand, while safeguarding the public interest on the other.

All members of the Airport Authority including public officers have an obligation to act in the best interests of the Authority. This does not mean that by doing so, they will be acting against the public interest. The objectives of the Authority set out in Clauses 5(1) and 6 of the Bill take account of the interest of the community. In the final analysis, even Clause 6(1) which provides that the Authority shall conduct its business in accordance with prudent commercial principles will work to the benefit of the community of Hong Kong as it will minimise the need for more equity injection into the Airport Authority.

Under Clause 14 of the Bill, a member of the Authority who is a public officer has an added role. He has to draw the attention of the Board to any conflict between a matter before it and the public interest as perceived by him. The purpose is to ensure that the Board would be fully aware of the public interest affecting a matter being considered before it takes the decision. It is of course possible that different public officers may perceive the public interest differently in a particular issue before the Board. This is why as a final safeguard, Clause 20 of the Bill empowers the Governor in Council to issue a direction to the Authority in the public interest regarding the performance of its functions.

#### Nomination by professional bodies

Some Members have suggested that relevant professional bodies should be able to nominate a proportion of the members of the Airport Authority for appointment by the Governor. As always we are open to suggestions, but a proposal to require the Governor to reserve a proportion of the membership for professional bodies go against the principle that the Governor must ultimately have an unfettered discretion in appointing whom he considers most suitable to be members of the Authority.

#### Investment, subsidiaries and associated companies

In his statement, the Hon Peter Wong has raised the question of a proper control mechanism for investment by the Airport Authority and the need for Government to maintain an overall view of the activities of the Airport Authority including the activities of its associated companies as well as subsidiary companies. May I assure Mr Wong that the Government shares his concern that the funds controlled by the Authority must be handled with the highest level of care and diligence. And by handling, I of course include investing.

Under Clause 25 of the Bill, funds of the Authority available for investment may only be invested in such classes or description of investment as the Financial Secretary may in writing specify. In practice the Board, including public officers, will need to scrutinise every investment strategy proposed by Management. Thereafter, any investment which the Authority wishes to make would be carefully scrutinised by Government before approval would be given by the Financial Secretary.

Whilst a subsidiary is defined by reference to the Companies Ordinance, there is no legal definition for an associated company although the term generally refers to a company in which one has substantial but not controlling interest. I have no doubt that the Board of the Airport Authority, including all the public officers on it, will examine very carefully any justification for the acquisition of a subsidiary or investment in an associated company before authorising them.

### Audit Committee

Members have, and I believe quite rightly, attached great importance to the role of the Audit Committee. Some have suggested that the Committee should table a report in LegCo with the view of making the workings of the Airport Authority more transparent and more accountable to the public. While sympathetic to the spirit of this suggestion, in practice, it would be most exceptional for the deliberations of an Audit Committee of a body run along prudent commercial lines to be subject to this type of public scrutiny. It would, for example, make the Airport Authority subject to a quite different regime of corporate governance from that applicable to our two railway corporations, and other commercial organisations.

The Audit Committee will be a statutory committee appointed by the Airport Authority to perform, in addition to its statutory functions, such delegated functions relating to the financial affairs of the Authority or to assist the Board in overseeing matters of financial control, both internal and external, of the Authority. Clauses 31(2) and (3) of the Bill set out its relationship with the Authority, in effect the Board, to whom the Committee is broadly answerable. As a committee appointed by the Board, it will report to the Board which will then consider how best to respond to its advice. We feel that generally speaking the functioning of the Audit Committee should best follow corporate practice, as it evolves, and that it should not be required to table a report in LegCo.

It is also not considered appropriate for reports on the internal audit and value for money studies undertaken under the direction of the Audit Committee to be made public as these could well contain sensitive information, commercial or otherwise, the disclosure of which might jeopardise the effectiveness of the operation of the Committee and the Authority. However, given the interest of Members in the work of the Audit Committee, I will ask the Airport Authority, once it comes into being, to include in its Annual Report a section describing the work of the Audit Committee in the relevant year. Mixed views have been expressed as to whether Members of the Audit Committee should all be members of the Authority. Our view is that what is important is that the Audit Committee should be independent of the management of the Authority. Therefore, under Clause (31)(2b) of the Bill, neither the Chief Executive Officer nor any other employee of the Authority may be appointed as a member of the Audit Committee. The other consideration is to find the best person for the job. It should, in our view, be left to the Authority to decide on the composition of the Audit Committee and whether outside members should be appointed on to it.

### Business Plan

Members would like the business plans of the Airport Authority to be tabled in this Council. We have some difficulty with this suggestion. As the Authority moves into the operational phase, its business plan will contain more sensitive information. The public disclosure of sensitive information may handicap the Authority's dealings or negotiations with its commercial counterparts. Nevertheless, in recognition of Members' interest in the on-going workings of the Authority, I shall ask the Provisional Airport Authority and, in future the Airport Authority, to brief this Council on major expansion plans, commercial ventures and business outlooks.

### Airport charges

The Honourable Howard Young has commented on the strongly held concerns on behalf of airlines about the future charging policy of the Authority and related consultation arrangements.

Mr President, as Mr Young knows I am alive to the background to the concerns expressed. The Administration will of course ensure that the airport charges of the Authority will not be in breach of international obligations applicable to Hong Kong. We will ensure the Airport Authority consult airlines before setting airport charges in accordance with our international obligations.

As regards airlines' concerns regarding the future level of charges at the new airport, I would like to point out that whilst the Government will be seeking a reasonable return on its investment, Clause 5(1)(a) of the Bill provides, inter alia, that the Authority shall operate the new airport with the objective of maintaining Hong Kong's status as a centre of international and regional aviation. I have no doubt therefore that, in setting future airport charges, the Authority will have due regard to maintaining the competitiveness of our new airport. As regards single till, multiple till, I would suggest that this best be left to discussions between the Administration, the Authority and the airlines because many different views are held by different parties and there is yet no agreed position.

Conclusion

To conclude, Mr President, I would like to thank members of the Bills Committee, in particular the Chairman, the Hon. Peter Wong, the Deputy Chairman, Dr the Hon Samuel Wong, the Hon Ronald Arculli, the Hon Albert Chan, the Hon Lee Wing-tat, the Hon Eric Li, the Hon J.D. McGregor, and the Hon Steven Poon and the Hon Howard Young, for their invaluable input in helping me to crystallise the package of amendments which I will be moving later. I commend the Bill together with these amendments, which have the wide support of the Bills Committee, to this Council. The enactment of the Airport Authority Ordinance will mark another major milestone for the airport project and will enable the Authority to maintain momentum on its work.

Thank you, Mr President.

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Government welcomes passage of the Airport Authority Bill

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The Secretary for Economic Services, Mr Gordon Siu, today (Wednesday) welcomed the passage of the Airport Authority Bill by the Legislative Council.

The Airport Authority Bill resumed second reading debate, went through the committee stage and third reading in the Legislative Council today. It was passed with all the amendments moved by the Administration. "We are very glad to see that the Bill has been passed. It marks another major milestone for the airport project and will enable the Authority to maintain momentum on its work," Mr Siu said.

"We will bring the Ordinance into effect and appoint members of the Airport Authority as soon as possible.

"In accordance with the Memorandum of Understanding Concerning the Construction of the New Airport in Hong Kong and Related Questions, we will inform the Chinese side of the members of the Airport Authority whom we propose to appoint and will be willing to listen to any views that the Chinese side might have, before deciding on the appointments."

The purpose of the Ordinance is to reconstitute the Provisional Airport Authority to enable it to provide, operate, develop and maintain the new airport at Chek Lap Kok.

The Ordinance also defines the functions of the Airport Authority and makes provision for the safe, secure and efficient operation of the new airport.

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#### Administration of Justice Bill 1995

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Following is the speech by the Attorney General, the Hon Jeremy Mathews, in resumption of the second reading debate of the Administration of Justice (Miscellaneous Provisions) (No.2) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I am grateful to the Chairman of the Bills Committee, the Hon Andrew Wong, and to members of the Bills Committee for their thorough study of this long and complex Bill. I have also taken a careful note of the remarks made by Dr the Hon C.H. Leong and I am happy to give the assurance that he sought.

As Mr Wong has explained, the Administration has agreed with the Bills Committee that a number of amendments to the Bill should be made. As a result, I will be later moving a series of Committee Stage amendments:

In addition to the matters covered by the proposed amendments, members of the Bills Committee raised other issues that were of concern to them.

#### Female offenders and probationers

One of these issues was the proposed amendment of three Ordinances to remove requirements that the supervising officers of female offenders or probationers must themselves be female. Although members of the Bills Committee supported this amendment as a matter of principle, they were concerned that the assignment of supervising officers to female offenders and probationers should be handled with sensitivity. In particular, members were concerned that, if the female to be supervised objected to a male supervisor, this objection should be considered seriously before a supervisor was chosen. The view was expressed that these amendments should not be regarded as a matter of operational efficiency, but as a means whereby flexibility is introduced in the interests of those being supervised.

I have consulted my colleague the Secretary for Health and Welfare, who has policy responsibility for the legislation involved, and the Director of Social Welfare, and I can on their behalf give an assurance that the assignment of supervising officers to females will be handled in the way proposed by members of the Bills Committee.

### Criminal libel

Another concern raised by the Bills Committee related to criminal libel. The Bill proposes to repeal the offence under section 6 of the Defamation Ordinance of maliciously publishing a defamatory libel. This offence can be committed by a person with no intention to defame, and it is no defence to show that the statement was true. Some members of the Bills Committee also favoured repealing section 5 of the Defamation Ordinance, which relates to persons who publish a defamatory libel knowing it to be false. It was argued that a civil law remedy is adequate to deal with such publications.

The Administration considers that there may be good reasons for retaining section 5. Many other common law jurisdictions have such an offence, and a civil remedy may not be adequate in some situations. However, it was not possible, at the end of this legislative session, for either the Administration or the Bills Committee to consider fully the advantages and disadvantages of retaining the provision. It was therefore agreed that the issue should not be resolved in the context of this Bill, but should be considered next session by this Council's Panel on Administration of Justice and Legal Services. I am grateful to members of the Bills Committee for agreeing to this course of action.

### Offences relating to children

Mr President, I now turn to the Committee Stage amendments that I will be moving later on today. One amendment that will be of general public interest and has relevance to the immediately preceding debate is the proposed increase in penalties for two offences relating to children. Concern over the inadequacy of the existing penalties was widely expressed after a particular case of ill-treatment to a child was recently prosecuted.

Section 26 of the Offences against the Person Ordinance creates an offence of unlawfully abandoning or exposing a child under the age of 2 years in such a way that the life of the child is endangered or the health of the child is likely to be permanently injured. The current penalty is imprisonment for 3 years. It is proposed to amend the section so that, on conviction on indictment, the penalty is imprisonment for 10 years and, on summary conviction, the penalty is imprisonment for 3 years.

Section 27 of the Offences against the Person Ordinance relates to the ill-treatment or neglect of a child or young person by someone who has the custody, charge or care of that person. The current penalties are, on conviction on indictment, a fine of \$2,000 and imprisonment for 2 years and, on summary conviction, a fine of \$250 and imprisonment for 6 months. The proposed amendment of the section will provide for a penalty, on conviction on indictment, of imprisonment for 10 years and, on summary conviction, of imprisonment for 3 years.

#### Warnings in respect of smoking

I will also be proposing a Committee Stage amendment in respect of the health warnings that are required in respect of smoking. At present, the health warnings that are required on cigarette packets and advertisements must be in a colour which contrasts with the background upon which they appear. This requirement is rather vague and some warnings are not easily seen. The Bill therefore proposes that the warnings should be printed in black upon a white background.

The Tobacco Institute of Hong Kong made representations to the Administration and to the Bills Committee in respect of the proposed amendments. With regard to cigarette advertisements, the institute requested a grace period of 12 months within which cigarette manufacturers would be able to change their existing advertisements in order to comply with the proposed new requirement. The Administration and the Bills Committee considered that this was a reasonable request and, as a result, the amendment in respect of cigarette advertisements will not be brought into operation until 1 August 1996.

With regard to cigarette packets the Tobacco Institute stated that the design and colouring of such packets are a matter of great commercial importance to manufacturers. The institute argued that it was wrong to impose a requirement of black and white health warnings on all manufacturers, since not all existing warnings were insufficiently prominent. It proposed that the amendment in respect of cigarette packets be withdrawn at this stage and that the tobacco industry be given 6 months in which to improve the legibility of health warnings on those packets. Again the Administration and Bills Committee considered this suggestion a reasonable one, and I will therefore later propose a Committee Stage amendment to delete the relevant clause of the Bill.

I would add, however, that the Secretary for Health and Welfare will be considering proposals from the Tobacco Institute and if, after 6 months, there has not been a significant improvement in this area, the proposed amendment will be re-introduced into this Council.

### Law Society's powers of intervention

Another amendment agreed with members of the Bills Committee relates to the Law Society's powers to intervene in the practice of a solicitor or foreign lawyer in order to protect his or her clients. The Bill proposes to broaden those powers to bring them into line with similar powers in England.

One of the situations in which the powers are to be exercisable is where the Council of the Law Society has "reason to suspect dishonesty" on the part of a solicitor or foreign lawyer. The view was expressed in the Bills Committee that this power was too broad, as it could be exercised in respect of a very minor case of dishonesty, which might not be related to the professional practice. The representatives of the Law Society considered this point and agreed that the Bill should be amended to add a further requirement. The amendment I will be proposing provides that the Council of the Law Society can only exercise powers of intervention in cases of suspected dishonesty where it considers that the exercise of those powers would be in the interests of the public or the clients of the solicitor or foreign lawyer.

### Immigration Ordinance

I now turn to the provisions in the Bill relating to search and seizure by immigration officers. The Bill provides that a magistrate may issue a warrant to immigration officers to enable them to enter premises and search for and seize things which are liable to be seized under the Immigration Ordinance or that are likely to be value to the investigation of an offence. The Immigration Ordinance currently gives immigration officers powers of search and seizure without a warrant in certain situations. It is therefore necessary to amend those powers so that they dovetail with the proposed new powers.

The amendment I will be proposing provides that the power of search and seizure without a warrant may only be exercised where it would not be reasonably practicable to obtain a warrant.

### Pharmacy and Poisons Ordinance

Another amendment I will be moving relates to the Board established under the Pharmacy and Poisons Ordinance. The Bill provides that the Board may transact business by circulation of papers. Members of the Bills Committee considered that this should not be possible if any member of the Board objects to that procedure. The Administration agrees with this, and I will be moving a Committee Stage amendment accordingly.

### Juvenile Offenders Ordinance

When I introduced this Bill into this Council, I explained that it contains several provisions affecting press freedom. I propose to move a Committee Stage amendment in respect of the Juvenile Offenders Ordinance that is also concerned with press freedom.

Section 3D(4) of that Ordinance empowers a juvenile court to exclude any representative of a newspaper or news agency from its sittings. However, it does not provide for the circumstances where that power may be exercised. The Committee Stage amendment I will be moving circumscribes the power in section 3D(4) by referring to the interest of the child or young person, since this will bring the provision into line with Article 10 of the Bill of Rights Ordinance and the original intention of the legislature when the legislation was introduced in 1973.

### Crown Rent and Premium (Apportionment) Ordinance

I turn now to two aspects of the Bill that members of the Bills Committee had reservations about. The first is the proposal to amend the Crown Rent and Premium (Apportionment) Ordinance so that it would no longer be necessary to affix, on the building concerned, notices in respect of the apportionment of Crown Rent. The purpose of that procedure is to enable the owner of the building to object to a proposed apportionment, or to a decision not to exercise powers relating to apportionment. Since, in practice, no one has ever exercised this right to object, the Administration considered that the procedure could be dispensed with.

Members of the Bills Committee were not sure that this was a sufficient justification for the proposed amendment. In view of the shortage of time at the end of this legislative session, it was not possible to explore the issue thoroughly. On the advice of the Secretary for Planning, Environment and Lands, I will therefore propose a Committee Stage amendment to delete these amendments from the Bill. However, the Secretary may decide to re-introduce the amendments next session.

### Estate Duty Ordinance

The other aspect of the Bill that the Bills Committee expressed reservations about was a proposed amendment to the Estate Duty Ordinance. The Bill proposes to change the method of calculating the value of benefits that accrued to a deceased person within the 3 years before his death from controlled companies. This is particularly relevant to benefits in the form of accommodation. Instead of being based on the rent actually received by a controlled company, the Bill provides that the value of accommodation would be based on the fair market rent that would be expected to be received by the company.

The Bills Committee considered that there were revenue implications in this proposal, but there was insufficient time for these implications to be fully explored. The Secretary for the Treasury has therefore agreed to the deletion of this amendment from the Bill. He will, however, consider the issue further when amendments are next being made to the Estate Duty Ordinance.

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A minor Committee Stage Amendment I will be moving is to add to the Interpretation and General Clauses Ordinance a definition of "weekday". The purpose of this is to clarify the meaning of the Chinese equivalent of that term.

Amendments to the Chinese text of the Bill

Finally, Mr President, I will be moving Committee Stage amendments to the Chinese text of the clauses in the Bill relating to the Immigration Ordinance, Crimes Ordinance and Companies Ordinance. Since the Bill was published, authentic Chinese texts of those Ordinances have been published. It is therefore necessary to reflect that development in the amendments to those Ordinances contained in the Bill.

Mr President, I commend the Bill to the Council.

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Public Order (Amendment) Bill 1994

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Following is the speech by the acting Secretary for Security, Mr Ken Woodhouse, in the second reading debate of the Public Order (Amendment) Bill 1994 in the Legislative Council today (Wednesday):

Mr President,

I would like to thank the Chairman, the Honourable Zachary Wong and Members of the Bills Committee for their thorough and careful study of the Public Order (Amendment) Bill.

The Bill seeks to update provisions in the Public Order Ordinance dealing with public meetings and processions, in the light of Police experience in handling public gatherings, and having regard to the Bill of Rights. It seeks to strike the right balance between an individual's right to freedom of assembly, and the need to maintain public order and ensure public safety. I must disagree with the Hon Cheung Man-kwong for these reasons the Public Order Ordinance is still required. Both he and the Rev Hon Fung Chi-wood are incorrect when they imply that this Bill seeks to restrict freedom of expression. I can assure them and the Hon K K Fung that the Bill is wholly consistent with the Bill of Rights.

The Bill sets out the general conditions and obligations for holding public gatherings. The previous requirement for the licensing of public processions is replaced with a requirement for advance notification. The grounds on which the Police can prohibit the holding of, or impose conditions on, public meetings and processions are specified more clearly. We propose to increase the threshold numbers for requiring notification of public meetings and processions. Also, we propose to modify a number of other provisions relating to the Police powers of stop and search, the designation of closed areas, and the requirement to provide identification; as well as to repeal section 4(29) of the Summary Offences Ordinance, which requires the issue of a Police permit for the use of loudhailers in public places. I am pleased that the Bills Committee support the basic principles of the Bill.

However, Mr President, there were certain aspects of the Bill which were of particular concern to Members of the Bills Committee.

The Bills Committee felt strongly that there should be an independent appeal procedure to replace the present arrangement for appeals to be made to the Governor. The proposed Appeal Board should be independent from the Administration; be able to hear an appeal quickly; and deliver a pre-event decision, that is, before the public gathering is scheduled to take place. After careful consideration, we have agreed to provide for the establishment of an Appeal Board on Public Meetings and Processions and have accepted the suggestion of the Bills Committee to appoint a retired judicial officer to be Chairman of the Board.

Another question raised by Members of the Committee was the numerical threshold for requiring notification of public meetings and public processions. The Bill proposes that for public meetings and public processions consisting of less than 50 persons, and 30 persons respectively, prior notification of the Police is not necessary. Some members suggested that these thresholds should be further raised. We consider that the proposed thresholds of 50 and 30 are appropriate, since, in normal circumstances, the Police can handle these numbers without having to call in reinforcements. Any drastic increase in these thresholds would undermine the ability of the Police to maintain public order and ensure public safety. At the request of the Bills Committee, we have agreed to keep the thresholds under review, having regard to improvements in police mobility and communications. We have also undertaken to review the length of the notification period in the light of operational experience. I think that this responds positively to the suggestion made by the Hon Cheung Man-kwong.

Some Members of the Bills Committee were concerned about the power of the Governor in Council, under section 17E of the Ordinance, to prohibit the holding of any public gatherings in any part of Hong Kong for a period not exceeding three months. Some Members considered that this power should be reduced, or be subject to approval or disallowance by the legislature. The power is, in fact, very carefully circumscribed because the Governor in Council has to be satisfied that particular circumstances exist in Hong Kong and that it is necessary for the prevention of serious public disorder before he can exercise the power. Nevertheless, we have accepted the Committee's suggestions to reconsider the scope of this provision in a future review.

Mr President, I would now like to turn to the amendments which I will move at the Committee stage.

The first amendment relates to Clause 5 of the Bill. We have noted Members' concern about the exercise of the Commissioner of Police's general powers to regulate public gatherings under section 6 and propose to tighten up the wording, so that the powers can only be exercised by the Commissioner if he reasonably considers it to be necessary in the interest of public order or public safety; not just on grounds of mere expedience. I think this meets the concern expressed by the Hon Selina Chow.

The amendment to Clause 7 of the Bill requires the Commissioner to give more detailed reasons for prohibiting the holding of, or imposing conditions on, or amending any condition previously imposed, on a public gathering. It modifies the requirement of reasonableness in proposed sections 8(2) and 13A(2) by providing that the Commissioner shall accept shorter notice when he is reasonably satisfied that earlier notice could not have been given. The amendment also clarifies the person to whom a notice of prohibition shall be given under proposed sections 9(2)(b)(i) and 14(2)(b)(i).

The amendment to Clauses 14 and 15 relates to the composition, constitution, functions, powers and procedures of the independent Appeal Board. We have accepted all the suggestions of the Bills Committee to ensure appeals are dealt with impartially and expeditiously.

The amendment to Clause 18 restricts the delegation of the Commissioner of Police's power under section 6(a) to control the broadcast of music or speech in public places to a public officer not below the rank of Chief Superintendent and I'm grateful for the Hon Selina Chow's support in this regard.

Mr President, we have been very responsive to the views of the Bills Committee and have accepted a considerable number of their suggestions in proposing the amendments I have just mentioned. However, I am disappointed that some Members are still not satisfied with two aspects of the Bill and will propose their own Committee stage amendments, which the Administration is unable to support.

Two Committee stage amendments will be moved: one by Reverend the Honourable Fung Chi-wood will compel the Appeal Board to consider appeals against the Commissioner's decision not to accept late notifications under proposed sections 8 and 13A. We do not think that his amendments will serve any useful, practical purpose. The amendments to Clause 7 that I will move will give very little discretion to the Commissioner of Police not to accept late notifications. The Appeal Board will only just have enough time to consider an appeal, even if proper notice is given; if an organiser gives unrealistically short notice, and this is not accepted by the Police, then the Appeal Board will be unlikely to have time to arrange a hearing and deliver a decision should the organiser decide to make an appeal. To compel the Board to make a "post-event" decision (rather than a pre-event decision), defeats the very purpose of setting it up.

The second amendments, to be moved by the Honourable Cheung Man-kwong to repeal section 6(a) of the Ordinance, will deprive the Police of the power to prevent a breach of public order. The purpose of this power is not as the Hon Cheung Man-kwong and the Hon Lee Cheuk-yan suggested to enable police officers to censor speech, but rather to give them the legal basis to take early preventive action in highly provocative situations. The police have a responsibility to prevent breaches of the peace and I do not think that the victims would thank the honourable members for tying the hands of the Police by deleting this section. The provision is not inconsistent with the Bill of Rights and there are no alternative powers available to the police. As I have just mentioned, the amendments I will move will further tighten the wording of this section and will ensure that only directorate Police officers are allowed to exercise this power. This will address Member's concern about possible abuse of power by junior police officers and I am grateful for the support of the Hon Elsie Tu in this respect.

Mr President, I urge Members to support our amendments and to vote against the two amendments to be proposed by Reverend the Honourable Fung Chi-wood and the Honourable Cheung Man-kwong.

Mr President, with these remarks, I recommend the Bill to Members.

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Bills to protect freedom and public morality passed

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The Secretary for Recreation and Culture, Mr James So, has moved a number of committee stage amendments to three new bills at the Legislative Council meeting today (Wednesday).

The three bills were the Control of Obscene and Indecent Articles (Amendment) Bill 1995, the Film Censorship (Amendment) Bill 1995 and the Public Entertainment and Amusement (Miscellaneous Provisions) Bill 1995. "They all carry a common theme - to safeguard the freedom of expression and, at the same time, take into account the need to protect public morality, decency and propriety," said Mr So.

Speaking at the resumption of the second reading debates of the bills, Mr So thanked members of the respective Bills Committee for their hard work and valuable contributions to refining the bills.

Although the Government was unable to accommodate all the views and suggestions of Legislative Councillors, the various parties concerned and individuals, he believed the bills, with the committee stage amendments, now represented the community's consensus.

On the Control of Obscene and Indecent Articles (Amendment) Bill, Mr So noted that a large number of suggestions had been received from the community on how obscene and indecent articles should be controlled.

"In considering all these suggestions, we always adhere to the principle of maintaining freedom of expression through a system that imposes the minimum restrictions necessary.

"This means that measures which would be too restrictive and would infringe on freedom of expression would not be pursued unless there are strong public interests for so doing," he stated.

For example, to address the concerns of the publication industry that the compulsory use of opaque wrappers on all indecent articles is too restrictive, Mr So said the Government now agreed to require only those articles, the cover designs or packaging of which were indecent, to be put in opaque wrappers. Indecent articles with cover designs or packaging which are not indecent shall use transparent wrappers.

"These wrappers serve a very important function, i.e. clearly identifying the articles as indecent thereby alerting both the vendors and the prospective buyers to their contents," he said.

Mr So also paid tribute to the Judiciary for agreeing to make changes to the Obscene Articles Tribunal (OAT) to make its operation more transparent and its classifications more readily understood by the community.

The Judiciary had agreed to the following changes:

- \* increasing the minimum number of adjudicators from two to four at full hearings to review the interim classification of articles, or to reconsider previously classified articles; however, for interim hearings and for full hearings to determine the obscenity and decency of articles referred to the OAT by other courts, the minimum number of adjudicators will remain at two;
- \* disqualifying an adjudicator who sat at an interim hearing from sitting again as a member of the Tribunal at a full hearing to review the classification of the same article; and
- \* requiring the OAT to identify at both interim and full hearings the offending part(s) of an article which give rise to an "obscene" or "indecent" classification; this piece of information will be filed together with the article concerned in the repository of the Obscene Articles Tribunal for public information.

"The Judiciary will be taking steps to substantially enlarge the panel of adjudicators," Mr So said: "It will also ensure that when enlarging the panel, more female adjudicators will be appointed to achieve a better balance of the sexes."

The Government will be inviting members of the public to serve as adjudicators of the OAT later this month.

The bill also clarifies the meaning of "publisher" to include specifically persons who control or manage the printing, manufacturing or reproduction of an article. Any person who knowingly or wilfully allows his name to be printed on an indecent article as the publisher of the article when in fact he is not, commits an offence and is liable to a fine of \$50,000 and imprisonment for six months.

Furthermore, the Bill empowers inspectors of the Television and Entertainment Licensing Authority to seize indecent articles in public places. This should greatly facilitate the control and regulation of indecent articles.

Turning to the Film Censorship (Amendment) Bill, Mr So said its main objectives were to impose compulsory censorship on the advertising materials of Category III films and to divide the existing Category II films into two sub-categories. It was originally proposed that Category II films should carry a notice specifying that they were either "not suitable for children below 12 (parental guidance recommended)" or "not suitable for persons below 18".

The film industry was concerned about the wording of these two notices and suggested using a more general wording without any reference to age.

"After balancing the community's interest to have more information about Category II films against the film industry's deep concern, we have agreed to revise the notices to read 'not suitable for children' and 'not suitable for young persons and children'," Mr So said.

"We believe that the two revised notices now represent a reasonable compromise. The new approach has the advantage of being flexible and could provide parents with adequate advice. At the same time, it will not impose undue restrictions on the film industry."

The Secretary also announced that the three official members of the Film Censorship Board of Review, namely the Secretary for Home Affairs, the Director of Social Welfare and the Director of Education, would be replaced by three non-official members. The change will bring in a wider range of community views into the Board.

The Secretary for Recreation and Culture will remain on the Board as the ex-officio member to advise on policy matters.

The Public Entertainment and Amusement (Miscellaneous Provisions) Bill which seeks to abolish the permit system for staging public entertainment, thereby bringing the Places of Public Entertainment Ordinance in line with the Bill of Rights Ordinance, was also read a second time.

But this does not mean that public entertainment will be completely uncontrolled in future.

Objectionable live performances will continue to be subject to section 12A of the Summary Offences Ordinance under which it is an offence to take part in, provide or manage any public live performance of an indecent, obscene, revolting or offensive nature.

Police officers acting under a warrant can enter premises where it is suspected that such a performance is or may be taking place, conduct a search and seize articles related to the performance.

End/Wednesday, July 19, 1995

Control of Obscene and Indecent Articles (Amendment) Bill 1995

\* \* \* \* \*

Following is the speech by the Secretary for Recreation and Culture, Mr James Y C So, at the second reading debate of the Control of Obscene and Indecent Articles (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

First, I wish to thank the Honourable Mrs Selina Chow and Members of the Bills Committee for their hard work and valuable contributions when studying the Control of Obscene and Indecent Articles (Amendment) Bill 1995. I would also like to thank the many organisations and individuals, including the publication industry, for their interest and valuable comments on this Bill. Indeed, the Bills Committee has not only thoroughly examined the provisions in the Bill, but has also taken a broad interest in the overall operation of the Control of Obscene and Indecent Articles Ordinance (COIAO). I believe that the Bill, with all the Committee Stage Amendments, now represents the community's consensus on how obscene and indecent articles should best be regulated at the present time, taking into account the need to protect public morality, decency and propriety, and to uphold freedom of expression and artistic creation currently enjoyed by Hong Kong.

There have been a large number of suggestions from the community on how obscene and indecent articles should be controlled. These range from restricting the sales outlets for indecent articles, defining the meaning of "obscenity" and "indecent" clearly in law, increasing the power of law enforcement agencies, to modifying the operation of the OAT. In considering all these suggestions, we always adhere to the principle of maintaining freedom of expression through a system that imposes the minimum restrictions necessary to protect public morality, decency and propriety. This means that measures which would be too restrictive and would infringe on freedom of expression would not be pursued unless there are very strong public interests for so doing. I am grateful that the Bills Committee also shares this important principle.

I have now agreed with the Bills Committee to introduce the following changes to address the concerns expressed by various parties.

First, to address the concern of the publication industry that the compulsory use of opaque wrappers on all indecent articles is too restrictive, and will deprive them of the chance to promote their articles through the use of attractive cover designs or packaging, we have agreed to only requiring those articles, the cover designs or packaging of which are also indecent, to be put in opaque wrappers. This requirement is needed to prevent offensive or indecent material from being publicly displayed. Indecent articles with cover designs or packaging which are not indecent shall be able to use transparent wrappers. These wrappers serve as a very important function, which is to clearly identify the articles as indecent thereby alerting both the vendors and the prospective buyers to their contents.

Second, we have agreed, after due consultation with the Judiciary, to make some changes to the operation of the OAT to make its operation more transparent and its classifications more readily understood by the community. I am pleased to say that the Judiciary has been highly responsive to community views and has agreed to these changes, which include:-

- \* firstly, increasing the minimum number of adjudicators from two to four at full hearings to review, pursuant to section 15, the interim classification of articles, or to reconsider, pursuant to section 17, previously classified articles. However, for interim hearings and for full hearings to determine the obscenity and decency of articles referred to the OAT by other courts under section 29, the minimum number of adjudicators will remain at two, as at present;

- \* secondly, disqualifying an adjudicator who sat at an interim hearing from sitting again as a member of the Tribunal at a full hearing to review the classification of the same article; and
- \* lastly, requiring the OAT to identify at both interim and full hearings the offending part or parts of an article which give rise to an "obscene" or "indecent" classification. This piece of information will be filed together with the article concerned in the repository of the OAT for public information.

However, the OAT will not be able to publish this information in an annual report as proposed by the Honourable Selina Chow at this moment. The OAT examined over 12,800 cases last year. To publish the rulings on all such cases would make the report extremely bulky and expensive to compile and print. In any case, interested parties can always go to the repository to obtain the information required. The need for the OAT to identify the part or parts of an article on which basis the article is classified as "obscene" or "indecent", will require additional resources before it can be put into effect. The implementation of this amendment, therefore, will have to be deferred to a later date when the necessary resources are made available to the OAT. All other amendments, however, can be put into effect when the Bill is enacted and a date set for its implementation.

Finally, we have agreed to a number of amendments proposed by the Honourable Eric Li to strengthen the enforcement of this Bill. Firstly, we will clarify the meaning of "publisher" by adding specifically persons who control or manage the printing, manufacturing or reproduction of an article. A new offence will be created to penalise any person who knowingly or wilfully allows his name to be printed on an indecent article as the publisher of the article, when in fact he is not. The maximum penalty for this offence will be a fine of \$50,000 and imprisonment for 6 months. These two amendments will reduce the chances of surrogates being employed to circumvent the new restrictions imposed on publishers of indecent articles.

Furthermore, we have agreed to give inspectors of TELA as defined in the Bill the power to seize indecent articles in public places. We have all along been very cautious of any proposals to turn TELA into a fully fledged law enforcement agency similar to the Police with the power of arrest. Being civilian staff, TELA inspectors are not trained for investigative and conventional law enforcement duties. Such duties remain best to be discharged, as at present, by the Police and the Custom and Excise Department. However, to augment and enhance the overall effectiveness of enforcement, the additional powers entrusted to TELA inspectors should greatly facilitate the control and regulation of indecent articles. Notwithstanding this amendment, the Royal Hong Kong Police Force and the Customs and Excise Department will continue to vigilantly enforce this Ordinance as at present.

The control of the publication of obscene and indecent articles is indeed a complex and controversial subject, not least because public standard of morality, decency and propriety changes with social attitudes and time. I understand that there are two issues which the Bills Committee will want to pursue further. The Honourable Mrs Selina Chow would wish to change the current two-tier classification system for published articles into a three-tier one by creating an additional advisory class to be labelled "not suitable for children under the age of 12". This proposal is also requested by the Members of the Democratic Party. I fully understand the reasonings for making this proposal, but having considered the possible consequences that such a change could lead to a relaxation of standards and the implications on newspaper publications, I have serious reservations. Without the benefit of a thorough examination and analysis of the pros and cons of such a change and as a responsible government, I cannot support coming to a hasty decision. A lot of consultation and deliberations are warranted. I shall be pleased to discuss this subject again with Members of this Council in future.

The Arts Development Council has, through its vice-chairman the Hon. Christine Loh, raised at a very late stage of the Bills Committee's deliberations, a number of proposals concerning the operation of the OAT. First, the Council proposes that the OAT should take account of the artistic, literary or scientific value of an article when making a classification. We are sympathetic with this suggestion but we need time to discuss its full implications with the Judiciary. I, therefore, consider it inadvisable to rush this amendment through now and have agreed with the Bills Committee to bring the subject back for further discussion as soon as possible. The Arts Development Council also requests that both sexes should be represented at full hearings of the OAT. In this regard, I am pleased to say that the Judiciary will be taking steps to substantially enlarge the panel of adjudicators. The Judiciary will also ensure that when enlarging the panel, more female adjudicators will be appointed to achieve a better balance of the sexes.

On the Administration's part, we shall be inviting applications as proposed by the Honourable Selina Chow from members of the public to serve as adjudicators so that any member of the public who is interested and meets the requirements stipulated in the Control of Obscene and Indecent Article Ordinance can apply to become an adjudicator of the OAT. This exercise will last for about a month starting in late July. The names of eligible applicants will be submitted to the Chief Justice for his consideration for appointment as adjudicators.

Other proposals by the Arts Development Council relating to increasing the number of adjudicators at full hearings of the OAT and requiring the OAT to state the reasons for its classifications, etc., have been generally dealt with in the Committee Stage Amendments that I intend to make.

One last point I should like to make concerns the proposals by some groups for clear legal definition of "obscenity" and "indecenty" and for the OAT to promulgate comprehensive guidelines on standards adopted. I am grateful to the Bills Committee for their understanding and agreement not to pursue these proposals. As we have explained at length to the Bills Committee, any attempt to define "obscenity" and "indecenty" in law would be unworkable, contrary to the common law tradition and would lead to numerous unnecessary litigations. To require the OAT to promulgate comprehensive guidelines on standards, as explained by the Chief Magistrate in writing to the Bills Committee, will run contrary to the principle of judicial independence and the spirit of the "public standards test".

Mr President, let me assure Members that we will be closely monitoring the effectiveness of the amendment legislation after it is enacted, and as always will continue our enforcement, publicity and educational efforts to tackle the problem of indecent articles on all fronts.

Mr President, I now commend this Bill to Members subject to the amendments I intend to move at the Committee Stage. Thank you.

End/Wednesday, July 19, 1995

Control of Obscene Article Bill: committee stage

\* \* \* \* \*

Following is the speech by the Secretary for Recreation and Culture, Mr James So, at the committee stage of the Control of Obscene and Indecent Articles (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

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

To prevent publishers from circumventing the requirement to give their particulars, especially their proper address, on the cover of an article by simply putting down a postal box number, clause 5(b)(1B) of the Bill is amended to require the display of the full address of the place of business of the publisher. A definition for "place of business" is added under clause 2 following the meaning used in the Business Registration Ordinance.

The amendments to clause 5(a) of the Bill reflect the revised proposal on wrappers, so that only indecent articles with indecent cover designs or packaging are mandatorily required to be sealed in opaque wrappers. Indecent articles with cover designs or packaging which are not indecent shall be enclosed in transparent wrappers. Clauses 5(b) (1A), (1C) and (1D) are consequential to the revised proposals on wrappers.

The amendments to clauses 5(b)(1E) and (1F) and clause 10 give effect to the Hon Eric Li's suggestions. The amendment to clause 5(b)(1F) pins down the definition of "publisher" to include those who control or manage the printing, manufacturing or reproduction of an indecent article. The amendment to clause 5(b)(1E) creates a new offence attracting a maximum fine of \$50,000 and imprisonment for 6 months to penalise any person who wilfully or knowingly allows his name to be used as the publisher of an indecent article, when in fact he is not. The combined effect of these changes will reduce the chance of surrogates being used by unscrupulous publishers to bypass restrictions imposed on them by this Bill.

The amendments to clause 10 empower inspectors of the Television and Entertainment Licensing Authority (TELA) as defined in clause 2 to seize indecent articles in public places, thus facilitating street level surveillance and monitoring. Clauses 11, 12(c), 13 and 14 are consequential changes as a result of the amendment to clause 10 to ensure that the additional power conferred on TELA inspectors can be used effectively to enforce the Ordinance.

Mr President, I beg to move.

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Mr President,

I move that new clauses 2A, 2B and 2C as set out under my name in the paper circulated to Members be read the second time. The new clauses 2A, 2B and 2C are to improve the operation of the Obscene Articles Tribunal (OAT) as explained in my earlier speech at the Resumption of the Second Reading Debate of this Bill. Under new clauses 2B and 2C(c), the OAT shall identify the part or parts of an article which give rise to an "obscene" or "indecent" classification. Under new clauses 2A and 2C(a) and (b), the minimum number of adjudicators will be increased from two to four at two types of full hearings. Besides, adjudicators who sat at an interim hearing of an article shall not be competent to sit as a member of the Tribunal at a full hearing to review the classification of the same article.

Mr President, I beg to move.

End/Wednesday, July 19, 1995

Film Censorship (Amendment) Bill 1995: second reading

\* \* \* \* \*

Following is the speech by the Secretary for Recreation and Culture, Mr James Y C So, at the second reading debate of the Film Censorship (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I would first like to thank the Honourable James To and Members of the Bills Committee for their diligent study of and their contributions to refining the Film Censorship (Amendment) Bill 1995. I am pleased that the main objectives of the Bill, namely, to impose compulsory censorship on the advertising materials of Category III films and to refine the existing Category II by dividing it into two sub-categories, have obtained the full support of the Bills Committee and the film industry.

However, in the course of studying the Bill, two issues have emerged. These concern the wording used in the notices for the two proposed sub-categories under Category II and the membership of the Film Censorship Board of Review. After careful consideration and wide consultation, we have agreed to make certain amendments at the Committee Stage to accommodate the views of Members of the Bills Committee and of the film industry.

When the Bill was introduced into this Council in January this year, we proposed Category II films to carry a notice to specify that they were either "not suitable for children below 12 (parental guidance recommended)" or "not suitable for persons below 18". As with the existing Category II, these two new sub-categories are advisory in nature. The aim in dividing the existing Category II into 2 sub-categories is to let movie-goers, in particular parents, have more information so that they can decide whether the film concerned is suitable for viewing by their children.

The industry, however, is concerned about the original proposed wording of these two notices. Its worry is that parents may take the age advice as a compulsory warning rather than as a general advice. The industry has suggested using a more general wording without any reference to age.

We have examined the industry's concern and suggestion carefully with the Bills Committee. After balancing the community's need to have more information about category II films against the industry's deep concern, we have agreed to revise the notices to read "not suitable for children" and "not suitable for young persons and children".

We believe that the two revised notices now represent a reasonable compromise. The new approach has the advantage of being flexible and could provide parents with adequate advice. At the same time, it will not impose undue restrictions on the film industry.

Let me now turn to the second amendment. At present, the Film Censorship Ordinance provides that the Board of Review shall consist of the Secretary for Recreation and Culture as the ex-officio member, 6 non-official members, and 3 official members, namely, the Secretary for Home Affairs, the Director of Social Welfare and the Director of Education. One of the 6 non-official members shall be appointed by the Governor as the chairman.

The Bill proposes to increase the number of non-official members to 8 with a view to bringing in a wider range of community views into the Board. The Bills Committee, however, considers that this could be achieved by replacing the 3 official members with non-officials without the need to increase the size of the Board.

Having carefully considered the Bills Committee's view and having consulted the Secretary for Home Affairs, the Director of Education and the Director of Social Welfare, we have now agreed not to increase the size of the Board as originally proposed but just to replace the 3 existing official members with non-officials. The Secretary for Recreation and Culture will, however, remain on the Board as the ex-officio member to advise on matters of policy.

Mr President, with these remarks, I commend the Bill to Members subject to the amendments I intend to propose at the Committee Stage. Thank you.

End/Wednesday, July 19, 1995

Film Censorship (Amendment) Bill 1995: committee stage

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Following is the speech by the Secretary for Recreation and Culture, Mr James So, at the committee stage of the Film Censorship (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

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

Clauses 6(b), 11(b) and 12(b)(iii) are amended to reflect the revised wording of the notices for the two proposed sub-categories under Cat. II films. The reason for this change has been thoroughly explained in my speech at the Resumption of the Second Reading Debate.

The amendment to clause 16 gives effect to the agreement reached with the Bills Committee that the three official members on the Board of Review be replaced by non-officials whilst keeping the total membership of the Board at ten. The Board will in future comprise nine non-officials and one ex-officio member, namely the Secretary for Recreation and Culture.

The purposes behind the amendments to clauses 7(a), 7(b), 9, 14, 19(j), 20 and 24, are made either to clarify the relevant provisions to reflect the correct policy intention or to deal with matters of a technical nature.

Amendments to clauses 6, 9, 15, 17(b), 18(b), 19(e), 22 and 22(b)(iii) of the Chinese Bill serve to refine the Chinese wording to reflect accurately the intended meaning of the corresponding clauses in the English Bill.

Mr President, I beg to move.

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Mr President,

I move that new clauses 12A and 12B as set out under my name in the order paper circulated to Members be read the second time.

New clause 12A amends Section 15F(1) of the ordinance to correctly reflect our policy intention that the distributor of a video tape or laser disc version of a film shall inform the Film Censorship Authority within one month after the publication of the film in the form of video tape or laser disc.

New clause 12B amends Section 15G(1) to clarify that the distributor of the video tape or laser disc version of a censored film, instead of the certificate holder shall deposit a copy of the relevant video tape or laser disc with the Film Censorship Authority if he so required. Both amendments serve to clarify our policy intention.

Mr President, I beg to move.

End/Wednesday, July 19, 1995

Public Entertainment and Amusement Bill

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Following is the speech by the Secretary for Recreation and Culture, Mr James So, at the committee stage of the Public Entertainment and Amusement (Miscellaneous Provisions) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move that the clauses 5 and 13 as set out in the order paper circulated to Members be amended.

The amendment to clause 5(a)(iii) rectifies a shortcoming in section 7(1)(d) of the Places of Public Entertainment Ordinance (PPEO) by extending the scope of the regulation-making power under this subsection to include the power to make regulations to govern the structural and electrical safety of temporary stages, and lighting installation on platforms in places of public entertainment.

The amendment to clause 5(c) will insert a new sub-section 7(2A) which effect will be to limit the general purpose of section 7(1)(f) of the PPEO to ensuring the safety of any persons present in a place of public entertainment should a fire or other emergency occur in that place, and to avoiding disorder in such a place. This is to address concern expressed in certain quarters that the wording of Section 7(1)(f) might be broader than our stated policy intention, which is to prevent disorder and to protect public safety in the course of a public entertainment.

Finally, amendment to clause 13(2) provides a definition for the word "revolve" which will mean "rotate or otherwise move in a circular or any other orbit".

Mr President, I beg to move.

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Mr President,

I move that new clause 5A as set out under my name in the order paper circulated to Members be read the second time.

New clause 5A repeals Section 7C(8) of the ordinance to remove the definition of Licensing Authority which is already included under clause 2 of the Bill. This is just to rectify an oversight.

Mr President, I beg to move.

End/Wednesday, July 19, 1995

Television regulations amendment

\* \* \* \* \*

Following is the speech by the Secretary for Recreation and Culture, Mr James So, on the Television regulations in the Legislative Council today (Wednesday):

Mr President,

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

These two amending Regulations form part of the Administration's overall review to ensure that existing laws do not infringe press freedom and the right to freedom of expression.

The Commercial Television (Advertising) (Amendment) Regulation 1995 was made by the Governor in Council on 20 June 1995. It removes the power of the Director of Health to pre-censor advertisements for any medical preparations. The scope of the Director of Health's discretion has been criticised as sweeping and undefined. It also gives the Authority pre-censorship powers that have been removed elsewhere, and creates a disparity in treatment between different media, since no similar restriction is imposed on sound broadcasters and the printed media. There is little justification to retain this Regulation in the Television Ordinance. Following the repeal however, provisions will continue to be made, and be revised if necessary, in the Codes of Practice issued by the Broadcasting Authority, to guide broadcasters in respect of advertisements on medical preparations, and to protect the public against misleading and unacceptable advertisements in this regard.

The Television (Programmes) (Amendment) Regulation 1995 was made by the Governor in Council on 27 June 1995. It repeals the stipulation that programmes broadcast by the commercial and subscription television licensees shall exclude material which is likely to offend against good taste and decency, mislead or alarm, encourage and incite crime or social disorder, discredit the law or the social institutions or to serve the interest of any foreign political party. This provision is regarded as excessively restrictive and deemed to contain too vague a restriction on freedom of information. In any event, this provision has been superseded by section 33 of the Television Ordinance, introduced in April 1993, which makes it a requirement for the licensees not to broadcast material that is likely to incite hatred against any group of persons by reason of race, nationality, sex or religion, or cause a general breakdown in law and order, or gravely damage public health or morals. As part of the same section the Chief Secretary is empowered to apply to the High Court to prevent the broadcast of any programme which she has reason to believe is likely to give rise to the damage outlined above. Similar provisions are also found in Part IIIA of the Telecommunication Ordinance to regulate sound broadcasting. The Administration considers that these provisions already provide a suitable balance between the need to protect freedom of information on the one hand, and the need to guard against the broadcast of totally unacceptable programming on the other. Although Regulation 4(e) is not explicitly covered in section 33, there are sufficient powers within the present body of television regulations and within codes of practice for programme standards to deal with the broadcast of programmes that serve the interest of any foreign political party. There is, therefore, little justification to retain restrictions on broadcasting contents in the subsidiary legislation.

Mr President, I beg to move.

End/Wednesday, July 19, 1995

**Amended TV regulations to ensure press freedom passed**

\* \* \* \* \*

The Secretary for Recreation and Culture, Mr James So, moved a motion at the Legislative Council meeting today (Wednesday) to amend two existing laws to ensure that they do not infringe press freedom and the right to freedom of expression.

The Commercial Television (Advertising) (Amendment) Regulation 1995 which was approved by the Governor-in-Council on June 20, removes the power of the Director of Health to pre-censor advertisements for any medical preparations.

Mr So noted that this pre-censorship power created a disparity in treatment between different media, since no similar restriction was imposed on sound broadcasters and the printed media.

"There is little justification to retain this Regulation in the Television Ordinance," he said.

"Following the repeal, however, provisions will continue to be made, and be revised if necessary, in the Codes of Practice issued by the Broadcasting Authority, to guide broadcasters in respect of advertisements on medical preparations, and to protect the public against misleading and unacceptable advertisements in this regard."

The Television (Programmes) (Amendment) Regulation 1995, approved by the Governor in Council on June 27, repeals the stipulation that programmes broadcast by the commercial and subscription television licensees shall exclude material which is likely to offend against good taste and decency, mislead or alarm, encourage and incite crime or social disorder, discredit the law or the social institutions or to serve the interest of any foreign political party.

This provision, regarded as excessively restrictive and deemed to contain too vague a restriction of freedom of information, has been superseded by section 33 of the Television Ordinance introduced in April 1993. Similar provisions are also found in Part IIIA of the Telecommunication Ordinance to regulate sound broadcasting.

"The Administration considers that these provisions already provide a suitable balance between the need to protect freedom of information on the one hand, and the need to guard against the broadcast of totally unacceptable programming on the other.

"There is, therefore, little justification to retain restrictions on broadcasting contents in the subsidiary legislation," Mr So said.

Both bills were passed by the Legislative Council today.

End/Wednesday, July 19, 1995

Criminal Procedure (Amendment) Bill 1995 and  
Evidence (Amendment) Bill 1995

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Following is the speech by the Attorney General, the Hon Jeremy Mathews, in the second reading debate of the Criminal Procedure (Amendment) Bill 1995 and Evidence (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I am grateful to the Honourable Ronald Arculli and Members of the Bills Committee for their thorough and careful consideration of these important Bills. I would also like to thank the Bar Association for their substantial contribution to improving these Bills.

Mr Arculli has described the more significant amendments which have been agreed with the Bills Committee. I will be moving these and a number of other technical amendments at the Committee Stage.

I would like to respond to a number of points that have been raised in the debate this morning.

- First, Mr Arculli noted that the Bills Committee had suggested that the Administration should ensure by administrative measures that, at the time of giving evidence by way of live television link, neither the prosecution nor the defence should exert any influence on the evidence being given. I can assure Members that the Administration is fully alive to this issue and will take all appropriate steps to ensure that evidence is given without any influence at all.

- Secondly, I would like to say something about the proposed notice of transfer procedure. The proposed Section 79F seeks to prevent child or mentally handicapped witnesses from being required to give evidence in court twice - once at the committal proceedings and again at the trial. The Crown Prosecutor can dispense with the committal proceedings by issuing a "Notice of Transfer", certifying that the evidence is sufficient for the defendant to be committed for trial, and that to avoid any prejudice to the welfare of the witness, the case be taken over by the High Court without delay. The provision is, as presently drawn, similar to that contained in Section 53 of the English Criminal Justice Act 1991 and to Section 3 of their own Complex Commercial Crimes Ordinance. As a safeguard against any possible injustice, the defendant has the right to apply to the High Court to be discharged under the proposed Section 79G(2) and such a discharge will be deemed to be an acquittal by virtue of Section 79G(7).

I will move an amendment to Section 79F to further safeguard the interests of the defendant by requiring the Crown Prosecutor to set out in an affidavit the reasons for his opinion as to the prejudice to the welfare of the witness if the case is not committed for trial without delay. Necessarily, he will have to consult experts such as medical officers, psychologists or social workers before he forms his own opinion. Mr President, this power is not to be delegated but will be exercised with great prudence by the Crown Prosecutor personally.

Whilst the Administration is committed to providing greater protection to the vulnerable witnesses, the defendant's right to a fair trial is not in any way prejudiced. The burden of proof still rests with the Prosecution and the standard of proof remains one of proof beyond reasonable doubt. Apart from the safeguards provided in the Bill, I will also propose amendments to Sections 79C and 79E by giving a mentally handicapped defendant an option to produce the video recorded evidence in court, as well as to give a deposition in writing before a magistrate. The purpose of these amendments is to preserve the defendant's right of silence.

Mr President, with your leave I now turn to the Evidence (Amendment) Bill 1995. I would like to respond to the arguments put forward this morning by the Hon Martin Lee and the Hon Simon Ip, arguments raised by the Bar Association against Clause 2 of the Bill. The Bill proposes to remove two technical rules in relation to children giving evidence in criminal proceedings, that is the presumption of incompetence and the rule of corroboration. These two rules are I would submit outdated and I would note that they were abolished in England in 1988.

Under the existing Section 3(a) of the Evidence Ordinance, children under 7 years of age are generally incompetent to give evidence unless the court is satisfied that they appear capable of receiving just impression of the facts respecting which they are examined and of relating them truly. What that means is that if a child witness fails to satisfy the court that he or she can give credible evidence at trial, the child is barred from giving evidence against the defendant.

The Committee on the Evidence of Children in Criminal Proceedings found that tests as to competence of child witnesses could be arbitrary and that this technical rule of evidence was unjustified. A key recommendation of the Committee is that children should be treated in the same way as adults. At present, there is no such competency test for adult witnesses. Accordingly, the power of a court to determine that a particular witness is not competent to give evidence should apply to children as it applies to other persons. The Court should be able to consider any relevant understandable evidence from a child, and to convict upon it if convinced by it. Like adults, children of all ages should be enabled to give evidence in court without first being tested by the magistrate or the judge.

Clause 2 of the Bill seeks to modernise the law of evidence in relation to child witnesses by repealing the existing Section 3(a) so that every child witness, in particular an abused child, and without being emotive about it. I would remind Members that these two Bills are designed generally for the protection of vulnerable witnesses, and in particular children who have been abused, so that every child witness, in particular an abused child, will not be intimidated or discouraged from giving evidence by having to go through a test of competency at the outset. The proposed change in no way affects the inherent power of the court to decide on the competency of any witness at any stage of the witness' evidence, be that witness a child or an adult. If a child is available to give relevant and understandable evidence, then the child should be heard. The court will then evaluate that evidence and decide how much reliance to place upon it.

The other rule of evidence concerning child witnesses which is Clause 3 of this Bill also seeks to abolish the rule of corroboration. Under the existing law, a child who understands the duty of speaking the truth but who does not understand the nature of the oath may only give unsworn evidence which, without corroboration, is not sufficient to convict a defendant. Put in other way, if a child gives unsworn evidence, his evidence must be supported by some other admissible independent evidence before the defendant can be convicted of the offence. Very often, when a child is abused by a defendant, there would be no other persons present at the scene and as a result, no other independent evidence may be produced in court. If the child is of tender age, he can only give unsworn evidence. Despite the fact that the child alone can give a reliable account of the incident, his or her evidence will not be sufficient to convict the offender for want of corroboration. This rule has been described by one judge as a "child molester's charter".

Before the rule of corroboration was abolished in England, a Home Office report had suggested that there was no compelling scientific evidence in support of the view that a child's testimony is inherently unreliable. It was also found that children were as good witnesses as adults. The same finding was made by the Committee on the Evidence of Children in Criminal Proceedings. Mr President, these proposals have been carefully thought out based on the recommendations of the Committee on the Evidence of Children in Criminal Proceedings, the Committee had included members of the Law Society and the Bar Association. The rules and the Evidence Ordinance are an essential part of a package, brought forward to deal with the problem of vulnerable witnesses. And I urge Members to support the retention of Clause 2 of the Evidence Bill, which seeks to amend Section 3A of the Evidence Ordinance.

Mr President, I would like to now go on and say something about two technical amendments that I will be moving in Committee Stage in relation to the Evidence (Amendment) Bill. Under the proposed new Section 4, all child witnesses will give evidence unsworn. This removes the requirement that the Court needs to determine whether the child can give sworn or unsworn evidence. Like an adult, if a child is shown to be incapable of giving intelligible testimony, the Court will simply attach no weight to his or her evidence. Since this lies within the Court's inherent powers, we have agreed with the Bar Association that the proposed new subsection (4) is redundant. I will propose an amendment to delete this subsection at the Committee Stage.

The proposed new Section 4A seeks to abolish the corroboration rule in respect of evidence given by a child. The reason for this change is that child and adult witnesses should not be treated differently in their evidence simply because of their ages. However, there are offences where corroboration will still be required even in the case of adult witnesses, such as perjury. In these cases, the evidence of a child will continue to require corroboration as it is the case for an adult. Section 4A as presently drawn does not make this clear. I will therefore move an appropriate amendment at the Committee Stage to clarify the point.

Mr President, the changes proposed in the Criminal Procedure (Amendment) Bill and the Evidence (Amendment) Bill will enhance the proper administration of justice in cases involving child witnesses and I commend both Bills to Members.

End/Wednesday, July 19, 1995

Criminal Procedure (Amendment) Bill 1995: committee stage

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Following is the speech by the Attorney General, the Hon Jeremy Mathews, in the committee stage amendments to the Criminal Procedure (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr Chairman,

I move that Clause 3 of the Bill be amended as set out under my name in the paper circulated to Members.

Section 79A as drafted defines "child" to mean generally a person under 14 years of age except in the case of sexual abuse, it means a person under 17 years. In practice, there is bound to be a time lag between the taking of evidence and trial. In order to cater for the situation when the upper age limits are passed when the trials take place, the definition of "child" is amended by relaxing the age limits by one year to allow for the estimated maximum lapse of time between the taking of video recorded evidence and trial. Section 79C(7) is deleted as a consequence.

One of the new procedures introduced by the Bill is the "live television link" system. As presently drafted under Section 79A, the system refers to one linking a courtroom and another room in the same premises. This definition will not cover the situation where a magistrate takes a deposition before the trial from a witness under the proposed Section 79E in a room which is not a courtroom. The definition of "live television link" is therefore amended by adding a new provision which specifically deals with this situation.

The definition of "mentally handicapped person" is amended to reflect the existing definition of "mental disorder" under the Mental Health Ordinance that definition is under review at the moment. A consequential amendment will be proposed if it is warranted after that review has been completed.

The definition of "offence of sexual abuse" is amended by deleting those offences which are not sexual offences under Part XII of the Crimes Ordinance.

In the proposed Section 79B(1), the definition of "witness in fear" is refined by providing that the court's determination is to be based on reasonable grounds.

The proposed Section 79B provides that child and mentally handicapped witnesses can give evidence by way of a live television link. Subsections (2), (3) and (5) are amended to make it clear that the system can also be used where a witness does not give evidence live in court but his or her evidence is produced by way of pre-recorded video tapes on which he or she may be cross-examined.

The proposed Section 79C is amended by adding a new definition of "adult" to ensure that only trained professional officers can conduct video recorded interviews of child or mentally handicapped witnesses.

Subsection (2) of the proposed Section 79C is amended by providing an option for a defendant who is mentally handicapped to produce the video recorded evidence in court. The purpose of this amendment is to ensure that the defendant's right to silence is not prejudiced.

For the same reason, the proposed Section 79E(2) is similarly amended.

The proposed Section 79F as drafted allows the prosecution to bypass the preliminary hearing before a magistrate and to transfer the more serious cases to the High Court for trial. This new procedure is introduced to save the child and mentally handicapped witnesses from giving evidence twice; once at the committal proceedings and subsequently at trial. It is amended by confining the witnesses to victims only. The provision is further amended by requiring the Crown Prosecutor to set out in an affidavit the reasons when he issues the notice of transfer. As I explained earlier on the day, this additional requirement is to further safeguard any possible injustice and the power is not to be delegated but would be exercised with great prudence by the Crown Prosecutor personally.

The proposed Section 79G provides for a defendant to apply to be discharged following service on him of a notice of transfer under Section 79F. As drafted Section 79G applies only in cases involving child witnesses. As the proposed Section 79F covers children and mentally handicapped persons, Section 79G should also apply to cases involving mentally handicapped witnesses. Section 79G(5) is amended accordingly.

The power to make rules under the proposed section 79G(8) is transferred from the Rules Committee to the Chief Justice to follow Section 79D.

Mr Chairman, I beg to move.

End/Wednesday, July 19, 1995

#### Magistrates (Administrative) (Amendment) Rules 1995

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Following is the speech by the Chief Secretary, the Hon Anson Chan, in moving the motion on Magistrates (Administrative) (Amendment) Rules 1995 in the Legislative Council today (Wednesday):

Mr President,

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

Rule 2 of the Magistrates (Administrative) Rules requires each magistracy to keep a Case Register which contains the particulars of every proceeding or matter put before a magistrate in the form of a book. As the Judiciary has introduced the computerised court recording at the magistracies level, Rule 2 should be amended to enable a case register to be kept in computerised form instead.

The Chief Justice has made the Magistrates (Administrative) Rules 1995. In accordance with section 133 of the Magistrates Ordinance, the Rules now require the approval of this Council by resolution.

Mr President, I beg to move.

End/Wednesday, July 19, 1995

#### Post Office Trading Fund Resolution

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Following is the speech by the Secretary for Economic Service, Mr Gordon Siu, in moving the Post Office Trading Fund Resolution in the Legislative Council today (Wednesday):

Mr President,

I move the motion standing in my name on the Order Paper. Section 3(1) of the Trading Funds Ordinance provides that the Legislative Council may, on the recommendation of the Financial Secretary, by resolution establish a trading fund. My motion seeks to establish the Post Office Trading Fund with effect from 1 August, 1995.

The Hong Kong Post Office was first established over 150 years ago, since then its services have grown with Hong Kong and the Post Office plays an important role in the business and community life of the territory. Despite the advent of the fax machine and new telecommunication technologies, postal traffic in Hong Kong has not only not diminished but in fact it has been growing at around 6% per annum.

During in the past ten years, the volume of mail traffic handled by the Post Office has doubled, from 575 million items in 1985/86 to 1,147 million items in 1994/95. The staff establishment of the Post Office, on the other hand, has increased during this period by only 23 per cent. This significant gap has been filled by continued productivity improvements, through investment in automation and through mechanisation.

Notwithstanding these impressive productivity gains, the Post Office has found it increasingly difficult to cope with rapid increases in demand while, at the same time, maintaining service standards. Although total revenues from the Post Office's various businesses have been more than adequate to cover operating costs and even provide a modest surplus, under normal departmental funding arrangements the Post Office does not have the flexibility to direct the surplus to meet operating expenses and improve services. As a result, standards of service have had to be reduced in some areas.

In the light of this problem we have carried out a detailed review of postal policy and operation. This review has concluded, amongst other things, that the best way to improve the performance of the Post Office is to convert it to a trading fund operation, so that it can have the ability to optimise its revenues and direct those revenues to providing better services to the public.

A trading fund operation also accords with one of the objectives adopted by the Universal Postal Union which is that all postal administrations should seek to secure the administrative and financial management flexibility to support a commercial style of management responsive to customer demands.

The trading fund will bring a number of important benefits to the Post Office.

First, the Post Office will be able to enjoy greater flexibility of operation and deploy more commercially-orientated approaches to the conduct and development of the business. As a result, it will be able to respond more effectively to changes in technology, customer demands and market conditions.

Secondly, it will be able to expand its more profitable services to the benefit of customers while, at the same time, using the surpluses to improve productivity, enhance efficiency and customer services and, where necessary, support and improve those loss-making but essential services.

Thirdly and most importantly, the trading fund operation will increase the transparency and public accountability of the Post Office. Each year, the Postmaster General will be required to publish an up-to-date Business Plan for the coming financial year, together with a Corporate Plan setting out his service targets and expenditure proposals for the next five years. In addition the accounts of the trading fund will be subject to annual inspection by the Director of Audit.

To ensure that the trading fund will exercise its increased flexibility responsibly, a regulatory framework will be established under which the Secretary for Economic Services will become the regulator of postal services. The Secretary will be responsible for formulating postal policy objectives, approving the Corporate and Business Plans of the Post Office, setting performance targets, vetting proposals for postage rate increases, and tabling in the Legislative Council an annual report on the operation and performance of the trading fund.

Minimum performance standards, binding on the Postmaster General, will be set for all major postal services and specified in the Corporate and Business Plans of the Trading Fund. This will ensure that a high quality of service is provided irrespective of the profitability of the services.

Trading fund operation will also bring substantial benefits to customers because the Post Office will have more flexibility to take forward a number of new initiatives which have had to be put in abeyance pending the availability of adequate funding resources. These initiatives include opening more post offices to meet the needs of new housing developments, wider use of computers and automation to speed up counter services, extension of door-to-door parcel delivery service to the New Territories, and expansion of Speedpost and philatelic services. These improvements will benefit all sectors of the community.

To impose the requisite degree of commercial discipline, the Trading Funds Ordinance requires all trading funds to manage their accounts prudently and achieve a reasonable rate of return on the public assets vested in it. The projected rates of return of the Post Office Trading Fund in the next four years are 6.5%, 7.2%, 6.8%, and 8.3% respectively. I should emphasise that the Government's postal policy is - and will continue to be - to provide an efficient and reliable postal service at reasonable and affordable prices to all users. To achieve this policy objective, we undertake that future postage rate increases will be kept broadly in line with inflation as in the past before trading fund operation.

Mr President, I would like to take this opportunity to thank Members of the Sub-committee set up to study the Post Office Trading Fund Resolution for their support of the Resolution and their time and the many constructive comments they gave to us. Specifically, the sub-committee has requested that the Administration undertakes to:

- \* prepare a proposal on how to involve Members in monitoring the general operation of the Post Office Trading Fund before the end of 1995;
- \* complete a review on the framework agreement of the trading fund in the next few months to find out the most suitable method for determining the trading fund's target rate of return; and
- \* study the feasibility and desirability of specifying the postal charges by regulations.

The Administration will work with Members to examine the scope of a mechanism whereby Members and the public will be able to monitor the performance of the Post Office Trading Fund more easily and effectively. As in the recent case of the Office of the Telecommunications Authority Trading Fund we undertake to discuss the target rate of return with Members in the light of the Post Office Trading Fund's actual operational experience. We are also prepared to consider possible changes to the present system for approving some postal fees and charges. To this end, I undertake to put up proposals for consideration by the Economic Services Panel during the next six months. As there are no proposals to amend postage charges during the financial year 1995/96, there will be ample time to consider these issues after the creation of the Post Office Trading Fund on 1st August, 1995.

Finally, Mr President, I would like to emphasise once again that our primary objective in proposing that the Post Office be moved on to trading fund operation is to provide it with the operational flexibility it needs to optimise the use of resources and provide an efficient and modern postal service to meet and support Hong Kong's continued economic development. The Hong Kong Post Office has a long and distinguished history. Throughout the years, it has provided us with an essential service, efficiently and without fuss. Postal charges in Hong Kong are among the lowest in the industrialised world; our postmen amongst the most efficient, dedicated and hardworking. I am convinced that, when operating as a trading fund, the Post Office will be able to build strongly on its already excellent track record as one of the world's leading postal administrations.

Mr President, I beg to move.

End/Wednesday, July 19, 1995

Insurance Companies (Amendment) Bill: second reading

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Following is the speech by the Secretary for Financial Services, Mr Michael Cartland, on the second reading debate of the Insurance Companies (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I would like to thank the Bills Committee under the chairmanship of the Honourable Peter Wong for its careful consideration of the Insurance Companies (Amendment) Bill 1995. I would also like to express my appreciation to the professional and industry organisations involved for their valuable comments.

One of the functions of the Insurance Authority is to promote and develop self-regulation by market and professional bodies in the insurance industry. Market and professional bodies in this context are meant to cover associations of insurance practitioners, that is, authorised insurers and insurance intermediaries. It is not our intention to cover professional bodies which participate in the insurance industry but are not part of it, for instance the Hong Kong Society of Accountants. To avoid any misinterpretation, I shall move Committee Stage Amendments to clarify this intention.

The insurance industry and the professional bodies have expressed serious concern over the proposed subsection 4A(3)(b), which provides that the Insurance Authority may issue guidelines to authorised insurers and insurance intermediaries as well as their auditors and actuaries indicating the manner in which he expects them to carry out their duties under the Ordinance. I wish to clarify that this proposed subsection is not intended to introduce any new regulatory requirements or to interfere with the internal operations of an insurer or insurance intermediary, or the professional practice of their auditors and actuaries. Whenever compliance with the duties imposed by provisions of the Ordinance comes into question, each specific case will be determined by the legal nature of the duty and the facts concerned and not by the guidelines. However, to address the concern of the industry and the professional bodies, we propose to remove this particular subsection from the Bill because its intended effect is already implied in the other part of section 4A(3). Deletion of subsection 4A(3)(b) would also bring section 4A(3) into line with similar provisions in the Banking Ordinance and the Securities and Futures Commission Ordinance.

An actuary, like an auditor, is required to report on the financial position of an insurer. We agree with the Actuarial Society of Hong Kong that the Insurance Authority should be allowed to disclose information to an actuary where such information is necessary for him to carry out his duties under the Insurance Companies Ordinance. Similarly the Insurance Authority should be allowed to disclose information to an auditor of an insurance broker or a body of insurance brokers who is required to report on the affairs of the insurance broker or body of insurance brokers. I shall move a Committee Stage Amendment to this effect at the Committee Stage.

Mr President, with these remarks, I commend the Bill to Members.

End/Wednesday, July 19, 1995

Insurance Companies (Amendment) Bill: committee stage

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Following is the speech by the Secretary for Financial Services, Mr Michael Cartland, at the committee stage of the Insurance Companies (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move that clauses 2 and 7 be amended as set out in the paper circulated to Members.

Proposed section 4A(2)(e) is amended, through clause 2(b), to clarify that it is the Administration's intention to promote and develop self-regulation by market and professional bodies of the insurance industry only. Professional bodies which practice in but are not of the insurance industry will not be covered.

Proposed section 4A(3) is amended, through clause 2(c), to delete subsection 4A(3)(b). This is intended to address concerns expressed by the insurance industry and professional bodies that proposed subsection 4A(3)(b) may enable the Insurance Authority to interfere, by means of guidelines, in the internal operations of an insurer or insurance intermediary or in the professional practices of their auditors or actuaries.

Proposed section 53A(3)(f) is amended, through clause 7(c), to enable the Insurance Authority to disclose information to an actuary or auditor of an insurance broker or body of insurance brokers, if such information is necessary for them to carry out their duties under the Insurance Companies Ordinance.

Mr Chairman, I beg to move.

End/Wednesday, July 19, 1995

Public Service Commission Ordinance

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Following is the speech by the Secretary for the Civil Service, Mr Michael Sze, in moving the motion on Public Service Commission Ordinance (Chapter 93) in the Legislative Council today (Wednesday):

Mr President,

I move the motion standing in my name on the Order Paper. Section 6(1)(a) - (d) of the Public Service Commission (PSC) Ordinance stipulates, amongst other things, that the Commission shall advise the Governor on the filling of vacancies and the promotion of officers in the public service. This motion proposes to exclude the departmental grade staff in the Monetary Authority (MA) who remain on civil service terms from the purview of the Public Service Commission under Section 6 (2A) of the PSC Ordinance. The departmental staff includes mainly officers of the Bank Examiner and Bank Examination Assistant Grades.

The MA was set up in April 1993 under the Exchange Fund (Amendment) Ordinance, following the re-organisation of the then Monetary Affairs Branch. It is accountable to the Financial Secretary who receives advice from the Exchange Fund Advisory Committee. To attract and retain staff with the right experience and expertise, the MA is empowered to employ people on terms different from those in the Government. All serving departmental officers were given the option to resign from the civil service and take up MA terms of employment before 30 September 1994. Those who had not opted for MA terms remain working in the Authority as civil servants. As at 30.6.95, 48 departmental officers had opted for MA terms of employment and the other 78 departmental officers were still on civil service terms. The option to transfer to MA terms was not available to general/common grades staff. These staff will be transferred back to the Government once the MA has recruited its own staff to replace them.

As a result of the above arrangement, a mixed staff situation now exists in the departmental grades of the MA under which it is not possible for the PSC to scrutinise promotion exercises of these grades comprising both of civil and non-civil servants. This is because the PSC only has the authority to examine and advise on staff on civil service terms - but not on HKMA terms. Without an overall picture, the Commission is not best placed to determine who are the most meritorious officers. Following the precedent of the Hospital Authority and the Vocational Training Council, we propose that the departmental grades in the MA who remain as civil servants should be excluded from the purview of the Commission. However, matters relating to the conduct and discipline of these staff will continue to be subject to the advice of the Commission.

The MA has drawn up a set of appeal procedures with the Financial Secretary as the final appeal authority to safeguard the interests of staff following the exclusion from the Commission's purview. The staff concerned have indicated no objection. The PSC has also been consulted and agreed to the proposal.

Mr President, with these remarks, I beg to move.

End/Wednesday, July 19, 1995

Protection of Wages on Insolvency Ordinance

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Following is the speech by the Secretary for Education and Manpower, Mr Michael Leung, in moving a resolution of the Protection of Wages on Insolvency Ordinance in the Legislative Council today (Wednesday):

Mr President,

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

The purpose of this resolution is to increase the maximum payment from the Protection of Wages on Insolvency Fund in respect of severance payment.

Under the Protection of Wages on Insolvency Ordinance, a person owed arrears of wages, wages in lieu of notice or severance payment by his insolvent employer may apply for ex-gratia payment from the Protection of Wages on Insolvency Fund, subject to the maximum limits set out in the Ordinance.

The present coverage of the Fund is as follows -

- (a) arrears of wages up to \$18,000 for services rendered not more than four months prior to the date of application;
- (b) wages in lieu of notice up to one month's wages or \$6,000, whichever is less; and
- (c) severance payment up to \$8,000 plus 50% of any excess entitlement over \$8,000 under the Employment Ordinance.

The coverage in respect of severance payment has not been revised since 1991. Statistics in 1993/94 indicate that it is inadequate as only 16.5% of applicants were able to obtain their full severance payment entitlements and only 47.4% could obtain over 75% of their entitlements. This coverage will further diminish as the overall wage levels continue to rise. There is, therefore, a need to amend the Protection of Wages on Insolvency Ordinance so as to expand the coverage of the Fund relating to severance payment.

We now propose that the maximum coverage in respect of severance payment be increased from \$8,000 plus 50% of any excess entitlements to \$24,000 plus 50% of any excess entitlements. This proposed improvement will enable low income employees, particularly those with a shorter length of service, to obtain a relatively higher percentage of severance payment from the Fund. We estimate that under the proposed coverage, 80% of applicants in 1995/96 and 1996/97 will be able to receive from the Fund for not less than 75% of their severance payment entitlements.

We do not, however, propose to make any changes to the payment ceilings in respect of arrears of wages and wages in lieu of notice for the time being because both of them were substantially increased in 1993. We will review the situation later this year.

The Fund is currently financed by a levy of \$250 on each business registration certificate. The proposal will unlikely have any additional cost impact on employers because the existing levy rate would be enough to cover the increased payments from the Fund.

Both the Labour Advisory Board and the Protection of Wages on Insolvency Fund Board have been consulted on this proposal and given their support to it.

Mr President, I beg to move.

End/Wednesday, July 19, 1995

Interpretation and General Clauses Ordinance

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Following is the speech by the Secretary for the Treasury, Mr K C Kwong, in moving the resolution on Interpretation and General Clauses Ordinance (Chapter 1) in the Legislative Council today (Wednesday):

Mr President,

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

The motion before Members seeks to increase the maximum statutory fines in various tax-related legislation to restore their real value.

The Criminal Procedure (Amendment)(No 2) Ordinance 1994 enacted in July 1994 introduced a scale of fines for statutory penalties not exceeding \$100,000. This enables the maximum fine level to be increased from time to time by a single order by the Governor in Council to take account of inflation and hence preserve the deterrent effect of the penalties. The standard scale of fines consists of six levels, ranging from \$2,000 at Level 1 to \$100,000 at Level 6.

The standard scale, however, does not take account of inflation in respect of fines specified in money terms before their conversion on to the scale. A review of existing fines is therefore necessary in order to cater for past inflation since their introduction or last revision until 1994 when the scale was introduced. I have now reviewed all the Ordinances under my purview, which relate primarily to tax collection and administration. I now propose to revise sixty-one items of statutory fines under eight Ordinances and five Regulations. They fall into three categories.

First, for fines at or below \$100,000 after adjustment for past inflation, they will be converted to the appropriate level of fines on the standard scale. There are 53 items in this category.

Second, for fines above \$100,000 after adjustment for past inflation, they will be expressed in money terms. There are six items in this category and they all involve serious offences concerning illegal dealings in dutiable commodities, including cigarettes and diesel oil.

Third, for daily fines and fixed penalties which are also outside the scope of the standard scale, they will be adjusted for inflation and will continue to be expressed in money terms. There are two items in this category, namely a daily fine under the Air Passenger Departure Tax Ordinance and a fixed penalty under the Dutiable Commodities Ordinance.

Actual penalties to be imposed will of course continue to be a matter for the courts. However, the higher maximum fines will give the courts wider scope to impose penalty on convicted offenders as they see fit. They will also help to deter potential offenders and encourage voluntary compliance, which is essential to efficient tax collection and administration.

Mr President, I beg to move.

End/Wednesday, July 19, 1995

HK Association of Banks (Amendment) Bill 1995: committee stage

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Following is the speech by the Secretary for Financial Services, Mr Michael Cartland, in moving the committee stage amendment of the Hong Kong Association of Banks (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr Chairman,

I move that clause 8 be amended as set out under my name in the paper circulated to Members.

The amendment seeks to clarify the arrangements for presiding over Consultative Council meetings of the Hong Kong Association of Banks. If the Chairman is present, he shall preside. The amendment sets out the detailed arrangements in the event of his absence. This is in response to a comment on detailed drafting made by the Hong Kong Association of Banks after the Bill had been gazetted.

Mr Chairman, I beg to move.

End/Wednesday, July 19, 1995

COMAC's Seventh Annual Report

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The Chief Secretary presented to the Legislative Council today (Wednesday) the Seventh Annual Report of the Commissioner for Administrative Complaints (COMAC).

A Government spokesman said: "We will respond to COMAC's Seventh Annual Report with a Government Minute."

The Government Minute would cover the action the Administration has taken or proposes to take in response to COMAC's recommendation in his reports on complaints investigated in July 1994 to June this year. It would be tabled in the Legislative Council in three months' time.

End/Wednesday, July 19, 1995

Sex education

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Following is a question by the Hon Tik Chi-yuen and a reply by the Secretary for Education and Manpower, Mr Michael Leung, in the Legislative Council today (Wednesday):

Question:

According to a survey conducted by the Curriculum Development Institute, some students begin to have intimate contacts and relationship with the opposite sex in varying degrees when they are in secondary school. Will the Government inform this Council:

- (a) what action has been taken, apart from carrying out research studies through the Chinese University of Hong Kong, to make the sex education curriculum more in tune with the needs of students;
- (b) how it can ensure that all teachers are provided with sufficient training to enable them to impart proper sexual knowledge to students; and
- (c) how it will promote co-operation between families and schools with a view to helping students to obtain proper sex knowledge?

Reply:

Mr President,

- (a) At present, over 60 topics relating to sex education are taught in the context of 9 different subjects at different levels in primary and secondary schools. The curriculum and syllabuses of these subjects are under constant review by the relevant Curriculum Development Council subject committees and updated regularly to keep up with changing needs. Up-to-date advice on sex education is also given to schools by subject inspectors during school visits, and to teachers through in-service teacher education programmes. The Education Department will undertake an overall review of the Guidelines on Sex Education in School in early 1996.
  
- (b) Over the past three years, a total of 2,550 pre-service and 363 in-service teachers have received training/retraining in sex education. In addition, an average of 120 teachers attend sex education courses organised by the Family Planning Association of Hong Kong each year. The Education Department also provides resource materials and teaching kits to schools in support of their teaching activities, with further teaching or display materials available to schools at the Department's two Sex Education Resource Centres. In the past three years, 62 schools have borrowed such materials from the two Resource Centres.
  
- (c) Following the recommendation of Education Commission Report No. 5, a Committee on Home-School Co-operation was set up to advise the Government on ways to stimulate and co-ordinate sustained progress in home-school co-operation. Since its inception in 1993, the Committee has been actively promoting co-operation between schools and parents via measures such as establishment of Parent-Teacher Associations and organising district parent education programmes. The Committee will soon conduct a survey of parents' views on sex education. The findings of the survey will provide the data base on how families and schools may work together to help students in this respect.

End/Wednesday, July 19, 1995

Rights enjoyed by female indigenous villagers

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

Question:

Will the Government inform this Council:

- (a) what customary rights are being enjoyed by the female indigenous villagers of the New Territories; and what are the changes in these customary rights after the passage of the New Territories Land (Exemption) Bill and the Sex Discrimination Bill; and
- (b) what measures are being adopted by the Government to promote the customary rights and those new rights under the New Territories Land (Exemption) Ordinance and the Sex Discrimination Ordinance among the female indigenous villagers?

Reply:

Mr President,

By virtue of their indigenous status, female indigenous villagers are entitled to exemption of rates in respect of the village houses in which they live and to concession of Crown rents in respect of rural land and property which they hold. They are also permitted to be buried in the New Territories within approved areas outside gazetted cemeteries.

These are not changed in any way by the enactment of the New Territories Land (Exemption) Ordinance and the Sex Discrimination Ordinance.

Government maintains continual efforts in promoting female indigenous villagers' awareness and understanding of their rights. Following enactment of the New Territories Land (Exemption) Ordinance, a publicity leaflet explaining the purpose and the key features of the Ordinance was distributed to all villagers. A special television civic education programme which focused particularly on the rights of female indigenous villagers under this Ordinance was produced last November. In addition, Liaison Officers in the New Territories District Offices also helped explain the provisions of the new legislation to villagers. Similar publicity will be made to promote understanding of the provisions of the new Sex Discrimination Ordinance.

End/Wednesday, July 19, 1995

Rules on briefing out prosecution and legal aid cases

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Following is a question by the Hon Emily Lau and a reply by the Attorney General, the Hon Jeremy Mathews, in the Legislative Council today (Wednesday):

Question:

In reply to a question at the LegCo Sitting on 21 June 1995, the Government revealed that a barrister in private practice who was the husband of the Deputy Director of the Legal Aid Department has been assigned 17 legal aid cases by the Legal Aid Department during the period from 1 January 1994 to 1 May 1995. The fees of 11 of these cases had been settled, which involved a total of over \$800,000. In this connection, will the Government inform this Council:

- (a) whether the Legal Aid Department and the Legal Department have laid down any rules, specifying the conditions under which cases are permitted to be briefed out to relatives of senior staff in the two departments; if so, what these rules are; and
- (b) how these two departments ensure that the existing monitoring mechanism is effective to prevent unfairness and favouritism in the briefing out of cases?

Reply :

Mr President,

All civil servants are subject to rules relating to conflict of interest, which give guidance on how a conflict of interest can be avoided and the appropriate course of action to be taken if such a conflict arises. In the Legal Aid Department and the Legal Department, a circular setting out details of these rules is circulated once every 6 months to remind all staff that they should avoid or declare, as appropriate, any conflict that may arise.

For the Legal Aid Department, all professional officers on first appointment are required to declare the names of any private practitioners on the Legal Aid Panel who have a close personal relationship with them. "Close personal relationship" includes immediate family members.

In addition, professional officers are required, on an individual case basis, to make a declaration to their supervising officer if an assignment involves a conflict of interest. The supervising officer would then consider whether it would be more appropriate to assign the case to another private practitioner or to instruct another professional officer to handle the case. Where the supervising officer has a conflict of interest with the proposed private practitioner, the proposal would be submitted to the supervising officer's own supervisor for approval.

These arrangements were put into place on 30 June of this year on the advice of the Corruption Prevention Department of the ICAC; and will be kept under regular review by the Departmental Monitoring Committee chaired by the Director of Legal Aid, and attended by a representative from the ICAC. The monitoring committee, including a member of the ICAC, has been scrutinising assignments since 1993. The whole committee were aware that the Deputy Director is the spouse of a member of the Bar.

Mr President, as regards the Legal Department, the civil service rules on conflict of interest to which I have just referred apply and there are no additional rules relating to briefing out of cases to relatives of senior staff. In fact, no directorate staff within the Prosecutions or Civil Divisions of the department has any relatives at the private Bar. Two have relatives working in solicitors' firms but so far as we can ascertain no government legal work has been assigned to these firms. The present briefing out procedures of the Legal Department have developed over the years and have incorporated changes recommended by the ICAC following reviews in 1988, 1990 and 1993, as well as new measures adopted by the Director of Public Prosecutions early this year. As Members are aware, a broadly based Working Party has recently been set up to review briefing out procedures in the Legal Department. That working party will look into the question of briefing out to relatives to see whether further improvements are necessary.

The existing system in the Legal Department for briefing out cases is designed to prevent unfairness and favouritism. Briefing out of standard criminal cases is done on the basis of rotation and availability of counsel on the briefing out lists. For all cases of unusual length and complexity, or those which involve fee negotiation, at least two directorate officers are involved in the selection process, with the final approval resting with the Law Officer concerned. In all cases, a written record is kept on file of the time and date of contact, the name of counsel contacted, the results and the reason for selecting a particular counsel.

End/Wednesday, July 19, 1995

Legal aid officers required to declare conflict of interest

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Since June 30 this year, all professional officers of the Legal Aid Department (LAD) are required on first appointment to declare the names of any private practitioners on the Legal Aid Panel who have a close personal relationship with them, the Attorney General, the Hon Jeremy Mathews, said in the Legislative Council today (Wednesday).

Mr Mathews was replying to a question raised by the Hon Emily Lau concerning assignment of legal aid cases to a barrister in private practice who was the husband of the Deputy Director of the department. The barrister had been assigned 17 cases by LAD between January 1 last year and May 1 this year.

Mr Mathews said under the arrangements, all professional officers of the LAD were required, on an individual case basis, to make a declaration to their supervising officer if an assignment involved a conflict of interest. The supervising officer would then consider whether it would be more appropriate to assign the case to another private practitioner or to instruct another professional officer to handle the case.

"Where the supervising officer has a conflict of interest with the proposed private practitioner, the proposal would be submitted to the supervising officer's own supervisor for approval," he said.

He said these arrangements were put into place on the advice of the Corruption Prevention Department of ICAC; and would be kept under regular review by the Departmental Monitoring Committee chaired by the Director of Legal Aid, and attended by a representative from the ICAC.

"The monitoring committee, including a member of the ICAC, has been scrutinising assignments since 1993. The whole committee were aware that the Deputy Director is the spouse of a member of the Bar," Mr Mathews said.

He noted that the professional officers of the LAD and Legal Department, like all civil servants, were subject to rules relating to conflict of interest, which gave guidance on how a conflict of interest could be avoided and the appropriate course of action to be taken if such a conflict arises.

A circular setting out details of the rules was circulated in both departments once every six months to remind all staff that they should avoid or declare, as appropriate, any conflict that might arise, he added.

In the Legal Department, Mr Mathews said no directorate staff within the Prosecutions or Civil divisions of the department had any relatives at the private Bar.

"Two had relatives working in solicitors' firms but so far as we can ascertain no government legal work has been assigned to these firms," he added.

Mr Mathews said the present briefing out procedures of the Legal Department had developed over the years and had incorporated changes recommended by the ICAC following reviews in 1988, 1990 and 1993, as well as new measures adopted by the Director of Public Prosecutions early this year.

A broadly based Working Party recently set up to review briefing out procedures in the department would also look into the question of briefing out to relatives to see whether further improvements were necessary, he added.

He noted that the existing system in the Legal Department for briefing out cases was designed to prevent unfairness and favouritism.

He said: "Briefing out of standard criminal cases is done on the basis of rotation and availability of counsel on the briefing out lists.

"For all cases of unusual length and complexity, or those which involve fee negotiation, at least two directorate officers are involved in the selection process, with the final approval resting with the Law Officer concerned. "In all cases, a written record is kept on file of the time and date of contact, the name of counsel contacted, the results and the reason for selecting a particular counsel."

End/Wednesday, July 19, 1995

#### Quality of water from Dongjiang River

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Following is a question by the Hon Allen Lee and a reply by the Secretary for Works, Mr James Blake, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council :

- (a) whether the water piped into the territory from the Dongjiang River contains a substance which may cause osteocarcinoma; and
- (b) why the Water Supplies Department has refused, for fear of arousing panic among the public, to provide the media with data on the quality of water from the Dongjiang River before being processed by the territory's water treatment works?

Reply:

Mr President,

- (a) From our analysis, there is no evidence to suggest that the raw water from Dongjiang River contains substances at levels likely to cause osteocarcinoma. Furthermore, the quality of our treated water complies with the Guideline Values of Drinking Water Quality of the World Health Organisation, and hence is completely safe to drink.
- (b) There was no question of withholding data on the quality of Dongjiang River water in order to avoid public panic. In fact, such data has been provided on various occasions upon request, including members of this council.

The amount of data on the tests to control the quality of both raw and potable water, is very considerable. Each year, over 600,000 tests are carried out on raw and treated water, and each test result is intended to be understood by a trained person. Improper interpretation by a non-scientific writer could convey the wrong message to the public at large.

We will review information channels to ensure that the laboratory testing procedures, the internal standards of compliance, and the correct interpretation of results are available to the public upon request.

End/Wednesday, July 19, 1995

Responses on the Consultation Paper on Legal Services

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Following is a question by the Hon Jimmy McGregor and a reply by the Attorney General, the Hon Jeremy Mathews, in the Legislative Council today (Wednesday):

Question:

The Attorney General informed the Hong Kong Democratic Foundation at a recent meeting that he expected to receive all the relevant responses on the Consultation Paper on Legal Services, and to have them collated, by the end of this year. In this regard, will the Government inform this Council when the Government expects to present any legislation that is necessary in this matter to this Council for consideration?

Reply:

Mr President,

The consultation exercise is still in progress. When that exercise is completed, the Administration will have to evaluate all the responses from the community and decide whether any changes in respect of legal services are needed. Only after that decision is made will we know whether legislation is required. I hope however that, if it is needed, the legislation will be introduced some time in 1996.

End/Wednesday, July 19, 1995

Views on Consultation Paper on Legal Services to be assessed

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The Administration will evaluate all the responses from the community on the Consultation Paper on Legal Services after its consultation period is completed by the end of this month and will then decide whether any changes in respect of legal services are needed, the Attorney General, the Hon Jeremy Mathews, said in the Legislation Council today (Wednesday).

Replying to a question raised by the Hon Jimmy McGregor, Mr Mathews said only after that decision was made would the Administration know whether legislation was needed.

"I hope however that, if it is needed, the legislation will be introduced some time in 1996," he said.

End/Wednesday, July 19, 1995

Criminal liability for deaths arising from HAIs

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Following is a question by Dr the Hon Samuel Wong Ping-wai and a reply by the Secretary for Planning, Environment and Lands, Mr Bowen Leung, in the Legislative Council today (Wednesday):

Question:

It is learnt that the Government is proposing to make the Authorised Persons in charge of a construction project criminally responsible, over and above their present professional liability, for deaths arising from lapses in safety on construction sites, which total about 75 deaths per year, representing a risk probability of about 0.125% per construction manual worker. Figures released recently by the infection control unit of the Queen Mary Hospital indicate that lapses in safety or hygiene in hospitals have resulted in about 8% of patients contracting a hospital-acquired infection which may lead to several thousand deaths per year. As the safety risk of hospital patients dying from hospital-acquired infections is several times higher than that of construction workers dying from construction site accidents, will the Government inform this Council whether consideration will also be given to making the doctor in charge criminally responsible for deaths arising from hospital-acquired infections, over and above their present professional liability; if not, why is professional liability regarded as sufficient in the medical profession and not in the much less risky field of the construction profession?

Mr President,

I would first like to point out that we are not comparing like with like when we talk about hospital-acquired infections (HAIs) and construction site accidents. I am advised that HAIs in Hong Kong are generally not due to lapses in safety or hygiene in hospitals. They are attributable principally to the following reasons:

- (a) The immunity defences of many patients are already weakened by their pre-existing illnesses which may make them particularly susceptible to infections.
- (b) Many aspects of medical care require the use of invasive techniques for diagnoses, monitoring and therapy. These techniques may result in a higher probability of infection among hospitalised patients when compared with normal persons, despite the greatest care exercised by medical personnel.

As there are many factors leading to HAIs, it is difficult, if ever possible, to pinpoint the cause of the infection to be the negligence of the attending doctor. However, I am advised that in the course of treating patients, medical professionals are not immune from criminal liabilities. If a doctor causes death by recklessness, he may be liable for manslaughter, in addition to civil and professional liabilities.

In the case of construction sites, the consequences of an accident, for example a building collapse, may be disastrous and massive. We have seen this in Hong Kong and more recently, very dramatically elsewhere.

Though much has been done in recent years to promote industrial safety, the construction industry has remained a major area of concern for the Government and community. The industry employs less than 8% of the total industrial workforce, but it consistently accounts for more than 1/3 of all industrial accidents. This is a clear and urgent need for strengthening supervision at construction sites and the public expects it.

It is not the intention of Government to make Authorised Persons (APs) or Registered Structural Engineers (RSEs) criminally responsible for deaths arising from construction site accidents. In asking his question, I believe Dr the Hon Samuel Wong is referring to the Buildings (Amendment) (No. 2) Bill 1995. Government's main objective in the Bill is to strengthen safety assurance at construction and demolition sites. APs, RSEs and Registered Contractors are now already required under the law to provide supervision but it has not been satisfactory as there is inadequate sanction. One of the proposals of the Bill is aimed to clarify how all concerned, including APs and RSEs, will maintain a proper level of supervision during the construction or demolition process and to provide sanctions for failure. The level of supervision to be required will normally be prescribed in a supervision plan to be approved by the Building Authority.

It is not unreasonable that a person who fails to fulfil his duties and thereby puts other people's lives at risk should bear criminal liability. Criminal offences are already provided under the existing Buildings Ordinance against certain misconduct committed by APs and RSEs, such as deviation from approved building plans and failure to notify the Building Authority of contraventions to the Buildings Ordinance. Penalties vary with different offences, and range from a fine of \$2,000 and imprisonment for 6 months to a fine of \$250,000 and imprisonment for 3 years. They were put into the law to ensure adequate protection of public safety.

End/Wednesday, July 19, 1995

#### Hong Kong's trade deficits up

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

Question:

Hong Kong's trade deficits (in HK\$ Billion) have increased as follows:

	<u>1993</u>	<u>1994</u>	<u>% change</u>	<u>1994</u>	<u>1995</u>	<u>% change</u>
				(Jan-Apr)		
Deficit	26.3	80.7	+206%	24.4	56.9	+133%

With the deficit in 1994 having more than trebled than that in 1993 and again more than doubled during the first four months in 1995 as compared with that in the corresponding period in 1994, will the Government inform this Council of the reasons for this trend and the implications for the territory's economy?

Reply:

The Hong Kong economy indeed experienced a deterioration in visible trade deficit over the course of 1994 and in the first four months of 1995. The most significant factors leading to this deterioration were a sharp rise in import requirements for manufacturing production and infrastructural construction, as well as a greater intake of machinery and equipment for capacity expansion and productivity enhancement. Also, the visible trade deficit situation was exacerbated by changes in external conditions, specifically the global recovery in demand causing an upsurge in world commodity prices, a weakened Hong Kong dollar along with the US dollar, and high inflation in China, which led to a continued deterioration in the terms of trade (i.e. import prices rising faster than export prices) for Hong Kong in recent quarters. Thus the enlargement in visible trade deficit in recent quarters was more a consequence of increased demand for production and investment, rather than one of increased demand for consumption. This should underpin overall economic growth in the coming months, as well as help to raise productive capacity generally.

Also noteworthy is the fact that Hong Kong generally has run a deficit on visible trade, but the invisible trade account has been consistently in surplus. As a result, the combined visible and invisible trade account has maintained an overall surplus, except for some earlier years. In 1994, the surplus on invisible trade was reckoned as again more than enough to offset the visible trade deficit, thus giving a small surplus on the combined account. Although figures on invisible trade for the first few months of 1995 are not yet available, the accelerated growth in visible trade and hence trade-related services, continued surge in transshipment, and steady rise in incoming tourists suggest that a further notable increase in exports of services should have been attained. Accordingly, the surplus on invisible trade in that period should still be able to offset substantially the deficit on visible trade.

End/Wednesday, July 19, 1995

Health care for Vietnamese boat people

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The following is a question by Dr the Hon Lam Kui-chun and a written reply by the acting Secretary for Security, Mr Ken Woodhouse, in the Legislative Council today (Wednesday):

Question:

Regarding the provision of health care for Vietnamese Boat People (VBP), will the Administration inform this Council how much money has been spent to date on:

- (i) health care provided in VBP detention centres;
- (ii) obstetrical care provided in public hospitals; and
- (iii) all other health care provided in public hospitals?

Reply:

Mr President,

The total expenditure incurred by the Department of Health on health care for Vietnamese migrants in the detention centres since 1989 is \$133 million.

The cumulative charges imposed by the Hospital Authority from 1992/93 to 1994/95 for the provision of obstetrical care and other health care to Vietnamese migrants in public hospitals are estimated to be \$1.13 million and \$3.86 million respectively. These charges, which are met by the office of the United Nations High Commissioner for Refugees, represent about 2% of the actual cost of the services provided. A breakdown of hospital care figures as between obstetrical and other health care for the years before 1992-93 is not available.

End/Wednesday, July 19, 1995

Loss of crops compensation for farmers

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

Question:

At present, the Government only grants ex-gratia compensation for crops cultivated within a distance of ten metres from the affected structures in "non-development clearances" (NDCs) of structures on agricultural land. The affected farmers generally have expressed great dissatisfaction with the compensation offered by the Government. Some of them even refuse to relocate, thus hampering the clearances. In view of this, the LegCo Panel on Planning, Lands and Works has urged the Government to review the existing policy on crop compensation. In this connection, will the Government inform this Council:

- (a) of the total amount of ex-gratia compensation for the loss of crops arising from NDCs paid in 1994/95; and
- (b) whether it has conducted a review of the method of calculating crop compensation for NDCs; if so, what the scope of the review is, what progress has been made; and when the review will be completed?

Answer:

Mr President,

- (a) The total amount of ex-gratia allowance for the loss of crops arising from NDCs paid in 1994-95 is \$1.02 million.
- (b) A review on the policy on crop compensation in NDCs is underway. Its scope includes the eligibility criteria for crop compensation and the basis for the determination of the clearance area. This is a complex issue. Changes to the method for calculating the ex-gratia allowance may affect the timing of NDC programmes, in addition to financial and resources implications.

End/Wednesday, July 19, 1995

**Parking space in public housing estates**

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

**Question:**

With regard to car-parks in Private Sector Participation Scheme housing estates, will the Government inform this Council:

- (a) whether the Housing Authority has laid down the proportion of hourly rental spaces, monthly rental spaces and spaces for sale provided in such car-parks; if so, what the proportion is;
- (b) if the answer to (a) is in the negative, what measures will be taken to tackle the problem of developers progressively increasing the proportion of hourly rental spaces and spaces for sale in such car-parks in pursuit of profits, resulting in insufficient provision of monthly rental spaces to meet residents' demand;
- (c) of the method used in dealing with speculation in parking spaces of such car-parks; and
- (d) whether there is any plan to review the present policy of allowing the offer of parking spaces in such car-parks for sale to the public; if so, what the details are and when the review will take place; if not, why not?

**Answer:**

**Mr President,**

As with other sites sold by the Government for residential development, the conditions of sale for sites under the Private Sector Participation Scheme (PSPS) contain no restriction on the proportion of private car parking spaces to be sold or leased.

Under the PSPS, private car parking spaces must, however, be used for the parking of private motor vehicles belonging to residents and their visitors. This requirement aims to provide adequate parking spaces for residents. It is not practicable to set a fixed ratio for hourly and monthly parking spaces, or for rental and sale spaces, as the demand in each category is difficult to forecast.

In order to prevent speculation in parking spaces, the following restrictions on disposal have been imposed on all PSPS projects since 1993:

- (a) the developer can assign or sublet car parking spaces only to the owners of residential units; and
- (b) not more than one parking space may be assigned or sublet to each flat owner.

The Government will review the effectiveness of these restrictions at the end of 1996 when the first project with such restrictions is completed.

End/Wednesday, July 19, 1995

#### Complaints handled by Medical Council

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Following is a question by Dr the Hon Conrad Lam and a written reply by the acting Secretary for Health and Welfare, Mrs Shelley Lau, in the Legislative Council today (Wednesday):

Question:

Is the Government aware of the operation of the Medical Council; if so, will the Government inform this Council:

- (a) of the number of complaint cases handled by the Medical Council in each of the past three years;
- (b) which are the three types of complaint cases most frequently received, as classified by the nature of complaint; and
- (c) whether it is aware of any progress that the Council has made in enhancing its transparency in the past three years?

Reply:

The Government is fully aware of the operation of the Medical Council of Hong Kong.

- (a) During the past three years, that is in 1992, 1993 and 1994, the Medical Council received a total of 126, 134 and 170 complaint cases respectively.
- (b) The three types of complaint cases most frequently received in the past three years, as classified by the nature of the complaint, are as follows :
- |      |  |     |
|------|--|-----|
| I.   | Disregard of professional responsibilities to patients | 229 |
| II.  | Advertising  | 29  |
| III. | Untrue or misleading medical certificates              | 28  |

Individual cases of professional misconduct under the category of "Disregard of professional responsibilities to patients" varies from "wrongly advising the patient of the diagnosis or the disease he is suffering from" to "failing to provide a medical report or information on request of patient".

- (c) Over the past few years, the Medical Council has made considerable progress in enhancing the transparency of its work. All its disciplinary inquiries, except for cases where special circumstances pertain, are now open to the public.

Apart from disseminating information of public interest regularly through the media and professional groups, the Council's representatives will also brief the press on the work and major decisions of the Council as and when necessary.

In addition, information leaflets in both languages on the Medical Council and its processing of public complaints on professional misconduct are also available in the Secretariat of the Medical Council for members of the public.

With regard to complaints, complainants are now given full reasons as far as possible when their complaints have been dismissed.

End/Wednesday, July 19, 1995

Student Travel Allowance Scheme

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

Question:

As the Student Travel Allowance Scheme aims at subsidising the traffic expenses of needy students for travelling between home and school, applicants are required to pass a family means test so as to ensure that the subsidy will be given to students who are in genuine need of assistance. In view of this, will the Government inform this Council :-

- (a) of the reasons why there is an age-limit imposed under the Scheme to deny subsidy to full-time students over the age of 25; and
- (b) whether this measure will pose financial problems for full-time students over the age of 25 from low-income families, contrary to the objective of the Scheme?

Reply:

Mr President,

- (a) The Student Travel Subsidy Scheme (STSS) was introduced as a non-means-tested Scheme in October 1988 to replace the former Student Travel Card Scheme (STCS). The objective of the STSS is to provide subsidies to students for part of the cost of trips between home and the place of study and part of the cost of trips for extra-curricular activities. All full-time students up to the first degree level who are under the age of 25 and have to take public transport to school by paying the full fare are eligible to apply. The STSS was revised to become means-tested in 1991 with the other criteria remaining unchanged. The age limit criterion was inherited from the STCS on the assumption that students reaching the age of 25 should, in general, be able to support their own travel expenses.

- (b) The Administration has not received any formal complaints that the age limit criterion has posed financial problems to full-time students over the age of 25.

In view of the expansion in tertiary education and the social changes in recent years, the Administration will review, having regard to the objective of the means-tested STSS, whether the age limit criterion should be modified.

End/Wednesday, July 19, 1995

Community development project

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

Question:

As the Government is contemplating to recommend to the Executive Council to phase out the "Neighbourhood Level Community Development Project" (NLCDP) service, will the Government inform this Council:

- (a) of the staff resources and expenditure involved in the NLCDP service over the past three years;
- (b) what organisation will take over the community service currently provided under the Project in the catchment areas of some old districts (including Nam Cheong area of Sham Shui Po and Mong Kok South area of Mong Kok) upon the termination of the NLCDP service; and
- (c) whether residents of the affected districts will be consulted on the proposal to phase out the NLCDP service?

Reply:

Mr President:

My reply is as follows:

- (a) NLCDPs are carried out by non-governmental organisations with full subvention from SWD. For each NLCDP team, the notional staffing comprises 1/5 Social Work Officer, 1 Assistant Social Work Officer, 2 Social Work Assistants and 1 Clerical Assistant. The manpower and financial input for the past three years are as follows :

	<u>1992/93</u>	<u>1993/94</u>	<u>1994/95</u>
No. of Teams	52	53	54
Actual Expenditure (\$Mn)	38.094	44.344	50.225

- (b) A comprehensive range of welfare services are provided throughout the territory including old urban areas in accordance with planning standards based on target population or actual demands. Activities and services for community building are catered for under the District Administration which is fully implemented in all 18 districts. In view of the above, the Government does not, at this stage, foresee the need for another organisation to take over the two pilot NLCDP projects in Nam Cheong and Mong Kok South when they will come to an end in 3 years' time.
- (c) We have held many meetings with the Hong Kong Council of Social Services, the Social Workers' General Union, NLCDP workers, and residents' groups to explain to them the reasons for rationalising the NLCDP service. We have also attended DB meetings to discuss the issue. We have been able to hear many views on the subject. These views will be fully taken into account when the matter is considered by the Executive Council.

End/Wednesday, July 19, 1995

Relationship between ExCo and LegCo after 95 election

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Following is a question by the Hon Allen Lee Peng-fei and a written reply by the Chief Secretary, the Hon Anson Chan, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council whether it has any draft plan on how to determine the mode of relationship between the Executive and Legislative Councils after the 1995 Legislative Council election, and whether the determination of this mode of the relationship between the two Councils will be dependent upon the outcome of the forthcoming Legislative Council election?

Reply:

Mr President,

At present, we are still considering whether the present mode of relationship between the Executive and Legislative Councils should be changed after the 1995 Legislative Council election and if so, how. We will not be in a position to make a decision until after the forthcoming Legislative Council election, and will take all relevant factors into consideration.

End/Wednesday, July 19, 1995

Substitute teachers in Govt schools

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Following is a question by the Hon Tik Chi-yuen and a written reply by the Secretary for Education and Manpower, Mr Michael Leung, in the Legislative Council today (Wednesday):

Question :

Regarding the employment of substitute teachers in government schools in Hong Kong, will the Government inform this Council:

- (a) of the proportions of substitute teachers to teaching staff, as well as the respective maximum and average numbers of substitute teachers employed in primary and secondary government schools throughout the territory in each of the past three years; and
- (b) whether the current regulations governing the recruitment of teachers will be amended, so that schools may employ fewer substitute teachers?

Reply:

Mr President,

- (a) The maximum number, average number and proportion of substitute teachers employed in Government primary and secondary schools in the Hong Kong Island, Kowloon and New Territories regions to fill vacancies in the past three years are listed below :

(1) Government Primary School

	1991/92			1992/93			1993/94		
	HKI	K	NT	HKI	K	NT	HKI	K	NT
Maximum No. of substitute teachers (Note (ii))	41	45	23	24	37	12	29	44	36
Average No. of substitute teachers (Note (iii))	36	40	21	17	34	9	22	35	28
Proportion (%) of substitute teachers to teaching staff (Note (iv))	11	7.6	5.9	5.3	6.7	2.6	6.7	6.9	7.3

(2) Government Secondary School

	1991/92			1992/93			1993/94		
	HKI	K	NT	HKI	K	NT	HKI	K	NT
Maximum No. of substitute teachers (Note (ii))	36	44	105	50	40	101	43	55	96
Average No. of substitute teachers (Note (iii))	32	35	90	36	34	89	34	44	87
Proportion (%) of substitute teachers to teaching staff (Note (iv))	5.9	7.1	9.7	6.8	7.6	9.2	6	10.8	9.2

Notes

- i) HKI - Hong Kong Island; K - Kowloon; NT - New Territories
- ii) This refers to the largest number of substitute teachers employed by all Government schools in the region during the school year.
- iii) This is the average of the largest number and the smallest number of substitute teachers employed by all Government schools in the region during the school year.
- iv) This is calculated by the following formula :

$$\frac{\text{Average number of substitute teachers}}{\text{Total teaching staff establishment in government schools in the region}}$$

- (b) There is no need to amend the current regulations for the recruitment of Government school teachers which generally follow the civil service appointment rules and procedures. The Education Department has exercised flexibility wherever necessary, for example, mounting additional recruitment exercises in case of a shortfall. The Department will continue to monitor the recruitment situation and introduce further improvements as required.

End/Wednesday, July 19, 1995

University teachers undertake outside work

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

Question:

Is the Government aware that some of the teaching staff in universities undertake outside work on a part-time basis to earn extra money; if so, will the Government ask the management of the universities concerned to provide the following information:-

- (a) whether this phenomenon is common in the universities;
- (b) what are the procedures and criteria adopted by the university management in considering applications submitted by university teaching staff for permission to undertake outside work;
- (c) what information the teaching staff are required to provide to the university management when making such applications;
- (d) what areas of outside work are undertaken by university teaching staff; and
- (e) what is the highest annual remuneration which a university teaching member has received for undertaking outside work in the past three years?

Reply:

Mr President,

The Government is aware that, subject to the relevant regulations established by individual institutions, academic staff in the UGC-funded institutions are allowed to undertake outside practice. Different institutions adopt slightly different definitions of the term "outside practice". In general it refers to the use by a staff member of professional knowledge and skill outside of, or in addition to, their normal duties for reward, including fees, honoraria, retainers and any other remuneration.

- (a) From the records of the UGC-funded institutions, about 18% of the full-time academic staff engaged in outside work on a regular or ad hoc basis in 1994-95.
  
- (b) All UGC-funded institutions have established procedures and guidelines governing their staff's engagement in outside work. Procedures differ slightly. In general, a staff member must seek the permission of the Head of the Department concerned, or in some cases the Head of the institution concerned, to engage in outside practice. The criteria adopted in considering such applications include the requirement that :-
  - (i) the outside practice does not interfere with the normal duties of the staff member and there will be no conflict of interest; and
  - (ii) the aggregate amount of time spent on outside practice by a staff member should not exceed an average of about one working day per week.
  
- (c) The information which staff applying for outside practice must submit to the management of the institutions generally includes name of the client; nature of the outside work; the number of working hours involved in outside work; the level of remuneration and whether there will be any use of the institution's facilities.
  
- (d) The areas of outside work undertaken by staff could be grouped into the following three categories:-
  - (i) general educational work such as literary work, examining, authorship of manuscripts, occasional broadcast or televised talks, occasional lectures and seminars and part-time teaching of continuing education courses;
  - (ii) consultancy and professional practices such as laboratory tests, computer programmes, giving expert professional evidence in legal proceedings, accountancy service and legal service; and

- (iii) private clinical practice which includes private patients who are referred for consultation in the teaching hospital and/or those who receive in-patient treatment within the hospital in the private wards, and consultations outside of the hospital usually at the request of a doctor in private practice.
  
- (e) The level of remuneration which staff receive for outside work varies significantly depending on its nature. According to records available, in the past three years, the highest annual remuneration which a member of staff in the UGC-funded institutions received for undertaking outside work was in respect of a clinical academic who earned about \$560,000.

End/Wednesday, July 19, 1995

Patients seeking accident and emergency treatment

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

Question:

Will the Government inform this Council:

- (a) of the number of patients seeking treatment at the accident and emergency departments of public hospitals, together with the percentages of patients seeking treatment during daytime (8:00 am - 4:00 pm), evening (4:00 pm to midnight) and midnight to early morning (midnight - 8:00 am) respectively in each of the past three years; and
  
- (b) in each of the periods mentioned in (a) above, how many patients required admission or referral to specialist clinics for follow-up; how many were trauma cases and how many were cases that could have been treated in general out-patient departments?

Reply:

The information requested is summarised below -

	1992/93	1993/94	1994/95
Total no of attendance	1,402,451	1,492,637	1,733,040
No of traumatic cases	276,000	308,100	349,700
Rate of hospital admission	21.7%	21.2%	20%
Rate of referral to specialist clinics ( <i>Note 1</i> )	5.2%	4.6%	3.8%
Cases seeking treatment from 8:00 am to 4:00 pm	41%	41%	41%
Cases seeking treatment from 4:00 pm to 12:00 am	42%	42%	42%
Cases seeking treatment from 12:00 am to 8:00 am	17%	17%	17%

*Note 1* : the declining rate of referral is attributable to initiatives taken by the Hospital Authority to relieve the workload of specialist clinics by providing follow-up treatment at accident and emergency departments for cases that do not require on-going specialist care.

It is difficult to estimate with accuracy the proportion of accident and emergency cases which could have been treated in general out-patient clinics. From the experience gained in the triage system of all accident and emergency departments in public hospitals, about 10 to 20 % of cases could be categorised as non-urgent. However, from the perspective of individual patients, it is understandable that they assume their condition to be of sufficient urgency or severity to warrant immediate medical attention.

End/Wednesday, July 19, 1995

Drug abuse centres

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

Question:

It is learnt that the Hospital Authority is planning to set up "Drug Abuse Centres" in six public hospitals, in view of the worsening problem of drug abuse among young people. In this connection, will the Government inform this Council:

- (a) of the locations of the six "Drug Abuse Centres" mentioned above and when these centres will be established; and
- (b) whether "Counselling Centres for Young Drug Abusers" will be set up in these six locations to complement the "Drug Abuse Centres" so as to make the work of these two types of centres more effective; if not, why not?

Reply:

Mr President,

The locations and the commencement dates of the Hospital Authority's six Substance Abuse Clinics are as follows:

	<u>Location</u>	<u>Commencement date</u>
1	Kowloon Hospital, Mong Kok	1 April 1994
2	Pamela Youde Nethersole Eastern Hospital, Chai Wan	14 February 1995
3	Prince of Wales Hospital, Sha Tin	1 April 1995
4	South Kwai Chung Polyclinic, South Kwai Chung	1 April 1995

- |   |                               |                |
|---|-------------------------------|----------------|
| 5 | Queen Mary Hospital, Pokfulam | 1 July 1995    |
| 6 | Tuen Mun Polyclinic, Tuen Mun | 14 August 1995 |

At present, there are two counselling centres which provide services to psychotropic substance abusers, namely PS33 in Tsim Sha Tsui, run by the Hong Kong Christian Service, and Direction in Wan Chai, operated by the Society for the Aid and Rehabilitation of Drug Abusers. The Government is committed to setting up a similar counselling centre in the New Territories. There is, and will continue to be, close co-operation between the Substance Abuse Clinics and the counselling centres, so that their effectiveness can be enhanced.

End/Wednesday, July 19, 1995

#### Dispensing of medicines by private doctors

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Following is a question by Dr the Hon Conrad Lam and a written reply by the acting Secretary of Health and Welfare, Mrs Shelley Lau, in the Legislative Council today (Wednesday):

#### Question:

As the private medical practitioners in the territory at present dispense medicines directly to patients in addition to giving diagnosis, will the Government inform this Council of the following :

- (a) of the reason for adopting such a practice, and how long this practice has been followed;
- (b) which advanced countries in Europe and America are still adopting such a practice; and
- (c) whether the Government will consider training up a sufficient number of pharmacists capable of providing professional dispensing service to patients so as to improve dispensing service to meet the needs of the community; if so, when such training will be provided; if not, why not ?

Reply:

The dispensing of medicines by private medical practitioners to patients is not unique to Hong Kong and is practised by our neighbours such as Japan and Singapore. Indeed we are not aware of any country which prohibits private medical practitioners by statutory means from dispensing medicines. In countries such as the UK and USA, separate dispensing of medicines by pharmacists is usually achieved by reimbursing the costs arising from medical consultations and the dispensing of medicines to doctors and pharmacists respectively through an insurance system. Even then, doctors are permitted to dispense medicines to their patients where pharmacists are not easily accessible.

Whilst we are not sure how long the practice of the dispensing of medicines by private medical practitioners has existed in Hong Kong, this one-stop arrangement has worked well for many years. It is convenient to patients and ensures clear accountability for the proper care and safety of patients. However, patients do have the right, if they so wish, to request their doctor to issue prescriptions to be filled by pharmacists. This practice was adopted by the Hong Kong Medical Association as far back as 1981.

Currently, the Chinese University of Hong Kong (CUHK) is offering a 3-year Bachelor degree course in Pharmacy. The first batch of 31 students will graduate this year. Whilst the intake level of the bachelor degree programme will remain at about 30 throughout the 1995-98 triennium, CUHK plans to introduce a Master of Philosophy programme for bachelor degree holders in pharmacy from 1996.

End/Wednesday, July 19, 1995

Medical services for Yuen Long residents

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

Question:

With the future development of 200 hectares of land in the north of Tin Shui Wai, it is estimated that the population of Yuen Long district (including Tin Shui Wai) will exceed 900,000 by the year 2000. In this connection, will the Government inform this Council:

- (a) whether there is any plan to build a hospital in the Tin Shui Wai area in anticipation of the growth in population; if so, what the timetable of the plan is; if not, why not; and
- (b) what measures are currently in place to reinforce the medical services in the area so as to meet the demand of the continuous growth in population?

Reply:

An overall review, similar to the one carried out in 1992, is currently being conducted by the Hospital Authority to update the projected demand and supply of public hospital beds in the territory. The medical services required to cater for residents in the Yuen Long District, including Tin Shui Wai, will be covered as part of this exercise.

In response to growing patient demand, the Hospital Authority has taken steps in the last few years to enhance the scope of services and specialised facilities offered by the cluster network comprising Tuen Mun Hospital, Pok Oi Hospital and Fanling Hospital. Apart from other improvement measures which might be pursued following the review mentioned above, completion of North District Hospital with 600 beds in mid-1997 will further strengthen the service provision in the northern and western parts of New Territories.

End/Wednesday, July 19, 1995