



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
GARDEN ROAD, 5th-8th FLOORS, MURRAY BUILDING,
HONG KONG. TEL.: 2842 8777

Wednesday, October 30, 1996

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Transcript of Governor's media session

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Following is the transcript of the media session given by the Governor, the Rt Hon Christopher Patten, following his visit to Sha Tin this (Wednesday) afternoon:

Governor: Good afternoon. I am delighted to have seen such a cross-section of the community activities in Sha Tin today. I was pleased to see the Tsang Big House (Tsang Tai Uk) which I have driven past so many times but was able to look at.

I was very pleased to be able to go to the Fung Yiu King Memorial Secondary School and particularly pleased to see the young children who were injured in the tragedy, in the fire, earlier this year.

I would just like to thank everyone in our medical service, everyone in the community, and particularly their teachers and parents, for all they have done to help them and support them through these difficult months, and it is a pleasure to see the progress which they have made.

And then I was happy to go and visit the Cheshire Home, and of course to come to this excellent hospital for which all of us have so much reason to be grateful.

So, it has been an interesting visit and I was delighted to be back in Sha Tin - on a nice day.

Question: Governor, a question concerning the leakage of the Budget. Will any action be taken by the Hong Kong Government to make sure that no further leakage will be happening?

Governor: Well, I don't intend to undertake a sort of running commentary on what candidates for the Chief Executive post say. This appears to be a curious "who done it". Everybody knows the Government, the Financial Secretary, the Secretary for the Treasury, haven't provided any information, and apparently Chinese officials haven't provided any information. Perhaps the information was found under a gooseberry bush! But I think when people see the actual Budget they will be able to make up their own minds how reliable the figures were.

Question: But do you support calls for an investigation into this?

Governor: I don't want to add to what I have said. I think the community will make up its mind about these things.

Question: Governor, do you think that the trial Mr Wang Dan in Beijing will affect Hong Kong people about their future after 1997?

Governor: It's not easy for me to comment on the judicial practices and the judicial processes in other places. But of course I recognise the very considerable concern that many people in Hong Kong, and many people around the world, feel about a sentence imposed on a young man for activities which in most places, including Hong Kong, would be entirely legal. So, yes there is undoubtedly concern in the community, and there is concern outside the community as well.

Question: But do you think that LegCo members should stay out of these issues?

Governor: Do I think that what?

Question: That LegCo members should not take a pro-active role in supporting these issues?

Governor: How could any Governor tell leading members of the community that they shouldn't be concerned about an issue like that?

Anything else? Thank you very much indeed.

End

Governor to lobby for SAR passport

* * * * *

The Governor, the Right Honourable Christopher Patten, will visit France and Germany next month to lobby for visa free access for holders of the future Special Administrative Region (SAR) passport.

While he is in Paris and Bonn between November 12 and 14, Mr Patten will be meeting ministers to discuss a range of Hong Kong issues and particular attention will be paid to French and German policy on visa arrangements for Hong Kong residents.

Mr Patten will leave Hong Kong on November 10, arrive Paris on November 12 and depart for Bonn the following afternoon. He will be giving speeches on Hong Kong in the two capitals. He will be back in Hong Kong on November 15.

During a one-day stopover in the United Kingdom on November 11, the Governor will address the annual conference of the Confederation of British Industry at Harrogate.

End

HK/US joint efforts to combat illegal transshipment

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Following a meeting between the Government and the US Customs Service in Washington on Monday (October 28), both governments agreed to co-operate and continue their joint efforts to combat illegal transshipment activities, a government spokesman said today (Wednesday).

The meeting was convened as part of the ongoing and positive dialogue between the Hong Kong Customs and their US counterparts on this subject.

Leading the Hong Kong team at the meeting was the Commissioner of Customs and Excise, Mr Lawrence Li, and the US side was led by the Deputy Commissioner of US Customs, Mr Sam Banks.

The spokesman said it was agreed at the meeting that before the end of the year, representatives from the New York Strategic Trade Centre of the US Customs would visit Hong Kong to continue discussions with officials of the Hong Kong Customs and Excise Department and Trade Department on data analysis. The joint factory visit programme initiated in September would also be continued.

"It was agreed that both government remained strongly committed to eliminating illegal transshipment," he said.

At the meeting, US Customs officials announced the following actions:

- * US Customs would remove the single entry bonding requirements on all shipments within categories 443 and 643 (suits).
- * At this point, the single entry bonding requirements would continue for the remaining eight categories, i.e. categories 342/442/642 (skirts), 351 (nightwear), 352/652 (underwear) and 336/636 (dresses)
- * US Customs would continue to monitor the "watch list" of four categories, i.e. categories 331 (cotton gloves), 338/339 (cotton knit shirts), 348 (women's cotton pants), and 350 (cotton dressing gown), introduced since September 1 without invoking any single entry bonding or additional import measures. This is an extension of the initial 30 day time frame.
- * The US will take appropriate action based on the joint team findings on any goods that transshipping companies ship or have shipped.

The meeting noted that the Hong Kong Customs and Excise Department and the Trade Department would be continuing with vigorous enforcement actions against illegal transhippers.

Since June 17, 10 categories of Hong Kong textiles products have been subject to additional import measures imposed by the US Customs.

Such measures include additional requirements in import documentation, the requirement for a single entry bond, and the requirement for joint verification by Hong Kong and US Customs of the origin of consignments. And since September 1, four more categories have been placed on a "watch list".

Hong Kong has objected to unilateral imposition of these requirements, pointing out that they are applied to the relevant products only from the territory and are therefore discriminatory.

End

Private sector urged to help waste reduction

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Participation by the private sector in waste reduction, recovery and recycling schemes is vital in tackling waste problems in Hong Kong.

Speaking at a luncheon meeting today (Wednesday), the Director of Environmental Protection, Mr Robert Law, asked for support from the Liquor and Provision Industries Association.

"We look to you for ideas on how we can work together to make a meaningful impact on our growing waste problems.

"You know your business better than us, and I would urge you, therefore, to start thinking now as to what kind of waste reduction initiatives may work best for your industry," he said.

Mr Law said the amount of waste produced daily in Hong Kong was increasing at a frightening rate.

"In 1995, we produced 8,000 tonnes of municipal solid waste and a staggering 15,000 tonnes of construction waste per day.

"That is 23,000 tonnes of waste that had to be disposed of at landfills every day of the year. In terms of volume, that is very roughly equivalent to around 100 double decker buses per day," he said.

"If it goes on unchecked, our waste disposal facilities will have been completely exhausted within 16 years from now."

Mr Law indicated that it would be extremely expensive and practically difficult to add to the existing waste disposal facilities, having regard to Hong Kong's small physical size and other topographical constraints.

He revealed that the Government was formulating a draft Waste Reduction Plan based on a major consultancy study and the plan should be available for public consultation in early 1997.

The consultancy study confirmed that an integrated strategy incorporating elements of waste avoidance, minimisation, recycling and bulk waste reduction would be the most desirable approach to waste management for Hong Kong.

Speaking of the role for the commercial and industrial sectors, Mr Law said: "What we have in mind here is to encourage participation in waste reduction schemes on an individual sectoral basis with specific waste reduction targets.

"We anticipate the need for the Government to provide some form of technical support or incentives, such as advisory services and demonstration projects, to assist companies to develop suitable waste minimisation technologies or initiatives that will work in Hong Kong."

End

Motor Vehicles (First Registration Tax) Amendment Bill

* * * * *

The Motor Vehicles (First Registration Tax) (Amendment) (No 2) Bill 1996 will be gazetted this Friday (November 1).

The objectives of the Bill are to improve the administration of the First Registration Tax (FRT) system, to facilitate trade operation, to minimise disputes in tax assessment and to further reduce opportunities for tax evasion.

A government spokesman said: "The current amendment did not propose any major changes to the FRT system which was introduced in August 1994.

"We have reviewed the system and have identified some areas which need improvements.

"In the context of the 1996-97 Budget, we introduced legislation to tackle the problem of over-declaration of tax exempted items, i.e. exempted accessories and distributor's warranty, as a means to reduce the FRT payable."

"The current amendments seeks to make other improvements identified in the review."

The Bill seeks to improve the system for filing import return to facilitate trade operation. For example, the requirement to file import return will no longer apply to special vehicles used in the airport, cargo terminals or constructions sites, which are not subject to FRT. There will also be more flexibility in the submission of import return.

The spokesman said to plug a loophole whereby some vehicle traders provide distributor's warranty on a mandatory basis to buyers and seek to manipulate the price structure of vehicles so as to reduce the FRT payable, the Bill also seeks to amend the law so that the value of any warranty provided on a mandatory basis will be subject to FRT.

"To provide a level playing field between the import of vehicles by registered operators for trade purposes and import for personal use, the Bill provides that all costs incurred in relation to the importation of a motor vehicle have to be declared in the import return and FRT will be calculated on the basis of these costs." the spokesman said.

The Secretary for the Treasury will introduce the Bill into the Legislative Council on November 13.

End

Subsidiary legislation under Dutiable Commodities Ordinance

* * * * *

The Governor-in-Council has made amendments to the subsidiary legislation under the Dutiable Commodities Ordinance to set out safeguards for the protection of the right of the person to be compounded.

A government spokesman said today (Wednesday) that the amendments were mainly consequential to the changes made to the Ordinance, which was amended in June this year.

"The Amendment Ordinance mainly aims to facilitate trade operation, to streamline enforcement action and to improve the control of dutiable commodities for revenue protection. It also introduces a compounding scheme to replace prosecution of minor offences involving dutiable commodities with an administrative penalty system," the spokesman said.

"Under the scheme, if a person enters Hong Kong at an entry point carrying with him dutiable goods in excess of the duty free concessions and he fails to make a declaration or makes a false declaration, he commits an offence and the Commissioner of Customs and Excise has the power to compound that offence.

"The maximum limit of the duty payable in respect of the dutiable goods is \$10,000 and the administrative penalty is five times the duty payable. The person has the right to choose not to have the offence compounded but to be tried in court.

"Upon compounding the offence, the full duty in respect of the dutiable goods relating to the offence will be deemed to have been paid. Safeguards for the protection of the right of the person to be compounded have now been set out in the amendment regulations."

Under the amendment regulations, the Commissioner of Customs and Excise has to serve a notice to the person to be compounded setting out in detail the following:

- * the offence committed;
- * the description of the goods involved;
- * the duty payable on the goods;
- * the maximum statutory penalty if the offence is tried in court;
- * the offender's right to opt for the compounding scheme to discharge his liability by paying an administrative penalty, or to have the case tried by court; and
- * that the record of compounding may be brought to the attention of the court in the event that offences under the Ordinance are committed in future.

The Amendment Regulations will be gazetted on Friday (November 1) and will be tabled in the Legislative Council on November 6.

End

Schools invited to join Internet services project

* * * * *

Secondary schools are invited to join the Education Department's Internet services project in which schools will be provided with free accounts to access the Internet.

"The objectives of the project are to enrich computer teaching and learning activities in schools and to provide an additional channel for teachers and students to retrieve educational material and interact with teachers and students overseas," Principal Inspector (Computer Education), Mr Teng Shiu-bong, said.

"This is a significant step in enhancing the knowledge and skills of our students in information technology."

Under the project, each school will be provided with one to two free accounts by three Internet service providers, namely, chili.net Limited, Hong Kong Star Internet Limited and Hongkong Telecom IMS.

In order to access the Internet, each school will have to install a datel line in the computer room.

Mr Teng said where applicable, the initial cost of installing the datel line may be charged to the School and Class Grant, and any monthly supplementary charges to the recurrent Computer Subject Grant.

An information leaflet on the Internet services project for secondary schools is attached to the circular issued to schools today.

School heads who wish to participate in the project are advised to study the offers carefully and choose one that best meets their needs. They may also contact the relevant Internet service provider direct.

Schools should return the completed reply slip on or before December 31.

Guidelines on using Internet resources in schools have also been issued.

"While the three Internet service providers have agreed to filter out unsuitable material from being viewed by participating schools, teachers or students who come across any pornographic material on the Internet may refer the details of the suspected pornographic sites to the Television and Entertainment Licensing Authority for necessary action," said Mr Teng.

This may be done either by telephone on 2676 7676 or by mail to 39th floor, Revenue Tower, 5 Gloucester Road, Wan Chai, Hong Kong.

Other Internet service providers, if interested, were welcome to offer similar free Internet services to schools and the Education Department will notify schools immediately of such offers, said Mr Teng.

Further enquiries on the project should be directed to the Computer Education Section of the Education Department's Advisory Inspectorate on 2892 6481 to 6484.

End

Governor visits Sha Tin District

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The Governor, The Rt Hon Christopher Patten, visit Sha Tin this (Wednesday) afternoon to have an update on the latest developments in the district.

He was accompanied by the Director of Home Affairs, Mrs Shelley Lau, and Sha Tin District Officer, Miss Wong Mei-lin.

Mr Patten and his party first toured on Tsang Tai Uk, located near the southern end of Pok Hong Estate. He was briefed on the history of the fortified compound which was built in 1848 with three rows of houses forming a rectangle.

The party then proceeded to Fung Yiu King Memorial Secondary School in Ma On Shan new town where they watched students participating in extra-curricular activities after school and met district board members and local community leaders at a reception.

The Governor also unveiled a plaque for a nature corner at the school.

After leaving the school, Mr Patten called on the Cheshire Home which offers accommodation and nursing care to convalescent patients and those who require a long recovery period. He chatted with the patients and inspected the facilities and services there.

Mr Patten concluded his visit at the Sha Tin Hospital which has been providing integrated geriatric services, mental and physical rehabilitation, hospices and infirmary services to patients since 1991 when it was known as the Sha Tin Infirmary and Convalescent Hospital.

End

Last Gurkha Battalion to leave Hong Kong

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The presence of some 48 years of Gurkhas in Hong Kong will effectively end this Friday (November 1) with the last Gurkha infantry battalion paying a ceremonial farewell to the territory by a beating retreat at its headquarters at Malaya Lines.

The Governor, the Rt Hon Christopher Patten, and Commander British Forces, Major General Bryan Dutton, will be present for the traditional evening ceremony of Beating Retreat at which the 1st Battalion The Royal Gurkha Rifles (1RGR) will lower its regimental flag for the final time in Hong Kong.

Music for the occasion will be provided by the Pipes and Drums of 1RGR and by the Band of the Brigade of Gurkhas, which has flown in from its base at Church Crookham, in the United Kingdom, specially for the ceremony. There will also be a short display of traditional Nepali dancing.

Over the coming weeks members of the battalion will move to the United Kingdom where they will take on their new role as part of 5 Airborne Brigade. A small rear party will remain to complete the closure of Malaya Lines and prepare it for handover to the Hong Kong Government in December.

Gurkhas were deployed intermittently in Hong Kong from 1948 until 1971 when three battalions were permanently stationed in the territory. A fourth, the 7th Duke of Edinburgh's Own Gurkha Rifles, was re-raised and based in Hong Kong in 1982.

In 1994 the 10th Princess Mary's Own Gurkha Rifles were re-badged as 3rd Battalion The Royal Gurkha Rifles (now serving in the United Kingdom), the seventh Duke of Edinburgh's Own Gurkha Rifles as 2nd Battalion The Royal Gurkha Rifles (based in Brunei) and the 2nd King Edward VII's Own Gurkha Rifles merged with 6th Queen Elizabeth's Own Gurkha Rifles to form the 1st Battalion The Royal Gurkha Rifles.

Since its formation 1RGR has been based at Cassino Lines, near Fanling, and now at Malaya Lines, Sek Kong, and is commanded by Lieutenant Colonel Bijaykumar Rawat, the first Nepali officer to command a Gurkha infantry battalion.

End

Royal Air Force returns to Kai Tak

* * * * *

The Royal Air Force's last squadron in the Far East, 28 (Army Co-operation) Squadron, returns to Kai Tak this Friday (November 1) after an absence of nearly 20 years.

The very first RAF station in the Far East was established at Kai Tak in 1927. It is, therefore, fitting that the last Far East Squadron should spend its final few months there.

28(AC) Squadron has served in Hong Kong since 1941 and has alternated between the bases at Kai Tak and Sek Kong, the last change being in 1978.

The Squadron will leave its base at Sek Kong, which will be handed over to the Government in December, and remain at Kai Tak for the next few months until its departure from the Territory next June.

It is unique for RAF to operate from a base within one of the world's busiest airports. The Squadron's six Wessex helicopters will be using a former 747 (Jumbo Jet) bay, specially marked out for its aircraft.

End

Australia annual album on sale

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The 1996 annual album issued by the Australia Post will be on sale at \$370 per copy at 19 philatelic offices as from Friday (November 1), the Postmaster General, Mr Robert Footman, announced today (Wednesday).

The album houses all the 49 regular gummed stamps, two miniature sheets and one sheetlet issued by the Australia Post this year.

On the first day of sale, a restriction of one album per customer queuing will be imposed. The 19 philatelic offices are:

Airport Post Office
Aberdeen Post Office
Cheung Chau Post Office
Cheung Sha Wan Post Office
General Post Office

Granville Road Post Office
Harcourt Road Post Office
Hennessy Road Post Office
Kowloon Central Post Office
Kowloon City Post Office
Mong Kok Post Office
Peak Post Office
Sha Tin Central Post Office
Shau Kei Wan Post Office
Tai Po Post Office
Tuen Mun Central Post Office
Tsim Sha Tsui Post Office
Tsuen Wan Post Office
Yuen Long Post Office

End

Employment exhibition draws 2,300 visitors

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More than 2,300 people visited the Employment Information Post Exhibition at the Tsuen Wan Town Hall today (Wednesday).

Seventeen employers from different trades participated in the exhibition providing about 1,200 vacancies.

The event is jointly organised by the Labour Department, the Employees Retraining Board, the Employers' Federation of Hong Kong and the American Chamber of Commerce in Hong Kong.

End

Operation against unlicensed guesthouses conducted

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The Home Affairs Department (HAD) and the Police yesterday (Tuesday) mounted a joint operation against unlicensed small local person guesthouses (LPG).

During the operation conducted in Mong Kok, officers from HAD's Licensing Authority and the Police inspected 18 LPGs in Sai Yeung Choi Street, Shantung Street and Fa Yuen Street. Three of them were found to be operating without a licence.

A total of four men involved with operating or managing the premises were taken for questioning and will be issued summonses charging them with operating unlicensed guesthouses under the Hotel and Guesthouse Accommodation Ordinance.

A spokesman for HAD said the ordinance, enacted in May 1991 to provide for a licensing scheme to ensure that all hotels and guesthouses comply with fire and building safety, as well as health and hygiene requirements, was being implemented in phases to give the establishments ample time to carry out the improvement works.

"Under the ordinance, small guesthouses catering mainly for local people are to operate with a valid licence from September 1 this year following the expiry of the exemption period in August," the spokesman said.

"Operators have been given sufficient time to carry out the required upgrading works and have also been reminded from time to time of the need to complete the works without delay. Unlicensed guesthouses will therefore definitely not be tolerated.

"The operation is a reaffirmation of the department's determination to take enforcement action against unlicensed guesthouses to ensure the safety of patrons."

The spokesman also appealed to members of the public to patronise only licensed guesthouses for their own safety.

End

Hong Kong Monetary Authority money market operations

* * * * *

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	2,174	0930	+722
Closing balance in the account	2,999	1000	+722
Change attributable to:		1100	+722
Money market activity	+715	1200	+729
LAF today	+110	1500	+729
		1600	+715

LAF rate 4.00% bid/6.00% offer TWI 125.0 *-0.1* 30.10.96

Hong Kong Monetary Authority

EF bills

EF notes/MTRC

Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.89	2 years	2808	6.00	100.64	5.69
1 month	4.88	3 years	3910	6.28	100.51	6.18
3 months	4.91	5 years	5109	7.32	102.70	6.77
6 months	4.97	7 years	7308	7.24	101.27	7.12
12 months	5.27	10 years	1610	7.37	100.42	7.44
		5 years	M503	7.35	101.42	7.11

Total turnover of EF bills and notes - \$25,110 million

Closed October 30, 1996

End



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SUPPLEMENT

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Trading Fund Scheme

* * * * *

Following is the speech by the Secretary for the Treasury, Mr K C Kwong at the motion debate on the review of the operation of the Trading Fund Scheme in the Legislative Council today (Wednesday):

Mr President,

In the past couple of weeks, I have discussed with some Honourable members the substance of today's motion. So, they would probably not be surprised to find me rising to speak in support of the spirit of both the original motion and the amendment. Despite the adverse comments on trading funds made just now by some Members, I believe that we do have a good story to tell on trading funds and I would like to take this opportunity to lay to rest a number of common misconceptions about them.

The motion asks for two things:

First, that Government conducts an overall review of the operation and cost-effectiveness of the six existing trading funds.

Second, that we stop setting up any new Trading Fund until the completion of this overall review.

Setting the scene

Before I address each part of the motion in turn, I would like to set the scene by revisiting the basic concept of a trading fund.

Some Members have suggested that it simply allow the departments that provide quasi-commercial monopoly service to hike up their fees and gouge their hapless customers. That would be ill-founded, in conflict with our fiscal policies and ethically quite wrong, even if they had that freedom. They don't, and I will explain why later.

The prime reason that we establish trading funds is to improve the quality of service to customers. We do this by allowing certain departments which offer commercially oriented services to operate with much greater financial autonomy and to retain revenue. By being allowed to use the available resources more flexibly, and to finance investments for new and improved services from its retained revenues, a trading fund is able to adopt a more responsive and customer-oriented (or "business-like") approach to service.

The motion

Returning to the motion, its first part asks the Government to conduct an overall review of the existing trading funds. Members will be pleased to know that the Government agrees that it is important to review the operations, impact and achievements of the trading funds. They are, after all, an important plank in the Government's programme to improve public services under the Serving the Community banner. We are therefore engaged in an on-going programme of monitoring and review of the performance and cost effectiveness of the trading funds, working with their management teams to learn from and share experience as a way of securing continuous improvement. As part of this on-going review, we have instituted twice yearly meetings with each of the trading funds to review their performance.

I would now like to provide Members with an overview of the current performance of the funds. Our review process covers:

- * fees and charges
- * service improvements
- * productivity improvements
- * rate of return, and
- * accountability.

All of these issues have been raised in some form during the debate on the motion.

Fees and charges

I should first like to deal with the question of fees and charges.

There has been no change in the process for setting the fees and charges for any of the trading fund services. Specifically, where fees and charges are set by subsidiary legislation, they continue to be so set and subject to the negative vetting procedures provided under Cap.1. Indeed, Members have been diligent in the exercise of those powers and we have, at their request, provided additional detailed justification for our proposals in the process. Even then, not all proposed increases have found favour - I am of course referring to our earlier proposed increases in charges for sewage services. But this does serve to underline my point about the retention of the system's checks and balances even after a public service has been put on trading fund status.

For postal charges, we have given Members an assurance that we will only seek increases that are broadly in line with inflation, i.e. at worst a minimal increase in real terms but with potential for significant reductions in real terms.

In examining changes in fees and charges for a trading fund, it is important to look at the average change in overall terms, rather than to look selectively at one or two fees and charges. This is because adjustments to individual fees and charges are sometimes necessary to bring them more into line with the costs of the services they relate to, and thus reduce subsidies from one group of customers to another. This has led to significant changes (both increases and decreases) in particular fees.

Looking at the overall level of fees, the record of the trading funds speaks for itself : of the three trading funds that have increased their fees since establishment, only the Land Registry has had an increase in real terms of 3.6% over three years. We explained at the time that this was because the fee revision incorporated increased depreciation charges relating to projects designed to improve service quality and enhance efficiency in response to customer demand.

The Companies Registry has decreased its fees in real terms by 1.3% over the same period.

After its first year of operation the Post Office reduced postal charges in real terms by 0.4%. All miscellaneous fee increases have been put on hold for another year.

Service improvements

Turning to service improvements, the greater flexibility we have been able to offer to the management teams in trading funds has led to many tangible benefits for their customers, and I would like to give some examples of these.

The Land Registry has been able to reduce the time required for certification, registration and search of documents by 17%, 9% and 17% respectively. It implemented the first phase of its Document Imaging System on 1 July, 1996 and from this point onwards, all registered land documents have been converted into electronic images which can be retrieved on-line through computer terminals. The Land Registry's Direct Access Service allow customers to make on-line searches for land records and to place orders of copies of land documents through their own computers.

For the Companies Registry, the Computerised Control Book and Document Index System provide customers with an up-to-date document index for reference and information on the movement of incoming documents. Its computerised index of directors of all listed companies and Company Name Index Search Facility enable customers to search company information more speedily and conveniently.

The Post Office has been able to improve its services in a number of areas. Some good examples are the resumption of posting box collections on Sundays and public holidays, advance opening of 22 post offices on days of new stamp issues and introduction of posting boxes at some of the MTR stations on a pilot basis. At the same time as publishing its recent Annual Report, it produced a document setting out '100 Projects for Better Services' in 1996-97. Many of these could not have been implemented without the flexibility provided by the trading fund.

Of course, measuring performance in terms of customer service and customer satisfaction is often not straightforward, and we would not claim that the current measures fully reflect all areas of trading fund activities. This is an area where we continue to work with the trading funds to develop and improve performance measures. We will certainly take note of the suggestions Members have made today about the information which it would be helpful for trading funds to provide]

Productivity improvements

This brings me to productivity improvements. This is a key area in relation to the performance of Trading Funds.

I have earlier used the word "business-like" to describe the approach of trading funds in the provision of services to their customers. Under the Trading Funds Ordinance we also require them to manage their resources in a "business-like" manner, thus delivering better customer service and better value for money. With limited room for manoeuvre on fees and charges, whether because of statutory constraints, voluntary undertakings or competitive considerations, the General Manager of a trading fund, who is tasked with making his revenue balance expenditure, needs to control rising costs by boosting productivity.

I have already mentioned the reduced turn round times achieved for key transactions by the Land Registry. These have been achieved while the total number of staff has reduced by 1.0%.

In September 1996, the Post Office commissioned Culler Facer Cancellor machines to cancel stamps and sort local and overseas mail automatically. These will save 46,000 man-hours per annum.

In December 1996, the process of stamp affixing and cancelling of first day covers and inserting of presentation packs will be automated to save 8,160 man-hours per annum.

The Post Office has been able to operate two additional post offices and 12 Speedpost acceptance points and to resume collection from street posting boxes on Sundays and public holidays, as I have already mentioned, while keeping postal charges level in real terms.

Whilst operating under the Operating Services Account, a stepping stone to the present Electrical and Mechanical Services trading fund, the department achieved productivity improvement in the vehicle operation by 18% and the Electrical and Mechanical Workshop operation by 12% respectively.

Also, to ensure flexibility in face of market conditions, trading funds have employed temporary staff instead of permanent ones to meet short-term increase in demand.

Delivering such productivity improvements is only possible if managers are able to make the most effective use of staff and financial resources. This may well mean changes in the deployment of staff and in their traditional ways of working. The trading fund managers are, I know, well aware of the need to consult and involve their staff as they take forward such improvements. I am sure that no one in this Council would wish to dissuade the Government in its search for improved productivity, irrespective of whether the services are operated as trading funds or traditional vote-funded departments. The key point is that trading fund managers have, and must be able to utilise, greater flexibility to deliver improved productivity.

Rate of return

I would now like to deal with the more controversial and often misunderstood question of the rate of return.

In keeping with Government's policy towards utilities, we require trading funds to achieve a target rate of return over time on its average net fixed assets. This requirement is enshrined in the Trading Funds Ordinance. The return is essentially a performance measure calculated on the cost of equity and debt capital involved in setting up the trading fund plus the market premium for a comparable investment in the private sector. We do not require trading funds to achieve this target every year, nor would it be realistic to expect them to do so, given the financial constraints that I have mentioned and the emphasis we place upon good customer service. The target is there as an objectively set benchmark for each trading fund to aim for. These targets are relatively modest and have little or no effect on fees and charges : their main effect is to ensure that the trading funds generate sufficient operating surpluses for them to reinvest in new or improved services for the benefit of customers.

Much has been made of Government seeking a dividend from trading funds' operating surpluses. It is, however, entirely in accordance with the "user pays" policy for Government to recover the cost of capital over time from a trading fund in order to avoid taxpayer subsidy of its services.

Let us look then at the rate of return delivered by the trading funds to date.

The Land Registry was established as a trading fund on 1 August 1993, with a target rate of return set at 10% of Average Net Fixed Assets. In 1993-94, it achieved 9%, in 1994-95, 10.3% and in 1995-96, 14.7%.

The Companies Registry was established as a trading fund at the same time as the Land Registry. It too has a target rate of return of 10%. In 1993-94 it achieved 6.2%, in 1994-95, 8.1% and 1995-96, 6.5%. The financial performance of the Companies Registry last year was affected by a slow down in the incorporation of companies due to economic factors, and by a delay in the planned introduction of increased fees and charges, pending this Council's consent. We expect the Companies Registry's financial performance to improve in 1996-97.

The Sewage Services Trading Fund was established on 11 March 1994. However, it did not begin full operation as a trading fund until 1 April 1995 when a scheme of charges for sewage services was introduced. Because of the expected complications of introducing a community-wide charging scheme for sewage services which had previously been free, the trading fund's target rate of return was set at 0%, requiring it to break even only in nominal terms. In 1995-96 sewage services achieved an operating surplus of \$76 million. For the current year however we expect to see a loss of over \$100 million because we have so far been unable to obtain this Council's agreement to maintain the value of sewage charges in real terms. We are now considering in the current and following years how to adjust the sewage charge and the control of the fund's capital to underpin the longer-term financial prospects of the trading fund. We must also, moreover, be mindful of the need to take into account the recommendations of the Trade Effluent Surcharge Review in the first half of next year, and in the light of these, we may even need to revisit the original financing principles behind the Strategic Sewage Disposal Scheme for the longer term.

The Office of the Telecommunications Authority Trading Fund was established on 1 June 1995. We have set a target rate of return for OFTA of 14.5%. Given the relatively high level of fees level regime that OFTA inherited from its vote funded predecessor, and the continued growth in the telecommunications industry, it somewhat predictably over-achieved its target in 1995-96 with a rate of 42.4%. Before it was set up, however, we undertook that OFTA would not increase its fees for five years and would transfer all operating surplus in excess of the target return to a development reserve so as to reduce the requirement for future fee increases. In addition to this commitment to "freeze" fees, OFTA actually cut paging licence fees last year at an estimated cost of \$29 million in foregone revenue. Because of the effect of inflation we expect OFTA to achieve a rather lower rate of return for this year.

The Post Office Trading fund was established on 1 August 1995. Its target rate of return is 10.5% of ANFA. In 1995-96 it achieved 8.8% and we expect it will achieve its target rate this year.

The Electrical and Mechanical Services Trading Fund was established on 1 August this year, with a target rate of 13.5%. We do not anticipate that it will be able to meet this in 1996-97, but in due course it will.

Accountability

Lastly, I would like to come to accountability arrangements.

There is also no question of Trading Funds operating without public accountability. In addition to setting out the controls exercised by the Financial Secretary and the relevant Policy Secretary over a trading fund's operation, the Trading Funds Ordinance also requires the tabling of annual reports and audited accounts each year in this Council. Members will by now have had the opportunity to study the reports and accounts for 1995-96.

In the interests of transparency and obtaining Members' views it is also the Trading Funds' practice to brief or report to the relevant Legislative Council Panels on their activities.

I have already mentioned that we are working with the trading funds to improve the range and balance of performance measures available, and this can only serve, over time, to improve accountability.

Conclusion

To conclude, I think it is fair to say that the overall review of operation and cost-effectiveness of trading funds that is at the heart of this motion is in fact something that Government has already carried out and will continue to perform regularly in future. The evidence is that the trading funds established to date have delivered significant benefits, but we, and the management teams within the trading funds are by no means complacent. The search for improvements in services, and indeed in the way that the trading funds themselves are operated, will continue.

The question of whether we should stop setting up any new Trading Fund before the completion of the review is therefore somewhat academic. In any case, I can inform Members that we have not yet reached the point when we would be ready to propose to this Council the setting up of any new Trading Funds. We are, however, aware of a number of prospective candidates, and when we have firmed up our thinking on these we will be pleased to discuss our proposals with Members. It is, after all, the Legislative Council which by resolution has the final say on setting up a trading fund.

Thank you, Mr President.

End

Hong Kong Tourist Association Annual Report

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Following is the speech by the Secretary For Economic Services, Mr Stephen Ip, in tabling the Hong Kong Tourist Association Annual Report in the Legislative Council today (Wednesday):

Mr President,

I am pleased to table the Annual Report of the Hong Kong Tourist Association for the financial year 1995/96, and to report on the performance of Hong Kong's tourism industry in 1995 and 1996.

Past Performance

1995 was a record-breaking year. Visitor arrivals increased by 9.3% over the previous year's 9.3 million, to a new record total of 10.2 million. Almost all major markets recorded strong growth after the launch of the Wonders Never Cease promotion campaign in April last year.

Tourism receipts are also encouraging. Visitor expenditure grew by almost 16.6%, to a new annual record of 75 billion Hong Kong dollars, which is about 8% of our GDP. This confirms the tourism industry's very valuable role as the second-largest foreign-exchange earner for the Hong Kong economy.

Marketing Overseas

The HKTA is heavily involved in promoting Hong Kong overseas. Apart from organising trade missions to attend trade shows and exhibitions, the HKTA organised the Pavilion Hong Kong road show to attract potential visitors in cities all over Europe. In May last year, the HKTA participated in the major Hong Kong - Japan Promotion together with the Hong Kong Government and the Hong Kong Trade Development Council. Results have been very encouraging.

Equally important has been the promotion and expansion of high-yield activities. The HKTA has positioned Hong Kong as Asia's:

- Business Capital
- Shopping and Dining Capital
- Events Capital
- Cultural and Leisure Capital
- Aviation and Cruise Hub

Building for the Future

The tourism industry has a bright future, in which the new international airport and convention centre extension will give us superb competitive advantages. Last year's Visitor and Tourism Study for Hong Kong has provided a road map for the tourism industry as it approaches the 21st Century. In June, the Finance Committee of the Legislative Council approved the allocation of fifty million Hong Kong dollars to HKTA for feasibility studies of priority projects in the Study's report, and the first study - relating to Hong Kong Exposition at the turn of the century - has just started this month.

Looking into the future, Hong Kong's tourism industry will be assured of a positive future. The HKTA is planning to expand its Pearl River Delta Tourism Marketing Organisation initiative as well as co-operating as fully as possible with next year's "Visit China Year 1997".

Outlook

The performance of our tourism industry has been encouraging. In the first seven months of 1996, visitor arrivals had increased 15.8% over the same period of 1995. HKTA is forecasting a 10-15% growth over the whole of 1996.

I should like to extend my special thanks to HKTA's former chairman, Mr Martin Barrow, for his devoted service and contribution to the tourism industry, and the current Chairman, Mr Y S Lo. Under Mr Lo's leadership, Hong Kong's tourism industry is sure to achieve further advancement. I would also like to express my thanks to the Executive Director, Mrs Amy Chan and her colleagues within the HKTA. With their dedication to the industry, Hong Kong is assured of retaining its title as the most popular travel destination in Asia.

Last but not least, I urge your support for the industry to maximise its contribution to Hong Kong's economy.

End

Open Learning Institute Annual Report

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Following is the speech by the Secretary for Education and Manpower, Mr Joseph W P Wong, in tabling the Opening Learning Institute of Hong Kong Annual Report 1995-96 and Audited Accounts in the Legislative Council today (Wednesday):

Mr President,

I have great pleasure in presenting to you the Seventh Annual Report and Financial Statements of the Open Learning Institute of Hong Kong (OLI) for the year from 1 April 1995 to 31 March 1996, which are tabled before this Council today.

Over the past seven years, the OLI has established itself as Hong Kong's major provider of continuing education by distance learning. It is playing an increasingly important role in upgrading and updating the qualifications and skills of our working population. To date the Institute offers over 160 sub-degree, undergraduate and postgraduate courses through its Schools of Arts and Social Sciences, Business and Administration, Education, and Science and Technology. It also offers a range of short courses through its Centre for Continuing and Community Education. OLI student enrolment reached above 20 000 in the year under report, and by the end of that year, a total of 2 400 working adults had successfully completed their courses of studies and received their degrees.

I should like to highlight a significant event in the history of the OLI, which took place earlier this month. On the recommendation of the Hong Kong Council for Academic Accreditation, the Government decided that the OLI should assume the responsibility for accrediting its own degree courses from 1 October 1996 onwards, subject only to periodic external institutional reviews by the HKCAA.

I am also pleased to note that operating as a self-financing, non-profit-making institution since 1993, the OLI has been maintaining and improving the efficiency and cost-effectiveness of its administration, development and delivery of courses. Benefiting from a good enrolment, the Institute was able to balance its recurrent budget for the first time in 1995-96 while keeping its fee levels affordable to most local working adults and thus maintaining its mission of providing higher education at an affordable price. This is indeed a most impressive achievement.

In the Annual Report tabled before this Council today, you will also find details about the establishment of the Institute's new campus, the launching of its Employer Support Scholarship Scheme and the OLI Student Financial Assistance Scheme as well as the enhancement of its links with institutions in China.

To conclude, I should like to place on record the Government's and indeed the community's appreciation of the many achievements of the OLI. I have no doubt it will continue to play a key role in the provision of continuing education in Hong Kong.

End

Establishment of Water Supplies Department suspense account

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Following is the speech by the Secretary for the Treasury, Mr K C Kwong, in moving a resolution on the establishment of Water Supplies Department suspense account at the Legislative Council meeting today (Wednesday):

Mr President,

I rise to move the resolution standing in my name on the Order Paper. Its purpose is to establish a special suspense account under section 30(1) of the Public Finance Ordinance. The proposed suspense account will facilitate the transfer of specialised waterworks items from the Unallocated Stores of the Government Supplies Department (GSD) to Water Supplies Department (WSD).

The Director of Water Supplies is responsible for the operation and maintenance of both the fresh and flushing water supply systems in Hong Kong. The materials and spare parts required for construction, repair and maintenance of the supply systems are mainly drawn from two different stores, namely the GSD Unallocated Stores and the WSD Allocated Stores.

We have carried out a review of the existing arrangements and has concluded that the management of Unallocated Stores items for waterwork facilities should be transferred from GSD to WSD. This will provide a single source of funding and a single source of authority for controlling and managing the appropriate level of stock. It will enable WSD to provide a more efficient waterworks maintenance service as procedures for stock provisioning and requisition will be streamlined and simplified. I propose, therefore, to establish a special suspense account under Section 30(1) of the Public Finance Ordinance for WSD to take over the unallocated waterworks stores items from the GSD.

I also propose that the Account shall not in any time be in debt to an amount exceeding \$100 million. This value is based on the highest level of stockholding in the past five years at \$60 million, and a 10% annual increase for growth, inflation and contingency in the coming five years. In determining the appropriate statutory limit, I have to strike a balance between the need to provide adequate stocks for the smooth operation of waterworks activities, and the need to avoid tying up Government funds unnecessarily for the purpose. I shall adjust the amount administratively each year to ensure that only the minimum level is provided.

Section 30(1) of the Public Finance Ordinance provides that a special suspense account may be established for the purpose of any commercial or industrial activity carried on by or on behalf of the Government. Special suspense accounts for financing stores have already been established in the Government Supplies Department and the Electrical & Mechanical Services Department.

Mr President, I beg to move.

End

Resolution on Rabies (Amendment) Regulation

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Following is the speech by Secretary for Economic Services, Mr Stephen Ip, in moving a resolution to extend the vetting period in respect of the Rabies (Amendment) Regulation 1996 in the Legislative Council today (Wednesday):

Mr President,

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

The Rabies (Amendment) Regulation 1996 was gazetted on 27 September 1996 and tabled in this Council on 2 October 1996. The Legal Service Division of the Legislative Council Secretariat has since requested clarification of the relationship between the policy intention and the wording of several sections of the Regulation. The questions raised have required extended consideration by the Economic Services Branch and the Attorney General's Chambers and will require the moving of a resolution to amend the Regulation.

Accordingly, I move that the vetting period for the Rabies (Amendment) Regulation 1996, which was due to expire today, be extended to the sitting on 6 November 1996.

End

Whaling Industry (Regulation) Bill

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Following is the speech by the Secretary for Economic Services, Mr Stephen Ip, in moving the second reading of the Whaling Industry (Regulation) Bill in the Legislative Council today (Wednesday):

Mr President,

I move that the Whaling Industry (Regulation) Bill be read a second time.

The purpose of the Bill is to localise the relevant provisions of the United Kingdom's Whaling Industry (Regulation) Act 1934 and the Sea Fish Industry (Regulation) Act 1938, which were applied to Hong Kong by Orders in Council in 1936 and 1941. The Bill will give Hong Kong its own version of these enactments, so that their provisions can remain in place in our legislation after 30 June 1997.

The Bill will prohibit whaling in the waters of Hong Kong, prohibit unlicensed use of any ship or aircraft registered in Hong Kong for whaling outside the waters of Hong Kong and prohibit unlicensed use of any factory situated in Hong Kong for the treating of whales.

It will also protect certain types of whales from whaling activities and prohibit unlicensed taking of other types of whales.

There are no whaling activities in the waters of Hong Kong and there have been no applications under the existing legislation for licences to operate whaling ships or factories. It has however been agreed in the Sino-British Joint Liaison Group that it would be beneficial for Hong Kong's environmental credentials for us to remain associated with long-standing international controls over whaling.

I commend the Bill to this Council.

End

Danger posed by dud shells to public not high

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Following are a question by the Hon Lo Suk-ching and a reply by the acting Secretary for Security, Mrs Carrie Yau, in the Legislative Council today (Wednesday):

Question:

It is learnt that in the 1950's and 1960's, residents in Sai Kung were often killed or injured by the detonation of dud shells whilst picking shell cases in places such as Kau Sai Chau, Tiu Chung Chau, Shelter Island and Basalt Island. In this connection, will the Government inform this Council:

- (a) of the places in the territory which have been designated as the shooting grounds of the British garrison;
- (b) which of the shooting grounds mentioned in the answer to (a) above have not yet been cleared, and whether an estimate has been made of the number of dud shells left behind in those shooting grounds, and whether these dud shells still pose a danger at present; and
- (c) whether all the dud shells in the shooting grounds mentioned in the answer to (b) above will be cleared before the complete withdrawal of the British garrison, so as to protect the safety of the people in the territory?

Reply:

Mr President,

I shall answer the three parts in this question in turn:

- (a) The areas of Hong Kong designated for military firing practice have been those listed in successive Schedules to the Defences (Firing Areas) Ordinance (Cap 196) and the Air Armament Practice Ordinance (Cap. 194). The areas cited by Mr Lo is the former Port Shelter firing range covering much of the area between High Island and the Clearwater Bay Peninsula. Most of the range has ceased to be used for firing in the mid-1970s. The ranges which are still in use are Castle Peak, Lo Wu and San Wai.
- (b) In 1980, the Queen's Gurkha Engineers conducted a search of paths and some private lots on Kau Sai Chau, near the edge of the range, where there were still some farming activities. In 1983, they completed a search ten metres either side of the footpath across the Lung Ha Wan peninsula in the Clearwater Bay Country Park. They found nothing of significance. The Crown land that comprises most of the former range was not searched. We do not know the number of dud shells left behind in firing ranges but we estimate that the danger posed to the public is not high. According to the records of the Explosives Ordnance Disposal Bureau of the Police kept since 1970s, there have been no injuries or deaths in Sai Kung Area due to residents picking up live ordnance.
- (c) A clearance of the entire former range areas would be a major exercise. Both the British Forces in Hong Kong and the Police do not have the necessary manpower, equipment or expertise to carry out the task. To alert members of the public the potential danger, warning notices are maintained around the land periphery of the former Port Shelter firing range. If the public identify any suspicious item, they should report immediately to the Police. Never pick them up or interfere with them. The Explosives Ordnance Disposal Bureau of the Police also have established procedure to deal with them. The Bureau maintains a duty team on 24-hour stand-by to render safe all finds of this kind.

End

Redundancy payments for Chinese British garrison personnel

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Following is a question by the Hon David Chu Yu-lin and a reply by the acting Secretary for Security, Mrs Carrie Yau, in the Legislative Council today (Wednesday):

Question:

Is the Government aware of:

- (a) the total amount of redundancy payments that will be made to the Chinese military personnel of the British garrison stationed in Hong Kong as a result of the withdrawal of the garrison from the territory by 30 June 1997;
- (b) the regulations governing such redundancy payments; and
- (c) the criteria for calculating such redundancy payments?

Reply:

Mr President,

Since 1 January 1994 when the major reductions in the British garrison began, about HK\$168M has been paid to redundant Chinese military personnel of the British garrison stationed in Hong Kong in gratuity and redundancy payments. It is estimated that a further HK\$366M will be paid out between now and 30 June 1997.

The regulations and criteria used to calculate these payments are drawn up by the Ministry of Defence and Her Majesty's Treasury and are underpinned by the general principles that apply to award of benefits for termination of service, including redundancy to UK based service personnel. They are based on ranks, the number of years already served and the number of years the personnel can expect employment with the British garrison had it not been a change of sovereignty.

End

Costs in George Tan's case explained

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The following is a question by the Hon Cheung Hon-chung and a reply by the Attorney General, the Hon Jeremy Mathews, in the Legislative Council today (Wednesday):

Question:

It is reported that following the recent conviction of the defendant in the George Tan case, the Legal Department decided not to apply to the court for an order for the payment by the defendant of costs amounting to around \$210 million. In this connection, will the Government inform this Council of the grounds on which the Legal Department made such a decision?

Reply:

Mr President,

Before I go into reasons why the Prosecution did not apply for costs in the George Tan case, Members may find it useful if I provide some background to this very large and complex commercial fraud case.

There were four co-defendants in this case. They were charged with various fraud and corruption offences involving sums in excess of US\$500 million. Investigation, gathering of evidence and litigation spanned several countries including France, the United States of America, Malaysia and the United Kingdom. Some of the defendants went to extraordinary lengths to avoid justice by fighting every point in numerous extradition proceedings, habeas corpus applications and judicial reviews. I am pleased to say that, after 13 years of intense effort, all four defendants were brought before the courts in Hong Kong at various times. Each of them pleaded guilty and was sentenced to terms of imprisonment. The estimated cost of \$210 million covered the cost during these 13 years of all investigation and litigation in which Tan was the sole or was one of the parties involved.

Turning back to George Tan's guilty pleas, the guiding principle applied by the Prosecution in accepting the pleas was that they should adequately reflect the criminality of the case. The Prosecution also considered other relevant factors, including the strength of the case, the likely length of the trial and the likely sentence.

The reasons why the Prosecution did not apply for costs in the George Tan case were stated in court by prosecuting counsel when the defendant pleaded guilty to two counts of conspiracy to defraud in relation to sums amounting to US\$238 million.

The reasons were as follows: the prosecution knew that, if the defendant did not plead guilty, the trial might take about a year, and would be enormously expensive. The prosecution also had no assurance that, at the end of the trial, costs would be awarded in favour of the prosecution or, if they were, that the defendant would be in a position to pay them. These factors were weighed in the balance in deciding that it would be in the public interest to seek what was a realistic and sensible resolution of the case rather than to make an application for costs thereby jeopardising the prospects of obtaining pleas from the defendant and unnecessarily prolonging the proceedings. This view was shared by the trial judge who stated that he was satisfied that the prosecution was justified in its decision not to apply for costs.

I would remind Members that the criminal justice system exists for the benefit of the community and, by and large, taxpayers pay for that system. The police force, the judiciary, the legal aid and prosecution services are all part of the criminal justice system and are funded by the community. Those convicted are punished by undergoing the sentence of the court. Criminal proceedings are quite different from civil proceedings, where orders for costs are routinely made. In criminal cases, orders for costs against a defendant are unusual and, in practice, if a defendant pleads guilty the prosecution does not ask for costs.

End

Investigation power of EOC explained

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

Question:

It is reported that the Chairman of the Equal Opportunities Commission (the Commission) has indicated that the law empowers the Commission to conduct formal investigations on its own initiative. In this regard, will the Government inform this Council:

- a) through what channels and by what means will the Equal Opportunities Commission initiate formal investigations where no complaints are received;

- b) what mechanism does the Government have to ensure that the Commission will not abuse its investigative power and to prevent the Commission from having excessive power; and
- c) whether the Hong Kong Bill of Rights Ordinance accords protection to people who are suspected of violating the provisions of the Sex Discrimination Ordinance and Disability Discrimination Ordinance, so as to prevent them from being subjected to unnecessary disturbance whilst they are under investigation by the Commission?

Reply:

Mr President,

Under the Sex Discrimination Ordinance or the Disability Discrimination Ordinance, even when no complaints have been received, the Equal Opportunities Commission is empowered to initiate a formal investigation as it thinks fit. These investigations come under two categories, namely unlawful acts which the Commission believes have been or are being committed generally, or those committed by persons whose identity shall be specified. The Commission is also empowered to conduct such investigations as required by the Chief Secretary.

In empowering the Commission to conduct formal investigations, the Sex and Disability Discrimination Ordinances also set out a number of statutory requirements which the Commission has to observe in order to ensure that it exercises its power of investigation in a proper and reasonable manner.

Before the Commission may embark on a formal investigation, it has to draw up terms of reference to set out clearly the parameters or the scope of the investigation it proposes to undertake. The Commission is also required to give general notice of the investigation or, when it will involve a named person whom the Commission believes has committed an unlawful act, inform the person concerned of the Commission's belief and offer that person an opportunity of making oral or written representations. This is to allow the Commission to consider the need to continue with the formal investigation having regard to the representations made.

In the course of its formal investigation, the Commission must carry it out in the manner as prescribed in the rules made under the Sex or Disability Discrimination Ordinance.

Upon the completion of a formal investigation, the Commission is required to publish a report of its findings or make the report available for inspection by members of the public. In cases where a formal investigation is required by the Chief Secretary, the Commission has to submit its report to the Chief Secretary who shall cause the report to be published in an appropriate manner.

The above measures are intended to ensure that a formal investigation will be conducted in a proper manner. Additionally, the Commission in exercising its statutory powers is still subject to the normal principles of administrative law, through judicial review, thereby ensuring that it exercises its powers fairly and reasonably.

The Bill of Rights Ordinance binds the Government and all public authorities, which include the Equal Opportunities Commission. Hence, the Commission's administrative practices must meet the requirements of the Ordinance and must not arbitrarily or unlawfully interfere with a person's rights, in breach of the Ordinance.

End

Work and size of West Rail project team under review

* * * * *

Following is a question by the Hon Choy Kan-pui and a written reply by the Secretary for Transport, Mr Gordon Siu, in the Legislative Council today (Wednesday):

Question:

Is the Government aware of:

- (a) the number of department heads at or above the assistant project manager and chief engineer levels of the West Rail Division in the Kowloon-Canton Railway Corporation (KCRC) holding Hong Kong permanent resident status, and the number of such staff who are Chinese;
- (b) the factors taken into account by KCRC in the employment of the above department heads, and whether such factors include the localisation of department heads;
- (c) whether open recruitment has been conducted in the employment of the above department heads; if so, whether the KCRC has accorded preference to those personnel who have taken part in the construction of the territory's Mass Transit Railway and the Airport Railway;

- (d) the number of the above department heads who are seconded from the consultancy firms undertaking the Western Corridor Railway consultancy contracts; and whether the question of conflict of interest has been considered when employing such staff; and
- (e) whether the KCRC will streamline the establishment of department heads of the West Rail Division, so as to reduce the remuneration expenses arising from the secondment of staff from the consultancy firms?

Reply:

Mr President,

The West Rail Division of the Kowloon-Canton Railway Corporation is headed by a KCRC director and comprises a small group of senior KCRC managers as well as a core group of consultant advisors which together form the Division's integrated project team.

The KCRC rely on the use of the core consultant advisors during this early planning stage of the project because approval for the project has yet to be given by Government. The Corporation considered it imprudent to have a large, permanent in-house staff for requirements that might be temporary in nature. As planning for the project advances, KCRC envisage a progressive increase in permanent staff in the West Rail Division.

As regards details, the answers to the specific questions are as follows:

- (a) Under the Director West Rail, there are fourteen department heads in the West Rail Division. Five of these are considered to be at or above the assistant project manager and chief engineer levels and are presently filled by consultant staff. These staff members are not of the Chinese race and do not hold Hong Kong permanent resident status. Of the nine other department heads in the West Rail Division below the chief engineer level, four are filled by KCRC staff members, three of whom are Chinese and in possession of Hong Kong permanent resident status.
- (b) The appointment of KCRC department heads is either by internal promotion, transfer within the Corporation or recruitment from outside. In the case of internal promotion, vacancies are filled by suitably qualified people. In the case of outside recruitment, the main criterion is to get the right person for the job. Localisation is an important factor as KCRC advertise overseas if and only if no suitable local candidates can be found.

As for department head positions filled by consultancy staff, the key personnel nominated by the consultant have to be reviewed and approved by the Chairman of the KCRC.

- (c) For the four KCRC staff members referred to in (a) above, three were transferred internally from other KCRC divisions and the remaining one was recruited externally.

As the project progresses, manpower requirement will increase and more staff will have to be recruited. The criterion for recruitment is, as stated earlier, to get the right person for the job. Under this criterion, experience in MTR and the airport railway projects will certainly be a factor to be considered in the recruitment exercise.

- (d) The Corporation have considered the question of possible conflict of interest in the appointment of consultant staff to the key positions on the team and concluded that no such conflict would arise since the consultant companies which participate on the KCRC team are precluded by the Corporation from tendering for technical studies, detailed design or subsequent construction of the Western Corridor Railway; and

- (e) Since submitting the Full Proposal, KCRC have been constantly reviewing the work and therefore the size of the West Rail project team. As the main focus of work over the next few months would be confined largely to the supervision of technical studies which are urgently needed to firm up the railway alignment and establish the land requirements, KCRC are now in the process of reducing the size of the team of consultants.

End

Measures to ensure dangerous goods vehicle safety

* * * * *

Following is a question by the Hon Lee Kai-ming and a written reply by the acting Secretary for Security, Mrs Carrie Yau, in the Legislative Council today (Wednesday):

Question:

It was reported that on 10 October this year, a lorry carrying explosives collided with other vehicles. Fortunately, no explosion occurred. In this connection, will the Government inform this Council :

- (a) of the safety devices which are required by law to be installed in vehicles carrying different kinds of dangerous goods, and of the regulatory controls concerning safety in the transportation of dangerous goods on roads;
- (b) whether drivers of vehicles carrying dangerous goods are required to receive special training on safety; and
- (c) what measures the relevant departments will adopt to prevent the occurrence of accidents during the transportation of dangerous goods?

Reply:

Mr President,

- (a) Under the Dangerous Goods Ordinance, all dangerous goods have to comply with the safety packaging requirements to ensure that they are safe for transportation by general goods vehicles. More volatile and inflammable types of dangerous goods must be conveyed by licensed dangerous goods vehicles. A set of standard fire safety requirements for the dangerous goods vehicles would be issued by the Fire Services Department (FSD) to the applicant for a licence for compliance. No vehicle shall carry more than 200 kg of explosives at any time except with the permission in writing of the Commissioner of Mines of the Civil Engineering Department (CED) who will limit the maximum quantity of explosives which the vehicle can carry. The vehicle needs to have safety devices like steel plate separating the engine from the explosives, engine cut-off device and prominent warning markings. A removal permit issued by the Commissioner is required each time a vehicle conveys explosives by land via an agreed route. The safety devices required on Liquefied Petroleum Gas (LPG) road tankers and cylinder wagons include quick closing valves, emergency engine shut-off and double case fuel tanks. Such vehicles cannot be used unless they have been issued with a permit by the Gas Authority (GA) of the Electrical and Mechanical Services Department (EMSD). A LPG road tanker or a cylinder wagon has to comply with the requirements specified in the Gas Safety (Gas Supply) Regulations.
- (b) It is a licensing requirement that the transportation of the dangerous goods must be attended by an attendant who have reasonable experience in handling dangerous goods. The driver for a vehicle carrying explosives and his assistant must be given special training on safety such as handling of emergency situations and use of fire extinguishers. The driver has to be registered with the Commissioner of Mines. The Gas Safety (Gas Supply) Regulations require that at least two trained persons must be employed on a LPG vehicle. The training for drivers and attendants of LPG vehicles is provided by the respective gas supply companies to standards approved by the GA. Each driver, as well as attendant, is issued with and trained in accordance with an operations handbook which covers all aspects of normal and emergency operations. The Factories and Industrial Undertakings Ordinance (Chapter 59) also provide safety guidelines for personnel handling dangerous goods in the course of transportation.

- (c) Dangerous goods vehicles are inspected annually by different Government departments prior to renewal of their licences to ensure that the vehicles and their safety devices are functioning properly. In addition, various safety checks and inspections are carried out on a regular basis. For example, safety checks are carried out on a daily, weekly and monthly basis on LPG road tankers by the gas supply companies and surprise inspections are carried out weekly by the FSD to all dangerous goods vehicles in the territory. Should there be any breach of the licensing conditions, action would be taken against the licensee of that vehicle.

To ensure the safety of vehicles for the conveyance of dangerous goods, further preventive measures are carried out by the FSD including -

- (i) a 24-hour hot-line for complaint by the public is available in order that any immediate action could be taken in response to such complaints.
- (ii) the safety requirements for conveyance and packaging of dangerous goods are under regular review to ensure they are up-to-date; and
- (iii) the department also provides advice for any party who seeks information for conveyance of special consignment dangerous goods. Such services are made known to the industry at regular liaison meetings.

End

One-way permit: no plan to change present mode of operation

* * * * *

Following is a question by the Hon Mrs Selina Chow Liang Shuk-ye and a written reply by the acting Secretary for Security, Mrs Carrie Yau, in the Legislative Council today (Wednesday):

Question:

Regarding the daily arrival of 150 Chinese residents for settlement on one-way permits, will the Government inform this Council whether:

- (a) the Government plays a role in the assessment and approval of applications by Chinese resident for settlement in Hong Kong; if not, whether negotiation will be held with the Chinese authority with a view to obtaining the Chinese side's agreement to the involvement of the Government in the assessment and approval process;
- (b) the Government is aware of the criteria adopted by the Chinese authority in assessing the eligibility of Chinese residents for settlement in Hong Kong and in determining the priority for granting approval to such applications;
- (c) the Government will put forward suggestions to the Chinese authority regarding the criteria for assessing and approving applications for one-way permits; and
- (d) the Government is in a position to vet the eligibility of individual Chinese resident holding one-way permits issued by the Chinese authority, so as to determine whether such persons should be permitted to enter the territory or to request the Chinese authority to re-assess the applications, of such persons for one-way permits?

Reply:

Mr President,

The answer to the four parts in this question is as follows:

- (a) One-way permits are issued by the Chinese Government to Chinese citizens who have been approved to settle in Hong Kong. The Hong Kong Government's current involvement is confined to discussion and agreeing with the Chinese Government on the quota and sub-quotas, and playing a role in assessing whether children applicants born in China will have the right of abode in Hong Kong under Basic Law Article 24(2)(3) after 1997 (eligible children). The Chinese authorities provide the Immigration Department with details of those applying as eligible children and those of their parents for verification. We have no plan to change the present mode of operation.
- (b) Details of the eligibility criteria for applying to settle in Hong Kong are set out in published Chinese Law. We understand that most one-way permits are issued to nuclear family members (parents, spouses and children) of Hong Kong residents to facilitate their reunion in Hong Kong.

- (c) We do put forward suggestions to the Chinese authorities from time to time regarding the criteria for the issue of one-way permits. For example, it was upon our suggestion that specific sub-quota for eligible children and sub-quota for persons separated from their spouses in Hong Kong for ten years or more were adopted.
- (d) We operate our immigration control over entry of one-way permit holders through the arrangements as set out in (a) above. If the Immigration Department has reason to doubt the authenticity of any one-way permit, or believes that the one-way permit was improperly obtained, it will request the Chinese authorities to examine the case.

End

New management costing system for Hospital Authority

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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:

Is the Government aware of the ten illnesses which consumed the most of the Hospital Authority's resources, as well as the number of patients and the amount of financial resources consumed in respect of each of the illnesses concerned, in each of the past three years?

Reply:

While the current clinical and management information database of the Hospital Authority can provide statistics on number of discharges or morbidity statistics by disease groups, costing data on individual treatment episodes is required in order to obtain information on resource consumption. This is not yet available.

The Hospital Authority is developing a new management costing system based on disease related groups and clinical specialties to capture and collate the relevant data. Progress on this front will have to keep pace with formulation of clinical protocols to ensure uniformity of standard practices.

End

Measures to maintain an honest civil service

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Following is a question by Dr the Hon David Li Kwok-po and a written reply by the Secretary for the Civil Service, Mr W K Lam, in the Legislative Council today (Wednesday):

Question:

According to the Independent Commission Against Corruption, the number of corruption reports made against civil servants in the first nine months of the year has risen by 10 percent as compared with that in the same period last year. Will the Government inform this Council of the reasons for the increase and how it plans to stamp out corruption in the civil service?

Answer:

Mr President,

The number of corruption reports submitted to the ICAC has fluctuated in the last five years. In the same period, the number of corruption reports against civil servants has also fluctuated, ranging from 978 in 1991 to 1,381 in 1994, as shown below:

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
Total number of corruption reports received	2,411	2,276	3,284	3,601	3,234
Number of corruption reports against civil servants	978	1,032	1,365	1,381	1,248

The number of corruption reports filed against civil servants in the first nine months of 1996 is 962 out of a total of 2,317 reports received by the ICAC. We would not wish to speculate on the reasons for changes in the number of corruption reports against civil servants.

The Government is not complacent and is determined to stamp out corruption in the civil service through education, training, prevention and enforcement. All civil service recruits on appointment are briefed on corruption prevention matters and are provided with copies of the guidelines and rules derived from the Prevention of Bribery Ordinance and the Acceptance of Advantages (Governor's Permission) Notice. Their attention is also drawn to the relevant Civil Service Regulations which provide clear guidelines and impose specific requirements to help civil servants avoid conflict of interest between their official duties and private interests including investments.

These guidelines and rules are circulated regularly to remind civil servants of the serious consequences of taking bribes. There are additional seasonal reminders (usually before Christmas and Chinese New Year) to remind civil servants of the rules concerning acceptance of gifts and entertainment. To reinforce these messages, Civil Service Branch in conjunction with the ICAC organise regular talks and seminars on anti-corruption and related subjects for civil servants. In particular, training sessions are organised for new recruits, staff in corruption prone positions and officers who have supervisory accountability. Starting from 1995, the ICAC launched a two year Support Clean Government Programme. Under the Programme, two corruption prevention guides were produced for senior and middle managers respectively followed up by seminars.

On the prevention side, the Corruption Prevention Department of the ICAC regularly reviews departmental procedures and practices with a view to identifying corruption opportunities and advising on ways to eliminate them. Monitoring studies are carried out to ensure compliance with established procedures. The ICAC is consulted by the Government on new policies, rules and procedures relating to conflict of interest and acceptance of advantages before they are implemented. Recently, we have promulgated guidelines for civil servants to report their investments in Hong Kong and in places outside Hong Kong where they have official dealings.

As regards enforcement of the relevant regulations, civil servants are required to report attempts of bribery and corruption to the ICAC. All complaints and allegations of corruption received by Government departments must be referred immediately to the ICAC for investigation. If a civil servant is convicted of a corruption offence, internal disciplinary action will be taken against him or her and appropriate steps taken in addition to any sentence imposed by the Courts. Punishment for corruption-related offences normally takes the form of dismissal from the service under Colonial Regulation 58. If a civil servant accused of a corruption related offence is acquitted or has his or her conviction quashed on technical grounds which do not undermine the prosecution evidence accepted by the court, consideration will be given to remove him or her from the civil service in the public interest under Colonial Regulation 59.

We are firmly committed to maintain an honest and corruption-free civil service. We believe that the number of corruption reports against civil servants demonstrate that our efforts over the years have been successful. With over 180,000 civil servants, the number of corruption reports involving civil servants clearly indicates that incidents of corruption are thankfully few and far between. Nevertheless, we will continue to work with the ICAC to monitor the situation and take appropriate measures to stamp out all forms of corruption in the civil service.

End

Stock Exchange council members election system

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Following is a question by the Hon Chim Pui-chung and a written reply by the acting Financial Services, Mrs Lessie Wei, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council whether:

- (a) the existing election system for the Council members of the Stock Exchange of Hong Kong (SEHK) is being regulated by the Government or the Securities and Futures Commission; and
- (b) the Government is aware of the channel(s) through which members of the SEHK may seek to change the above election system?

Answer:

- (a) The Stock Exchange of Hong Kong Limited (SEHK) is a company incorporated in Hong Kong under the Companies Ordinance (Cap. 32) and is the Exchange Company recognised by the Securities and Futures Commission (SFC) for the purpose of the Stock Exchanges Unification Ordinance (Cap. 361) (the Ordinance). The mechanisms for election and appointment of members to the Council of the Exchange are provided under articles 86 to 95B of the articles of association of the Exchange. In accordance with section 3 of the Ordinance, the articles of association of the SEHK must be approved by the SFC. Taken together, it means that the election system for the Council members of the SEHK is being regulated by the SFC.
- (b) Under section 13 of the Companies Ordinance, a company may by special resolution alter or add to its articles of association. However, this provision by itself may not be applicable in the case of the SEHK to the extent that, in accordance with section 35 of the Ordinance, any changes in the articles of association require approval by the SFC before they can become effective. There are no other channels through which members of the SEHK may seek to change the election system.

End

Training of optometrists

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

Question:

Under the Optometrists (Registration and Disciplinary Procedure) Regulation, any person practising optometry without a recognised professional qualification is required to pass an examination before he is granted a practising certificate. In this connection, will the Government inform this Council:

- (a) of the number of such examinations held since the implementation of the above Regulation, as well as the number of candidates taking part and the passing rate in each examination; and
- (b) whether, in view of the unsatisfactory results in the examination held in May this year, the Government will adopt any measures to strengthen the professional training provided for those practising optometry without a recognised professional qualification ?

Reply :

- (a) The registration of optometrists under the Optometrists (Registration and Disciplinary Procedure) Regulation commenced in December 1994. Two rounds of examination for provisional registration were conducted in the periods February to April and August to October 1996. Each round of the examination consists of two parts : basic refraction and basic contact lens fitting. Candidates can sit for either one part or both parts of the examination.

The results of the two rounds of examination are as follows:

Examination	No of Candidates Attended (a)	No of Candidates Passed (b)	Passing Rate % (b/a)
First Round			
Basic Refraction	647	85	13.14%
Basic Contact Lens Fitting	516	4	0.78%
Second Round			
Basic Refraction	509	95	18.66%
Basic Contact Lens Fitting	145	1	0.69%

- (b) At present, practising optometrists without formal training can pursue training courses run by the Hong Kong Polytechnic University. We will continue to encourage practising optometrists to update their professional knowledge so that they can fulfil the standard required for registration.

Moreover, the Optometrists Board will continually review the examinations to identify areas where measures can be taken to provide better support and environment for the candidates.

End

Proper control on transboundary movement of waste

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

Question:

Will the Administration inform this Council of the total amount of medical and household wastes shipped from the United States for dumping in the territory's landfills in the past three years, and the steps that the Government will take to prevent the shipment of such wastes to the territory for dumping?

Answer:

Mr President,

We are not aware of any cases of medical and household wastes that have been shipped from the United States for dumping in Hong Kong's landfills. Since China tightened up its import controls in April 1996, there have, however, been several instances where medical and household waste intended for recycling or disposal in China has ended up in Hong Kong.

Two shipments, totalling about 480 tonnes were intercepted in 1996. About 80 tonnes of this waste was dumped in Hong Kong's landfills before detection. The remaining 400 tonnes have been returned to the United States. Another case involved plastic waste mixed with household waste from the United States intending to be recycled in China. This was rejected by the Fuzhou authorities in July 1996. The shipment was subsequently stranded in Hong Kong for some time before being returned to the United States. There was no evidence that any attempt had been made to dump this waste in Hong Kong. We are not aware of any other cases in the past three years.

Under the Waste Disposal Ordinance, it is an offence to import waste into Hong Kong for disposal unless prior approval has been obtained from the Director of Environmental Protection. Investigations concerning the illegal disposal of medical and household waste mentioned above are continuing. We will prosecute offenders whenever sufficient evidence is available.

To prevent further incidents of illegal disposal, the Environmental Protection Department will continue to monitor the situation closely and step up enforcement measures at the landfills. We have also reminded shipping companies that they may not dispose of imported waste in Hong Kong and that any unclaimed waste shipment must be returned to the sender in the country of origin. At the same time, we will continue to liaise with overseas authorities to ensure proper control of transboundary movements of wastes.

End

Cross-border shuttle bus services

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Following is a question by the Hon Wong Wai-yin and a written reply by the Secretary for Transport, Mr Gordon Siu, in the Legislative Council today (Wednesday):

Question:

More than a year has elapsed since the completion of the Lok Ma Chau Public Transport Interchange, but the cross-border shuttle bus service at the Interchange has yet to come into operation. In this connection, will the Government inform this Council of:

- (a) the reasons for the delay in the commencement of the above shuttle bus service; and
- (b) the expected date for the commencement of the above shuttle bus service?

Reply:

Mr President,

The Hong Kong and Shenzhen authorities have agreed to the introduction of cross-border shuttle bus services between Lok Ma Chau and Huanggang. A joint venture company has been formed between the operators on each side. The service has not commenced because the relevant authorities in China have yet to give formal approval to the service and to the issue of travel documents for bus drivers from China to cross the border in order to reach the Lok Ma Chau Public Transport Interchange.

We have been liaising with the Shenzhen authorities. Both the Hong Kong and Shenzhen authorities would like the service to commence operation as early as possible to improve the cross border facilities for the increasing passenger traffic. Hence, as soon as the necessary approval from the Chinese authorities are obtained and the ensuing practical arrangements are made, the service will begin.

End

Air services agreements cover most air traffic

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Following is a question by the Hon Howard Young and a written reply by the Secretary for Economic Services, Mr Stephen Ip, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council of:

- (a) the respective proportions of Hong Kong's current air passenger flow and flight volume not covered by air service agreements and inter-airline commercial agreements between Hong Kong and other countries; and

- (b) the two busiest routes on which the Government has yet to conclude air service agreements with the countries concerned?

Reply:

- (a) To date Hong Kong has signed 15 Air Services Agreements (ASAs). Six more have been initialled, two of which are awaiting signature whilst the other four will need to be cleared by the Sino-British Joint Liaison Group (JLG). An inter-airline commercial agreement for Hong Kong/Taiwan air services has been signed. Hong Kong/PRC air services were reviewed as part of the UK/PRC air services discussion in June this year. Current air passenger flow and flight volume not covered by the above arrangements account for around 7% and 8% respectively.
- (b) Among countries with which Hong Kong has yet to sign ASAs, the ones with most traffic with Hong Kong are Japan and the United States. However, the Hong Kong/Japan and Hong Kong/US Air Services Agreements have been initialled and will be signed subject to clearance by the JLG.

End

Public Housing Development Programme on target

Following is a question by the Hon Cheung Hon-chung and a written reply by the acting Secretary for Housing, Mr Tony Miller, in the Legislative Council today (Wednesday):

Question:

In the Policy Commitments of the 1994 Policy Address, the Government pledged to build an additional 22,300 flats for the elderly over the following four years. However, only 4,300 such flats were built in 1995/96. In view of this, will the Government inform this Council of:

- (a) the total number of flats built for the elderly since 1994/95;
- (b) the measures that will be taken to achieve the target set out in the Policy Commitments mentioned above?

Answer:

Mr President,

In the 1994 Policy Commitments, we pledged to build an additional 22,300 flats for the elderly over the next four years. So far, 5,100 such flats have been built.

We are on target in meeting this commitment. We will build another 17,600 flats for the elderly by 1998-99 under the Public Housing Development Programme (PHDP). The breakdown is as follows-

Year	Number of flats completed
1996-97 (remainder)	4,600
1997-98	8,000
1998-99	5,000

The construction work for these flats has commenced. The Housing Authority monitors the construction programme closely and reviews the PHDP regularly to ensure that these production targets are met.

End

Construction of Tseung Kwun O Hospital on schedule
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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:

Is the Government aware of:

- (a) the population within the network to be served by the new Tseung Kwan O Hospital which is now under construction, and the expected date of the commissioning of the Hospital; and

- (b) the public hospitals which are currently providing medical services to residents in Tseung Kwan O, together with the number of beds in each of these hospitals and their respective occupancy rates; and whether there is spare capacity in each of these hospitals to meet the extra demand for medical services from residents in Tseung Kwan O?

Reply:

The construction of Tseung Kwan O Hospital is on schedule for completion in mid-1999. We expect the commissioning programme to start in phases from December 1999. Total population to be served by the hospital is expected to be 300,000 by the year 2000.

In line with our increasing emphasis on ambulatory care, the design of Tsueng Kwan O Hospital has taken into account the demographic profile of its target population and will provide 450 beds together with advanced day treatment facilities supported by application of modern technology to reduce the need for admission. At present, the residents in Tseung Kwan O are being served by United Christian Hospital with 871 beds and an average occupancy rate of 87%, as well as Haven of Hope Hospital with 257 beds and an average occupancy rate of 88% located in the vicinity. As is the case, some residents may prefer to seek treatment from other public hospitals in the territory.

To cope with the increasing demand arising from projected population growth, both United Christian Hospital and Haven of Hope Hospital are undergoing major redevelopment works to expand the scope of their services. Upon completion, the former will provide 1,337 beds by 2000/01 and the latter 302 beds by 1997/98. Taken together with the new Tsueng Kwan O Hospital, these facilities should be able to provide a satisfactory level of medical care for the local community.

End

Govt fully committed to protection of children's rights

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Following is a question by Dr the Hon David Li Kwok-po and a written reply by the Secretary for Home Affairs, Mr Michael Suen, in the Legislative Council today (Wednesday):

Question:

In the concluding observations of the United Nations Committee on the Rights of the Child (the Committee) on a report submitted by the British Government in respect of Hong Kong under Article 44 of the Convention on the Rights of the Child, the Committee recommended the establishment of an independent body in the territory to specifically monitor the execution of Government policy in relation to the rights of the child. In view of this, will the Government inform this Council:

- (a) whether the Government has a comprehensive policy on the promotion and protection of children's rights; and
- (b) what measures have been taken by the Government to review existing child-related legislation and services with a view to combating child abuse?

Reply:

Mr President,

The United Nations Convention on the Rights of the Child, which was extended to Hong Kong in 1994, contains comprehensive provisions on children's rights. We are fully committed to implementing the Convention as it applies to Hong Kong.

Children's rights span a wide range of policy areas, including education, social welfare, medical and health, security, sports and culture, to mention just a few. In this regard, instead of putting them all under one distinct child policy which would cut across and possibly duplicate other policies, we consider it more effective to continue to promote and protect children's rights through the policies of the respective branches. Under this arrangement, the relevant Policy Secretaries, assisted by their advisory boards and committees, will give in-depth consideration to the provisions in the Convention and translate them into some best practicable measures.

We are committing to protect children from all forms of abuse and maltreatment. This is done through a comprehensive framework of legislation and services which are kept under constant review to ensure that they continue to meet our objective of protecting the children in the best way possible.

In this connection, on the legislative side,

- * we amended the Protection of Children and Juveniles Ordinance in November 1993 to extend protection to children suffering from psychological and emotional abuse, in addition to physical abuse, sexual abuse and neglect, and introduce a child assessment procedure to enable the Government to intervene effectively at an early stage of suspected child abuse or neglect;
- * we amended the Criminal Procedure Ordinance and the Evidence Ordinance in July 1995 to afford greater protection to child witnesses in criminal proceedings by minimising the trauma caused to them by repeated questioning about the abuse incident during the investigation process and court proceedings;
- * as a deterrent to potential abusers, we substantially increased the maximum penalties under the Offences against the Person Ordinance as from September 1995 for offences which expose the lives of children to danger, ill-treating or neglecting children; and
- * we introduced a Bill into the Legislative Council in June this year to prohibit unsuitable persons from acting as childminders and to facilitate the formation and operation of mutual help child care groups so as to exercise control of child minding activities outside of child care centres and to address the problem of children being left unattended at home.

Various services are provided to combat child abuse. These are reviewed and modified to cope with changing needs and circumstances. For dealing with child abuse cases,

- * the Social Welfare Department (SWD) computerised its Child Protection Registry in July 1994 so that more comprehensive data on child abuse cases will be available to facilitate planning of services and early intervention into suspected cases by frontline professionals;
- * the SWD and the Police established a Child Protection Special Investigation Team in December 1995 to conduct joint investigation into suspected child abuse cases and video-record interviews of child witnesses. A special programme to provide support to child witnesses while they are testifying in court will be introduced by mid-1997;

- * a comprehensive set of guidelines has been drawn up so as to streamline the handling of child abuse cases by multi-disciplinary teams of professionals. These guidelines are kept under constant review to take account of changing circumstances. A new set of procedures focusing on the handling of child sexual abuse cases was introduced in March this year;
- * the SWD has enhanced the resources in the Child Protective Services Unit and the Clinical Psychological Unit and will continue to do so to strengthen protection and treatment for the children involved in abuse cases; and
- * we shall continue to organise training programmes conducted by overseas experts for social workers, clinical psychologists and police officers to enhance their skills in handling child abuse cases.

For preventive purposes,

- * a territory-wide publicity campaign to educate the public on early identification and reporting of child abuse cases was conducted in 1995. The second campaign on prevention of child sexual abuse commenced in April this year, with the first phase devoted to teaching young children how to protect themselves, to be followed by a second phase towards the end of this year which will concentrate on promoting parents' awareness and proper handling of child sexual abuse cases;
- * to promote awareness and understanding of child abuse and to provide a forum for professionals of different disciplines to examine and tackle the problem at district level, more District Committees on Child Abuse will be set up so that by late 1996 each of the thirteen districts of the SWD will have such a committee; and
- * in addition to the initiatives described above, we shall strengthen our network of services to support the family and to prevent the emergence of family problems such as child abuse. These include family life education programmes, services provided by family activity and resource centres, child care and family aide services.

End

Using the title of "doctor"

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

Question:

In view of a recent court case in which the prosecution dropped the charge against a naturopath for using the title of "doctor", will the Administration inform this Council whether it will consider amending the Medical Registration Ordinance so that any person who practises a medical profession but who is not registered under the Ordinance can use the title of "doctor", if not, why not?

Reply:

Section 28(1) of the Medical Registration Ordinance states that a person will commit an offence if he "wilfully and falsely" takes or uses any name, title, addition or description implying that he is qualified to practise medicine or surgery or that he is a registered medical practitioner. The intention of this provision is to protect members of the public by deterring persons from using the title of "doctor" or "ysang" to mislead or deceive others that he is qualified to practise medicine or surgery.

Practitioners of alternative medicine or persons with bona fide doctorate degrees who do not hold themselves to be practitioners of medicine and surgery are not prohibited from using the title of "doctor". We believe the relevant section in the Medical Registration Ordinance is clear and requires no amendment.

End