



# DAILY INFORMATION BULLETIN

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### Increase in water charges approved

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The Governor-in-Council today (Tuesday) approved an increase in water charges.

The increase, which was made following an annual review of water charges in conjunction with a recent review of the rates of return of Government utilities, will come into effect on February 16 this year.

The last increase in water charges was made one and a half years ago, on August 1, 1993.

A spokesman for the Water Authority said the charges for domestic consumers would increase by seven per cent and those for non-domestic consumers by 10.5 per cent.

"The revision is aimed at reflecting more accurately the higher operating costs mainly due to inflation and the costs of expansion of the supply systems in the next few years to cope with future demand," he noted.

The spokesman pointed out that the increase was much below inflation which was 14 per cent for the same period.

Under the new charges, 16 per cent of the 1.7 million domestic consumers will continue to enjoy free supply of water, while 62 per cent will pay less than \$7 more per month.

The remaining 22 per cent will pay \$7 or more per month. Of this group, about eight per cent (that is less than two per cent of all consumers) will have to pay more than \$20 extra per month.

The spokesman further pointed out that the present charges for non-domestic consumers were below production costs.

The higher increase in the charges for this category of consumers, in comparison with the charges for domestic consumers, is aimed at bringing the non-domestic charges closer to the production costs, he said.

"The 10.5 per cent increase for non-domestic supplies is unlikely to have any significant impact on business operations as water charges represent only a small part of the operating costs of most firms," the spokesman noted.

He explained: "For example, the new charges will increase the production cost of the bleach-dyeing industry, which is the largest consumer of water, by about 0.33 per cent and that of the entire manufacturing sector by about 0.02 per cent."

"Water charges for other sectors represent an even smaller proportion of their total production costs.

"Therefore the increase in the charges should not have any significant impact on their operations," he said.

The fees for connection and other miscellaneous services will also be increased to reflect the rise in material and labour costs. The last increases in these fees were made on August 1, 1993.

A comparison of the water charges for domestic consumers under the old and new tariffs is shown below:

Consumption in units <u>1 unit=1 cubic metre</u>	Charges per four-month period <u>Present (\$)</u>	Charges per four-month period <u>New (\$)</u>
12 and below	Free	Free
13 - 43	0-116.70	4.16 - 128.96
44 - 62	120.59 - 224.85	135.41 - 251.51
63 - 120	230.88 - 705.81	260.56 - 776.41
Over 120	705.81 plus 8.46 per unit over	776.41 plus 9.05 per unit over

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Employment (Amendment) Bill 1995 to be submitted to LegCo next week

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Following the endorsement by the Governor-in-Council today (Tuesday), the Government will introduce into the Legislative Council next week, the Employment (Amendment) Bill 1995 which contains a comprehensive package of improvements for calculating severance pay (SP) and long service payment (LSP).

The improvements contained in the Bill seek to raise both the absolute payment ceiling and the length of reckonable service for the calculation of SP and LSP on a gradual basis.

The improvements are based on the advice of the Labour Advisory Board which held two special meetings after the withdrawal of the Employment (Amendment) Bill 1994 last December to reconsider the issue of SP and LSP. The Bill provides for improvement of employee welfare by:

- (a) Removing the ceiling of 12 months' wages for the calculation of SP and LSP;
- (b) Increasing the years of service for the calculation of SP and LSP from the current limit of 18 years to 25 years plus 50 per cent of any remaining service immediately upon enactment of the legislation.

This limit will be increased by two years on October 1, 1995 and every subsequent year until it reaches 43 years in October 2003. There will be no ceiling as from October 1, 2004.

Details of the agreed increases in years of service are as follows:-

<u>Effective date</u>	<u>Years of reckonable service</u>
Enactment to September 30, 1995	25
October 1, 1995	27
October 1, 1996	29
October 1, 1997	31
October 1, 1998	33
October 1, 1999	35
October 1, 2000	37
October 1, 2001	39
October 1, 2002	41
October 1, 2003	43
October 1, 2004 and thereafter	No ceiling

- (c) Raising the absolute payment ceiling from the current limit of \$180,000 to \$210,000 upon enactment of the legislation. This limit will be increased by \$20,000 on October 1, 1995 and every subsequent year until it reaches \$390,000 in October 2003. Details of the increases are:-

<u>Effective date</u>	<u>Maximum payment</u>
Enactment to September 30, 1995	\$210,000
October 1, 1995	\$230,000
October 1, 1996	\$250,000
October 1, 1997	\$270,000
October 1, 1998	\$290,000
October 1, 1999	\$310,000
October 1, 2000	\$330,000
October 1, 2001	\$350,000
October 1, 2002	\$370,000
October 1, 2003 and thereafter	\$390,000

Commenting on the Bill today (Tuesday), a Government spokesman said the improvement package was both comprehensive and forward looking as it had a definite timetable to increase the length of reckonable service and raise the absolute payment ceiling.

"The year-by-year approach addressed the concerns of both employers and employees. It gives both parties certainty and will help to promote harmonious labour relations as it will no longer be necessary for employers and employees to bargain every year.

"It will bring gradual improvements at a pace acceptable to both employers and employees," he said.

The Bill also seeks to remove an ambiguity in the law regarding maternity leave and to rectify an anomaly on sick leave certificate issued by a registered dentist.

The Employment Ordinance provides that a female employee who has been employed by the same employer under a continuous contract for a period of not less than 26 weeks shall be entitled to maternity leave, which is normally an aggregate of a four-week ante-natal leave and a six-week post-natal leave.

"The law is however silent on how to count the 26 weeks although it is only logical that the 26 weeks should be counted backwards from the expected date of commencement of maternity leave. To remove the ambiguity in the law, we proposed to amend section 12(1) accordingly," the spokesman said.

The Employment Ordinance also provides that maternity leave pay should be effected on the normal pay day. However, at present, failure to effect maternity leave pay by an employer within the specified time limit is not an offence hence prosecution action cannot be taken.

"We propose that late payment of maternity leave pay should be an offence liable to a maximum fine of \$10,000 upon conviction," he said.

At present, a medical certificate issued by a registered dentist is not regarded as an appropriate medical certificate, an employee having encountered a dental injury or received a dental surgical operation requiring a few days' sick leave is therefore unable to receive sickness allowance.

"To rectify this anomaly, we propose to include the medical certificate issued by a registered dentist as a valid document for the purpose of claiming sickness allowance," the spokesman said.

The amendment bill will be gazetted on Friday (January 13) and introduced into the Legislative Council for the first, second reading, committee stage and third reading on January 18.

"Upon the passage of the Bill, the Labour Department will organise seminars and talks to brief employers and employees on the proposals and distribute information pamphlets to the public through various channels," the spokesman said.

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Number of court insolvency cases stabilised last year

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The total number of new court insolvencies last year slightly decreased in comparison with the previous year (1993).

Reviewing the work of his department in the past year, the Official Receiver, Mr Robin Hearder, said there were 426 new compulsory company liquidations and 306 new personal bankruptcies compared with corresponding figures of 408 and 329 in 1993, a decrease of 0.68 per cent.

The businesses mainly affected by compulsory company liquidations and bankruptcies included garment and knitting manufacturing, restaurants and canteens, company directors giving personal guarantees, electrical and electronic manufacturing, importers and exporters, construction and engineering and transportation and godown.

Petitions were filed by the Director of Legal Aid (42 per cent), trade creditors (25 per cent), banks and financial institutions (16 per cent), shareholders (3 per cent), landlord (3 per cent), personal (1 per cent) and others (10 per cent).

More complicated or significant insolvencies during the year were American Launderland Management Limited, American Launderland Holdings Limited, Hong Kong Video Publishing Company Limited, T.S. Wong (Investment & Finance) Company Limited, Lawe William (China Trade) Limited, Melba Trading Company Limited, ABC Computer Company Limited, Mutual Well Limited and China Tianjin International Economic and Technical Co-operative Corporation.

Seventy-seven summonses as against 100 in 1993 were issued against bankrupts and directors of compulsory wound-up companies for failure to submit statement of affairs to the Official Receiver, failure to keep proper books and records and misconduct.

Seventy-two bankrupts or directors as against 66 in 1993 were convicted. The total amount of fines imposed by the court was \$548,380 as against \$326,458 in 1993, representing an increase of 67.98 per cent.

A bankrupt who was convicted of taking part in the management of a company without the leave of the court was sentenced to two months' imprisonment suspended for three years.

Total dividends declared by the Official Receiver during 1994 (excluding BCCHK) amounted to \$62.58 million in 232 insolvencies, as against \$179.38 million in 251 insolvencies in 1993.

The reduction in the amount of dividends declared was essentially attributable to the payment of extraordinary big dividends (\$112.7 million) in four insolvency cases in 1993.

Four additional dividends to the large creditors owed more than \$100,000 were declared in BCCHK during 1994 amounting to \$2,025 million, bringing the total dividends so far to 78 per cent.

One hundred per cent preferential or ordinary dividends were declared in 64 insolvencies. Substantial dividends were also declared to the creditors of First Bangkok City Finance Limited (\$12.3 million), Thai Mercantile Development Finance Limited (\$3.9 million) and Scotland Insurance Company Limited (\$3.4 million).

Funds administered by the Official Receiver at the end of December 1994 (excluding funds pertaining to the BCCHK liquidations) totalled \$1,093 million compared with \$1,156 million at December 31, 1993, representing a reduction of \$63 million.

The Official Receiver also administered US\$2.9 million (US\$2.1 million at December 31, 1993) and Japanese Yen 270 million (Yen 272 million at December 31, 1993). The BCC funds under the Official Receiver's administration amounted to about \$1,949 million (\$2,960 million at December 31, 1993).

The total number of active insolvency cases being handled by the Official Receiver's Office at the end of the year was 2,208, representing 1,347 compulsory liquidations and 861 personal bankruptcies, as against a total of 2,062 at the end of 1993.

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#### 12 Municipal Council elections nominations received

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A total of 12 nominations of candidates were received today (Tuesday) for the Municipal Council elections on March 5.

The total number of nominations received so far is 65.

The nomination period will last until January 23.

The breakdown of nominations received by district is as follows:

Central and Western	3
Wan Chai	0
Eastern	8
Southern	3
Yau Tsim Mong	3
Sham Shui Po	3
Kowloon City	4
Wong Tai Sin	6
Kwun Tong	10
Tsuen Wan	0
Tuen Mun	4
Yuen Long	5
North	3
Tai Po	3
Sai Kung	2
Sha Tin	6
Kwai Tsing	2
Islands	0
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Total	65

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Proprietors alerted on impostors

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The Labour Department today (Tuesday) advised company proprietors to be watchful for people impersonating as officers of the department.

The advice follows several reports in which staff of different companies recently received telephone calls from outsiders who claimed to be officers of the Labour Department and asked for particulars of their companies.

A Labour Department spokesman explained that departmental officers making enquiries would always make known their names and the names of their offices.

"Officers conducting site inspections are also instructed to identify themselves by providing their warrant cards," he said.

"If proprietors have any doubts about a caller's identity, they should ask for his contact telephone number or office address so that follow-up actions can be taken," the spokesman said.

"They should also check with the Labour Department or report immediately to the nearest police station if they have further doubts," he added.

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#### Operator fined for running illegal guesthouse

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A guesthouse operator was fined \$7,000 by the North Kowloon Magistracy today (Tuesday) after he had pleaded guilty to a charge of running a guesthouse illegally in Mong Kok.

The court heard that officers of the Home Affairs Department's Office of the Licensing Authority inspected the Ha Wai Yi Guest House at flat 7F, Far East Mansion, 11 Nelson Street, and found that the establishment was being operated without a certificate of exemption or a licence.

The operator, Tang Chi-wai, was charged with operating the guesthouse in contravention of Section 5(1) of the Hotel and Guesthouse Accommodation Ordinance.

In a related development, the operators of two guesthouses in Chungking Mansions have also been charged with keeping a guesthouse without a certificate of exemption or a licence.

They are expected to appear at the South Kowloon Magistracy on February 6.

A spokesman for the department stressed that enforcement action would be taken continuously in order to eliminate illegal guesthouses and hotels.

"Policing and prosecution will be a long-term exercise with no time-limit and will not be confined to a particular district," he added.

The spokesman also reminded operators that under the ordinance, offenders are liable on conviction to a fine and two years' imprisonment.

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Executive Grade pledges to better serve the community

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The Secretary for the Civil Service, Mr Michael Sze, today (Tuesday) congratulated the Executive Grade on their innovative spirit to better serve the community by coming up with their own Vision and Mission Statement - the first of its kind within the civil service.

At a ceremony, Mr Sze presented to the representatives of the Executive Grade the Vision and Mission Statement which reads:

"Our vision is to serve Hong Kong by providing the highest quality of service in the management of public organisation.

"Our mission is to plan, manage and review resources and systems in the organisations we serve in an overall effort to meet organisational objectives in a most efficient and effective manner."

Mr Sze said the Executive Grade had set a fine example for the civil service and he was confident that the Statement would live up to its objective of providing a sharp focus and a clear direction to guide the Grade in serving the community.

"Today's event will be remembered as a landmark from which the Executive Grade's commitment to serve the community will be developed from strength to strength," Mr Sze said.

The ceremony was attended by heads of policy branches and departments, representatives of the Executive Grade and the Chairman of the Public Service Commission, Mr Augustine Chui.

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### Bravery commendations for HMS Starling crewmen

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Two seamen from HMS Starling have been awarded the Queen's Commendation for Bravery for their actions on an anti-smuggling patrol on December 30, 1993.

Petty Officer Weapon Engineer Mechanic (Ordnance) Steve Rule and Radio Operator (Tactical) Brian Morris were members of the boarding team of a fast pursuit craft (FPC) from HMS Starling on anti-smuggling patrol in the Sai Kung area.

On receipt of reports of contraband loading activity in the area, both FPCs were deployed covertly from the ship at 7.15 pm.

Directed to enter Port Shelter, some two miles to the north, they established a fully darkened patrol poised to intercept the smuggling speedboats as they departed from their loading sites for China.

Shortly after reaching their patrol area, three "chung feis" smuggling boats approached from the north at speed and both FPCs gave chase.

Both craft closed on the rearmost "chung fei" which began to manoeuvre violently and at times dangerously close to the shore as it attempted to throw off its pursuers.

The coxswain of the "chung fei" was unusually determined and skilful, capable of the most aggressive evasion techniques.

Eventually, after a 10-minute chase at speeds of over 60 knots involving a number of dangerously close encounters, one FPC succeeded in manoeuvring alongside the speedboat.

The crewman realised at that stage that arrest was imminent and jumped overboard.

Aware that they were still up against a particularly hostile and experienced smuggling coxswain - and regardless of the inherent dangers of high speed boarding operations - Petty Officer Rule and Radio Operator Morris leapt onto the laden "chung fei".

On seeing PO Rule enter his cockpit, the chung fei's coxswain fully opened both his engine throttles and turned sharply towards a large fish farm tethered between two nearby islands before he too abandoned his boat.

Well aware that he and RO Morris were still at considerable personal risk, PO Rule displayed remarkable composure and professionalism as he endeavoured to take control of the unfamiliar boat.

Meanwhile, RO Morris continued to crawl over the cargo of contraband to the stern of the "chung fei" in an attempt to disable the engines.

Before he could establish a firm hold in the engine bay, and despite PO Rule's best efforts to avoid the fish farm, the "chung fei" collided at full speed with a fish tank, passing through and completely destroying a wooden hut and coming to rest amidst the fish farm tanks.

Remarkably, the two seamen escaped with only minor injuries and PO Rule was able to extract the "chung fei" from the fish farm and return it to HMS Starling for examination and subsequent handover to the Police.

The brave actions of the two men resulted in the arrest of two smugglers and the capture of a boatload of electrical contraband valued in excess of \$130,000.

Throughout the incident, both men displayed a complete disregard for personal danger, in the finest traditions of the Service, and are awarded the Queen's Commendation for Bravery.

Petty Officer Rule is aged 31 and comes from Bath. He is married and has served in Hong Kong for over two and a half years. He has served in the Royal Navy since March 1980.

Radio Operator Morris is 26 and comes from Liverpool. He is single and has been in Hong Kong since August 1993. He joined the Royal Navy in January 1988.

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21-gun salutes planned for 1995

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HMS Tamar's saluting guns on Stonecutters Island will fire for the first time this year at midday on February 7 (Tuesday) on the anniversary of Her Majesty the Queen's accession to the throne.

Other 21-gun salutes to be fired in 1995 are:

April 21 (Friday) -- Anniversary of HM the Queen's birthday  
June 2 (Friday) -- Anniversary of HM the Queen's coronation  
June 10 (Saturday) -- Anniversary of HRH the Duke of Edinburgh's birthday  
June 17 (Saturday) -- HM the Queen's official birthday  
August 4 (Friday) -- Anniversary of HM the Queen Mother's birthday

All salutes take place at noon. Details of other gun salutes during 1995 will be announced in due course.

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Attention news editors:

You are invited to send a photographer to any of the gun salutes. Please inform Joint Service Public Relations Staff (Telephone 2588 3315) 24 hours in advance of any occasion you wish to cover so that transport to Stonecutters Island can be arranged.

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49 Ex-China Vietnamese illegal immigrants repatriated

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A total of 49 Ex-China Vietnamese Illegal Immigrants (ECVIIs) comprising 24 men, 11 women, eight boys and six girls were returned to Nanning, Guangxi by air this morning (Tuesday).

Discussions are continuing with the Chinese authorities on the repatriation of the 340 ECVIIs still remaining in Hong Kong.

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Special review article on Hong Kong Energy Statistics, 1983-93

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The December 1994 issue of the Hong Kong Monthly Digest of Statistics contains a special review article entitled "Hong Kong Energy Statistics, 1983-93".

Energy consumed by final users can be divided into two categories.

The first category includes energy extracted from a stock of reserves in the ground, such as coal, crude oil and natural gas, without undergoing any transformation processes. Such energy is referred to as primary energy.

The other category comprises energy obtained from transformation of primary energy. Such energy is referred to as secondary energy. Examples are petroleum products and electricity.

Since Hong Kong does not have its own indigenous production, different forms of primary energy are all imported.

Part of such primary energy may be converted to secondary energy such as electricity and gas for final consumption. This article summarises the production and consumption of different forms of energy in the territory in the period 1983-93.

The December 1994 issue of the Hong Kong Monthly Digest of Statistics is available at \$48 per copy.

It contains a large volume of commonly used social and economic statistical information.

It can be purchased at the Government Publications Centre, Queensway Government Offices, Low Block, Ground Floor, 66 Queensway, Hong Kong and at the Publications Section of Census and Statistics Department on 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong.

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Hong Kong Monetary Authority tender results

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Tender date	10 Jan 95
Paper on offer	EF bills
Issue number	Q502
Amount applied	HK\$7,120 MN
Amount allotted	HK\$1,500 MN
Average yield accepted	5.78 PCT
Highest yield accepted	5.79 PCT
Pro rata ratio	About 93 PCT
Average tender yield	5.81 PCT

Hong Kong Monetary Authority

Tenders to be held in the week beginning January 16, 1995

Tender date	17 Jan 95	17 Jan 95
Paper on offer	EF bills	EF bills
Issue number	Q503	H556
Issue date	18 Jan 95	18 Jan 95
Maturity date	19 Apr 95	19 Jul 95
Tenor	91 days	182 days
Amount on offer	\$1,500+300 MN	HK\$800+160 MN

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Hong Kong Monetary Authority money market operations

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	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	1,788	0930	+23
Closing balance in the account	1,230	1000	-276
Change attributable to :		1100	-276
Money market activity	-418	1200	-279
LAF today	-140	1500	-490
		1600	-418

LAF rate 3.75% bid/5.75% offer TWI 121.0 \*-0.6\* 10.1.95

Hong Kong Monetary Authority

EF bills		EF notes/Hong Kong Government bonds				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.06	17 months	2605	6.35	98.59	7.60
1 month	5.22	23 months	2611	6.90	98.49	7.94
3 months	5.73	28 months	3704	6.15	96.09	8.20
6 months	6.51	34 months	3710	7.25	97.73	8.33
12 months	7.16	60 months	5912	8.15	98.26	8.77

Total turnover of bills and bonds - \$30,382 MN

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